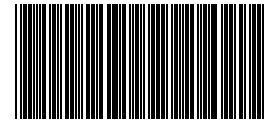




Filed: 5 August 2025 7:38 PM



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Form 40  
UCPR 35.1

### AFFIDAVIT OF Alan Lee Walker - 5 August 2025

#### COURT DETAILS

Court	Supreme Court of NSW
Division	Equity
List	Corporations List
Registry	Supreme Court Sydney
Case number	2025/00090155

#### TITLE OF PROCEEDINGS

First Applicant	Alan Walker, Glenn Livingston & Nicholas Charlwood, as joint and several voluntary administrators of the Second to Fourteenth Plaintiffs
Second Applicant	Holistic Development Pty Ltd (Administrators Appointed) ACN 621 106 287
Number of Applicants	4

#### FILING DETAILS

Filed for	Alan Walker, Glenn Livingston & Nicholas Charlwood, as joint and several voluntary administrators of the Second to Fourteenth Plaintiffs, Applicant 1 Holistic Development Pty Ltd (Administrators Appointed) ACN 621 106 287, Applicant 2 Finnish Early Childhood Education (Gosford) Pty Ltd (Administrators Appointed) ACN 643 367 720, Applicant 3 Finnish Early Childhood Education (St Leonards) Pty Ltd (Administrators Appointed) ACN 645 781 460, Applicant 4
Legal representative	Brit Ibanez
Legal representative reference	
Telephone	0421355503

#### ATTACHMENT DETAILS

In accordance with Part 3 of the UCPR, this coversheet confirms that both the Affidavit (General) (e-Services), along with any other documents listed below, were filed by the Court.

Affidavit (UCPR 40)-Alan Lee Walker-05 Aug 2025 (Affidavit of Alan Walker - 2025 08 05 (Signed)  
3472-6990-1628 v.7.pdf)

[attach.]

Form 40 (version 6)  
UCPR 35.1

## **AFFIDAVIT OF ALAN LEE WALKER 5 AUGUST 2025**

### **COURT DETAILS**

Court	Supreme Court of NSW
Division	Equity
List	Corporations
Registry	Sydney
Case number	2025/00090155

### **TITLE OF PROCEEDINGS**

First plaintiffs	<b>Alan Walker, Glenn Livingstone and Nicholas Charlwood in their capacity as Joint and Several Voluntary Administrators of Finnish Early Childhood Education (Australia) and the Third to Seventeenth Plaintiffs named in the Schedule</b>
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Number of plaintiffs (if more than two)	<b>17</b>
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### **FILING DETAILS**

Filed for	Plaintiffs
Legal representative	Brit Ibanez, Hamilton Locke
Legal representative reference	48291
Contact name and telephone	Ben Fisher, +61 431 052 603
Contact email	Ben.Fisher@hamiltonlocke.com.au



**AFFIDAVIT**

**Name** Alan Lee Walker  
**Address** WLP Restructuring, Suite 19 02, Level 19, 1 Castlereagh Street, Sydney NSW 2000  
**Occupation** Registered Liquidator and Chartered Accountant  
**Date** 5 August 2025

I, Alan Lee Walker, of WLP Restructuring, at Suite 19 02, Level 19, 1 Castlereagh Street Sydney NSW 2000, affirm.

- 1 I am a partner of the advisory and restructuring firm trading as WLP Restructuring (WLP). I am one of the joint and several liquidators of the Third, Fourth, Fifth, Sixth, Seventh, Ninth, Eleventh, Fourteenth and Fifteenth Plaintiffs and the joint and several administrator of Second, Eighth, Tenth, Twelfth, Thirteenth, Sixteenth and Seventeenth Plaintiffs, together with Glenn Livingston and Nicholas Charlwood (Administrators).
- 2 This is my third affidavit in these proceedings. I affirmed my first affidavit in this Proceeding on 6 March 2025 (First Affidavit) and my second affidavit in this Proceeding on 7 March 2025 (Second Affidavit). I adopt the terms defined in my First Affidavit and Second Affidavit.
- 3 Where I express an opinion in this affidavit, I have spoken to Mr Livingstone and Mr Charlwood about that opinion, and I believe they share my opinion. Mr Livingstone and Mr Charlwood have authorised me to express the collective views of the Administrators in this affidavit. Where I use the term 'we' in this affidavit, I am referring to Glenn Livingstone, Nicholas Charlwood and myself collectively.
- 4 I make this affidavit in support of the relief sought by the Plaintiffs in the Interlocutory Application filed in these proceedings together with this affidavit, namely orders under section 439A(6) of the Act, extending the Convening Periods for the Eighth, Tenth and Twelfth Plaintiffs to 12 November 2025 (Interlocutory Application).
- 5 Unless the convening period is extended, the second meeting of the Eighth, Tenth and Twelfth Plaintiffs (as adjourned for 45 business days pursuant to r 75-140(3) of the *Insolvency Practice Rules (Corporations) 2016* (Cth)) is required to be held on or before 20 August 2025.
- 6 For the reasons outlined in this affidavit, the Administrators consider that it is in the best interests of the creditors of the Eighth, Tenth and Twelfth Plaintiffs for the Convening Period to be extended up to and including 12 November 2025.




- 7 Unless otherwise stated, I make this affidavit from my own knowledge and from information I, and staff members operating under my supervision at WLP, have obtained through my role as one of the Administrators, which I believe to be true.
- 8 Exhibited to me at the time of making this affidavit is an electronic bundle of documents to which I make reference to in this affidavit marked "ALW-3". A reference to a page number in this affidavit is a reference to the relevant page of Exhibit ALW-3, unless otherwise stated.
- 9 Generative artificial intelligence has not been used in preparing the contents of this affidavit or its exhibits.

#### **First Extension**

- 10 On 10 March 2025 orders were made in this Proceeding, amongst other things, extending the date of the Convening Periods for the Second to Seventeenth Plaintiffs to 11 June 2025.

#### **Sale Process**

- 11 As deposed at paragraph 52 of my First Affidavit, as at the date of my First Affidavit the Administrators were of the view that the strategy most likely to achieve the best return for creditors of the HEI Group of Companies was a sale of the business(es) of the HEI Group of Companies as a going concern to third parties.
- 12 As set out in paragraph 20 of my First Affidavit, each of the Fourth to Seventeenth Plaintiffs administered a single early childcare centre.
- 13 Between 20 February 2025 and 6 March 2025, the Administrators conducted a sale process including an expression of interest campaign (EOI Campaign) in respect of the businesses operated by each of the Fourth to Fifteenth Plaintiffs.
- 14 Following the conclusion of the expression of interest campaign, between 7 March 2025 and 24 July 2025 the Administrators:
- (a) conducted a due diligence period for interested parties to review the data rooms prepared for the Fourth, Fifth, Seventh, Eighth, Ninth, Tenth, Twelfth, Thirteenth, Fourteenth, Sixteenth and Seventeenth Plaintiffs;
  - (b) located potential buyers for the centres operated by the Fourth, Fifth, Seventh, Eighth, Ninth, Tenth, Twelfth, Thirteenth, Fourteenth, Sixteenth and Seventeenth Plaintiffs;
  - (c) responded to information requests by potential buyers for the centres operated by the Fourth, Fifth, Seventh, Eighth, Ninth, Tenth, Twelfth, Thirteenth, Fourteenth, Sixteenth and Seventeenth Plaintiffs; and




(d) entered into asset sale agreements in respect of the centres operated by the Fourth, Fifth, Eighth, Ninth, Thirteenth, Fourteenth, Sixteenth and Seventeenth Plaintiffs

- 15 The Administrators received no offers in respect of the centres operated by the Sixth, Eleventh and Fifteenth Plaintiffs
- 16 Of the centres in relation to which a buyer was found, the sales in respect of the business of the
- (a) Fourth, Fifth, Eighth, Ninth, Thirteenth, Fourteenth, Sixteenth and Seventeenth Plaintiffs have successfully completed, with the sales concerning the Eighth, Thirteenth, Sixteenth and Seventeenth Plaintiffs completing after the Second Meetings were held;
  - (b) Seventh Plaintiff was unable to be completed and is discussed in more detail at paragraph 31(b) below; and
  - (c) Tenth and Twelfth Plaintiffs fell through after the Second Meetings were held.

**Further extension of the convening period**

- 17 For the reasons set out below, the Administrators seek to further extend the Convening Period in respect of the Eighth, Tenth and Twelfth Plaintiffs to 12 November 2025 because:
- (a) the Administrators consider that they can locate an alternative purchaser for the centres operated by the Tenth Plaintiff (Finnish Early Childhood Education (Gosford) Pty Ltd (Administrators Appointed) (FEC Gosford)) and the Twelfth Plaintiff (Finnish Early Childhood Education (St Leonards) Pty Ltd (Administrators Appointed) (FEC St Leonards)) and require additional time complete the re-commenced sale process that they have begun to achieve this; and
  - (b) the Eighth Plaintiff, Holistic Development Pty Ltd (Administrators Appointed), in addition to operating its own centre (the sale of which has successfully completed) is the registered service provider which receives government subsidies and funding for each of the centres operated by the Fourth to Seventeenth Plaintiffs, which includes the centres operated by FEC Gosford and FEC St Leonard.

**Plaintiffs 10 and 12: FEC Gosford and FEC St Leonards**

- 18 The Administrators took the following steps to sell the business of FEC Gosford and FEC St Leonards:

- (a) Engaged 'Lilley Childcare Sales' (Lilley) to conduct a formal campaign to sell FEC Gosford and FEC St Leonards
- (b) Carried out an EOI Campaign, which closed on 8 March 2025. This EOI Campaign resulted in
  - (i) 102 enquiries for FEC Gosford, and
  - (ii) 84 enquires for FEC St Leonards
- (c) Following the close of the EOI Campaign, the Administrators permitted several parties to undertake further due diligence
- (d) On 24 March 2025, upon completion of the initial due diligence period, the Administrators accepted a conditional offer from Jarra Childcare Trust (Jarra) to purchase the businesses of FEC Gosford, FEC St Leonards, and three other Victorian based entities over which the Administrators were appointed (Jarra Offer).
- (e) The Jarra Offer was conditional on a further 21-day due diligence period, the assignment of leases, the transfer of service approvals and no material adverse change (e.g. minimum staff retention and continued compliance).
- (f) Between March and April 2025:
  - (i) Jarra undertook due diligence;
  - (ii) the Administrators responded to multiple information requests;
  - (iii) meetings between Jarra and the Administrators were held on 17 April 2025 and 14 May 2025; and
  - (iv) on 14 May 2025, Jarra advised the Administrators that further time was required to conduct site inspections and carry out lease negotiations.
- (g) In May, the Administrators received a competing offer from Pakenham ELC Pty Ltd (Twinklekids) to purchase the business of the same five entities the subject of the Jarra Offer (which relevantly included the businesses of FEC Gosford and FEC St Leonards) (Twinklekids Offer).
- (h) Also in May, the Administrators granted Jarra and Twinklekids access to the data files for the businesses of the five entities the subject of the Jarra Offer and the Twinklekids Offer, arranged further site visits and facilitated further landlord discussions.



- (i) In early June 2025 Twinklekids emerged as the preferred buyer. The Jarra Offer was considered unworkable as it required large landlord-funded capital works for the premises. Jarra formally withdrew the Jarra Offer in June 2025.
- (j) During the period between the withdrawal of the Jarra Offer and the Second Meeting of the Tenth and Twelfth Plaintiffs (17 June 2025), the Administrators continued negotiations with Twinklekids to purchase the businesses of relevantly, FEC Gosford and FEC St Leonards.

19 On 17 June 2025, the Administrators adjourned the Second Meeting for FEC Gosford and FEC St Leonards to allow them to continue to negotiate with Twinklekids. However as negotiations developed, Twinklekids:

- (a) prioritised the purchase of the businesses of the three Victorian entities,
- (b) made numerous reductions to its offer in respect of the businesses of FEC Gosford and FEC St Leonards,
- (c) stalled their submissions to the landlord for FEC St Leonards,
- (d) delayed their site visits for FEC Gosford and FEC St Leonards; and
- (e) eventually, on 16 July 2025 formally withdrew their offer to purchase the businesses of FEC Gosford and FEC St Leonards. A copy of an email from the Operations Manager of Twinklekids is at page 1 of Exhibit ALW-3.

20 After Twinklekids withdrew their offer to purchase the businesses of FEC Gosford and FEC St Leonards, the Administrators:

- (a) instructed Lilley to approach parties who had lodged expressions of interest to determine if there was still in interest and to recommence the EOI Campaign;
- (b) updated due diligence materials and instructed key staff to prepare for a further EOI Campaign;
- (c) on 22 July 2025, recommenced the EOI Campaign, with the lodgement of expressions of interests closing on 5 August 2025; and
- (d) between 22 July 2025 and 5 August 2025, facilitated site visits, responded to enquiries from interested parties and amended due diligence materials as required.

21 As at 4 August 2025, 52 enquiries and one formal offer have been received for FEC Gosford and 36 enquiries have been received in respect of FEC St Leonards.



22 If the Convening Periods of the Eighth, Tenth and Twelfth Plaintiffs are extended, the Administrators estimate the sale of the businesses of FEC Gosford and FEC St Leonards will proceed on the following timeline

- (a) between 5 and 8 August 2025, the Administrators will receive non-binding expressions of interest from which they will prepare a short list of potential purchasers (Short-Listed Parties).
- (b) between 11 and 15 August 2025, the Administrators will negotiate sale terms and conditions with the Short-Listed Parties.
- (c) between 18 to 22 August 2025, the Administrators will issue draft copies of the asset sale agreement (ASA) to the successful bidder and continue legal and commercial negotiations as required until such a time as a buyer enters into an ASA.
- (d) on or around 25 August 2025 following entry into an ASA, the Administrators and the purchaser will notify the regulatory body of the impending transfer and will submit form PA09 to the Department of Education to approve the "service approval holder" transfer from Holistic Developments to the purchaser (Transfer Application), and
- (e) approval of the transfer can take up to 85 days during which time, the Administrators will complete the following handover tasks
  - (i) transferring employees,
  - (ii) notifying customers and statutory bodies,
  - (iii) conducting onsite introductory meetings,
  - (iv) transferring service accounts, and
  - (v) negotiating the assignment of the leases.

23 In my opinion, based on the conduct of the administration to date, and in particular on the basis of the 60 day approval process for the transfer, as well as my experience described at paragraphs 59 to 60 in my First Affidavit, I expect the process set out at paragraph 22 above to take up to approximately three to four months from the date of this affidavit

*Plaintiff 8: Holistic Development*

24 The asset sale for the centre operated by Holistic Development completed on 25 July 2025, being after the adjourned Second Meeting

25 Notwithstanding the fact that the asset sale has completed, the Administrators seek to extend the Convening Period for Holistic Developments because:

- (a) Holistic Developments is registered with the State of NSW as the 'service approval holder' for FEC Gosford and FEC St Leonards. This means that Holistic Developments collects subsidies on behalf of FEC Gosford and FEC St Leonards, which are then paid to FEC Gosford and FEC St Leonards
- (b) If Holistic Developments enters liquidation prior to the sale of the businesses of FEC Gosford and FEC St Leonards:
  - (i) these businesses may experience complications arising from the liquidation of the 'service approval holder', including, but not limited to, services being suspended and disruptions to receipt of government funds, and
  - (ii) there is a risk that any proposed sale of FEC Gosford and FEC St Leonards will be compromised and the return to creditors diminished as a result.

26 Upon the completion of the asset sale of FEC Gosford and FEC St Leonards, the Administrators' intention is to call the Second Meeting for Holistic Developments and allow the creditors to vote on the company's future, with the likely outcome that Holistic Developments will be wound-up, but with the benefit for creditors of the sale proceeds of the sale of the going concern. As I describe below at paragraph 56, the Administrators intend to seek creditor approval to make a pooling determination in respect of the entire group and make distributions accordingly.

#### **Second Meetings of Creditors**

##### ***Second Meeting – Plaintiffs 4, 5, 9 and 14***

27 The Second Meeting for:

- (a) the Fourth Plaintiff was held on 20 May 2025,
- (b) the Fifth Plaintiff and the Fourteenth Plaintiff was held on 14 May 2025,
- (c) the Ninth Plaintiff was held on 5 June 2025.

28 At each of the above meetings, the respective Second Meetings for each of the Administrators recommended, and creditors resolved, to place the Companies into liquidation.

##### ***Second Meeting – Plaintiffs 3, 6, 7, 11 and 15***

29 The Second Meetings for

(a) the Sixth, Eleventh and Fifteenth plaintiffs were held on 5 June 2025; and

(b) the Third and Seventh plaintiffs were held on 17 June 2025

30 At each of the above Second Meetings, the Administrators recommended, and creditors resolved, to place the Companies into liquidation

31 In respect of the Third Plaintiff, the Administrators recommended that it be placed into liquidation because it had no assets but provided administrative support to the Fourth and Seventh plaintiffs and was kept operations whilst the Administrators negotiated the sale of the Fourth and Seventh plaintiffs. The Administrators

(a) have completed the sale of the Fourth plaintiff; and

(b) received an offer to purchase the business of the Seventh plaintiff which was conditional on the successful novation of the lease of the premises from which the Seventh plaintiff operated. The Administrators were unable to negotiate a successful novation with the landlord and, as no other offers were received, the Administrators ceased operations on 4 April 2025 and subsequently sold the residual assets of value to the Sixteenth plaintiff and disclaimed the lease

32 Having regard to the preceding paragraph, the Administrators considered that there was no reason to keep the Third plaintiff operational any longer

33 In respect of the Sixth, Eleventh and Fifteenth Plaintiffs, the Administrators did not receive any offers to purchase their assets and did not consider that there was any prospect of receiving any offers prior to 5 June 2025, being the date scheduled for the Second Meetings for each of those companies. Therefore, the Administrators recommended that they be placed into Liquidation at their respective Second Meetings

*Second Meeting – Plaintiffs 13, 16 and 17*

34 The Second Meeting for

(a) the Sixteenth and Seventeenth Plaintiffs was held on 17 June 2025; and

(b) the Thirteenth plaintiff was held on 18 June 2025.

35 At the respective Second Meetings for each of the Thirteenth, Sixteenth and Seventeenth Plaintiffs, the Administrators adjourned the Second Meetings for 45 business days pursuant to r 75-140(3) of the *Insolvency Practice Rules (Corporations) 2016* (Cth) to enable asset sale agreements for the assets of each of these companies to complete.

- 36 In respect of the Sixteenth and Seventeenth Plaintiffs, the asset sale agreements completed on 11 July 2025. In respect of the Thirteenth Plaintiff, the asset sale agreement completed on 1 August 2025.
- 37 The Administrators are likely to recommend that the Thirteenth, Sixteenth and Seventeenth Plaintiffs be placed into liquidation at their respective resumed Second Meetings.

*Second Meetings – Plaintiffs 8, 10 and 12*

- 38 The Second Meetings for each of the Eighth, Tenth and Twelfth Plaintiffs were held on 17 June 2025. The Report to Creditors in respect of these companies (and two other companies) (Report to Creditors) is at pages 2 to 176 of Exhibit ALW-3.
- 39 As set out on pages 17, 21 and 24 of the Report to Creditors (being exhibit pages 21, 26, 28), the Administrators intended to adjourn the Second Meetings for each of these Plaintiffs because the Administrators were engaged in negotiations with prospective buyers regarding the sale of these businesses and these negotiations were at an advanced stage.
- 40 After the Report to Creditors was issued and before their respective Second Meetings, the sales of the businesses of the Eighth, Tenth and Twelfth Plaintiffs did not complete for the reasons described in paragraphs 19 and 20 above.
- 41 As described above at paragraphs 18 to 26, since the Second Meetings, the asset sale regarding the trading business of Holistic Development has completed, while the sales for FEC Gosford and FEC St Leonards failed and new campaigns are in progress as described above, in particular at paragraphs 20 and 22.
- 42 Accordingly, at the respective Second Meetings for each of the Eighth, Tenth and Twelfth Plaintiffs, the Administrators adjourned the Second Meetings for 45 business days pursuant to r 75-140(3) of the *Insolvency Practice Rules (Corporations) 2016* (Cth) to commence a new sales process. A copy of the minutes of the adjourned Second Meetings of the Eighth, Tenth and Twelfth Plaintiffs is at pages 177 to 201 of Exhibit ALW-3.

