

BRI Ferrier

SUPPLEMENTARY SECOND REPORT TO CREDITORS

EDEN AUSTRALASIA PTY LTD

ACN 653 282 609

&

THE SAPPHIRE AUSTRALASIA PTY LTD

ACN 655 675 442

**(BOTH ADMINISTRATORS APPOINTED)
("THE COMPANIES")**

23 December 2024

ANDREW CUMMINS

PETER KREJCI

Joint and Several Administrators

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Sydney NSW 2000

INTRODUCTION

We refer to previous correspondence regarding the Company, in particular, our Second Report to Creditors dated 22 October 2024 (“Previous Report”) and provide creditors with an update on the matter.

The objective of Part 5.3A of the Act is to provide for the business, property and affairs of an insolvent (or likely to become insolvent) company to be administered in a way that maximises the chances of the company, or as much as possible of its business, continuing in existence, or, if this is not possible, results in a better return for the company’s creditors than would result from an immediate winding up of the company.

Section 438A of the Act requires that, as soon as practicable, the Administrators must investigate the business, property, affairs and financial circumstances of the Companies and form an opinion about each of the following matters:

- ▲ Whether it would be in the Creditors’ interests for the Companies to execute a DOCA;
- ▲ Whether it would be in the Creditors’ interests for the Administrations to end; and
- ▲ Whether it would be in the Creditors’ interests for the Companies to be wound up.

This is a supplementary report which should be read in conjunction with our Previous Report. If you have any questions relating to this administration, please do not hesitate to contact this office.

Creditors can find copies of all previous reports regarding this appointment on our website <https://www.briferrier.com.au/>

COMPANY DETAILS

Name	Eden Australasia Pty Ltd
Incorporated	31 August 2021
ACN/ABN	653 282 609/87 653 282 609 0
Registered Office	Level 2 74 McEvoy Street
& Trading Address	Alexandria NSW 2015
Name	The Sapphire Australasia Pty Ltd
Incorporated	29 November 2021
ACN/ABN	655 675 442/15 655 675 442
Registered Office &	Level 2, 74 McEvoy Street
Trading Address	Alexandria NSW 2015

ADMINISTRATORS

Name	Andrew Cummins and Peter Krejci
Date Appointed	24 September 2024

ADMINISTRATION CONTACT

Name	Mankirth Mandair
Email	mmandair@brifnsw.com.au
Phone	02 8263 2333

EXECUTIVE SUMMARY

As you are aware, we, Andrew Cummins and Peter Krejci were appointed Joint and Several Administrators of the Companies pursuant to Section 436A of the Corporations Act.

This report should be read in conjunction with our Previous Report. We will not restate matters contained in the Previous Report, unless there are updates required.

Pursuant to Section 439A of the Act, we convened the concurrent Second Meeting of Creditors on Wednesday, 30 October 2024 at 11:00AM AEDT. The meeting was adjourned for up to forty-five (45) business days to allow further time for a Deed of Company Arrangement (“DOCA”) to be explored.

The resumption of the concurrent Second Meeting of Creditors has been convened for Monday, 6 January 2025 at 11:00am (AEDT). Attached as **Annexure “1”** is the Notice of the Resumption of the Second Meetings of Creditors. The meeting will be held, both in person and virtually for the convenience of creditors.

We provide below a summary of the matter.

The sale campaign of the Hotel commenced on 11 October 2024 with EOIs’ closing at 3.00 PM, 5 December 2024. We received 3 EOIs’ and conducted further negotiations with the parties. We exchanged contract with a suitable party for \$4,100,000. The completion of the contract is due on 3 February 2025.

In anticipation of the sale and to address the conflicting priorities of Secured Creditors, we obtained a valuation of the Plant and Equipment at the Hotel.

We continued trade on the Hotel and will do so until the completion of the sale. We obtained legal advice and determined that in order to maintain the Liquor License the Companies should not be placed into Liquidation until completion of the sale has occurred.

The administrators in consultation with the major secured creditor, Bond Finance, have put forward a proposal for a Deed of Company Arrangement. It is hoped that the placing of the Companies into DOCA, will ensure continuity of various contracts/licenses, until a sale of the freehold and business can be completed.

We believe the DOCA proposal is advantages to creditors for a number of reasons mentioned in the report including the preservation of the value which would result in a greater return to creditors.

Should creditors choose to vote in favour of the DOCA proposal, upon completion of the proposed sale, that the Deed Administrators will convene a meeting of creditors to place the Companies into Liquidation.

Summary of Return to Creditors	DOCA		Liquidation	
	High Cents/\$	Low Cents/\$	High Cents/\$	Low Cents/\$
Secured Creditors	0.05	0.05	0.03	0.02
Priority Creditors	Nil	Nil	Nil	Nil
Unsecured Creditors	Nil	Nil	Nil	Nil

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10. Advice to Creditors About Remuneration
11. ASIC Information Sheet – Insolvency Information for Directors, Employees, Creditors and Shareholders
12. ARITA Information Sheet – Offences, Recoverable Transactions and Insolvent Trading

GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS

ABN	Australian Business Number
ACN	Australian Company Number
Act	Corporations Act 2001 (Cth)
Administrators	Peter Krejci and Andrew Cummins
ARITA	Australian Restructuring Insolvency and Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
CVL	Creditors Voluntary Liquidation
Companies	Eden Australasia Pty Ltd & The Sapphire Australasia Pty Ltd
DIRRI	Declaration of Independence, Relevant Relationships & Indemnities
DOCA	Deed of Company Arrangement
Department	Department of Employment and Workplace Relations
Director	Andrew Miller
Eden	Eden Australasia Pty Ltd
FEG	Fair Entitlements Guarantee
Hotel	Hotel Australasia located at 142-144 Imlay Street Eden NSW 2551
Mr Palasti	John Palasti / John Palasty
Mr Toma	Mark Toma
Firm	BRI Ferrier
GST	Goods and Services Tax
Hotel	Hotel Australasia
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations) 2016
PAYG	Pay As You Go Withholding
POD	Proof of Debt
PPSR	Personal Properties Securities Register
Premises	142-144 Imlay Street Eden NSW 2551
ROCAP	Report on Company Activities and Property
SGC	Superannuation Guarantee Charge
Sapphire	The Sapphire Australasia Pty Ltd
VA	Voluntary Administration
Virtual Group	Virtual Pty Ltd, Virtual Metro Pty Ltd, Virtual Metro Management Pty Ltd and other entities controlled by Mr Palasti and Mr Toma

1 Purpose of the Report

The objective of Part 5.3A of the Corporations Act is to provide for the business, property and affairs of an insolvent (or likely to become insolvent) company to be administered in a way that maximises the chances of the company, or as much as possible of its business, continuing in existence, or, if this is not possible, results in a better return for the company's creditors than would result from an immediate winding up of the company.

Section 438A of the Act requires that, as soon as practicable, the Administrators must investigate the company's business, property, affairs and financial circumstances and form an opinion about each of the following matters:

- ▶ Whether it would be in the Creditors' interests for the Companies to execute a DOCA;
- ▶ Whether it would be in the Creditors' interests for the Administration to end; and
- ▶ Whether it would be in the Creditors' interests for the Companies to be wound up.

2 Disclaimer

This Report and the statements made herein are based upon available books and records, information provided by Advisors and from our own enquiries. Whilst we have no reason to doubt the accuracy of the information provided or contained herein, we reserve the right to alter our opinions or conclusions should the underlying data prove to be inaccurate or materially change after the date of this Report.

In considering the options available to Creditors and in formulating our recommendations, we have necessarily made forecasts and estimates of asset realisations and the ultimate quantum of Creditors' claims against the Companies where appropriate. These forecasts and estimates may change as asset realisations progress and as Creditors' claims are made and adjudicated upon. Whilst the forecasts and estimates are the Administrators' best assessment in the circumstances, Creditors should note that the Companies ultimate deficiency, and therefore the outcome for Creditors could differ from the information provided in this Report.

Neither the Administrators nor any member or employee of BRI Ferrier accepts responsibility in any way whatsoever to any person in respect of any errors in this Report arising from incorrect information provided to us, or necessary forecasts, estimates and assessments made for the purposes of these Reports.

Should any Creditor have material information in relation to the Companies affairs which they consider may impact on our investigation or Reports, please forward the details to our office as soon as possible.

3 Declaration of Independence, Relevant Relationships And Indemnities

A Declaration of Independence, Relevant Relationships and Indemnities pursuant to Section 436DA of the Act was enclosed in the First Report. The DIRRI disclosed information regarding our independence,

prior personal or professional relationships with the Companies and any indemnities received in relation to these appointments.

We conduct ongoing assessments as to whether any potential conflict of interest issues develop during the voluntary administration. Our initial DIRRI was dated 27 September 2024. Since this date the following changes to circumstances have occurred:

- ▲ On 27 November 2024 we were appointed joint and several administrators of the following entities related to the Companies by virtue of the same director:
 - Cedar Grove Tas Pty Ltd ACN 671 936 628;
 - Core Asset Investments Pty Ltd ACN 644 206 324;
 - Nerang Qld Pty Ltd ACN 667 994 569;
 - Newcastle Denison Pty Ltd ACN 667 809 743;
 - The Courthouse Management Pty Ltd ACN 670 835 300; and
 - Virtical Metro Pty Ltd ACN 675 437 144.