*Second Meeting – Second Plaintiff*

- 43 As set out in paragraph 17 of my First Affidavit, the Second Plaintiff is the parent company of the HEI Group of Companies which includes the Fourth to Seventeenth plaintiffs.
- 44 The Second Meeting for the Second Plaintiff was held on 18 June 2025.

- 45 At the Second Meeting for the Second Plaintiff, the Administrators adjourned the Second Meeting for 45 business days pursuant to r 75-140(3) of the *Insolvency Practice Rules (Corporations) 2016 (Cth)* to enable the sale of the Second Plaintiff's subsidiaries' businesses to complete (Subsidiary Sales). Each of the Third to Seventeenth Plaintiffs are either direct or indirect subsidiaries of the Second Plaintiff. The Administrators believed that upon the completion of the Subsidiary Sales, the Administrators would have a more accurate picture of the Second Plaintiff's financial position and impact on sales of related entities, which would enable them to provide a considered opinion in their report to creditors pursuant to s 439A of the Corporations Act in respect of the Second Plaintiff.
- 46 The Administrators have subsequently formed the view that liquidation of the Second Plaintiff will not adversely affect the ongoing sales of the business of the trading companies which have not completed and are the subject of this application. This is because
- (a) critical government subsidies and funding (namely the Child Care Subsidy and Start Strong Kindergarten Funding) will not be affected by the Second Plaintiff's liquidation, and
  - (b) the Second Plaintiff's liquidation will not impact any lease relevant to those sales
- 47 Accordingly, the Administrators do not seek any further extension with respect to the Second Plaintiff.
- 48 I have prepared the below table summarising, amongst other things, the date and outcome of the Second Meetings for each of the Second to Seventeenth Plaintiffs

Plaintiff No.	Company Name	Asset Sale Completion Date	Second Meeting Date	Outcome of Second Meeting
2	Finnish Early Childhood Education (Australia) Pty Ltd (Administrators Appointed) ACN 630 629 435	N/A	18 June 2025	Adjourned to on or before 21 August 2025
3	ILO Early Learning (Australia) Pty Ltd (Liquidators Appointed) ACN 649 081 069	N/A	17 June 2025	Liquidation
4	ILO Early Learning (Kurunjang) Pty Ltd (Administrators Appointed) ACN 649 106 909	28 March 2025	20 May 2025	Liquidation
5	Finnish Early Childhood Education (Dandenong) Pty Ltd (Liquidators Appointed) ACN 630 411 675	5 May 2025	30 May 2025	Liquidation

Plaintiff No.	Company Name	Asset Sale Completion Date	Second Meeting Date	Outcome of Second Meeting
6	Finnish Early Childhood Education (Hampton Park) Pty Ltd (Liquidators Appointed) ACN 637 712 951	N/A	5 June 2025	Liquidation
7	ILO Early Learning (Bailan) Pty Ltd (Liquidators Appointed) ACN 652 090 485	N/A	17 June 2025	Liquidation
8	Holistic Development Pty Ltd (Administrators Appointed) ACN 621 106 287	25 July 2025	17 June 2025	Adjourned to on or before 20 August 2025
9	Finnish Early Childhood Education (Norlane) Pty Ltd (Liquidators Appointed) ACN 630 411 791	16 May 2025	5 June 2025	Liquidation
10	Finnish Early Childhood Education (Geofford) Pty Ltd (Administrators Appointed) ACN 643 367 720	N/A	17 June 2025	Adjourned to on or before 20 August 2025
11	Finnish Early Childhood Education (Charlotte) Pty Ltd (Liquidators Appointed) ACN 646 582 881	N/A	5 June 2025	Liquidation
12	Finnish Early Childhood Education (St Leonards) Pty Ltd (Administrators Appointed) ACN 645 781 460	N/A	17 June 2025	Adjourned to on or before 20 August 2025
13	Finnish Early Childhood Education (Brunswick East) Pty Ltd (Administrators Appointed) ACN 641 722 607	1 August 2025	18 June 2025	Adjourned to on or before 21 August 2025
14	Finnish Early Childhood Education (Ballarat Central) Pty Ltd (Liquidators Appointed) ACN 649 365 006	22 April 2025	30 May 2025	Liquidation
15	Finnish Early Childhood Education (Armstrong Creek) Pty Ltd (Liquidators Appointed) ACN 660 649 374	N/A	5 June 2025	Liquidation
16	Finnish Early Childhood Education (Waurn Ponds) Pty Ltd (Administrators Appointed) ACN 638 461 579	11 July 2025	17 June 2025	Adjourned to on or before 20 August 2025
17	Finnish Early Childhood Education (Longwarry) Pty Ltd (Administrators Appointed) ACN 637 227 546	11 July 2025	17 June 2025	Adjourned to on or before 20 August 2025

#### Administrators' opinion regarding the extension sought

49 Having regard to the matters set out above, the Administrators consider that a further extension of the convening period is necessary to provide the Administrators






with sufficient time to negotiate a sale of the FEC Gosford and FEC St Leonards businesses with an alternative buyer

50 I am of the view, and I understand it to be the view of Mr Livingstone and Mr Chartwood, that it is desirable to extend the convening period to 12 November 2025 to allow the Administrators to consider all the expressions of interest and the offers it has since received to purchase those businesses

51 The Administrators consider that a sale of the FEC Gosford and FEC St Leonards businesses is more likely to achieve a better return to creditors than if those businesses are placed into liquidation for the reasons set out in paragraph 61 of my First Affidavit. The Administrators consider that the matters set out at paragraph 61 of my First Affidavit continue to remain relevant to the proposed sale of the businesses of FEC Gosford and FEC St Leonards.

52 In other words, for the reasons set out at paragraph 61 of my First Affidavit, we believe the proposed sale of the businesses of FEC Gosford and FEC St Leonards will achieve a better return for the creditors of those companies if the Convening Periods are extended and the businesses are sold as going concerns, as opposed to if they are sold after the companies are placed into liquidation.

53 In relation to Holistic Development, notwithstanding the fact the asset sale agreement for Holistic Development has completed, for the reasons set out in paragraphs 24 to 26 above, the Administrators consider an extension of the Convening Period of Holistic Development is necessary to facilitate the sale of FEC Gosford and FEC St Leonards.

54 If the Convening Periods are not extended for FEC Gosford and FEC St Leonards and Holistic Development, the Administrators will recommend creditors vote in favour of them being placed into liquidation at their respective resumed Second Meetings. I consider that if that happens the return to creditors will be less than it would have been if those businesses were sold

#### **Prejudice to Creditors**

55 The Administrators are not aware of any creditor or stakeholder who would be adversely affected by the extension sought.

56 The extension of Holistic Developments' Convening Period will not prejudice its creditors because the Administrators will not distribute any proceeds of any company in the group until after the process has concluded. Further, it is the Administrators' intention to seek creditor approval to make a pooling determination and make distributions after that process

- 57 The landlords of FEC Gosford and FEC St Leonards will not suffer prejudice because of the extension sought because all rent and outgoings are up to date and continue to be paid. The Administrators are in regular communication with the landlords regarding the progress of the sales and proposed further EOI campaign and both are supportive of the process and have indicated their willingness to facilitate and novate the leases as part of any sale the Administrators may achieve
- 58 Further, the Administrators proposed to serve the landlords of FEC Gosford and FEC St Leonards with this application and allow them an opportunity to express any concerns they may have.
- 59 The FEC Gosford and FEC St Leonards businesses continue to trade and the Administrators will continue to pay the employee wages and entitlements. None of the employees of FEC Gosford and FEC St Leonards have been made redundant or have had their roles change from fulltime to casual
- 60 I otherwise refer to the matters at paragraphs 64 to 69 of my First Affidavit where I set out why the Administrators considered there to be no prejudice to creditors or stakeholders (save from employees who have been made redundant or whose roles have changed from fulltime to casual, on the basis that their employee entitlements remain outstanding). Each of the matters set out therein remains true and correct and the Administrators consider that they continue to apply in relation to the proposed extension.

#### Notice

- 61 The Administrators will cause notice of this Application to be issued to the creditors of the Eighth, Tenth and Twelfth Plaintiffs as well as ASIC.

AFFIRMED at SYDNEY

Signature of deponent

Name of witness

Address of witness

Capacity of witness

Angus Verheul

Level 37, 180 George Street, Sydney NSW 2000

Solicitor

And as a witness, I certify the following matters concerning the person who made this affidavit (the deponent):

1 I saw the face of the deponent.

2 I have confirmed the deponent's identity using the following identification document:

Drivers licence

Identification document relied on (may be original or certified copy)

Signature of witness

The affidavit was signed in counterpart and witnessed over audio visual link in accordance with section 14G of the *Electronic Transactions Act 2000* (NSW)



**EXHIBIT "ALW-3"**

**AFFIDAVIT OF ALAN LEE WALKER 5 AUGUST 2025**

**COURT DETAILS**


Court	Supreme Court of NSW
Division	Equity
List	Corporations
Registry	Sydney
Case number	2025/00090155

**TITLE OF PROCEEDINGS**

First plaintiffs	<b>Alan Walker, Glenn Livingstone and Nicholas Charlwood in their capacity as Joint and Several Voluntary Administrators of Finnish Early Childhood Education (Australia) Pty Ltd (Administrators Appointed) and the Third to Seventeenth Plaintiffs named in the Schedule</b>
Number of plaintiffs (if more than two)	17

**CERTIFICATE IDENTIFYING EXHIBIT**

This is the exhibit marked "ALW-3" referred to in the affidavit of Alan Lee Walker affirmed before me on 5 August 2025.

Signature of witness	
Name of witness	Angus Verheul
Address of witness	Level 37, 180 George St SYDNEY NSW 2000
Capacity of witness	Solicitor

**From:** [Ella Stephanie](#)  
**To:** [John Thompson](#)  
**Cc:** [Hayli Tong](#)  
**Subject:** Re: Offer on St Leonards and Gosford  
**Date:** Wednesday, 16 July 2025 2:36:06 PM  
**Attachments:** [image001.png](#)

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Hi John,

Thank you for your offer.

After careful consideration, we have decided not to proceed with the centres in Sydney.

Our team will be focusing on Melbourne, so please do let us know if any future opportunities arise in this area.

Kind Regards,

**Ella**

**Operations Manager**



**Pakenham Twinklekids Early Learning Centre**

**Email:** [accounts@twinklekidselc.com.au](mailto:accounts@twinklekidselc.com.au)

**Website:** <http://twinklekidselc.com.au/>

**Phone:** (03) 5941 9532

**Address:** 150 Princes Hwy, Pakenham VIC 3810



## **Voluntary Administrators' Report to Creditors**

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

### **Administrators**

Alan Walker, Nicholas Charlwood & Glenn Livingstone

**6 June 2025**

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

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

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

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

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

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

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ANNEXURE	DESCRIPTION
A	Notice of the Second Meeting of Creditors
B	Administrators' Remuneration Report
C	Summary Receipts and Payments
D	Proxy Form
E	Proof of Debt Form
F	Creditor Information Sheet
G	Group Entities in Administration

## 01

## GLOSSARY OF TERMS

TERM	DESCRIPTION
\$	Australian Dollars
ACN	Australian Company Number
Act	Corporations Act 2001 (Cth)
Administration	The Voluntary Administration of the Companies
Administrators	Glenn Livingstone, Nicholas Charlwood and Alan Walker
ARITA	Australian Restructuring, Insolvency & Turnaround Association
ASIC	Australian Securities & Investments Commission
ATO	Australian Taxation Office
BAS	Business Activity Statement required by the TAA and the GST Act
BOM	Bank of Melbourne
c.	Circa
Code	ARITA Code of Professional Practice
COI	Committee of Inspection
Companies	Holistic Development Pty Ltd (Administrators Appointed) Finnish Early Childhood Education (Gosford) Pty Ltd (Administrators Appointed) Finnish Early Childhood Education (St Leonards) Pty Ltd (Administrators Appointed) Finnish Early Childhood Education (Longwarry) Pty Ltd (Administrators Appointed) Finnish Early Childhood Education (Waurin Ponds) Pty Ltd (Administrators Appointed)
Convening Period	The period in which the Second Meeting must be convened
DEWR	Department of Employment and Workplace Relations
Director	Kam Ming Yu
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities, pursuant to section 436DA of the Act and Code
DOA	Date of appointment of the Administrators being 11 February 2025
DOCA	Deed of Company Arrangement
DPN	Director Penalty Notices issued by the ATO
EOI	Expression of Interest
ERV	Estimated Realisable Value
FEG	Fair Entitlements Guarantee
Finnish Australia	Finnish Early Childhood Education (Australia) Pty Ltd (Administrators Appointed)
First Meeting	First meeting of creditors held on 21 February 2025 (Holistic/Gosford/St. Leonards) First meeting of creditors held on 11 March 2025 (Longwarry & Waurin Ponds)
FY	Financial year
Gosford Group	Finnish Early Childhood Education (Gosford) Pty Ltd (Administrators Appointed) 16 entities within Finnish Early Childcare group in Administration under the control of the Administrators, as detailed in Annexure G.

GST	Goods and Services Tax payable pursuant to the GST Act
GST Act	A New Tax System (Goods and Services Tax) Act 1999 (Cth)
Head Office	Finnish Early Childhood Education (Australia) Pty Ltd (Administrators Appointed) and ILO Early Learning (Australia) Pty Ltd (Administrators Appointed)
HEI Schools	Helsinki International Schools Group Oy BIC 2722710-9
Holistic	Holistic Development Pty Ltd (Administrators Appointed)
IAS	Installment Activity Statement
ILO Australia	ILO Early Learning (Australia) Pty Ltd (Administrators Appointed)
Initial Notice	Our initial notice to creditors dated 13 February 2025
IPR	<i>Insolvency Practice Rules (Corporations) 2016</i> (Cth)
ITAA	<i>Income Tax Assessment Act 1997</i> (Cth)
k	Thousand \$
Longwarry	Finnish Early Childhood Education (Longwarry) Pty Ltd (Administrators Appointed)
M	Million \$
Management Accounts	Accounts maintained by the Companies on Quickbooks software
Management	Senior management group at ILO Australia and Finnish Australia
NES	National Employment Standards
NSW	New South Wales
PAYG	Pay as you go
PILN	Payment in Lieu of Notice
POD	Proof of debt form
PPSA	<i>Personal Property Securities Act 2009</i> (Cth)
PPSR	Personal Property Securities Register maintained pursuant to the PPSA
Report	This report of 6 June 2025 pursuant to IPR 75-225
ROCAP	Report on Companies Activities and Property
Sales Broker	Doug Lilley of Lilley Childcare Sales Pty Ltd
Second Meeting	Second meeting of creditors held pursuant to IPR 75-225 and section 439A of the Act, where creditors determine the future of the Companies.  The Second Meeting will be held at <b>10:00 AM (AEST) on Tuesday, 17 June 2025</b>
SRO	State Revenue Office – Victoria
St. Leonards	Finnish Early Childhood Education (St Leonards) Pty Ltd (Administrators Appointed)
TAA	Tax Administration Act 1953 (Cth)
VIC	Victoria
Waurin Ponds	Finnish Early Childhood Education (Waurin Ponds) Pty Ltd (Administrators Appointed)
YTD	Year to date

## 02

## EXECUTIVE SUMMARY

QUESTION	EXPLANATION
<b>What did the Companies do?</b>	<p>The Companies operated early learning centres, delivering childcare and kindergarten services from leased premises located at several sites around NSW and VIC.</p> <p>The Companies operated under the ILO education framework under licence from HEI Schools.</p>
<b>What is the current status of the Companies?</b>	<p>On 11 February 2025, Alan Walker, Nicholas Charlwood and Glenn Livingstone were appointed as Administrators by the Companies' sole Director in accordance with s 436A of the Act.</p>
<b>Who is in control of the Companies?</b>	<p>On appointment, the Administrators assumed control of the Companies' businesses and affairs.</p> <p>The Director's powers in relation to the Companies' property and affairs are suspended during the Administration.</p> <p>The Administrators were also appointed over 11 other entities in the Group.</p>
<b>What is happening with the Companies' business and assets?</b>	<p>On appointment, we assessed the Companies' short-term financial viability and considered whether we could preserve the businesses to run an accelerated business sale campaign and / or to allow time for a DOCA proposal to be formulated.</p> <p>A review of the Companies' and Groups' financial position indicated that they were not generating sufficient cash flow to fund the Group's operations. To assist with working capital funding, the Administrators firstly funded the payment of wages by providing loans to the Group and secondly by securing external funding from an independent financier to fund working capital.</p> <p>Further, the Administrators secured support from the key stakeholders, including the Group's leadership team, employees, Head Office staff and families that allowed the Centres to continue operating.</p> <p>The Administrators have identified several prospective buyers for all of the Companies and are at an advanced stage of negotiations to finalise the sales.</p>
<b>Proposed Sale of businesses</b>	<p>Following our appointment, we engaged the Sales Broker, who is a specialist business broker with expertise in the childcare sector, to advertise and market the Companies' business and assets for sale.</p> <p>The Companies were advertised through a two-week campaign, with expressions of interest closing on 6 March 2025.</p> <p>At the conclusion of the campaign several offers were received for Emerald, Gosford, St Leonards, Waurin Ponds and Longwarry. The Administrators have since held discussions with the proposed buyers,</p>



QUESTION	EXPLANATION
	<p>conducted site visits, and engaged in extensive due diligence processes for the Centres. Negotiations are still ongoing with sales expected to be finalised in the coming weeks once the lease negotiations are complete.</p> <p>The sale of Longwarry and Waurin Ponds has provisionally been agreed between the Administrators and the proposed buyer. Due to the commercially sensitive nature of the sale, the Administrators are unable to disclose this sensitive information. Further information will be provided to creditors at a later date when we issue our supplementary report to creditors.</p>
<p><b>Has a DOCA proposal been put forward for creditors to consider?</b></p>	<p>At the commencement of the Administration, the Director expressed his intention to propose a DOCA for the Group. The Director engaged a specialist business advisory firm to assist in preparing the DOCA proposal and had several meetings with the Administrators as part of this process.</p> <p>After several other centres within the Group had sold, the Director withdrew his intention to submit a proposal involving the Companies other than Holistic where there remains a possibility of a DOCA proposal.</p>
<p><b>When is the Second Meeting of creditors?</b></p>	<p>The Administrators made an application to the Supreme Court of New South Wales on 7 March 2025 seeking an extension to the convening period for the second meeting of creditors. On 10 March 2025, the Court granted the application and made orders extending the convening period to 11 June 2025 (3 months).</p> <p>Accordingly, the Second Meeting of creditors will be held on <b>Tuesday, 17 June 2025 at 10:00 AM AEST</b>. A formal notice of this meeting is enclosed at <b>Annexure A</b>.</p> <p>Creditors wishing to attend the meeting are requested to follow the instructions set out in <b>Section 3.4</b> of this Report and return the completed forms contained at <b>Annexures D and E</b> as soon as possible.</p>
<p><b>What is the purpose of the Second Meeting and what will creditors need to do?</b></p>	<p>The purpose of the Second Meeting is to provide an update to creditors on the trading operations of the Companies, the status of the sale of the Companies' assets and provide an estimated outcome for creditors.</p> <p>At the Second Meeting, creditors will decide the Companies' future.</p> <p>As the Administrators have not been provided with a DOCA Proposal for the Companies, the options available to creditors include whether:</p> <ul style="list-style-type: none"> <li>- the Administration should end,</li> <li>- the Companies be wound up, or</li> <li>- The Second Meeting be adjourned for a period of up to 45 business days</li> </ul> <p>The Administrators will also be asking creditors to vote on resolutions for our remuneration for acting as Administrators. No remuneration has been approved or paid to date.</p> <p>Creditors should note that the Chairperson of the Second Meeting have the option to adjourn the meeting for a period of up to 45 business days and it is our intention to do so.</p>