- ▲ On 26 September 2024, 22 November 2024 and 19 December 2024, we received \$50,000.00, \$56,453.00 and \$93,547.00 respectively from the Bond Finance with respect to the indemnity provided.

For the reasons outlined in our updated DIRRI attached as **Annexure 2**, we do not consider that these changes cause a real or potential risk to our independence.

4 Previous Reports and Creditors Meetings

4.1 PREVIOUS REPORTS TO CREDITORS

This report should be read in conjunction with our reports issued in this matter:

- ▲ First Report to Creditors dated 27 September 2024 (“First Report”)
- ▲ Second Report to Creditors dated 22 October 2024 (“Second Report”)

4.2 PREVIOUS MEETINGS OF CREDITORS

We note that the first meeting of creditors was held on 4 October 2024. Minutes of that meeting have been lodged with ASIC.

The second meeting of creditors was held on 30 October 2024. This meeting was adjourned pursuant to Rule 75-140(1)(b) of the IPR to allow the administrators further time to explore a sale of business and/or DOCA proposal. Further details on sale of business and/or DOCA proposal are outlined in Section 7 of this report.

5 Conduct of the Administration

Since our Second Report, we have attended to the following:

5.1 Recovery of the Related Party Debtor and Loans

We issued demands to related parties requesting a return of funds advanced totalling \$9.7M. The lawyers for the related parties requested further evidence which was provided by the administrators. Currently the debts are disputed and our discussion with the parties is ongoing.

5.2 IT Back ups and Recovery of Books and records

The website is used to promote events and update seasonal changes to the menu. It also provides a medium for patrons to book accommodation. Symsafe, the Companies IT provider manages the website domain. The website data is managed by another provider, 'Getmilk'. The website was momentarily placed offline due to instructions provided by Mr Palasti's associate. We worked with Symsafe and Getmilk to restore the website and obtain complete control over the domain and the data.

We have also taken control of and obtained a backup of all the data maintained on the Microsoft Office 365 system including shared drives and emails. The size of this data is voluminous and at this stage we have not had a chance to review all the information to complete our investigation.

As mentioned in our Second Report to Creditors, the Companies utilised Xero to maintain their management accounts. At the time of our appointment, we were provided with read only access. We contacted Xero and took over the subscription in order for us to secure the books and records of the Companies.

We were advised the CCTV system installed in the Hotel is only able to record and store recording footage up to a week. In order to be compliant with the Liquor license the Hotel is required to store the recording footage for at least 30 days. Accordingly, to remedy this we organised for the system to be upgraded which took place on 23 December 2024.

5.3 Insurance

We contacted our insurance broker to review and provide advice on the existing policies and its adequacy.

There was no existing worker's compensation policy in place at the date of our appointment and in order to continue trading the Hotel we organised for sufficient cover. We have been advised the annual premium for this cover which is based on the number of staff employed is around \$11,000. The policy will be cancelled as soon as the administrators cease trading the business which will occur upon settlement of the sale. Any surplus premium paid will be refunded to the administrators on cancellation of the policy.

We were advised the Hotel had existing active Industrial Special Risks Insurance and Public and Products Liability cover however both these policies remained unpaid in the period prior to our appointment. Ongoing cover was required and accordingly we agreed to make premium payments. There are significant costs associated with these policies which is circa \$100,000 per year where the annual payment is required in full upfront. The Companies did not have access to this level of cash and accordingly we have opted for premium funding. Again, these policies will be cancelled/transferred by the administrators to the new owners and any surplus premium paid will be returned by the insurer.

5.4 Other Matters

- Continued correspondence with employees, customers, and where necessary negotiated with ongoing and new suppliers.
- Secured the Companies assets which included organising of fencing to separate the portion of the construction part of the Hotel to avoid theft/damage of materials and injury to patrons during ongoing trade.
- Reported to Creditors and held the Second Meeting of creditors on 30 October 2024 which was adjourned. Further details on the reasons for adjournment and the details of the reconvened meeting is detailed in Section 14 of this report.

6 Trading during the voluntary administration

As mentioned in our Second report, we undertook a number of key operational initiatives and statutory tasks to assume control of the Hotel.

6.1 Continued Trading and ongoing supply

We are continuing to trade the business in order to maintain its operational readiness to maximise revenue opportunities and to allow a seamless transition to the new owner.

We had various suppliers demand that their pre-appointment invoices be paid in full in order to continue supply. These suppliers were essential as finding an alternative supplier was not possible. One such supplier being PJ & AM Morgan Pty Ltd which supplies temporary labour. These staff are utilised in the kitchen as cooks and kitchen hand. Finding an alternative supplier would result in a temporary shutdown of the kitchen operations. Accordingly, we entered into a payment plan to pay the pre-appointment debt to ensure ongoing supply.

Some of these suppliers held a PMSI charge over the stock supplied. Given their outstanding invoices are up to date we will be in a position to obtain a release on the stock if any. This will enable us to include any unsold stock in the sale of the Hotel.

6.2 Appointment of New General Manager

The former general manager who was also the listed manager on the liquor licence resigned due to personal reasons. We were recommended a replacement by the outgoing general manager. This candidate had extensive experience managing hospitality venues and had prior experience managing the Hotel. Accordingly, with time being of essence and there being no other alternative candidate we immediately took steps to engage his services. We conducted reference checks, executed a short term consultancy contract and attended various meetings between the administrators, incoming general manager and outgoing general manager to ensure a smooth transition.

The incoming general manager commenced on 7 November 2024 and has made an application to be listed as manager on the Hotel's liquor license. In accordance with the terms of his engagement contract, the administrators have provided him accommodation for the duration of this engagement. This is consistent with the terms of the contract with the previous general manager. The manager's contract with the administrators will conclude at the time of the settlement of the sale of the Hotel which is anticipated to be in February 2025.

6.3 Staff Shortages and Appointment of additional Staff

The Hotel has faced challenges in hiring and retaining local staff. This situation was aggravated due to the uncertainties associated with an insolvency event which led to our appointment. The Companies prior to our appointment had entered into an agreement with PJ & AM Morgan Pty Ltd, a labour hire company who provided labour from Pacific Australia Labour Mobility scheme ("Palm Scheme"). The Palm Scheme involves hiring staff from adjoining pacific islands such as the Fiji to address the shortage of local labour.

Our initial assessment indicated the Palm Scheme employees were working overtime resulting in additional labour cost due to the payment of overtime/penalty rates. We made attempts and were able to hire some local casual staff to work in conjunction with the Palm Scheme employees. This has caused a reduction in the employment costs.

We have also purchased food pagers to alert patrons to collect their orders from the Kitchen. This has significantly reduced the dependence on wait staff and has increased food service.

At the time of our appointment, the head chef resigned, resulting in us operating on a limited food menu (no pizzas). We have been unable to source a replacement for this position. However, given the upcoming busy Christmas season the General Manager sourced an external consultant to train the current kitchen staff. The Hotel is now operating on a full menu.

6.4 Third Party Accommodation/Storage

6.4.1 St Joseph's School

The hotel utilised the non-operational St Joseph's School site located at 59-63 Calle Calle Street Eden NSW 2551. This site was used to store various items of the Hotel including outdoor furniture and kitchen

equipment. The Companies did not have control over the lease, and we were advised by the leasing agent that there were significant rental arrears. To avoid a lockout and given the items were to be utilised for summer trade, we organised the items to be moved back into the Hotel.

6.4.2 Twofold Arcade

The Hotel utilised shop 1 and 4 of the Twofold Arcade located at 146 – 150 Imlay Street Eden NSW 2551. Shop 1 was utilised as a laundry and for storage. Shop 4 was utilised as a dishwashing area. We relocated and setup the laundry equipment and items stored in Shop 1 into the Hotel to avoid being locked out. We have been unable to find an alternative location to relocate dishwashing area. We understand that there are significant rental arrears and we are currently in discussion with the leasing agent and the tenants lawyers regarding the ongoing occupancy of Shop 4.

We have also been advised that the Hotel leased Shop 9 of Twofold Arcade and the lease was terminated due to non- payment of rent. We have had no access to this Shop and did not occupy/utilise this premises during the administration.

6.4.3 House in Wahoo Court and Princess Highway

As mentioned earlier and in our Second Report, one of the issues faced by the Hotel is significant staff shortages and its inability to hire local staff. The General Manager of the Hotel was hired from Canberra (the previous General Manager was from Sydney). One of the conditions for his relocation was the Hotel to provide him with accommodation. Accordingly, he was provided a house in Wahoo Court located nearby area to the Hotel. This accommodation was previously provided and occupied by the outgoing General Manager. Similarly, the labourers subject to the Palm Scheme have also been provided accommodation in a house on Princess Highway.