QUESTION	EXPLANATION																								
<b>Why did the Companies become insolvent?</b>	<p>Based on the Administrators' preliminary investigations and discussions with the Director, the Companies' insolvency was primarily caused by the poor financial performance of the Group. Several factors contributed to the Companies' failure, including:</p> <ul style="list-style-type: none"> <li>- Low occupancy levels across the majority of the Group's Centres</li> <li>- Head Office expenses were significantly higher than what was required for a Group of this size</li> <li>- Fixed licensing fees due to HEI Schools</li> <li>- The loss of state government kindergarten funding for all VIC centres</li> <li>- Staffing issues across multiple centres leading to increased costs in casual labor</li> <li>- Poor strategic management decisions, particularly relating to the rapid expansion of new centres, which placed significant strain on the Group's financial and operational resources</li> <li>- High costs associated with expansion, including leasehold improvements, and staffing expenses when the Group was not able to generate any income prior to receiving its Service Approval.</li> </ul>																								
<b>When do the Administrators consider the Companies became insolvent?</b>	<p>Based on our preliminary analysis of the Management Accounts, the Companies were relying on capital invested at the Group level to support working capital requirements.</p> <p>Our investigations indicate that the Group became insolvent between April – June 2024 and remained insolvent up until the DOA.</p> <p>Further details relating to our investigations are set out in <b>Section 8</b> of this Report.</p>																								
<b>Would there be any claims or recoveries in a liquidation?</b>	<p>Our preliminary view on claims or recoveries that could be pursued by a liquidator in the event of a winding up are:</p> <p><b>Holistic</b></p> <table> <tr> <th>Type of claim</th><th>Likelihood</th></tr> <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> </table> <p><b>Gosford</b></p> <table> <tr> <th>Type of claim</th><th>Likelihood</th></tr> <tr> <td>Insolvent trading</td><td>Low</td></tr> <tr> <td>Unfair preferences</td><td>Possible</td></tr> <tr> <td>Uncommercial transactions</td><td>Low</td></tr> <tr> <td>Payments to related parties</td><td>Possible</td></tr> <tr> <td>Breach of duties</td><td>Possible</td></tr> </table>	Type of claim	Likelihood	Insolvent trading	Possible	Unfair preferences	Possible	Uncommercial transactions	Low	Payments to related parties	Possible	Breach of duties	Possible	Type of claim	Likelihood	Insolvent trading	Low	Unfair preferences	Possible	Uncommercial transactions	Low	Payments to related parties	Possible	Breach of duties	Possible
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<b>What is the cost of the Administration?</b>	Refer to <b>Section 5</b> of the Report for information relating to the approval of Administrators' fees.																																				
<b>What is the estimated return to creditors?</b>	Refer to <b>Section 9</b> of the Report for further details relating to the estimated return to creditors.																																				
<b>What is the recommendation to creditors on the future of the Companies?</b>	<p>We are required pursuant to s 438A of the Act to provide an opinion on each of the following:</p> <ul style="list-style-type: none"> <li>– Whether the Administration should end</li> <li>– Whether a DOCA proposal be accepted, or</li> <li>– Whether the Companies should be wound up.</li> </ul>																																				

QUESTION	EXPLANATION
	<p>The Administration cannot end as the Companies are insolvent.</p> <p>No DOCA proposal has been submitted for creditors to consider at this stage, but the Director has informed us that he intends to submit a DOCA proposal for Holistic.</p> <p>In the absence of an adjournment, our recommendation is that the Companies should be wound up. This is because they are insolvent and there is no DOCA proposed at present.</p> <p>Creditors should note that the Chairperson of the Second Meeting have the option to adjourn the meeting for a period of up to 45 business days and it is our intention to do so to allow more time for the sales to be completed and a DOCA proposal for Holistic to be considered.</p>
<p><b>Where can I get more information?</b></p>	<p>If you require any further information, please contact Billy Foley.</p> <p>Email: <a href="mailto:finnisheducation@wlpr.com.au">finnisheducation@wlpr.com.au</a>.</p>

## 03

### THE ADMINISTRATION

#### 3.1 APPOINTMENT OF THE ADMINISTRATORS

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

We were further appointed as Administrators to Longwarry and Waurnd Ponds on 11 March 2025 by the sole Director in accordance with Section 436A of the Act.

#### 3.2 OBJECTIVE OF ADMINISTRATION

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

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

The Administrators are still involved in matters relating to the sale of the Companies' business and assets with the intention of providing a greater return to creditors than would have been achieved by the Companies immediate liquidation.

As Administrators, we are also required to:

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

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

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

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

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

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

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

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

### 3.4 SECOND MEETING OF CREDITORS

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

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

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

Pursuant to s 439A of the Act, the Second Meeting has now been convened for **10:00 AM AEST on Tuesday, 17 June 2025** at the offices of WLP Restructuring Suite 19.02 Level 19, 1 Castlereagh Street, Sydney NSW 2000. Teleconference facilities will be provided on request.

At the Second Meeting, in the absence of a DOCA proposal, creditors will decide the Companies' future by voting on one of the following options:

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

We are required to provide creditors with our opinion as to which outcome of the administration process is in creditors' best interests. Our opinion and recommendations are set out in **section 10** of this Report.

The notice of meeting of creditors is attached (**Annexure A**) along with an appointment of proxy form (**Annexure D**) and a Proof of debt form (**Annexure E**).

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

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

Creditors who wish to participate in the Second Meeting must complete and submit the following forms to this office by **4:00pm AEST on Monday, 16 June 2025**. Forms can be scanned and emailed to [finnisheducation@wlpr.com.au](mailto:finnisheducation@wlpr.com.au). Teleconference call details will be provided on request once the relevant forms listed below have been submitted.

FORM	COMMENTS	ACTION REQUIRED
Appointment of proxy (Form 532)	<ul style="list-style-type: none"> <li>- Corporate creditors must appoint an individual to act on their behalf.</li> <li>- Individuals voting in person are not required to complete this form unless they are appointing a representative to vote on their behalf.</li> <li>- Proxy forms submitted for the First Meeting are not valid for the Second Meeting. A new proxy form must be submitted.</li> </ul>	To be eligible to vote, creditors must submit proxy and proof of debt forms to our office before 4:00 PM AEST on Monday, 16 June 2025.

FORM	COMMENTS	ACTION REQUIRED
Proof of Debt (Form 535)	<ul style="list-style-type: none"> <li>- Creditors must submit documentation to support the amount they have claimed.</li> <li>- Creditors who have already submitted a proof of debt are not required to re-submit a proof of debt form unless their claim has changed.</li> </ul>	

### 3.5 PURPOSE AND BASIS OF THIS REPORT

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

- Details regarding the business, property, affairs and financial circumstances of the entity under administration, and
- The administrators' opinion and recommendation on each of the options available to creditors for the entity.

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

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

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

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

### 3.6 CONTEXT OF THIS REPORT

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

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

## 04

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

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

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

On 3 March 2025 we issued an updated DIRRI to all known creditors of the Companies following our appointment as Administrators over Longwarry and Waurin Ponds which was lodged with ASIC on 7 March 2025. There has been no change in the declaration since.

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



## 05

### EXTERNAL ADMINISTRATORS' REMUNERATION

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

#### Holistic

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

#### Gosford

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

#### St Leonards

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

#### Longwarry

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

#### Waurin Ponds

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

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

More details of our proposed remuneration and the terms of the resolutions to be voted upon at the Second Meeting are included in our Remuneration Approval Report at **Annexure B**. This includes resolutions for our past and future remuneration as Voluntary Administrators. Creditors should complete the proxy forms enclosed with this report at **Annexure D** and return them to [finnish@wlpr.com.au](mailto:finnish@wlpr.com.au) before **4:00 PM on Monday, 16 June 2025**.

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

## 06

### TRADING OF THE COMPANIES' BUSINESS

#### 6.1 TRADING RATIONALE

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

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

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

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

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

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

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

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

## 07

### FINANCIAL POSITION

#### 7.1 FINANCIAL POSITION OF THE COMPANIES

Creditors should read the following information together with the historical financial information set out at **section 8**.

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

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

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

#### 7.2 FINANCIAL POSITION – Holistic

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

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

### 7.2.1 CASH AT BANK

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

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

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

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

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

### 7.2.2 DEBTORS

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

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

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

### 7.2.3 INTERCOMPANY LOANS

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

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

#### 7.2.4 HEAD OFFICE ADMINISTRATION RECEIPTS

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

#### 7.2.5 SALE OF BUSINESS

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

#### 7.2.6 SECURED CREDITORS

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

SECURED PARTY	COLLATERAL CLASS	ROCAP \$	ERV \$
Bizcap AU Pty Ltd	All PAP	168,814	-
<b>TOTAL</b>			-

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

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

On 13<sup>th</sup> February 2025, Bizcap advised they held a secured in the name of the Company for \$168,814.

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

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

#### 7.2.7 PRIORITY EMPLOYEE CREDITORS

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

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

ENTITLEMENTS	AMOUNT \$
Superannuation	84,630
<b>TOTAL</b>	<b>84,630</b>

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

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

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

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

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

#### 7.2.8 UNSECURED CREDITORS

The unsecured creditors include claims for:

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

Our current estimate of these amounts is illustrated below:

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

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

#### **Loans from Group Companies / Shareholders**

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

#### **ATO**

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

#### **Shift Financial Pty Ltd**

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

#### **SRO**

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

#### **DBRE Pty Ltd**

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

#### **Gallagher Bassett Services**

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

#### **Other**

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



## FINANCIAL POSITION – GOSFORD

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

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

### 7.2.1 CASH AT BANK

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

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

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

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

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

### 7.2.2 DEBTORS

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

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

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

### 7.2.3 INTERCOMPANY LOANS

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

All intercompany loans appear to relate to loans provided to other Group companies to fund working capital requirements / Head Office costs. The Group did not account separately for each company's income and expenditure but sent funds to each entity as funding was required. This has been detrimental to the Company's financial position. The Directors have yet to conduct an audit of these payable balances and will be finalized at a later date if required.

### 7.2.4 SALE OF BUSINESS

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

### 7.2.5 PRIORITY EMPLOYEE CREDITORS

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

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

ENTITLEMENTS	AMOUNT \$
Superannuation	189,126
<b>TOTAL</b>	<b>189,126</b>

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

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

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

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

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

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

#### 7.2.6 UNSECURED CREDITORS

The unsecured creditors include claims for:

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

Our current estimate of these amounts is illustrated below:

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

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

#### Loans from Group Companies / Shareholders

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

#### ATO

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

#### iCare

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

#### Other

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

## FINANCIAL POSITION – ST LEONARDS

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

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

### 7.2.1 CASH AT BANK

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

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

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

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

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

### 7.2.2 DEBTORS

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

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

### 7.2.3 INTERCOMPANY LOANS

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

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

### 7.2.4 SALE OF BUSINESS

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

### 7.2.5 PRIORITY EMPLOYEE CREDITORS

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

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

ENTITLEMENTS	AMOUNT \$
Superannuation	101,245
<b>TOTAL</b>	<b>101,245</b>

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

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

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

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

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

#### 7.2.6 UNSECURED CREDITORS

The unsecured creditors include claims for:

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

Our current estimate of these amounts is illustrated below:

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

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

#### Loans from Group Companies / Shareholders

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

#### NSW Health Rent

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

#### ATO

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

#### SOFC Pty Ltd

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

#### SRO

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

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

**Other**

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

## FINANCIAL POSITION – LONGWARRY

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

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

### 7.2.1 CASH AT BANK

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

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

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

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

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

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

### 7.2.2 DEBTORS

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



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

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

### 7.2.3 PLANT AND EQUIPMENT

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

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

### 7.2.4 INTERCOMPANY LOANS

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

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

### 7.2.5 SALE OF BUSINESS

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

### 7.2.6 PRIORITY EMPLOYEE CREDITORS

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

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

ENTITLEMENTS	AMOUNT \$
Superannuation	199,375
<b>TOTAL</b>	<b>199,375</b>

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

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

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

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

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

#### 7.2.7 UNSECURED CREDITORS

The unsecured creditors include claims for:

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

Our current estimate of these amounts is illustrated below:

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

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

**Loans from Group Companies / Shareholders**

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

**ATO**

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

**SRO**

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

**Gallagher Bassett**

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

**Baoying Australia Pty Ltd**

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

**Other**

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

**FINANCIAL POSITION – FEC WAURN PONDS**

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

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

**7.2.1 CASH AT BANK**

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

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

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

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

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

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

**7.2.2 DEBTORS**

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

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

### 7.2.3 INTERCOMPANY LOANS

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

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

### 7.2.4 PRIORITY EMPLOYEE CREDITORS

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

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

ENTITLEMENTS	AMOUNT \$
Superannuation	132,198
<b>TOTAL</b>	<b>132,198</b>

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

Annual leave (including loading) and personal leave totaling \$45,188 is a priority claim. It is expected that these entitlements will be assumed by the proposed purchaser of the business. Unpaid superannuation claims have not been transferred to the purchaser and remain as a priority claim in the administration.

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

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

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

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

### 7.2.5 UNSECURED CREDITORS

The unsecured creditors include claims for:

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

Our current estimate of these amounts is illustrated below:

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

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

#### Loans from Group Companies / Shareholders

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

#### ATO

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

#### Gallagher Bassett

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

#### Baoying Australia Pty Ltd

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

#### Other

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

## 08

### INVESTIGATION INTO THE COMPANIES AFFAIRS

#### 8.1 ADMINISTRATORS' INVESTIGATIONS

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

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

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

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

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

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

#### 8.2 HISTORY OF COMPANIES AND REASONS FOR FAILURE

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

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

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

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

- The Companies' financial operations were structured such that all funds were held at the Group level, with cash being released to subsidiary entities as needed to meet cashflow requirements.
- Holistic operated as the approved service provider for all centres in the Group.
- Finnish Australia and ILO Australia provided Head Office support services such as human resources training, payroll and other operational services as required.
- Five Group centres were established in 2020 with a further three centres in 2021 which placed considerable financial pressure on the Group, resulting in an accumulation of liabilities over time.
- After a period of sustained losses at the Group level, the Companies' Director concluded that the Group no longer had the financial resources to continue operating the centres.
- In November 2024 winding up proceedings commenced against other Companies within the Group.
- On 11 February 2025, the Director appointed Voluntary Administrators for both the Companies and to the majority of companies in the Group.

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

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

### **8.3 HISTORICAL FINANCIAL INFORMATION**

#### **TRADING PERFORMANCE**

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

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



**PROFIT AND LOSS – Holistic**

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

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

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

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

**BALANCE SHEET – Holistic**

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

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

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

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

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

#### PROFIT AND LOSS – FEC Gosford

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

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

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

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

#### BALANCE SHEET – FEC Gosford

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

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

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

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

**PROFIT AND LOSS – FEC St Leonards**

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

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

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

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

**BALANCE SHEET – St Leonards**

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

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

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

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

**PROFIT AND LOSS – Longwarry**

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

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

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

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

**BALANCE SHEET – Longwarry**

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

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

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

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

**PROFIT AND LOSS – FEC Waurn Ponds**

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

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

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

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

**BALANCE SHEET – FEC Waurn Ponds**

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

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

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

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

## 8.4 COMPANIES' STATUTORY INFORMATION

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

### 8.5.1 STATUTORY INFORMATION – Holistic

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

Source: ASIC

### 8.5.2 STATUTORY INFORMATION – FEC Gosford

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

Source: ASIC

### 8.5.3 STATUTORY INFORMATION – FEC St Leonards

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

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

Source: ASIC

#### 8.5.4 STATUTORY INFORMATION – FEC Longwarry

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

Source: ASIC

#### 8.5.5 STATUTORY INFORMATION – FEC Waurin Ponds

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

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

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Source: ASIC

## 8.6 BOOKS AND RECORDS

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

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

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

## 8.7 SOLVENCY

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

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

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

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

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

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

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



**Holistic**

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

**Gosford**

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

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

#### St Leonards

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

**Longwarry**

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

**Waurin Ponds**

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

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

## 8.8 SHAREHOLDER CAPITAL INVESTED

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

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

According to the Companies' financial records, the combined capital invested in the Companies as at the DOA was the following:

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

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

It appears that the original capital raised at the Companies level was transferred to the Head Office and subsequently disbursed to support the working capital requirements of other entities within the Group. Our review indicates that the capital initially raised would likely have been sufficient to fund the Companies's own trading losses until it reached profitability, had it remained within the entity.

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

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

## 8.9 BREACHES OF DIRECTORS DUTIES

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

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

- Exercise their powers and discharge their duties with care and diligence (Section 180 of the Act)
- Exercise their powers and discharge their duties Act in good faith in the best interests of the corporation and for a proper purpose (Section 181 of the Act)
- Not improperly use their position to gain an advantage for themselves or someone else or cause detriment to the corporation (Section 182 of the Act)
- Not improperly used information gained in as an officeholder of the corporation to gain an advantage for themselves or someone else, or cause detriment to the corporation (Section 183 of the Act), and
- Act in good faith in the best interests of the corporation or fur a proper purpose. An officeholder can commit an offence if they are reckless or dishonest in exercise their powers (Section 184 of the Act).

We have identified possible breaches of Section 180, 181 and 182 of the Act due to the transfer of Companies funds to other related entities and a potential breach of duties by trading insolvently.

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

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

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

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

Whilst we have not been provided with a statutory declaration outlining the Director's actual financial position, we confirm that publicly available searches did reveal the Director is the part owner of a single property in VIC. The property is secured by a mortgage with the current equity position currently unknown.

We are also not aware at this time of a director's and officer's insurance policy that could be available to meet a claim against the director.

Further investigations into the asset position and the ability of the Director to meet a claim should one be brought, will be undertaken by a liquidator if one is appointed to the Companies.