The administrators have liaised with each of the leasing agents, and we have been continuing to make rental payments. A portion of the rent for the Palm Scheme employees has been paid by themselves by way of a deduction from their weekly wage.

6.5 Urgent Repairs and Maintenance

The Hotel has undergone renovations with the works still remaining incomplete. Temporary fencing and flooring was organised to ensure the safety of patrons.

We have also attended to emergency repairs of the beer system and cool room which was essential to continue the operation of the Hotel;

7 Sale of the Companies' Business and/or Assets

7.1 Introduction

As discussed earlier, immediately following our appointment we determined that a sale of business/assets should be pursued. We formed this view having regard to the various issues outlined above in regard to the trading and an immediate sale to preserve value.

7.2 Structure of Sale and Considerations

Eden is the registered proprietor of the Property where Bond holds a first ranking mortgage and Rovera holds a second ranking mortgage.

Rovera holds a first ranking security interests over all the present and after acquired personal property (**AIIPAAP**) of Eden. Bond holds a second ranking ALLPAAP security interest over Eden.

Bond holds first ranking ALLPAAP security interest for Sapphire and Rovera does not hold any security over Sapphire.

Given the above competing priorities, we sought legal advice and determined it would be appropriate to structure of the sale where an assessment would have to be undertaken for each of the items in the Hotel that is to:

- separately identify all items of plant, machinery, equipment, furniture and fixtures owned by the Companies;
- identify the degree of attachment of any item;
- value of each item;
- identify any item that is subject to any lease or security interest.

Accordingly, we engaged an external valuer to undertake a valuation of the items owned by the Companies based on the above.

The relevance to the above is to understand whether the item is a personal property which would fall under the security interest held by Rovera or a fixture to the land which would fall under the real property mortgage held by Bond.

We note that Rovera will rank in priority to Bond for the proceeds of the sale of personal property and Bond will rank in priority to Rovera for the proceeds of the sale of real property and fixtures of Eden and personal property of Sapphire.

7.3 Sale Campaign and Offers

We determined the appropriate path was to offer the freehold land and business for sale publicly and run a structured campaign, initially seeking expression of interest and then formal offers.

We engaged HTL Property to market and sell the Hotel. The campaign commenced on 11 October 2024 with EOI closing at 3:00 PM, 5 December 2024. An information memorandum was prepared containing the information available to the administrators. The sale campaign was advertised online and in print media with the Sydney Morning Herald and Canberra Times.

The campaign attracted around 10-15 informal inspections, a number of online enquires and the Hotel has been formally inspected by 5 parties. We have received 3 EOIs and further negotiations took place resulting in an exchange of contracts with the suitable party for \$4,100,000. The completion of the contract due on 3 February 2025.

8 Investigations

To date, we have been unable to contact the current Director, Mr Andrew Miller. As you are aware Mr Miller was appointed as Director in the month leading up to our appointment.

We have contacted the previous Director, Mr Palasti and a response from Mr Palasti's solicitor requested we make our requests for information to Mr Miller.

We are aware however, that key accounts and operations are controlled by Mr Palasti or Mr Palasti's associates and on this basis we believe there may be grounds, that Mr Palasti acted as a shadow or de facto director.

Our investigations have been limited, due to time constraints and a lack of access to records.

We have further reviewed the financial information available to us (primarily the Xero account) and remain of the opinion that the Companies have been insolvent since March 2022; around the time that the Companies commenced trading.

We have refined the Companies' working capital analysis, whereby we removed the impact of number of related party loan accounts, which we believe are not collectable. This is on the basis that those entities have recently entered external administration and at this stage, we have been advised that there is unlikely to be any return to ordinary unsecured creditors. This resulted in a further deterioration of the Companies' Liquidity ratios, further emphasizing the Companies' insolvency, since the commencement of trading.

On the basis of the Companies' financial position, we anticipate that on completion of the sale of the hotel, we will be convening a creditors meeting and likely recommending the Companies be placed into Liquidation. At that time, we will be able to provide further commentary regarding any further recovery actions.

9 Deed of Company Arrangement Proposal

As discussed above, we have been focused on trading the business of the Companies in order to preserve its value and secure a going concern sale of the business and the freehold premises.

We have now exchanged contracts with a purchaser. At this stage, the Administrators are continuing to trade with completion of the sale due on 3 February 2025.

We have obtained advice and determined that in order to maintain the Liquor License, the Companies should not be placed into Liquidation until completion of the sale has occurred. Accordingly, we propose that the Companies enter into a Deed of Company Arrangement. It is hoped that the placing of the Company into DOCA, will ensure continuity of various contracts/licenses, until a sale of the freehold and business can be completed.

The primary purpose of the DOCA proposal is to provide a holding period where before a sale can be completed. Upon completion of the sale, that the Deed Administrators will convene a meeting of creditors to place the Companies into Liquidation.

The key terms of the DOCA are as follows:

1. Peter Paul Krejci and Andrew John Cummins are the Deed Administrators
2. Peter Paul Krejci and Andrew John Cummins will be the Deed Proponent.
3. The Deed Administrators will continue to trade the business of the Companies, with full control remaining with the Deed Administrators whilst the Company is subject to DOCA.
4. There will be no dividend distributions made during the DOCA.
5. There will be no contributions to a Deed Fund, however the Deed Administrators will continue to trade the business until completion of the sale, at which point the Deed Administrators will convene a meeting of creditors to determine the future of the Companies.
6. The DOCA in its current format may be varied by creditors' resolution. As such, the option remains open to the prospective purchaser to structure their purchase via a Deed of Company Arrangement.
7. The Companies will not be released from any of their debts (i.e. their claims will remain when the DOCA is terminated).

We believe that the DOCA will be advantageous to creditors for a number of reasons:

1. Costs will be minimised, as the administrators will not be required to amend the conditions of various contract/licenses (in particular, obtaining permission from NSW Liquor and Gaming to permit trading whilst in liquidation. We would also need to confirm if insurance coverage would remain if the Companies were placed into liquidation and possibly obtain additional cover.
2. Ensure a smooth transition to the new owners, with the transfer of key contracts and licenses.
3. Preserves the ability of the new owners to propose a DOCA.

10 Recommendation of Administrators

Pursuant to Rule 75-225(3) of the IPR, the Administrators are required to make a statement setting out the Administrators' opinion about each of the following matters and provide their reasons for those opinions:

- Whether it would be in the Creditors' interests for the Companies to execute a DOCA;
- Whether it would be in the Creditors' interests for the administration to end;
- Whether it would be in the Creditors' interests for the Companies to be wound up.

We set out below our opinions as to each of these options:

10.1 Deed of Company Arrangement

Creditors may resolve that the Companies execute a DOCA.

We refer to Section 9 for details of the DOCA proposal and our analysis of same.

Under the proposed DOCA, the primary focus is to provide a holding period to maintain the Liquor License for ongoing trading before the sale can be completed. Upon completion of the sale the Deed Administrators will convene a meeting of creditors to place the Companies into Liquidation.

We believe that the proposal will be advantageous to creditors for a number of reasons listed above in Section 9.

Accordingly, based on the matters discussed in this report, we recommend that creditors resolve that the Companies execute the proposed DOCA.

10.2 Administration to End

Creditors may resolve that the Administration of the Companies should end and that control of the Company should be handed back to its Director.

The Companies are clearly insolvent. Further, the business and property of the Companies will be sold and as such there would be little utility for control to be returned.

We do not recommend that the Administration end on the basis that the Company is clearly insolvent.

10.3 Liquidation

Should Creditors decide to wind up the Companies, the Administration would revert to a Creditors Voluntary Liquidation and the Administrators would become the Liquidators, unless creditors resolved to appoint an alternative Liquidator.

One of the roles of the Liquidators would be to complete investigations into the reasons for the Companies failure and to identify any causes of action or voidable transaction recoveries against any entity or individual. The Liquidators are also required to report their findings to ASIC where offences are identified.

Recoveries in a liquidation are likely contingent on legal proceedings being pursued which is expensive and will require funding. That funding is available in the Administration, and therefore “litigation funding” would still be needed from creditors or the market. Litigation in a liquidation scenario is speculative and the outcome being that there may not be any recovery to creditors in the fullness of time.

Creditors will be afforded the opportunity to wind up the Companies upon settlement of the sale of the Hotel.

In the meantime we do not recommend that creditors resolve to wind up the Companies.

11 Estimated Return to Creditors

Set out in **Annexure “6”** is an analysis of the estimated returns that may be available to creditors in a Administration and Liquidation scenario. Please note these figures are estimates only and may vary significantly to the actual results.

In summary, the estimated returns are as follows:

Summary of Return to Creditors	DOCA		Liquidation	
	High Cents/\$	Low Cents/\$	High Cents/\$	Low Cents/\$
Secured Creditors	0.05	0.05	0.03	0.02
Priority Creditors	Nil	Nil	Nil	Nil
Unsecured Creditors	Nil	Nil	Nil	Nil

In the interim, we encourage any creditors who have not already done so, to lodge a Formal Proof of Debt (“POD”) together with relevant supporting documentation. A copy of the POD is attached as **Annexure “3”** in this regard.