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

## 09

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### RETURN TO CREDITORS

#### 9.1 ESTIMATED OUTCOME STATEMENT

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

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

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

## 10

### STATEMENT BY THE ADMINISTRATORS

#### 10.1 ADMINISTRATORS OPINION

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

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

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

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

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

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

#### 10.2 HOLISTIC

##### 10.2.1 ADMINISTRATION TO END

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

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

### 10.2.2 EXECUTE A DOCA

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

### 10.2.3 WINDING UP OF THE COMPANY

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

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

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

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

## 10.3 GOSFORD

### 10.3.1 ADMINISTRATION TO END

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

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

### 10.3.2 EXECUTE A DOCA

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

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

### 10.3.3 WINDING UP OF THE COMPANY

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

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

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

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

## 10.4 ST. LEONARDS

### 10.4.1 ADMINISTRATION TO END

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



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

#### 10.4.2 EXECUTE A DOCA

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

#### 10.4.3 WINDING UP OF THE COMPANY

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

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

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

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

### 10.5 LONGWARRY

#### 10.5.1 ADMINISTRATION TO END

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

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

#### 10.5.2 EXECUTE A DOCA

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

#### 10.5.3 WINDING UP OF THE COMPANY

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

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

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

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

### 10.6 WAURN PONDS

#### 10.6.1 ADMINISTRATION TO END

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

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

#### 10.6.2 EXECUTE A DOCA

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

#### 10.6.3 WINDING UP OF THE COMPANY

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

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

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

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

# 11

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## FURTHER INFORMATION AND QUERIES

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

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

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

Yours faithfully



**Alan Walker**  
Administrator

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

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CORPORATIONS ACT 2001

*Section 439A*

Insolvency Practice Rules (Corporations)

75-10, 75-15 & 75-225

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

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

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

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

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

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

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

1. On 11 February 2025 and 27 February 2025, the Companies under Section 436A of the Corporations Act 2001 appointed Alan Walker, Nicholas Charlwood, and Glenn Livingstone of WLP Restructuring, Suite 19.02, Level 19, 1 Castlereagh Street, Sydney NSW 2000 as Joint and Several Administrators of the Companies.
2. Notice is now given that a meeting of the creditors of the Companies will be held at the office of WLP Restructuring, Suite 19.02, Level 19, 1 Castlereagh Street, Sydney NSW 2000 on **Tuesday, 17 June 2025 at 10:00 AM AEST**. Additional details and requirements on how to attend by phone and video conference are included in this notice.

### A G E N D A

1. To receive the Reports of the Administrators about the business, property, affairs and financial circumstances of the Companies.
2. To receive a statement of the Administrators' opinions and reasons for the opinion:
  - a. whether it would be in the creditors' interests for the Administrations to end
  - b. whether it would be in the creditors' interests for the Companies to be wound up
3. To receive a statement of such other information known to the administrators as will enable the creditors to make an informed decision about the matters at paragraphs 2(a) – (b) above.

4. To receive details of any transactions that appear to the Administrators to be a voidable transaction in respect of which money, property, or other benefits may be recoverable by a liquidator under part 5.7B of the Corporations Act 2001 (*Cth*).
5. For the creditors of the Companies to resolve that:
  - a. the Administrations should end
  - b. the Companies be wound up
6. To determine the past and future remuneration of the Administrators.
7. To determine the internal disbursements of the Administrators.
8. To determine the remuneration of the deed administrators' / creditors' trustees' and / or liquidators' future remuneration (if appointed).
9. To determine the internal disbursements of the deed administrators/creditors' trustees and / or liquidators (if appointed), and
10. Any other business that may be lawfully brought forward.

Telephone and video conferencing facilities via Microsoft Teams will be available at the meeting. Creditors wishing to attend the meeting by electronic facilities are to contact Billy Foley of this office by email at [finnisheducation@wlpr.com.au](mailto: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 6<sup>th</sup> day of June 2025



**Alan Walker**

Joint and Several Administrator

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

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

(1) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.

- (2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
- (3) A person is not entitled to vote as a creditor at a meeting of creditors unless:
- (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
  - (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
    - (i) those particulars; or
    - (ii) if required—a formal proof of the debt or claim.
- (4) A creditor must not vote in respect of:
- (a) an unliquidated debt; or
  - (b) a contingent debt; or
  - (c) an unliquidated or a contingent claim; or
  - (d) a debt the value of which is not established;
- unless a just estimate of its value has been made.
- (5) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
- (a) treat the liability to him or her on the instrument or security of a person covered by subsection
  - (b) as a security in his or her hands;
  - (c) estimate its value;
  - (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
- (6) A person is covered by this subsection if:
- (a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
  - (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
  - (c) the person is not an insolvent under administration or a person against whom a winding up order is in force.

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

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

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

### **REMUNERATION APPROVAL REPORT**

This report contains the following information:

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

Next steps for creditors:

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at a meeting of creditors;
- Refer to the accompanying Report to Creditors dated 6 June 2025 for details as to how you can participate in the meeting.

### **PART 1 DECLARATION**

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

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

#### **REMUNERATION METHODS**

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

#### **1. Time based / hourly rates**

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

#### **2. Fixed Fee**

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

### 3. Percentage

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

### 4. Contingency

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

## METHOD CHOSEN

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

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

## HOURLY RATES

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

### Rates from 1 July 2024

TITLE	RATE \$/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) \$
<b>VOLUNTARY ADMINISTRATION</b>	
11 February 2025 to 2 June 2025	95,576.00
*3 June 2025 to the Date of the Second Meeting of Creditors	30,000.00
<b>Total Voluntary Administration</b>	<b>125,576.00</b>
<b>LIQUIDATION (IF APPLICABLE)*</b>	
From commencement to the conclusion of the liquidation	50,000.00
<b>Total Liquidation</b>	<b>50,000.00</b>

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

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

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

Actual 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 \$125,576.00 (ex GST).

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

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

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

## PART 4 DISBURSEMENT SOUGHT

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

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

Disbursements are divided into three types:

- **External professional services** - these are recovered at cost. An example of an externally provided professional service is legal fees. It does not include insolvency services, as insolvency services are claimed as remuneration.
- **External non-professional costs** - these are recovered at cost. Examples of external non-professional expenses include travel, accommodation and search fees such as company searches, land title searches and PPSR searches.
- **Firm non-professional costs** - such as photocopying, printing and postage. These costs, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

#### 4.1 Disbursement claim

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

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

#### 4.2 Disbursement resolutions

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

#### 4.3 Future basis of disbursements

The relevant rates for internal disbursements are set out below:

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

### PART 5 PREVIOUS AND FUTURE APPROVALS AND ESTIMATES

#### 5.1 Previous approval requests

There have been no prior approvals for remuneration.

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

We are seeking approval for our future remuneration as Administrators of the company. We estimate our total remuneration for acting as Administrators to be \$125,576.00 (excl GST).

Should the company enter into liquidation, we estimate our total remuneration for acting as liquidators to the company to be \$50,000 (ex GST).

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

## 5.3 Likely impact on dividends

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

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

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

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

## 5.4 Remuneration recoverable from external sources

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

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

This Remuneration Approval Report must be read in conjunction with the Report to Creditors dated 6 June 2025.

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

**PART 7 QUERIES**

For any queries in respect of this remuneration approval request, please contact Mr Billy Foley on (02) 8365 1432 or by email at [finnisheducation@wlpr.com.au](mailto:finnisheducation@wlpr.com.au).

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



**Alan Walker**

Joint and Several Administrator

**ATTACHMENTS**

SCHEDULE	DESCRIPTION
A	Details of work done and work to be completed
B	Time spent by staff on each major task already completed
C	Resolutions

**SCHEDULE A – DETAILS OF WORK****Resolution 1: Administrators remuneration (11 February 2025 to 2 June 2025)****Resolution 2: Administrators future remuneration (3 June 2025 to the Date of the Second Meeting of Creditors)**

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

<b>TASKS</b>		
<b>PERIOD</b>	Current remuneration from 11 February 2025 to 2 June 2025	Future remuneration from 3 June 2025 to the Date of the Second Meeting of Creditors
<b>TOTAL AMOUNT (EX GST)</b>	<b>\$95,576.00 178.50 hours</b>	<b>\$30,000.00 60.00 hours</b>
<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>	
<b>ASSETS</b>	<b>\$19,965.50 31.90 hours</b>	<b>\$2,000.00 4.00 hours</b>
Cash at bank	<p>Liaising with financial institutions concerning pre-appointment accounts, including account identification, access to statements</p> <p>Correspondence with pre-appointment financial institution, ongoing request for funds to be transferred to the Administrators' account</p> <p>Liaising with landlord and their legal representatives concerning funds held as security and amounts to be applied against</p>	<p>Continue liaising with financial institutions concerning transfers of funds from pre-appointment accounts.</p> <p>Continue to liaise with landlord and their legal representatives concerning the return of security deposit monies</p>
Sale of business	<p>Engage and liaise with Sales Broker concerning strategy, information requests, offers etc</p> <p>Procure information to be supplied as due diligence.</p> <p>Internal discussions concerning sale of business updates, strategy, offers etc.</p> <p>Discussions with management, staff and other stakeholders.</p>	Liaise with Sales Broker and interested parties.
Leasing	<p>Liaising with owners/lessors</p> <p>Reviewing lease documents</p> <p>Execute novation of lease following ASA, including liaising with landlord, buyer, and legal representatives.</p>	Liaising with owners/lessors
Other assets	Tasks associated with realising other assets	Tasks associated with realising other assets

TASKS		
CREDITORS	\$7,567.00 14.30 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	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. 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.	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. 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

TASKS		
EMPLOYEE	\$7,032.50 14.40 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	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)	N/A	Liaising with FEG
TRADE ON	\$48,585.50 88.40 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 Employee manpower plans and requirements Employee trade on matters including wages and payroll	Finalising trading receipts and payments, including receipt of final invoices, closing accounts etc
General accounting	All applicable accounting tasks and processes supporting continued operations	All applicable accounting tasks and processes supporting continued operations
Budgeting and financial reporting	Preparing budgets Preparing weekly financial reports Reviewing company's budgets and financial statements Trading/operating budgets and forecasts	Finalising weekly P&L and cashflow for administration period. Closing off costs relating to Administration and subsequent



TASKS		
	Cash flow preparation and monitoring Financial reporting including financial position and performance Meetings and reviews around financial results and estimated outcomes	correspondence with purchasers relating to future outstanding costs.
<b>INVESTIGATION</b>	<b>\$5,546.00</b> <b>13.10 hours</b>	<b>\$10,000.00</b> <b>20.00 hours</b>
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)
<b>ADMINISTRATION</b>	<b>\$6,879.50</b> <b>16.40 hours</b>	<b>\$4,000.00</b> <b>8.00 hours</b>
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

TASKS		
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.

<b>TASKS</b>	
<b>LIQUIDATION</b>	<b>Commencement of the liquidation to completion</b>
<b>TOTAL AMOUNT (EX GST)</b>	<b>\$50,000.00 100.0 hrs</b>
<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>
<b>ASSETS</b>	<b>\$5,000.00 10.0 hrs</b>
Cash at bank	Recovery of security deposit monies (if applicable)
Related party loans	Further review and investigation into the loan account ledgers and amounts owing from other FEC entities.
Debtors	Reviewing debtor ledgers. 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.
<b>CREDITORS</b>	<b>\$10,000.00 20.0 hrs</b>
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.
<b>EMPLOYEES</b>	<b>\$10,000.00 20.0 hrs</b>
Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls.
Entitlements	Finalisation of employee entitlements. 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
<b>TRADE ON</b>	<b>\$5,000.00</b> <b>10.0 hrs</b>
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
<b>INVESTIGATION</b>	<b>\$10,000.00</b> <b>20.0 hrs</b>
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.
<b>DIVIDEND</b>	<b>\$7,000.00</b> <b>14.0 hrs</b>
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
<b>ADMINISTRATION</b>	<b>\$3,000.00</b> <b>6.0 hrs</b>
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 2 June 2025, which form the basis of Resolution 1, as referred to in **Schedule C**. Please refer to **Schedule A** for further details with respect to the tasks performed.

EMPLOYEE NAME	POSITION	RATE	TOTAL		ASSETS		CREDITORS		EMPLOYEES		TRADE ON		INVESTIGATIONS		ADMINISTRATION	
		\$/hr	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Alan Walker	Appointment Lead	750.00	23.30	17,475.00	12.50	9,375.00	1.30	975.00	-	-	6.40	4,800.00	-	-	3.10	2,325.00
John Thompson	Director	685.00	27.90	19,111.50	8.30	5,685.50	1.00	685.00	1.00	685.00	17.50	11,987.50	-	-	0.10	68.50
Stephanie Wise	Senior Manager	625.00	0.90	562.50	-	-	-	-	0.60	375.00	-	-	0.30	187.50	-	-
Angus Fraser	Manager	550.00	11.20	6,160.00	5.40	2,970.00	1.80	990.00	0.80	440.00	1.40	770.00	0.80	440.00	1.00	550.00
Billy Batbileg	Manager	550.00	32.70	17,985.00	-	-	-	-	-	-	32.70	17,985.00	-	-	-	-
Billy Foley	Manager	550.00	19.90	10,945.00	0.90	495.00	5.10	2,805.00	4.70	2,585.00	5.60	3,080.00	3.60	1,980.00	-	-
Deanne Lee	Senior Analyst	450.00	1.90	855.00	-	-	1.30	585.00	-	-	-	-	0.40	180.00	0.20	90.00
Jody Kwee	Senior Analyst	450.00	11.20	5,040.00	-	-	-	-	1.30	585.00	8.90	4,005.00	0.20	90.00	0.80	360.00
Thomas Rodwell	Senior Analyst	450.00	0.60	270.00	-	-	-	-	-	-	0.50	225.00	0.10	45.00	-	-
Viendya Karman	Senior Analyst	450.00	1.00	450.00	-	-	0.20	90.00	0.60	270.00	-	-	0.20	90.00	-	-
Eric Sun	Analyst	405.00	11.40	4,617.00	-	-	3.40	1,377.00	4.50	1,822.50	1.80	729.00	0.80	324.00	0.90	364.50
Oscar Bush	Analyst	405.00	11.00	4,455.00	-	-	-	-	-	-	8.80	3,564.00	1.90	769.50	0.30	121.50
Aqeelah Osmany	Junior Analyst	300.00	0.50	150.00	-	-	-	-	-	-	-	-	0.30	90.00	0.20	60.00
Ege Dogan	Junior Analyst	300.00	1.20	360.00	-	-	-	-	-	-	-	-	-	-	1.20	360.00
Gina Jia	Junior Analyst	300.00	1.30	390.00	-	-	0.20	60.00	-	-	0.40	120.00	-	-	0.70	210.00
Harry Brown	Junior Analyst	300.00	3.30	990.00	-	-	-	-	-	-	3.30	990.00	-	-	-	-
Taylor O'Neill	Junior Analyst	300.00	19.20	5,760.00	4.80	1,440.00	-	-	0.90	270.00	1.10	330.00	4.50	1,350.00	7.90	2,370.00
Total (excl. GST)			178.50	95,576.00	31.90	19,965.50	14.30	7,567.00	14.40	7,032.50	88.40	48,585.50	13.10	5,546.00	16.40	6,879.50
GST				9,557.60		1,996.55		756.70		703.25		4,858.55		554.60		687.95
Total (incl. GST)				105,133.60		21,962.05		8,323.70		7,735.75		53,444.05		6,100.60		7,567.45
Average Rate (\$/hr)				535.44		625.88		529.16		488.37		549.61		423.36		419.48

## **SCHEDULE C – RESOLUTIONS**

### **REMUNERATION RESOLUTIONS**

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

*"That the remuneration of the Administrators from 11 February 2025 to 2 June 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$95,576.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."*

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

*"That the future remuneration of the Administrators from 3 June 2025 to the Date of the Second Meeting of Creditors is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$30,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."*

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

*"That the remuneration of the Liquidators from the commencement to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$50,000.00 exclusive of GST, and that the Liquidators may draw the remuneration on a monthly basis or as required."*

### **DISBURSEMENT RESOLUTIONS**

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

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

#### **Resolution 7: Liquidators' Disbursements (as required)**

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

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

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

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

### **REMUNERATION APPROVAL REPORT**

This report contains the following information:

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

Next steps for creditors:

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at a meeting of creditors;
- Refer to the accompanying Report to Creditors dated 6 June 2025 for details as to how you can participate in the meeting.

### **PART 1 DECLARATION**

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

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

#### **REMUNERATION METHODS**

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

#### **1. Time based / hourly rates**

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

#### **2. Fixed Fee**

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



### 3. Percentage

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

### 4. Contingency

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

## METHOD CHOSEN

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

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

## HOURLY RATES

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

### Rates from 1 July 2024

TITLE	RATE \$/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) \$
<b>VOLUNTARY ADMINISTRATION</b>	
11 February 2025 to 2 June 2025	109,000.50
*3 June 2025 to the Date of the Second Meeting of Creditors	30,000.00
<b>Total Voluntary Administration</b>	<b>139,000.50</b>
<b>LIQUIDATION (IF APPLICABLE)*</b>	
From commencement to the conclusion of the liquidation	50,000.00
<b>Total Liquidation</b>	<b>50,000.00</b>

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

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

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

Actual 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 \$139,000.50 (ex GST).

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

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

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

## PART 4 DISBURSEMENT SOUGHT

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

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

Disbursements are divided into three types:

- **External professional services** - these are recovered at cost. An example of an externally provided professional service is legal fees. It does not include insolvency services, as insolvency services are claimed as remuneration.
- **External non-professional costs** - these are recovered at cost. Examples of external non-professional expenses include travel, accommodation and search fees such as company searches, land title searches and PPSR searches.
- **Firm non-professional costs** - such as photocopying, printing and postage. These costs, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

#### 4.1 Disbursement claim

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

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

#### 4.2 Disbursement resolutions

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

#### 4.3 Future basis of disbursements

The relevant rates for internal disbursements are set out below:

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

### PART 5 PREVIOUS AND FUTURE APPROVALS AND ESTIMATES

#### 5.1 Previous approval requests

There have been no prior approvals for remuneration.

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

We are seeking approval for our future remuneration as Administrators of the company. We estimate our total remuneration for acting as Administrators to be \$139,000.50 (excl GST).

Should the company enter into liquidation, we estimate our total remuneration for acting as liquidators to the company to be \$50,000 (ex GST).

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

## **5.3 Likely impact on dividends**

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

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

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

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

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

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

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

This Remuneration Approval Report must be read in conjunction with the Report to Creditors dated 6 June 2025.

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

**PART 7 QUERIES**

For any queries in respect of this remuneration approval request, please contact Mr Billy Foley on (02) 8365 1432 or by email at [finnisheducation@wlpr.com.au](mailto:finnisheducation@wlpr.com.au).