12 Administrators’ Receipts and Payments

Attached as **Annexure “7”** is the Administrators’ Receipts and Payment from 24 September 2024 to 18 December 2024.

13 External Administrators’ remuneration

In compliance with the Australian Restructuring, Insolvency and Turnaround Association’s (“ARITA”) Code of Professional Practice and the requirements of the Act, we are required to provide detailed information in respect of our remuneration. We attach our Remuneration Approval Reports as **Annexures “8 and 9”** which details the major tasks that have been and will be conducted in this administration. Our remuneration is calculated on the time spent by staff at hourly rates used by BRI Ferrier, as detailed in

our Remuneration Matrix. This document is contained within the Remuneration Report. In addition, a schedule of hourly rates is attached as **Annexure “10”**.

To date, our remuneration has been calculated on this “Time-Cost” basis, and we propose that it continue to be calculated on this basis. The Time-Cost method for calculating remuneration reflects the cost to our firm of the work undertaken, rather than a measure of the assets realised. In our view, the Time-Cost method is the preferable basis for calculating remuneration in an engagement such as this.

For Creditors’ information, ASIC information sheets (**Annexure “11”**) that relate to specific circumstances once an insolvency practitioner is appointed to a Company and approval of remuneration can be found at the following websites:

- <http://www.asic.gov.au/insolvencyinfosheets>
- https://www.arita.com.au/ARITA/ARITA/Insolvency_help/Insolvency-explained.aspx

13.1 Voluntary Administration Period

At the second meeting, the Creditors approved the Administrators’ remuneration to 20 October 2024. At the resumption of the Second Meeting of Creditors, creditors will be asked to approve the Administrators’ remuneration for the period 21 October 2024 onwards.

Please refer to the Remuneration Approval Report, attached as **Annexures “8 and 9”** for further details.

13.2 Liquidation Period

If the Company is placed into liquidation at the resumed Second Meeting of Creditors, we will be appointed Liquidators, unless creditors resolve to appoint an alternate Liquidator/s. We note that we have not received an alternate consent to act as Liquidator/s.

If creditors resolve to wind up an entity and we are to be appointed, we will also seek approval for our estimated remuneration in conducting the Liquidation. The attached Remuneration Approval Report details an estimate of the costs likely to be incurred in a liquidation scenario. It is an interim estimate only and actual costs may be quite different, depending on the work required and/or if litigation actually is pursued. Therefore, the estimate may change depending on matters which occur during the course of the liquidation.

Please refer to the Remuneration Approval Report, attached as **Annexure “8 and 9”** for further details.

14 Resumption of Second Meeting of Creditors

As discussed previously, the Second Meeting of Creditors for the Company held on 30 October 2024 was adjourned up to forty-five (45) business days, to no later than 6 January 2024. We note that at the Second Meeting, the only resolutions that were dealt with at the meeting related to the remuneration of the

Administrators, and as such, the remaining agenda items will be dealt with at the resumed Second Meeting.

The resumed Second Meeting of Creditors for the Companies will be held on Monday 6 January 2025 at 11:00 AM (AEDT). The formal Notice of Meeting is attached as **Annexure "1"** for your reference.

To participate as a Creditor, you should:

- ▲ Provide us with a Proof of Debt detailing your claim to be a Creditor. Proofs of Debt are enclosed as **Annexure "3"**. If you have previously provided a proof of debt and wish to supplement it, you may do so. **Otherwise, Creditors whose proofs were admitted to vote at the adjourned Second Meeting of Creditors are not required to re-lodge for the resumption of the Second Meeting of Creditors.**
- ▲ Creditors may attend and vote in person, by proxy or by attorney. The appointment of a proxy, which is attached as **Annexure "4 and 5"**, must be in accordance with Form 532. **Creditors who submitted general proxies which were admitted to vote at the adjourned Second Meeting of Creditors are not required to be re-lodged for the resumption of the Second Meeting of Creditors, unless they wish to submit special proxies or nominate another proxy party.** We note that persons attending on behalf of a corporate entity are required to have a proxy signed on behalf of that entity.
- ▲ A specific proxy can be lodged showing approval, rejection or abstention of each resolution. Creditors, in lodging specific proxies, need to be mindful that their intended voting patterns can become academic or "contradictory" where the outcome of an earlier vote (in the order of proceedings) is determined in a way which could influence or change their intended voting. Proxy forms thereof must be lodged at our office by 4:00 PM one (1) business day prior to the meeting.