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



**Alan Walker**

Joint and Several Administrator

**ATTACHMENTS**

SCHEDULE	DESCRIPTION
A	Details of work done and work to be completed
B	Time spent by staff on each major task already completed
C	Resolutions

**SCHEDULE A – DETAILS OF WORK****Resolution 1: Administrators remuneration (11 February 2025 to 2 June 2025)****Resolution 2: Administrators future remuneration (3 June 2025 to the Date of the Second Meeting of Creditors)**

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

<b>TASKS</b>		
<b>PERIOD</b>	Current remuneration from 11 February 2025 to 2 June 2025	Future remuneration from 3 June 2025 to the Date of the Second Meeting of Creditors
<b>TOTAL AMOUNT (EX GST)</b>	<b>\$109,000.50 197.30 hours</b>	<b>\$30,000.00 60.00 hours</b>
<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>	
<b>ASSETS</b>	<b>\$19,805.50 30.70 hours</b>	<b>\$2,000.00 4.00 hours</b>
Cash at bank	<p>Liaising with financial institutions concerning pre-appointment accounts, including account identification, access to statements</p> <p>Correspondence with pre-appointment financial institution, ongoing request for funds to be transferred to the Administrators' account</p> <p>Liaising with landlord and their legal representatives concerning funds held as security and amounts to be applied against</p>	<p>Continue liaising with financial institutions concerning transfers of funds from pre-appointment accounts.</p> <p>Continue to liaise with landlord and their legal representatives concerning the return of security deposit monies</p>
Sale of business	<p>Engage and liaise with Sales Broker concerning strategy, information requests, offers etc</p> <p>Procure information to be supplied as due diligence.</p> <p>Internal discussions concerning sale of business updates, strategy, offers etc.</p> <p>Discussions with management, staff and other stakeholders.</p>	Liaise with Sales Brokers and interested parties.
Leasing	<p>Liaising with owners/lessors</p> <p>Reviewing lease documents</p> <p>Execute novation of lease following ASA, including liaising with landlord, buyer, and legal representatives.</p>	Liaising with owners/lessors
Other assets	Tasks associated with realising other assets	Tasks associated with realising other assets

TASKS		
CREDITORS	\$7,210.00 14.90 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	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. 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.	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. 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



TASKS		
EMPLOYEE	\$9,504.00 17.70 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)	N/A	Liaising with FEG
TRADE ON	\$59,325.00 106.60 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 Employee manpower plans and requirements Employee trade on matters including wages and payroll	Matters relating to the transfer of operations to the buyer. Finalising trading receipts and payments, including receipt of final invoices, closing accounts etc
General accounting	All applicable accounting tasks and processes supporting continued operations	All applicable accounting tasks and processes supporting continued operations
Budgeting and financial reporting	Preparing budgets Preparing weekly financial reports Reviewing company's budgets and financial statements Trading/operating budgets and forecasts	Finalising weekly P&L and cashflow for administration period. Closing off costs relating to Administration and subsequent

TASKS		
	Cash flow preparation and monitoring Financial reporting including financial position and performance Meetings and reviews around financial results and estimated outcomes	correspondence with purchasers relating to future outstanding costs.
<b>INVESTIGATION</b>	<b>\$6,815.50</b> <b>14.40 hours</b>	<b>\$10,000.00</b> <b>20.00 hours</b>
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)
<b>ADMINISTRATION</b>	<b>\$6,340.50</b> <b>13.00 hours</b>	<b>\$4,000.00</b> <b>8.00 hours</b>
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

TASKS		
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.

<b>TASKS</b>	
<b>LIQUIDATION</b>	<b>Commencement of the liquidation to completion</b>
<b>TOTAL AMOUNT (EX GST)</b>	<b>\$50,000.00 100.0 hrs</b>
<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>
<b>ASSETS</b>	<b>\$5,000.00 10.0 hrs</b>
Cash at bank	Recovery of security deposit monies (if applicable)
Related party loans	Further review and investigation into the loan account ledgers and amounts owing from other FEC entities.
Debtors	Reviewing debtor ledgers. 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.
<b>CREDITORS</b>	<b>\$10,000.00 20.0 hrs</b>
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.
<b>EMPLOYEES</b>	<b>\$10,000.00 20.0 hrs</b>
Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls.
Entitlements	Finalisation of employee entitlements. 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
<b>TRADE ON</b>	<b>\$5,000.00</b> <b>10.0 hrs</b>
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
<b>INVESTIGATION</b>	<b>\$10,000.00</b> <b>20.0 hrs</b>
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.
<b>DIVIDEND</b>	<b>\$7,000.00</b> <b>14.0 hrs</b>
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
<b>ADMINISTRATION</b>	<b>\$3,000.00</b> <b>6.0 hrs</b>
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 2 June 2025, which form the basis of Resolution 1, as referred to in **Schedule C**. Please refer to **Schedule A** for further details with respect to the tasks performed.

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

## **SCHEDULE C – RESOLUTIONS**

### **REMUNERATION RESOLUTIONS**

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

*"That the remuneration of the Administrators from 11 February 2025 to 2 June 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$109,000.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."*

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

*"That the future remuneration of the Administrators from 3 June 2025 to the Date of the Second Meeting of Creditors is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$30,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."*

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

*"That the remuneration of the Liquidators from the commencement to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$50,000.00 exclusive of GST, and that the Liquidators may draw the remuneration on a monthly basis or as required."*

### **DISBURSEMENT RESOLUTIONS**

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

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

#### **Resolution 7: Liquidators' Disbursements (as required)**

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



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

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

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

### **REMUNERATION APPROVAL REPORT**

This report contains the following information:

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

Next steps for creditors:

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at a meeting of creditors;
- Refer to the accompanying Report to Creditors dated 6 June 2025 for details as to how you can participate in the meeting.

### **PART 1 DECLARATION**

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

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

#### **REMUNERATION METHODS**

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

#### **1. Time based / hourly rates**

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

#### **2. Fixed Fee**

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

### 3. Percentage

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

### 4. Contingency

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

## METHOD CHOSEN

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

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

## HOURLY RATES

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

### Rates from 1 July 2024

TITLE	RATE \$/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) \$
<b>VOLUNTARY ADMINISTRATION</b>	
11 February 2025 to 2 June 2025	98,271.50
*3 June 2025 to the Date of the Second Meeting of Creditors	30,000.00
<b>Total Voluntary Administration</b>	<b>128,271.50</b>
<b>LIQUIDATION (IF APPLICABLE)*</b>	
From commencement to the conclusion of the liquidation	50,000.00
<b>Total Liquidation</b>	<b>50,000.00</b>

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

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

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

Actual 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 \$128,271.50 (ex GST).

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

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

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

## PART 4 DISBURSEMENT SOUGHT

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

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

Disbursements are divided into three types:

- **External professional services** - these are recovered at cost. An example of an externally provided professional service is legal fees. It does not include insolvency services, as insolvency services are claimed as remuneration.
- **External non-professional costs** - these are recovered at cost. Examples of external non-professional expenses include travel, accommodation and search fees such as company searches, land title searches and PPSR searches.
- **Firm non-professional costs** - such as photocopying, printing and postage. These costs, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

#### 4.1 Disbursement claim

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

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

#### 4.2 Disbursement resolutions

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

#### 4.3 Future basis of disbursements

The relevant rates for internal disbursements are set out below:

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

### PART 5 PREVIOUS AND FUTURE APPROVALS AND ESTIMATES

#### 5.1 Previous approval requests

There have been no prior approvals for remuneration.

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

We are seeking approval for our future remuneration as Administrators of the company. We estimate our total remuneration for acting as Administrators to be \$128,271.50 (excl GST).

Should the company enter into liquidation, we estimate our total remuneration for acting as liquidators to the company to be \$50,000 (ex GST).

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

## **5.3 Likely impact on dividends**

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

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

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

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

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

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

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

This Remuneration Approval Report must be read in conjunction with the Report to Creditors dated 6 June 2025.

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

**PART 7 QUERIES**

For any queries in respect of this remuneration approval request, please contact Mr Billy Foley on (02) 8365 1432 or by email at [finnisheducation@wlpr.com.au](mailto:finnisheducation@wlpr.com.au).

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



**Alan Walker**  
Joint and Several Administrator

**ATTACHMENTS**

SCHEDULE	DESCRIPTION
A	Details of work done and work to be completed
B	Time spent by staff on each major task already completed
C	Resolutions

**SCHEDULE A – DETAILS OF WORK****Resolution 1: Administrators remuneration (11 February 2025 to 2 June 2025)****Resolution 2: Administrators future remuneration (3 June 2025 to the Date of the Second Meeting of Creditors)**

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

<b>TASKS</b>		
<b>PERIOD</b>	Current remuneration from 11 February 2025 to 2 June 2025	Future remuneration from 3 June 2025 to the Date of the Second Meeting of Creditors
<b>TOTAL AMOUNT (EX GST)</b>	<b>\$98,271.50 178.50 hours</b>	<b>\$30,000.00 60.00 hours</b>
<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>	
<b>ASSETS</b>	<b>\$18,475.50 29.10 hours</b>	<b>\$2,000.00 4.00 hours</b>
Cash at bank	<p>Liaising with financial institutions concerning pre-appointment accounts, including account identification, access to statements</p> <p>Correspondence with pre-appointment financial institution, ongoing request for funds to be transferred to the Administrators' account</p> <p>Liaising with landlord and their legal representatives concerning funds held as security and amounts to be applied against</p>	<p>Continue liaising with financial institutions concerning transfers of funds from pre-appointment accounts.</p> <p>Continue to liaise with landlord and their legal representatives concerning the return of security deposit monies</p>
Sale of business	<p>Engage and liaise with Sales Broker concerning strategy, information requests, offers etc</p> <p>Procure information to be supplied as due diligence.</p> <p>Internal discussions concerning sale of business updates, strategy, offers etc.</p> <p>Discussions with management, staff and other stakeholders.</p>	<p>Liaise with Sales Brokers and interested parties.</p>
Leasing	<p>Liaising with owners/lessors</p> <p>Reviewing lease documents</p> <p>Execute novation of lease following ASA, including liaising with landlord, buyer, and legal representatives.</p>	<p>Liaising with owners/lessors</p>
Related party loan accounts	<p>Reviewing and assessing loan account ledgers</p>	<p>Further review and investigation into the loan account ledgers</p>



TASKS		
	Liaising with Company's management regarding identified related party loan account	
Other assets	Tasks associated with realising other assets	Tasks associated with realising other assets
<b>CREDITORS</b>	<b>\$8,610.00</b> <b>16.50 hours</b>	<b>\$6,000.00</b> <b>12.00 hours</b>
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	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. 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.	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. All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting and any adjourned meeting.

TASKS		
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
<b>EMPLOYEE</b>	<b>\$8,936.50</b> <b>17.20 hours</b>	<b>\$4,000.00</b> <b>8.00 hours</b>
Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls
Entitlements	Reviewing employee files, payroll details, records and calculations of employee entitlements Reviewing and considering contracts, awards and other relevant agreements	Further reviewing employee files, payroll details, records and calculations of employee entitlements
Fair Entitlements Guarantee (FEG)	N/A	Liaising with FEG
<b>TRADE ON</b>	<b>\$51,583.00</b> <b>94.80 hours</b>	<b>\$4,000.00</b> <b>8.00 hours</b>
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 Employee manpower plans and requirements Employee trade on matters including wages and payroll	Matters relating to the transfer of operations to the buyer. Finalising trading receipts and payments, including receipt of final invoices, closing accounts etc
General accounting	All applicable accounting tasks and processes supporting continued operations	All applicable accounting tasks and processes supporting continued operations

TASKS		
Budgeting and financial reporting	<p>Preparing budgets</p> <p>Preparing weekly financial reports</p> <p>Reviewing company's budgets and financial statements</p> <p>Trading/operating budgets and forecasts</p> <p>Cash flow preparation and monitoring</p> <p>Financial reporting including financial position and performance</p> <p>Meetings and reviews around financial results and estimated outcomes</p>	<p>Finalising weekly P&amp;L and cashflow for administration period.</p> <p>Closing off costs relating to Administration and subsequent correspondence with purchasers relating to future outstanding costs.</p>
<b>INVESTIGATION</b>	<b>\$4,630.00</b> <b>9.80 hours</b>	<b>\$10,000.00</b> <b>20.00 hours</b>
Conducting investigation	<p>Initial letters and circulars to parties and stakeholders</p> <p>Collection of books and records from the company, directors and other parties</p> <p>Performing all applicable land title searches and other statutory searches as needed</p> <p>Reviewing books and records, company background and history</p> <p>Preparation of comparative financial statements</p> <p>Meetings and/or discussions with officers, employees and/or other parties on general company matters</p> <p>Reviewing management accounts, financial statements and associated information</p> <p>Reviewing and determining the date of insolvency</p> <p>Conduct investigations into the existence of voidable transactions and evidence of any insolvency trading</p> <p>Summarising and documenting work performed and matters requiring additional review and investigation</p>	<p>Performing land title searches and other statutory searches as needed.</p> <p>Reviewing books and records, company background and history.</p> <p>Reviewing management accounts, financial statements and associated information.</p> <p>Reviewing and determining the date of insolvency.</p> <p>Continue investigations into the existence of voidable transactions and evidence of any insolvency trading.</p> <p>Summarising and documenting work performed and matters requiring additional review and investigation.</p>
ASIC reporting	<p>Liaising with ASIC</p> <p>Drafting and preparing investigative reports to ASIC pursuant to Section 438D of the Act</p>	<p>Preparing and finalising investigative reports to ASIC – including providing subsequent assistance to ASIC (if requested)</p>

TASKS		
ADMINISTRATION	\$6,036.50 12.60 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.

<b>TASKS</b>	
<b>LIQUIDATION</b>	<b>Commencement of the liquidation to completion</b>
<b>TOTAL AMOUNT (EX GST)</b>	<b>\$50,000.00 100.0 hrs</b>
<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>
<b>ASSETS</b>	<b>\$5,000.00 10.0 hrs</b>
Cash at bank	Recovery of security deposit monies (if applicable)
Related party loans	Further review and investigation into the loan account ledgers and amounts owing from other FEC entities.
Debtors	Reviewing debtor ledgers. 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.
<b>CREDITORS</b>	<b>\$10,000.00 20.0 hrs</b>
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.
<b>EMPLOYEES</b>	<b>\$10,000.00 20.0 hrs</b>
Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls.
Entitlements	Finalisation of employee entitlements. 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
<b>TRADE ON</b>	<b>\$5,000.00</b> <b>10.0 hrs</b>
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
<b>INVESTIGATION</b>	<b>\$10,000.00</b> <b>20.0 hrs</b>
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.
<b>DIVIDEND</b>	<b>\$7,000.00</b> <b>14.0 hrs</b>
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
<b>ADMINISTRATION</b>	<b>\$3,000.00</b> <b>6.0 hrs</b>
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 2 June 2025, which form the basis of Resolution 1, as referred to in **Schedule C**. Please refer to **Schedule A** for further details with respect to the tasks performed.

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



## **SCHEDULE C – RESOLUTIONS**

### **REMUNERATION RESOLUTIONS**

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

*"That the remuneration of the Administrators from 11 February 2025 to 2 June 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$98,271.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."*

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

*"That the future remuneration of the Administrators from 3 June 2025 to the Date of the Second Meeting of Creditors is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$30,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."*

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

*"That the remuneration of the Liquidators from the commencement to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$50,000.00 exclusive of GST, and that the Liquidators may draw the remuneration on a monthly basis or as required."*

### **DISBURSEMENT RESOLUTIONS**

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

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

#### **Resolution 7: Liquidators' Disbursements (as required)**

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

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

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

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

### **REMUNERATION APPROVAL REPORT**

This report contains the following information:

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

Next steps for creditors:

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at a meeting of creditors;
- Refer to the accompanying Report to Creditors dated 6 June 2025 for details as to how you can participate in the meeting.

### **PART 1 DECLARATION**

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

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

#### **REMUNERATION METHODS**

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

#### **1. Time based / hourly rates**

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

#### **2. Fixed Fee**

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

### 3. Percentage

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

### 4. Contingency

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

## METHOD CHOSEN

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

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

## HOURLY RATES

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

### Rates from 1 July 2024

TITLE	RATE \$/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) \$
<b>VOLUNTARY ADMINISTRATION</b>	
27 February 2025 to 2 June 2025	104,481.50
*3 June 2025 to the Date of the Second Meeting of Creditors	30,000.00
<b>Total Voluntary Administration</b>	<b>134,481.50</b>
<b>LIQUIDATION (IF APPLICABLE)*</b>	
From commencement to the conclusion of the liquidation	50,000.00
<b>Total Liquidation</b>	<b>50,000.00</b>

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

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

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

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

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

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

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

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

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

## PART 4 DISBURSEMENT SOUGHT

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

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

Disbursements are divided into three types:

- **External professional services** - these are recovered at cost. An example of an externally provided professional service is legal fees. It does not include insolvency services, as insolvency services are claimed as remuneration.
- **External non-professional costs** - these are recovered at cost. Examples of external non-professional expenses include travel, accommodation and search fees such as company searches, land title searches and PPSR searches.
- **Firm non-professional costs** – such as photocopying, printing and postage. These costs, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

#### 4.1 Disbursement claim

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

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

#### 4.2 Disbursement resolutions

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

#### 4.3 Future basis of disbursements

The relevant rates for internal disbursements are set out below:

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

### PART 5 PREVIOUS AND FUTURE APPROVALS AND ESTIMATES

#### 5.1 Previous approval requests

There have been no prior approvals for remuneration.

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

We are seeking approval for our future remuneration as Administrators of the company. We estimate our total remuneration for acting as Administrators to be \$134,481.50 (excl GST).

Should the company enter into liquidation, we estimate our total remuneration for acting as liquidators to the company to be \$50,000 (ex GST).

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

## **5.3 Likely impact on dividends**

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

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

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

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

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

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

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

This Remuneration Approval Report must be read in conjunction with the Report to Creditors dated 6 June 2025.

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

**PART 7 QUERIES**

For any queries in respect of this remuneration approval request, please contact Mr Billy Foley on (02) 8365 1432 or by email at [finnisheducation@wlpr.com.au](mailto:finnisheducation@wlpr.com.au).

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



**Alan Walker**  
Joint and Several Administrator

**ATTACHMENTS**

SCHEDULE	DESCRIPTION
A	Details of work done and work to be completed
B	Time spent by staff on each major task already completed
C	Resolutions



**SCHEDULE A – DETAILS OF WORK****Resolution 1: Administrators remuneration (27 February 2025 to 2 June 2025)****Resolution 2: Administrators future remuneration (3 June 2025 to the Date of the Second Meeting of Creditors)**

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

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

TASKS		
	Liaising with Company's management regarding identified related party loan account	
Other assets	Tasks associated with realising other assets	Tasks associated with realising other assets
<b>CREDITORS</b>	<b>\$8,891.50</b> <b>19.00 hours</b>	<b>\$6,000.00</b> <b>12.00 hours</b>
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	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. 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.	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. All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting and any adjourned meeting.

TASKS		
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
<b>EMPLOYEE</b>	<b>\$6,098.00</b> <b>12.70 hours</b>	<b>\$4,000.00</b> <b>8.00 hours</b>
Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls
Entitlements	Reviewing employee files, payroll details, records and calculations of employee entitlements Reviewing and considering contracts, awards and other relevant agreements	Further reviewing employee files, payroll details, records and calculations of employee entitlements
Fair Entitlements Guarantee (FEG)	N/A	Liaising with FEG
<b>TRADE ON</b>	<b>\$60,269.50</b> <b>102.80 hours</b>	<b>\$4,000.00</b> <b>8.00 hours</b>
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 Employee manpower plans and requirements Employee trade on matters including wages and payroll	Matters relating to the transfer of operations to the buyer. Finalising trading receipts and payments, including receipt of final invoices, closing accounts etc
General accounting	All applicable accounting tasks and processes supporting continued operations	All applicable accounting tasks and processes supporting continued operations

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

TASKS		
ADMINISTRATION	\$7,780.50 18.50 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	
<b>LIQUIDATION</b>	<b>Commencement of the liquidation to completion</b>
<b>TOTAL AMOUNT (EX GST)</b>	<b>\$50,000.00 100.0 hrs</b>
TASK AREA	GENERAL DESCRIPTION
<b>ASSETS</b>	<b>\$5,000.00 10.0 hrs</b>
Cash at bank	Recovery of security deposit monies (if applicable)
Related party loans	Further review and investigation into the loan account ledgers and amounts owing from other FEC entities.
Debtors	Reviewing debtor ledgers. 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.
<b>CREDITORS</b>	<b>\$10,000.00 20.0 hrs</b>
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.
<b>EMPLOYEES</b>	<b>\$10,000.00 20.0 hrs</b>
Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls.
Entitlements	Finalisation of employee entitlements. 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
<b>TRADE ON</b>	<b>\$5,000.00</b> <b>10.0 hrs</b>
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
<b>INVESTIGATION</b>	<b>\$10,000.00</b> <b>20.0 hrs</b>
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.
<b>DIVIDEND</b>	<b>\$7,000.00</b> <b>14.0 hrs</b>
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
<b>ADMINISTRATION</b>	<b>\$3,000.00</b> <b>6.0 hrs</b>
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 27 February 2025 to 2 June 2025, which form the basis of Resolution 1, as referred to in **Schedule C**. Please refer to **Schedule A** for further details with respect to the tasks performed.

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

## **SCHEDULE C – RESOLUTIONS**

### **REMUNERATION RESOLUTIONS**

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

*"That the remuneration of the Administrators from 27 February 2025 to 2 June 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$104,481.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."*

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

*"That the future remuneration of the Administrators from 3 June 2025 to the Date of the Second Meeting of Creditors is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$30,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."*

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

*"That the remuneration of the Liquidators from the commencement to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$50,000.00 exclusive of GST, and that the Liquidators may draw the remuneration on a monthly basis or as required."*

### **DISBURSEMENT RESOLUTIONS**

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

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

#### **Resolution 7: Liquidators' Disbursements (as required)**

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

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

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

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

### **REMUNERATION APPROVAL REPORT**

This report contains the following information:

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

Next steps for creditors:

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at a meeting of creditors;
- Refer to the accompanying Report to Creditors dated 6 June 2025 for details as to how you can participate in the meeting.

### **PART 1 DECLARATION**

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

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

#### **REMUNERATION METHODS**

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

#### **5. Time based / hourly rates**

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

#### **6. Fixed Fee**

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

**7. Percentage**

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

**8. Contingency**

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

**METHOD CHOSEN**

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

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

**HOURLY RATES**

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

**Rates from 1 July 2024**

<b>TITLE</b>	<b>RATE \$/HR</b>	<b>EXPERIENCE</b>
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) \$
<b>VOLUNTARY ADMINISTRATION</b>	
27 February 2025 to 2 June 2025	120,226.50
*3 June 2025 to the Date of the Second Meeting of Creditors	30,000.00
<b>Total Voluntary Administration</b>	<b>150,226.50</b>
<b>LIQUIDATION (IF APPLICABLE)*</b>	
From commencement to the conclusion of the liquidation	50,000.00
<b>Total Liquidation</b>	<b>50,000.00</b>

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

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

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

Actual 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 \$150,226.50 (ex GST).

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

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

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

## PART 4 DISBURSEMENT SOUGHT

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

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

Disbursements are divided into three types:

- **External professional services** - these are recovered at cost. An example of an externally provided professional service is legal fees. It does not include insolvency services, as insolvency services are claimed as remuneration.
- **External non-professional costs** - these are recovered at cost. Examples of external non-professional expenses include travel, accommodation and search fees such as company searches, land title searches and PPSR searches.
- **Firm non-professional costs** - such as photocopying, printing and postage. These costs, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

#### 4.1 Disbursement claim

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

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

#### 4.2 Disbursement resolutions

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

#### 4.3 Future basis of disbursements

The relevant rates for internal disbursements are set out below:

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

### PART 5 PREVIOUS AND FUTURE APPROVALS AND ESTIMATES

#### 5.1 Previous approval requests

There have been no prior approvals for remuneration.

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

We are seeking approval for our future remuneration as Administrators of the company. We estimate our total remuneration for acting as Administrators to be \$150,226.50 (excl GST).

Should the company enter into liquidation, we estimate our total remuneration for acting as liquidators to the company to be \$50,000 (ex GST).

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

## 5.3 Likely impact on dividends

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

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

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

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

## 5.4 Remuneration recoverable from external sources

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

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

This Remuneration Approval Report must be read in conjunction with the Report to Creditors dated 6 June 2025.

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



**PART 7 QUERIES**

For any queries in respect of this remuneration approval request, please contact Mr Billy Foley on (02) 8365 1432 or by email at [finnisheducation@wlpr.com.au](mailto:finnisheducation@wlpr.com.au).

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



**Alan Walker**  
Joint and Several Administrator

**ATTACHMENTS**

SCHEDULE	DESCRIPTION
A	Details of work done and work to be completed
B	Time spent by staff on each major task already completed
C	Resolutions

**SCHEDULE A – DETAILS OF WORK****Resolution 1: Administrators remuneration (27 February 2025 to 2 June 2025)****Resolution 2: Administrators future remuneration (3 June 2025 to the Date of the Second Meeting of Creditors)**

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

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

TASKS		
Other assets	Tasks associated with realising other assets	Tasks associated with realising other assets
<b>CREDITORS</b>	<b>\$9,642.00</b> <b>20.50 hours</b>	<b>\$6,000.00</b> <b>12.00 hours</b>
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	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. 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.	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. 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

TASKS		
		Receiving and recording formal/informal proofs of debt lodged
<b>EMPLOYEE</b>	<b>\$7,130.50</b> <b>14.70 hours</b>	<b>\$4,000.00</b> <b>8.00 hours</b>
Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls
Entitlements	Reviewing employee files, payroll details, records and calculations of employee entitlements 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
<b>TRADE ON</b>	<b>\$64,716.50</b> <b>111.10 hours</b>	<b>\$4,000.00</b> <b>8.00 hours</b>
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 Employee manpower plans and requirements Employee trade on matters including wages and payroll	Matters relating to the transfer of operations to the buyer. Finalising trading receipts and payments, including receipt of final invoices, closing accounts etc
General accounting	All applicable accounting tasks and processes supporting continued operations	All applicable accounting tasks and processes supporting continued operations
Budgeting and financial reporting	Preparing budgets Preparing weekly financial reports Reviewing company's budgets and financial statements	Finalising weekly P&L and cashflow for administration period.

TASKS		
	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	Closing off costs relating to Administration and subsequent correspondence with purchasers relating to future outstanding costs.
<b>INVESTIGATION</b>	<b>\$4,156.50</b> <b>10.30 hours</b>	<b>\$10,000.00</b> <b>20.00 hours</b>
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)
<b>ADMINISTRATION</b>	<b>\$6,952.00</b> <b>16.00 hours</b>	<b>\$4,000.00</b> <b>8.00 hours</b>
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

TASKS		
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	
<b>LIQUIDATION</b>	<b>Commencement of the liquidation to completion</b>
<b>TOTAL AMOUNT (EX GST)</b>	<b>\$50,000.00 100.0 hrs</b>
TASK AREA	GENERAL DESCRIPTION
<b>ASSETS</b>	<b>\$5,000.00 10.0 hrs</b>
Cash at bank	Recovery of security deposit monies (if applicable)
Related party loans	Further review and investigation into the loan account ledgers and amounts owing from other FEC entities.
Debtors	Reviewing debtor ledgers. 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.
<b>CREDITORS</b>	<b>\$10,000.00 20.0 hrs</b>
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.
<b>EMPLOYEES</b>	<b>\$10,000.00 20.0 hrs</b>
Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls.
Entitlements	Finalisation of employee entitlements. 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
<b>TRADE ON</b>	<b>\$5,000.00</b> <b>10.0 hrs</b>
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
<b>INVESTIGATION</b>	<b>\$10,000.00</b> <b>20.0 hrs</b>
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.
<b>DIVIDEND</b>	<b>\$7,000.00</b> <b>14.0 hrs</b>
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
<b>ADMINISTRATION</b>	<b>\$3,000.00</b> <b>6.0 hrs</b>
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 27 February 2025 to 2 June 2025, which form the basis of Resolution 1, as referred to in **Schedule C**. Please refer to **Schedule A** for further details with respect to the tasks performed.

EMPLOYEE NAME	POSITION	RATE	TOTAL		ASSETS		CREDITORS		EMPLOYEES		TRADE ON		INVESTIGATIONS		ADMINISTRATION	
		\$/hr	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Alan Walker	Appointment Lead	750.00	27.60	20,700.00	15.60	11,700.00	0.80	600.00	-	-	8.70	6,525.00	-	-	2.50	1,875.00
John Thompson	Director	685.00	60.40	41,374.00	15.40	10,549.00	2.00	1,370.00	1.60	1,096.00	41.40	28,359.00	-	-	-	-
Stephanie Wise	Senior Manager	625.00	0.50	312.50	-	-	0.20	125.00	-	-	0.30	187.50	-	-	-	-
Angus Fraser	Manager	550.00	15.20	8,360.00	4.90	2,695.00	4.10	2,255.00	0.50	275.00	1.90	1,045.00	1.90	1,045.00	1.90	1,045.00
Billy Batbileg	Manager	550.00	27.30	15,015.00	-	-	-	-	-	-	27.30	15,015.00	-	-	-	-
Billy Foley	Manager	550.00	16.60	9,130.00	1.80	990.00	2.70	1,485.00	4.60	2,530.00	7.00	3,850.00	0.50	275.00	-	-
Deanne Lee	Senior Analyst	450.00	0.40	180.00	-	-	-	-	-	-	-	-	-	-	0.40	180.00
Jody Kwee	Senior Analyst	450.00	12.10	5,445.00	-	-	-	-	0.90	405.00	11.00	4,950.00	0.10	45.00	0.10	45.00
Viendya Karman	Senior Analyst	450.00	3.60	1,620.00	-	-	0.90	405.00	1.90	855.00	-	-	-	-	0.80	360.00
Eric Sun	Analyst	405.00	18.30	7,411.50	3.00	1,215.00	4.40	1,782.00	3.90	1,579.50	1.10	445.50	3.00	1,215.00	2.90	1,174.50
Oscar Bush	Analyst	405.00	7.70	3,118.50	-	-	-	-	-	-	5.90	2,389.50	1.30	526.50	0.50	202.50
Ege Dogan	Junior Analyst	300.00	4.90	1,470.00	0.50	150.00	-	-	-	-	1.40	420.00	0.20	60.00	2.80	840.00
Gina Jia	Junior Analyst	300.00	1.60	480.00	-	-	0.60	180.00	-	-	0.30	90.00	-	-	0.70	210.00
Harry Brown	Junior Analyst	300.00	4.10	1,230.00	-	-	-	-	-	-	4.10	1,230.00	-	-	-	-
Taylor O'Neill	Junior Analyst	300.00	14.60	4,380.00	1.10	330.00	4.80	1,440.00	1.30	390.00	0.70	210.00	3.30	990.00	3.40	1,020.00
Total (excl. GST)			214.90	120,226.50	42.30	27,629.00	20.50	9,642.00	14.70	7,130.50	111.10	64,716.50	10.30	4,156.50	16.00	6,952.00
GST				12,022.65		2,762.90		964.20		713.05		6,471.65		415.65		695.20
Total (incl. GST)				132,249.15		30,391.90		10,606.20		7,843.55		71,188.15		4,572.15		7,647.20
Average Rate (\$/hr)				559.45		653.17		470.34		485.07		582.51		403.54		434.50

## **SCHEDULE C – RESOLUTIONS**

### **REMUNERATION RESOLUTIONS**

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

*"That the remuneration of the Administrators from 27 February 2025 to 2 June 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$120,226.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."*

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

*"That the future remuneration of the Administrators from 3 June 2025 to the Date of the Second Meeting of Creditors is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$30,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."*

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

*"That the remuneration of the Liquidators from the commencement to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$50,000.00 exclusive of GST, and that the Liquidators may draw the remuneration on a monthly basis or as required."*

### **DISBURSEMENT RESOLUTIONS**

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

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

#### **Resolution 7: Liquidators' Disbursements (as required)**

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

**ANNEXURE C – SUMMARY RECEIPTS AND PAYMENTS**

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

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

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

**ANNEXURE C – SUMMARY RECEIPTS AND PAYMENTS**

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

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

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

**ANNEXURE C – SUMMARY RECEIPTS AND PAYMENTS**

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

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

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

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

**ANNEXURE C – SUMMARY RECEIPTS AND PAYMENTS**

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

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

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

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

**ANNEXURE C – SUMMARY RECEIPTS AND PAYMENTS**

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

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

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

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



## ANNEXURE D – PROXY FORM

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

**APPOINTMENT OF PROXY  
CREDITORS MEETING**

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

*I/*We <sup>(1)</sup>	
Of	
being a creditor of the Company, appoint <sup>(2)</sup> or in his or her absence	
to vote for me/us on my/our behalf at the meeting of creditors to be held on <b>Friday, 6 June 2025 at 10:00AM</b> , or at any adjournment of that meeting.	

Please mark any boxes with an



Proxy Type:

☐

General

☐

Special

	For	Against	Abstain
<b>Resolution 1: Administrators' Current Remuneration</b>  "That the remuneration of the Administrators from 11 February 2025 to 2 June 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$95,576.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2: Administrators' Future Remuneration</b>  "That the future remuneration of the Administrators from 3 June 2025 to the date of the second meeting of creditors of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$30,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3: Administrators' Internal Disbursements</b>  "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"/>

<b>Resolution 4: Future of the Company</b> 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"/>
<b>Resolution 5: Appointment of alternate liquidator (if applicable)</b>  "To appoint someone else, instead of the Company's Administrators, to be liquidator(s) of the Company."  (Note: if voting "For", please attach details of any particular alternate liquidator you wish to vote for)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6: Proposed Liquidators' Future Remuneration (as required)</b>  "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"/>
<b>Resolution 7: Liquidators' Internal Disbursements</b>  "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"/>
<b>Resolution 8: Early destruction of books and records (if applicable)</b>  "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"/>
<b>Resolution 9: Committee of inspection (if applicable)</b>  "That a Committee of inspection be appointed."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED this                      day of                      2025

\_\_\_\_\_  
Signature

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**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:

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\* Strike out if inapplicable

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

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



## ANNEXURE D – PROXY FORM

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

**APPOINTMENT OF PROXY  
 CREDITORS MEETING**

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

*I/*We <sup>(1)</sup>	
Of	
being a creditor of the Company, appoint <sup>(2)</sup> or in his or her absence	
to vote for me/us on my/our behalf at the meeting of creditors to be held on <b>Friday, 6 June 2025 at 10:00AM</b> , or at any adjournment of that meeting.	

Please mark any boxes with an



Proxy Type:

☐

General

☐

Special

	For	Against	Abstain
<b>Resolution 1: Administrators' Current Remuneration</b>  "That the remuneration of the Administrators from 11 February 2025 to 2 June 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$109,000.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2: Administrators' Future Remuneration</b>  "That the future remuneration of the Administrators from 3 June 2025 to the date of the second meeting of creditors of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$30,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3: Administrators' Internal Disbursements</b>  "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"/>

<b>Resolution 4: Future of the Company</b> For creditors of the Company to resolve that:			
(D) "The Company be wound up"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) "The Administration should end"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) "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"/>
<b>Resolution 5: Appointment of alternate liquidator (if applicable)</b>  "To appoint someone else, instead of the Company's Administrators, to be liquidator(s) of the Company."  (Note: if voting "For", please attach details of any particular alternate liquidator you wish to vote for)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6: Proposed Liquidators' Future Remuneration (as required)</b>  "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"/>
<b>Resolution 7: Liquidators' Internal Disbursements</b>  "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"/>
<b>Resolution 8: Early destruction of books and records (if applicable)</b>  "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"/>
<b>Resolution 9: Committee of inspection (if applicable)</b>  "That a Committee of inspection be appointed."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED this                      day of                      2025

\_\_\_\_\_  
Signature

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**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:

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\* Strike out if inapplicable

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

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

## ANNEXURE D – PROXY FORM

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

**APPOINTMENT OF PROXY  
 CREDITORS MEETING**

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

*I/*We <sup>(1)</sup>	
Of	
being a creditor of the Company, appoint <sup>(2)</sup> or in his or her absence	
to vote for me/us on my/our behalf at the meeting of creditors to be held on <b>Friday, 6 June 2025 at 10:00AM</b> , or at any adjournment of that meeting.	

Please mark any boxes with an



Proxy Type:

☐

General

☐

Special

	For	Against	Abstain
<b>Resolution 1: Administrators' Current Remuneration</b>  "That the remuneration of the Administrators from 11 February 2025 to 2 June 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$98,271.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2: Administrators' Future Remuneration</b>  "That the future remuneration of the Administrators from 3 June 2025 to the date of the second meeting of creditors of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$30,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3: Administrators' Internal Disbursements</b>  "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"/>



<b>Resolution 4: Future of the Company</b> For creditors of the Company to resolve that:			
(G) "The Company be wound up"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(H) "The Administration should end"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(I) "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"/>
<b>Resolution 5: Appointment of alternate liquidator (if applicable)</b>  "To appoint someone else, instead of the Company's Administrators, to be liquidator(s) of the Company."  (Note: if voting "For", please attach details of any particular alternate liquidator you wish to vote for)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6: Proposed Liquidators' Future Remuneration (as required)</b>  "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"/>
<b>Resolution 7: Liquidators' Internal Disbursements</b>  "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"/>
<b>Resolution 8: Early destruction of books and records (if applicable)</b>  "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"/>
<b>Resolution 9: Committee of inspection (if applicable)</b>  "That a Committee of inspection be appointed."	<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

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

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

**ANNEXURE D – PROXY FORM**

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

**APPOINTMENT OF PROXY  
 CREDITORS MEETING**

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

*I/*We <sup>(1)</sup>	
Of	
being a creditor of the Company, appoint <sup>(2)</sup> or in his or her absence	
to vote for me/us on my/our behalf at the meeting of creditors to be held on <b>Friday, 6 June 2025 at 10:00AM</b> , or at any adjournment of that meeting.	

Please mark any boxes with an



Proxy Type:

☐

General

☐

Special

	For	Against	Abstain
<b>Resolution 1: Administrators' Current Remuneration</b>  "That the remuneration of the Administrators from 27 February 2025 to 2 June 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$104,481.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2: Administrators' Future Remuneration</b>  "That the future remuneration of the Administrators from 3 June 2025 to the date of the second meeting of creditors of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$30,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3: Administrators' Internal Disbursements</b>  "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"/>

<b>Resolution 4: Future of the Company</b> For creditors of the Company to resolve that:			
(J) "The Company be wound up"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(K) "The Administration should end"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(L) "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"/>
<b>Resolution 5: Appointment of alternate liquidator (if applicable)</b>  "To appoint someone else, instead of the Company's Administrators, to be liquidator(s) of the Company."  (Note: if voting "For", please attach details of any particular alternate liquidator you wish to vote for)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6: Proposed Liquidators' Future Remuneration (as required)</b>  "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"/>
<b>Resolution 7: Liquidators' Internal Disbursements</b>  "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"/>
<b>Resolution 8: Early destruction of books and records (if applicable)</b>  "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"/>
<b>Resolution 9: Committee of inspection (if applicable)</b>  "That a Committee of inspection be appointed."	<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

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

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

**ANNEXURE D – PROXY FORM**

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

**APPOINTMENT OF PROXY  
 CREDITORS MEETING**

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

*I/*We <sup>(1)</sup>	
Of	
being a creditor of the Company, appoint <sup>(2)</sup> or in his or her absence	
to vote for me/us on my/our behalf at the meeting of creditors to be held on <b>Friday, 6 June 2025 at 10:00AM</b> , or at any adjournment of that meeting.	

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	For	Against	Abstain
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<b>Resolution 2: Administrators' Future Remuneration</b>  "That the future remuneration of the Administrators from 3 June 2025 to the date of the second meeting of creditors of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$30,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3: Administrators' Internal Disbursements</b>  "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"/>

<b>Resolution 4: Future of the Company</b> 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"/>
<b>Resolution 5: Appointment of alternate liquidator (if applicable)</b>  "To appoint someone else, instead of the Company's Administrators, to be liquidator(s) of the Company."  (Note: if voting "For", please attach details of any particular alternate liquidator you wish to vote for)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<b>Resolution 8: Early destruction of books and records (if applicable)</b>  "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"/>
<b>Resolution 9: Committee of inspection (if applicable)</b>  "That a Committee of inspection be appointed."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED this                      day of                      2025

\_\_\_\_\_  
Signature

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**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:

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\* Strike out if inapplicable

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

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



## ANNEXURE E – PROOF OF DEBT FORM

FORM 535  
CORPORATIONS ACT 2001Section 600G  
Sub-regulation 5.6.49(2)

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

Please tick one of the below indebted Companies:

☐

Holistic Development Pty Ltd (Administrators Appointed) ACN 621 106 287

☐

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

☐

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

To the Administrators:

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

('Creditor'):

of (full address):

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

Particulars of the debt are:

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

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

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

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

Date	Drawer	Acceptor	Amount \$ c	Due Date

☐I am **not** a related creditor of the Company <sup>(5)</sup>☐I am a related creditor of the Company <sup>(5)</sup>  
relationship: \_\_\_\_\_

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

Is the debt you are claiming assigned to you?

No ☐ Yes ☐

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

☐ Attached

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

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

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

Signature of Signatory

NAME IN BLOCK LETTERS

Occupation

Address

Email

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

### Proof of Debt Form Directions

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

### Annexures

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

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

## ANNEXURE E – PROOF OF DEBT FORM

FORM 535  
CORPORATIONS ACT 2001Section 600G  
Sub-regulation 5.6.49(2)

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

Please tick one of the below indebted Companies:

☐

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

☐

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

To the Administrators:

1. This is to state that the company was, on 27 February 2025
- <sup>(1)</sup>
- and still is, justly and truly indebted to
- <sup>(2)</sup>
- (full name):

('Creditor'):

of (full address):

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

Particulars of the debt are:

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

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

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

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

Date	Drawer	Acceptor	Amount \$ c	Due Date

☐I am **not** a related creditor of the Company <sup>(5)</sup>☐I am a related creditor of the Company <sup>(5)</sup>  
relationship: \_\_\_\_\_

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

Is the debt you are claiming assigned to you?

No ☐ Yes ☐

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

☐ Attached

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

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

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

Signature of Signatory

NAME IN BLOCK LETTERS

Occupation

Address

Email

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

### Proof of Debt Form Directions

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

### Annexures

- E. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
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    - 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.
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- H. If a form has a document annexed the following particulars of the annexure must be written on the form:
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## ANNEXURE F – INFORMATION SHEETS



## Creditor Rights in Voluntary Administrations

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



### Right to request information

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

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

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

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

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

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

### Requests must be reasonable.

#### They are not reasonable if:

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

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

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

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



#### Right to give directions to voluntary administrator

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

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

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

#### Right to appoint a reviewing liquidator

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

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

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

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

#### Right to replace voluntary administrator

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

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

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

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

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

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

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

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

Version: June 2018

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



## Voluntary Administration Creditor Information Sheet

### Offences, Recoverable Transactions and Insolvent Trading



#### Offences

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

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

#### Recoverable Transactions

##### Preferences

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

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

##### Creditor-defeating disposition

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



### *Uncommercial Transaction*

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

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

### *Unfair Loan*

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

### *Arrangements to avoid employee entitlements*

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

### *Unreasonable payments to directors*

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

### *Voidable charges*

Certain charges over company property are voidable by a liquidator:

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

### **Insolvent trading**

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

Holistic Development Pty Ltd ACN 621 106 287

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

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

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

Finnish Early Childhood Education (Waurin 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

**Australian Securities &  
Investments Commission**

Electronic Lodgement

Document No. **7EDM98109**

Lodgement date/time: 30-06-2025 19:12:28

Reference Id: 215912747

**Form 5011**

Corporations Act 2001

**s436E, 439A**

Insolvency Practice Rules (Corporations) 2016

**s75-145(1)(c)**

## Copy of minutes of meeting

### Liquidator details

Registered liquidator number

**420880**

Registered liquidator name

**ALAN LEE WALKER**

### Company details

Company name

**FINNISH EARLY CHILDHOOD  
EDUCATION (GOSFORD) PTY LTD**

**643 367 720**

### Section under which minutes are lodged

Date of meeting

**17-06-2025**

Are the minutes being lodged for a meeting convened under s436E, or  
s439A of the Corporations Act 2001?

**Yes**

### Certification

I certify that the attached minutes of meeting are a true copy of the original  
minutes of meeting signed by the chair of the meeting as identified in the  
minutes.

**Yes**

Form 5011 - Copy of minutes of meeting  
Liquidator: 420880 - ALAN LEE WALKER

Authentication

This form has been authenticated by  
NameALAN LEE WALKER  
This form has been submitted by  
NameOscar BUSH  
Date30-06-2025

For more help or information  
Webwww.asic.gov.au  
Ask a question?www.asic.gov.au/question  
Telephone1300 300 630

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

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

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

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

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

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

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

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

Minutes of the Second Meeting of Creditors held at  
Suite 19.02, Level 19, 1 Castlereagh Street, Sydney NSW 2000 on 17 June 2025 at 10:00 AM AEST

<b>IN ATTENDANCE:</b>	Alan Walker – presiding at the meeting (Chairperson). Taylor O'Neill – from WLP Restructuring assisting the Chairperson Creditors in person or by proxy – refer to the list attached.
<b>MEETING OPEN:</b>	Mr Walker opened the meeting at 10:00 AM and introduced himself and the persons from WLP Restructuring in attendance who were assisting with the meeting.
<b>PERSON PRESIDING AT THE MEETING (CHAIRPERSON):</b>	Mr Walker advised that the meeting is the second meeting of creditors of the Companies in administration and held in accordance with section 439A of the Corporations Act 2001 ( <b>Act</b> ). The Chairperson informed the meeting that he would be the Chairperson at the meeting pursuant to IPR 75-50 of the Insolvency Practice Rules (Corporations) 2016 ( <b>IPR</b> ).

<b>CONCURRENT MEETINGS:</b>	<p>The Chairman advised his intention to hold each of the meetings for the Companies concurrently.</p> <p>There were no objections from creditors.</p>
<b>QUORUM:</b>	<p>The Chairperson announced those present at the meeting in accordance with the attendance register. The Chairperson tabled:</p> <ul style="list-style-type: none"> <li>- The attendance register; and</li> <li>- The proxy and proof of debt forms received for the meeting.</li> </ul> <p>The Chairperson confirmed the attendance of each person and the amount for which each creditor had been admitted for voting purposes.</p> <p>The Chairperson advised that there was a quorum in accordance with IPR 75-105 for each of the Companies.</p> <p>The Chairperson advised that as permitted by IPR 75-75, creditors were attending the meeting by electronic facilities.</p> <p><i>Refer to the attached attendance registers for the list of creditors of each of the Companies attending via electronic facilities.</i></p>
<b>OBSERVERS IN ATTENDANCE:</b>	<p>The Chairperson advised of the intention to allow observers to be present at the meeting. The Chairperson advised that observers cannot vote or otherwise participate in the meeting.</p> <p>The Chairperson advised that there were no observers attending the meeting.</p>
<b>NOTICE OF MEETING AND ADVERTISEMENT:</b>	<p>The Chairperson tabled the notice of meeting of creditors and a copy of the notice of the meeting advertised on the Australian Securities and Investments Commission's Published Notices Website on 6 June 2025 and the website of WLP Restructuring.</p>
<b>TIME AND PLACE OF MEETING:</b>	<p>The Chairperson advised that the meeting was being held at a time and place convenient for the majority of persons entitled to receive notice of the meeting in accordance with IPR 75-30.</p> <p>The Chairperson advised that, as permitted by IPR 75-75, a notice of electronic facilities for the meeting had been given and the electronic facilities were available and operating. Those people attending by electronic facilities were taken to be present in person at the meeting pursuant to IPR 75-75.</p>
<b>PROXY AND PROOF OF DEBT FORMS ENTITLEMENT TO VOTE:</b>	<p>The Chairperson tabled the appointment of proxy forms and particulars/proof of debt or claim forms received for the meeting. The Chairperson referred to the provisions on the entitlement to vote at the meeting as contained in the notice of meeting and advised that:</p> <ul style="list-style-type: none"> <li>• only creditors (or their proxy or attorney) are entitled to vote at the meeting of the Company of which they are a creditor.</li> </ul>

	<ul style="list-style-type: none"> <li>• each creditor is entitled to vote and has one vote in the meeting of the Company that they are a creditor.</li> <li>• a person is not entitled to vote as a creditor unless his or her debt or claim has been admitted wholly or in part by the administrator or he or she has lodged particulars of their debt or claim with the administrator or the person presiding at the meeting of the specific Company.</li> <li>• a creditor must not vote in respect of: <ul style="list-style-type: none"> <li>(a) an unliquidated debt; or</li> <li>(b) a contingent debt; or</li> <li>(c) an unliquidated or a contingent claim; or</li> <li>(d) a debt the value of which is not established, unless a just estimate of its value has been made.</li> </ul> </li> </ul>
<b>PROPOSING RESOLUTIONS AND AMENDMENTS</b>	<p>The Chairperson advised that relevant resolutions can be proposed at the meetings.</p> <p>The Chairperson explained that the only people who may propose resolutions, or amendments of proposed resolutions, at the meeting are either the person presiding at the meeting or the people participating and entitled to vote at each of the meetings.</p> <p>If a resolution is proposed, there would be a reasonable time for debate on the proposed resolution and on any amendment proposed to the resolution. If any amendments were proposed, the amendments would be put to a vote of the Creditors of that Company.</p>
<b>VOTING PROCEDURES:</b>	<p>The Chairperson advised that pursuant to IPR 75-75(3), votes taken at the meeting must be taken:</p> <p>(a) on a poll, if:</p> <ul style="list-style-type: none"> <li>○ the notice of the meeting specifies that votes taken at the meeting must be taken on a poll; or</li> <li>○ a poll is requested by the person presiding at the meeting or by a person participating and entitled to vote at the meeting; or</li> </ul> <p>(b) otherwise on a show of hands.</p> <p>The Chairperson advised that if a poll is demanded, a resolution is carried if:</p> <ul style="list-style-type: none"> <li>– a majority of creditors voting (whether in person, by attorney or by proxy) vote in favour; and</li> <li>– the value of the debts owed by the corporation to those voting in favour is more than half the total debts owed to all creditors voting (IPR 75-115).</li> </ul> <p>The Chairperson noted that:</p>

	<ul style="list-style-type: none"> <li>– In accordance with IPR 75-115, the Chairperson may exercise a casting vote if no result is reached for or against. The Chairperson's decision to exercise this vote is subject to review by the Court upon application by a creditor (Sections 75-42 and 75-43 of Schedule 2 to the Act).</li> <li>– A secured creditor may vote with respect to the whole of its debt or claim, without being required to estimate the value of its security (IPR 75-87).</li> <li>– A related party is permitted to vote as a creditor at the meeting, provided its claim has been admitted by the Administrators for the purposes of voting (IPR 75-100).</li> </ul> <p>Where a debt claimed by a related creditor (within the meaning of Section 75-41(4) of Schedule 2 to the Act) has been assigned to that related creditor, the value for the purposes of voting is to be determined by taking the value of the assigned debt to be equal to the value of the consideration given by the related creditor for the assignment of the debt (IPR 75-110(7)).</p>
<b>ADMINISTRATORS' REPORT:</b>	<p>The Chairperson provided a summary of the Administration, noting that everyone present had the opportunity to review the Administrators' Report.</p> <p>The Chairperson noted:</p> <ul style="list-style-type: none"> <li>- The Chairperson provided an update on the sales of the centres.</li> <li>- Sale campaigns for the Group's businesses commenced shortly after the Administrators' appointment and closed on 6 March 2025.</li> <li>- ILO Australia provided head office support for the Ballan and Kurunjang Centres. The business of ILO Ballan has ceased trading, as the Administrators were unable to complete a sale.</li> <li>- One offer was received for ILO Ballan. However, the landlord rejected the proposed tenant and the Centre was closed as it was loss making. Residual assets were sold to the Waurin Ponds Centre.</li> <li>- Sale Agreements have been signed for Longwarry, Waurin Ponds and Emerald and we are working towards completion expected to take place in the next three to four weeks.</li> <li>- The Administrators remain engaged in the sale process for Gosford and St Leonards. Multiple expressions of interest have been received, and negotiations are ongoing, with sale finalisation dependent on lease negotiations.</li> <li>- <b>As a separate update:</b></li> <li>- Since issuing our Report to Creditors, we were made aware by a creditor of Finnish Australia of various franchise agreements entered into between the Group companies operating a childcare centre and Finnish Australia. These agreements purportedly provided that the</li> </ul>

	<p>childcare operating centres were to pay Finnish Australia an upfront franchise fee ranging from \$100k to \$1.6 million, as well as ongoing royalty payments equivalent to 12% of gross revenue.</p> <ul style="list-style-type: none"> <li>- Upon receiving this information, we sought clarification from the Director as to why these agreements had not been provided to the Administrators. The Director advised that while the Company's external accountant had facilitated the preparation of these agreements, they were ultimately not implemented by the Group. Accordingly, the Director did not consider the agreements relevant for disclosure.</li> <li>- As detailed in our Report, our preliminary investigations into the Group's management accounts indicates that a number of intercompany loans and transactions occurred on an informal, ad hoc basis. The movements of funds were generally to meet the immediate cash flow requirements of individual entities within the Group. The financial structure of the Group appears to reflect a reliance on profitable centres subsidising the operations of less profitable or loss-making centres.</li> <li>- We note that, as Administrators, we have not adopted any pre-appointment agreements without written consent. As such, these franchise agreements do not currently impact the trading position of the Companies under our control. The impact of these agreements (if any) will be further considered in the event that the Companies proceed into liquidation.</li> <li>- At this stage, it remains the Administrators' intention to explore a pooling arrangement for the Group. If pursued, this would resolve all inter-entity loans and transactions for the purposes of a distribution.</li> <li>- <b>Solvency</b></li> <li>- The Administrators' estimate the Companies were insolvent from April 2024.</li> <li>- Offences by the Companies' director have been identified, including in particular the misuse of Companies funds in transfers to related entities and insolvent trading.</li> <li>- The cause of the Companies' insolvency included winding up applications against related entities by statutory creditors. It was further explained that the Companies failed to pay landlords on time, which, alongside low occupancy levels, resulted in ongoing cash flow pressures across the group.</li> </ul>
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	<ul style="list-style-type: none"><li>- The group operated as a single economic entity, without maintaining separate Profit and Loss statements for each centre. Consequently, numerous intercompany transfers were executed to allocate funds where needed. In the absence of distinct financial records for each entity, liquidators will need to undertake a comprehensive reconciliation of each company's financial position to accurately determine their individual positions.</li><li>- The intercompany transfers executed within the group were unnecessary and may constitute breaches of directors' duties.</li></ul>															
QUESTIONS:	<p>The Chairperson asked those present if they had any questions.</p> <p>There were no questions asked.</p>															
RELEVANT RESOLUTIONS:	<p>The Chairperson invited those persons participating and entitled to vote to propose any relevant resolutions. The Chairperson advised that the resolutions included in the notice of meeting would be proposed and put to a vote at the meeting.</p>															
<b>ILO EARLY LEARNING (BALLAN) PTY LTD (ADMINISTRATORS APPOINTED) TRADING AS “ILO KENDALL EARLY EDUCATION CENTRE BALLAN” &amp; “ILO BALLAN EARLY LEARNING CENTRE”</b> <b>ACN 652 090 465</b>																
ADMINISTRATORS’ CURRENT REMUNERATION	<p>The Chairperson spoke to the Remuneration Approval Report dated 6 June 2025 and tabled the following resolution:</p> <p><i>“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.”</i></p> <p><i>Poll Results</i></p> <table><tr><td></td><td>Number</td><td>Value \$</td></tr><tr><td>For</td><td>1</td><td>11,199.43</td></tr><tr><td>Against</td><td></td><td></td></tr><tr><td>Abstain</td><td>1</td><td>165,156.58</td></tr><tr><td><b>Total</b></td><td><b>2</b></td><td><b>176,356.01</b></td></tr></table> <p><b>The Chairperson declared that the Resolution was Passed.</b></p> <p>The Chairperson noted he abstained from voting with general proxies in his name.</p>		Number	Value \$	For	1	11,199.43	Against			Abstain	1	165,156.58	<b>Total</b>	<b>2</b>	<b>176,356.01</b>
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<b>Total</b>	<b>2</b>	<b>176,356.01</b>														

<b>ADMINISTRATORS' FUTURE REMUNERATION</b>	<p>The Chairperson spoke to the Remuneration Approval Report dated 6 June 2025 and tabled the following resolution:</p> <p><i>"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."</i></p> <table><tr><td></td><td><b>Number</b></td><td><b>Value \$</b></td></tr><tr><td>For</td><td>1</td><td>11,199.43</td></tr><tr><td>Against</td><td></td><td></td></tr><tr><td>Abstain</td><td>1</td><td>165,156.58</td></tr><tr><td><b>Total</b></td><td><b>2</b></td><td><b>176,356.01</b></td></tr></table> <p><b>The Chairperson declared that the Resolution was Passed.</b></p> <p>The Chairperson noted he abstained from voting with general proxies in his name.</p>		<b>Number</b>	<b>Value \$</b>	For	1	11,199.43	Against			Abstain	1	165,156.58	<b>Total</b>	<b>2</b>	<b>176,356.01</b>
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<b>Total</b>	<b>2</b>	<b>176,356.01</b>														
<b>ADMINISTRATORS' INTERNAL DISBURSEMENTS:</b>	<p>The Chairperson spoke to the Remuneration Approval Report dated 6 June 2025 and tabled the following resolution:</p> <p><i>"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".</i></p> <table><tr><td></td><td><b>Number</b></td><td><b>Value \$</b></td></tr><tr><td>For</td><td>1</td><td>11,199.43</td></tr><tr><td>Against</td><td></td><td></td></tr><tr><td>Abstain</td><td>1</td><td>165,156.58</td></tr><tr><td><b>Total</b></td><td><b>2</b></td><td><b>176,356.01</b></td></tr></table> <p><b>The Chairperson declared that the Resolution was Passed.</b></p> <p>The Chairperson noted he abstained from voting with general proxies in his name.</p>		<b>Number</b>	<b>Value \$</b>	For	1	11,199.43	Against			Abstain	1	165,156.58	<b>Total</b>	<b>2</b>	<b>176,356.01</b>
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<b>FUTURE OF THE COMPANY:</b>	<p>The Chairperson spoke to the Administrators' Report to Creditors dated 6 June 2025 and tabled the following resolution:</p> <p><i>"The Company be wound up."</i></p> <table><tr><td></td><td><b>Number</b></td><td><b>Value \$</b></td></tr><tr><td>For</td><td>2</td><td>176,356.01</td></tr><tr><td>Against</td><td></td><td></td></tr><tr><td>Abstain</td><td></td><td></td></tr><tr><td><b>Total</b></td><td><b>2</b></td><td><b>176,356.01</b></td></tr></table> <p><b>The Chairperson declared that the Resolution was Passed.</b></p>		<b>Number</b>	<b>Value \$</b>	For	2	176,356.01	Against			Abstain			<b>Total</b>	<b>2</b>	<b>176,356.01</b>
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Against																
Abstain																
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	The Chairperson noted he voted with his general proxy in accordance with his recommendation to creditors that the Company be wound up.															
<b>APPOINTMENT OF ALTERNATE LIQUIDATOR:</b>	The Chairperson advised that no nominations were received for an alternate Liquidator to be appointed. Therefore, this resolution cannot be voted on.															
<b>LIQUIDATORS' FUTURE REMUNERATION:</b>	<p>The Chairperson spoke to the Remuneration Approval Report dated 6 June 2025 and tabled the following resolution:</p> <p><i>"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."</i></p> <table><tr><td></td><td><b>Number</b></td><td><b>Value \$</b></td></tr><tr><td>For</td><td>1</td><td>11,199.43</td></tr><tr><td>Against</td><td></td><td></td></tr><tr><td>Abstain</td><td>1</td><td>165,156.58</td></tr><tr><td><b>Total</b></td><td><b>2</b></td><td><b>176,356.01</b></td></tr></table> <p><b>The Chairperson declared that the Resolution was Passed.</b></p> <p>The Chairperson noted he abstained from voting with general proxies in his name.</p>		<b>Number</b>	<b>Value \$</b>	For	1	11,199.43	Against			Abstain	1	165,156.58	<b>Total</b>	<b>2</b>	<b>176,356.01</b>
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<b>LIQUIDATORS' DISBURSEMENTS:</b>	<p>The Chairperson spoke to the Remuneration Approval Report dated 6 June 2025 and tabled the following resolution:</p> <p><i>"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".</i></p> <table><tr><td></td><td><b>Number</b></td><td><b>Value \$</b></td></tr><tr><td>For</td><td>1</td><td>11,199.43</td></tr><tr><td>Against</td><td></td><td></td></tr><tr><td>Abstain</td><td>1</td><td>165,156.58</td></tr><tr><td><b>Total</b></td><td><b>2</b></td><td><b>176,356.01</b></td></tr></table> <p><b>The Chairperson declared that the Resolution was Passed.</b></p> <p>The Chairperson noted he abstained from voting with general proxies in his name.</p>		<b>Number</b>	<b>Value \$</b>	For	1	11,199.43	Against			Abstain	1	165,156.58	<b>Total</b>	<b>2</b>	<b>176,356.01</b>
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<b>EARLY DESTRUCTION OF BOOKS AND RECORDS:</b>	<p>The Chairperson spoke to the Administrators' Report to Creditors dated 6 June 2025 and tabled the following resolution:</p> <p><i>"That the Liquidators be empowered to destroy all books and records of the Company following the completion of the liquidation."</i></p> <table><tr><td></td><td><b>Number</b></td><td><b>Value \$</b></td></tr><tr><td>For</td><td>2</td><td>176,356.01</td></tr><tr><td>Against</td><td></td><td></td></tr><tr><td>Abstain</td><td></td><td></td></tr><tr><td><b>Total</b></td><td><b>2</b></td><td><b>176,356.01</b></td></tr></table> <p><b>The Chairperson declared that the Resolution was Passed.</b></p> <p>The Chairperson noted he voted with his general proxy.</p>		<b>Number</b>	<b>Value \$</b>	For	2	176,356.01	Against			Abstain			<b>Total</b>	<b>2</b>	<b>176,356.01</b>
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<b>COMMITTEE OF INSPECTION:</b>	<p>The Chairperson noted that he had not received any nominations for a Committee of Inspection (<b>COI</b>), that no creditors had indicated they wished to form a COI and one would not be formed for the Company.</p>															
<b>ILO EARLY LEARNING (AUSTRALIA) PTY LTD (ADMINISTRATORS APPOINTED) TRADING AS "ILO EARLY LEARNING AUSTRALIA" ACN 649 081 069</b>																
<b>ADMINISTRATORS' CURRENT REMUNERATION</b>	<p>The Chairperson spoke to the Remuneration Approval Report dated 6 June 2025 and tabled the following resolution:</p> <p><i>"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."</i></p> <p><i>Poll Results</i></p> <table><tr><td></td><td><b>Number</b></td><td><b>Value \$</b></td></tr><tr><td>For</td><td>3</td><td>299,071.41</td></tr><tr><td>Against</td><td></td><td></td></tr><tr><td>Abstain</td><td></td><td></td></tr><tr><td><b>Total</b></td><td><b>3</b></td><td><b>299,071.41</b></td></tr></table> <p><b>The Chairperson declared that the Resolution was Passed.</b></p>		<b>Number</b>	<b>Value \$</b>	For	3	299,071.41	Against			Abstain			<b>Total</b>	<b>3</b>	<b>299,071.41</b>
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<b>ADMINISTRATORS' FUTURE REMUNERATION</b>	<p>The Chairperson spoke to the Remuneration Approval Report dated 6 June 2025 and tabled the following resolution:</p>															

	<p><i>“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.”</i></p> <table><tr><td></td><td>Number</td><td>Value \$</td></tr><tr><td>For</td><td>3</td><td>299,071.41</td></tr><tr><td>Against</td><td></td><td></td></tr><tr><td>Abstain</td><td></td><td></td></tr><tr><td>Total</td><td>3</td><td>299,071.41</td></tr></table> <p>The Chairperson declared that the Resolution was Passed.</p>		Number	Value \$	For	3	299,071.41	Against			Abstain			Total	3	299,071.41
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ADMINISTRATORS’ INTERNAL DISBURSEMENTS:	<p>The Chairperson spoke to the Remuneration Approval Report dated 6 June 2025 and tabled the following resolution:</p> <p><i>“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”.</i></p> <table><tr><td></td><td>Number</td><td>Value \$</td></tr><tr><td>For</td><td>3</td><td>299,071.41</td></tr><tr><td>Against</td><td></td><td></td></tr><tr><td>Abstain</td><td></td><td></td></tr><tr><td>Total</td><td>3</td><td>299,071.41</td></tr></table> <p>The Chairperson declared that the Resolution was Passed.</p>		Number	Value \$	For	3	299,071.41	Against			Abstain			Total	3	299,071.41
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APPOINTMENT OF ALTERNATE LIQUIDATOR:	<p>The Chairperson advised that no nominations were received for an alternate Liquidator to be appointed. Therefore, this resolution cannot be voted on.</p>															

<b>LIQUIDATORS' FUTURE REMUNERATION:</b>	<p>The Chairperson spoke to the Remuneration Approval Report dated 6 June 2025 and tabled the following resolution:</p> <p><i>"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."</i></p> <table><tr><td></td><td><b>Number</b></td><td><b>Value \$</b></td></tr><tr><td>For</td><td>1</td><td>221,177.03</td></tr><tr><td>Against</td><td></td><td></td></tr><tr><td>Abstain</td><td>2</td><td>77,894.38</td></tr><tr><td><b>Total</b></td><td><b>3</b></td><td><b>299,071.41</b></td></tr></table> <p><b>The Chairperson declared that the Resolution was Passed.</b></p>		<b>Number</b>	<b>Value \$</b>	For	1	221,177.03	Against			Abstain	2	77,894.38	<b>Total</b>	<b>3</b>	<b>299,071.41</b>
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<b>LIQUIDATORS' DISBURSEMENTS:</b>	<p>The Chairperson spoke to the Remuneration Approval Report dated 6 June 2025 and tabled the following resolution:</p> <p><i>"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"</i></p> <table><tr><td></td><td><b>Number</b></td><td><b>Value \$</b></td></tr><tr><td>For</td><td>1</td><td>221,177.03</td></tr><tr><td>Against</td><td></td><td></td></tr><tr><td>Abstain</td><td>2</td><td>77,894.38</td></tr><tr><td><b>Total</b></td><td><b>3</b></td><td><b>299,071.41</b></td></tr></table> <p><b>The Chairperson declared that the Resolution was Passed.</b></p>		<b>Number</b>	<b>Value \$</b>	For	1	221,177.03	Against			Abstain	2	77,894.38	<b>Total</b>	<b>3</b>	<b>299,071.41</b>
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<b>COMMITTEE OF INSPECTION:</b>	<p>The Chairperson noted that he had not received any nominations for a Committee of Inspection (<b>COI</b>), that no creditors had indicated they wished to form a COI and one would not be formed for the Company.</p>															

	The outcomes pertaining to ILO Early Learning (Ballan Pty Ltd) and ILO Early Learning (Australia Pty Ltd) were concluded at this point.															
<b>HOLISTIC DEVELOPMENT PTY LTD (ADMINISTRATORS APPOINTED) TRADING AS “HEI SCHOOLS EMERALD EARLY LEARNING CENTRE” ACN 621 106 287</b>																
<b>ADMINISTRATORS’ CURRENT REMUNERATION</b>	<p>The Chairperson spoke to the Remuneration Approval Report dated 6 June 2025 and tabled the following resolution:</p> <p><i>“That the remuneration of the Administrators from 11 February 2025 to 2 June 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators’ partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$95,576.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required.”</i></p> <p><i>Poll Results</i></p> <table><tr><td></td><td><b>Number</b></td><td><b>Value \$</b></td></tr><tr><td>For</td><td>1</td><td>744,269.61</td></tr><tr><td>Against</td><td></td><td></td></tr><tr><td>Abstain</td><td>1</td><td>9,496.30</td></tr><tr><td><b>Total</b></td><td><b>2</b></td><td><b>753,765.91</b></td></tr></table> <p><b>The Chairperson declared that the Resolution was Passed.</b></p> <p>The Chairperson noted he abstained from voting with general proxies in his name.</p>		<b>Number</b>	<b>Value \$</b>	For	1	744,269.61	Against			Abstain	1	9,496.30	<b>Total</b>	<b>2</b>	<b>753,765.91</b>
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<b>ADMINISTRATORS’ FUTURE REMUNERATION</b>	<p>The Chairperson spoke to the Remuneration Approval Report dated 6 June 2025 and tabled the following resolution:</p> <p><i>“That the future remuneration of the Administrators from 3 June 2025 to the date of the second meeting of creditors of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators’ partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$30,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required.”</i></p> <table><tr><td></td><td><b>Number</b></td><td><b>Value \$</b></td></tr><tr><td>For</td><td>1</td><td>744,269.61</td></tr><tr><td>Against</td><td></td><td></td></tr><tr><td>Abstain</td><td>1</td><td>9,496.30</td></tr><tr><td><b>Total</b></td><td><b>2</b></td><td><b>753,765.91</b></td></tr></table> <p><b>The Chairperson declared that the Resolution was Passed.</b></p> <p>The Chairperson noted he abstained from voting with general proxies in his name.</p>		<b>Number</b>	<b>Value \$</b>	For	1	744,269.61	Against			Abstain	1	9,496.30	<b>Total</b>	<b>2</b>	<b>753,765.91</b>
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<b>ADMINISTRATORS' INTERNAL DISBURSEMENTS:</b>	<p>The Chairperson spoke to the Remuneration Approval Report dated 6 June 2025 and tabled the following resolution:</p> <p><i>"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".</i></p> <table><tr><td></td><td><b>Number</b></td><td><b>Value \$</b></td></tr><tr><td>For</td><td>1</td><td>744,269.61</td></tr><tr><td>Against</td><td></td><td></td></tr><tr><td>Abstain</td><td>1</td><td>9,496.30</td></tr><tr><td><b>Total</b></td><td><b>2</b></td><td><b>753,765.91</b></td></tr></table> <p><b>The Chairperson declared that the Resolution was Passed.</b></p> <p>The Chairperson noted he abstained from voting with general proxies in his name.</p>		<b>Number</b>	<b>Value \$</b>	For	1	744,269.61	Against			Abstain	1	9,496.30	<b>Total</b>	<b>2</b>	<b>753,765.91</b>
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<b>FUTURE OF THE COMPANY:</b>	<p>The Chairperson spoke to the Administrators' Report to Creditors dated 6 June 2025 and tabled the following resolution:</p> <p>"The Company be wound up."</p> <p>"That the Administration should end"</p> <p>"That the second meeting of creditors be adjourned for a period of up to 45 business days"</p> <p>It was noted that the Chairperson presiding at the Second Meeting is permitted to adjourn the meeting for up to a period of 45 business days to enable further work to be undertaken, with a view to issuing further reports to creditors in respect of the outcome of this work.</p> <p>The Chairperson advised he is adjourning the creditors meeting with respect to Holistic Development for a period of 45 business days to allow for the completion of the subsidiary level administrations.</p> <p><b>The Chairperson declared that the second meeting of creditors for Holistic Development Pty Ltd was adjourned at 10:35am.</b></p>															
<b>FINNISH EARLY CHILDHOOD EDUCATION (GOSFORD) PTY LTD (ADMINISTRATORS APPOINTED) TRADING AS "HEI SCHOOLS GOSFORD EARLY EDUCATION CENTRE" ACN 643 367 720</b>																
<b>ADMINISTRATORS' CURRENT REMUNERATION</b>	<p>The Chairperson spoke to the Remuneration Approval Report dated 6 June 2025 and tabled the following resolution:</p>															



	<p><i>“That the remuneration of the Administrators from 11 February 2025 to 2 June 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators’ partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$109,000.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required.”</i></p> <p><i>Poll Results</i></p> <table><tr><td></td><td><b>Number</b></td><td><b>Value \$</b></td></tr><tr><td>For</td><td>2</td><td>673,961.87</td></tr><tr><td>Against</td><td>1</td><td>1.00</td></tr><tr><td>Abstain</td><td></td><td></td></tr><tr><td><b>Total</b></td><td><b>3</b></td><td><b>673,962.87</b></td></tr></table> <p><b>The Chairperson declared that the Resolution was Passed.</b></p> <p>The Chairperson noted he abstained from voting with general proxies in his name.</p>		<b>Number</b>	<b>Value \$</b>	For	2	673,961.87	Against	1	1.00	Abstain			<b>Total</b>	<b>3</b>	<b>673,962.87</b>
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<b>ADMINISTRATORS’ FUTURE REMUNERATION</b>	<p>The Chairperson spoke to the Remuneration Approval Report dated 6 June 2025 and tabled the following resolution:</p> <p><i>“That the future remuneration of the Administrators from 3 June 2025 to the date of the second meeting of creditors of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators’ partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$30,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required.”</i></p> <table><tr><td></td><td><b>Number</b></td><td><b>Value \$</b></td></tr><tr><td>For</td><td>2</td><td>673,961.87</td></tr><tr><td>Against</td><td>1</td><td>1.00</td></tr><tr><td>Abstain</td><td></td><td></td></tr><tr><td><b>Total</b></td><td><b>3</b></td><td><b>673,962.87</b></td></tr></table> <p><b>The Chairperson declared that the Resolution was Passed.</b></p> <p>The Chairperson noted he abstained from voting with general proxies in his name.</p>		<b>Number</b>	<b>Value \$</b>	For	2	673,961.87	Against	1	1.00	Abstain			<b>Total</b>	<b>3</b>	<b>673,962.87</b>
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<b>ADMINISTRATORS’ INTERNAL DISBURSEMENTS:</b>	<p>The Chairperson spoke to the Remuneration Approval Report dated 6 June 2025 and tabled the following resolution:</p> <p><i>“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”.</i></p> <table><tr><td></td><td><b>Number</b></td><td><b>Value \$</b></td></tr><tr><td>For</td><td>3</td><td>673,962.87</td></tr><tr><td>Against</td><td></td><td></td></tr></table>		<b>Number</b>	<b>Value \$</b>	For	3	673,962.87	Against								
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<b>FINNISH EARLY CHILDHOOD EDUCATION (ST LEONARDS) PTY LTD (ADMINISTRATORS APPOINTED) TRADING AS “HEI SCHOOLS ST LEONARDS EARLY EDUCATION CENTRE” ACN 645 781 460</b>																	
<b>ADMINISTRATORS’ CURRENT REMUNERATION</b>	<p>The Chairperson spoke to the Remuneration Approval Report dated 6 June 2025 and tabled the following resolution:</p> <p><i>“That the remuneration of the Administrators from 11 February 2025 to 2 June 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators’ partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$98,271.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required.”</i></p> <p><i>Poll Results</i></p> <table><tr><td></td><td><b>Number</b></td><td><b>Value \$</b></td></tr><tr><td>For</td><td>2</td><td>470,850.82</td></tr><tr><td>Against</td><td></td><td></td></tr><tr><td>Abstain</td><td>1</td><td>1,860,843.68</td></tr><tr><td><b>Total</b></td><td><b>3</b></td><td><b>2,331,694.50</b></td></tr></table>			<b>Number</b>	<b>Value \$</b>	For	2	470,850.82	Against			Abstain	1	1,860,843.68	<b>Total</b>	<b>3</b>	<b>2,331,694.50</b>
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<b>FINNISH EARLY CHILDHOOD EDUCATION (LONGWARRY) PTY LTD (ADMINISTRATORS APPOINTED) TRADING AS “ILO LONGWARRY EARLY EDUCATION CENTRE” “HEI SCHOOLS LONGWARRY EARLY LEARNING CENTRE” ACN 637 227 546</b>																
<b>ADMINISTRATORS’ CURRENT REMUNERATION</b>	<p>The Chairperson spoke to the Remuneration Approval Report dated 6 June 2025 and tabled the following resolution:</p> <p><i>“That the remuneration of the Administrators from 27 February 2025 to 2 June 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators’ partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$104,481.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required.”</i></p> <p><i>Poll Results</i></p> <table><tr><td></td><td><b>Number</b></td><td><b>Value \$</b></td></tr><tr><td>For</td><td>1</td><td>795,682.13</td></tr><tr><td>Against</td><td></td><td></td></tr><tr><td>Abstain</td><td>1</td><td>195.00</td></tr><tr><td><b>Total</b></td><td><b>2</b></td><td><b>795,877.13</b></td></tr></table> <p><b>The Chairperson declared that the Resolution was Passed.</b></p> <p>The Chairperson noted he abstained from voting with general proxies in his name.</p>		<b>Number</b>	<b>Value \$</b>	For	1	795,682.13	Against			Abstain	1	195.00	<b>Total</b>	<b>2</b>	<b>795,877.13</b>
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FINNISH EARLY CHILDHOOD EDUCATION (WAURN PONDS) PTY LTD (ADMINISTRATORS APPOINTED) TRADING AS "HEI SCHOOLS WAURN PONDS EARLY EDUCATION CENTRE" ACN 638 461 579																	
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<b>OTHER BUSINESS:</b>	<p>The Chairperson advised the next steps for the Companies, noting that ILO Australia and ILO Ballan are now in Liquidation.</p> <p>The meetings relating to the remaining five Companies have been adjourned to allow further consideration regarding their future. The Chairperson noted that a Supplementary Report will be issued to creditors in the coming weeks.</p> <p>The Chairperson further advised that a meeting will be held with the Gosford and St Leonards teams in the upcoming week to provide a detailed update on the sale campaign.</p> <p>Additionally, the teams at Emerald, Waurm Ponds, and Longwarry will be introduced to the purchaser of these centres this week.</p>															

	<p>The Chairperson asked if there was any other business that creditors wished to raise or resolutions they wished to propose.</p> <p>No further matters were raised.</p>
<b>CLOSURE:</b>	<p>There being no further business the meeting was declared closed at 10:48 AM.</p> <p>Signed as a true and correct record by the person presiding at the meeting.</p> <p></p> <p>...</p> <p><b>Alan Walker</b> <b>Chairperson</b></p>



17 June 2025

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

Attendance Register

Second Meeting of Creditors held at WLP Restructuring, Suite 19.02, Level 19, 1 Castlereagh Street, Sydney NSW 2000  
on 17 June 2025 at 10:00AM AEST

TYPE	CREDITOR NAME	PROOF OF DEBT \$	PROOF ADMITTED FOR VOTING PURPOSES \$	RELATED PARTY	VALUE OF SECURITY	PROXY HOLDER	PROXY TYPE	SIGNATURE OF PERSON ATTENDING
Priority Unsecured	Deputy Commissioner of Taxation	673,960.87	673,960.87	N	N/A	Nicole Melnik	General	Via teleconference
Priority	Paige Waters	-	1.00	N	N/A	Paige Waters	Special	Via teleconference
Priority	Demie Atherton	-	1.00	N	N/A	Demie Atherton	Special	Via teleconference

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	TOTAL	\$673,960.87	673,962.87						
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