15 Queries

The BRI Ferrier staff member responsible for this matter is as follows:

BRI Contact: Mankirth Mandair

Phone: (02) 8263 2333

Email: mmandair@brifnsw.com.au

Mailing: GPO Box 7079, Sydney NSW 2001

Yours faithfully,

EDEN AUSTRALASIA PTY LTD (ADMINISTRATORS APPOINTED)
THE SAPPHIRE AUSTRALASIA PTY LTD (ADMINISTRATORS APPOINTED)



ANDREW CUMMINS

Joint and Several Administrator

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green triangle pointing upwards and to the right.

BRI Ferrier

**Eden Australasia Pty Ltd
ACN 653 282 609**

**The Sapphire Australasia Pty Ltd
ACN 655 675 442**

(Both Administrators Appointed)

**Annexure "1"
Notice of Concurrent Resumed
Second Meeting of Creditors**

NOTICE OF RESUMPTION OF CONCURRENT SECOND MEETING OF CREDITORS

**EDEN AUSTRALASIA PTY LTD
ACN 653 282 609**

**THE SAPPHIRE AUSTRALASIA PTY LTD
ACN 655 675 442**

**(BOTH ADMINISTRATORS APPOINTED)
("THE COMPANIES")**

NOTICE is given that the resumption of the Second Meeting of the Creditors of the Companies will be held at the offices of BRI Ferrier, Level 26, 25 Bligh Street, Sydney NSW 2000 on **Monday, 6 January 2025 at 11:00 AM AEDT**.

Virtual meeting technology will also be made available should creditors wish to attend the meeting virtually. To attend virtually, creditors will need to register their details at the following link:

<https://us06web.zoom.us/meeting/register/tZ0vf-2hpz0tGtbkzsjV8wqxj18m17Bjqt-b>

A G E N D A

1. To receive the Report of the Administrators and receive questions from creditors.
2. To consider approving the remuneration of the Administrators.
3. To consider approving the disbursement of the Administrators.
4. For Creditors to resolve:
 - a. That the Companies execute a Deed of Companies Arrangement; or
 - b. That the administration should end; or
 - c. That the Companies be wound up.
5. If Creditors resolve to enter into a Deed of Companies Arrangement:
 - a. To consider approving the remuneration of the Deed Administrators;
 - b. To consider approving the internal disbursements of the Deed Administrators;
6. If Creditors resolve to wind up the Companies:
 - a. To consider approving the remuneration of the Liquidators;
 - b. To consider approving the internal disbursements of the Liquidators; and

7. To consider the appointment of a Committee of Inspection.
8. To consider any other business that may be lawfully brought forward.

Proxies to be used at the meeting should be lodged at the office of the Administrators by 4:00 PM AEDT on the business day prior to the meeting. A creditor can only be represented by proxy or by an attorney pursuant to Insolvency Practice Rules (Corporations) (IPR) 75-150 & 75-155 or, if a body corporate, by a representative appointed pursuant to Section 250D of the Corporations Act 2001.

Special Instructions for Meeting

Attendees who wish to attend the meeting virtually are required to register to attend the meeting at the above link.

You will also need to provide a Formal Proof of Debt Form (including documentation to support your claim) and proxy form, if you are a corporate creditor or wish to be represented by another person.

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

Upon receipt of a valid Formal Proof of Debt Form and Proxy, a link to access the virtual meeting will be emailed to you. This link will be unique for each attendee and unable to be shared with other parties. Telephone dial-in details will also be available for the virtual meeting. Those wishing to attend via telephone will also be required to complete the above registration process.

In accordance with IPR 5-5, a vote taken on a “show of hands” includes a vote taken using any electronic mechanism that indicates the intentions of a person in respect of a vote. This may include an attendee clicking a “raise a hand”, or similar button, on a virtual meeting computer program, as well as verbally indicating their vote if dialling in to the meeting.

This definition is necessary to ensure that a show of hands may be used at a virtual meeting as an alternative to a poll.

DATED this 23rd day of December 2024



ANDREW CUMMINS
JOINT AND SEVERAL ADMINISTRATOR

BRI FERRIER
Level 26
25 Bligh Street
Sydney NSW 2000

***Voting at a Meeting the effect of Insolvency Practice Rules (Corporations) 75-85:**

Entitlement to vote at meetings of creditors

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

(2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.

(3) A person is not entitled to vote as a creditor at a meeting of creditors unless:

- (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
- (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
 - (i) those particulars; or
 - (ii) if required—a formal proof of the debt or claim.

(4) A creditor must not vote in respect of:

- (a) an unliquidated debt; or
- (b) a contingent debt; or
- (c) an unliquidated or a contingent claim; or
- (d) a debt the value of which is not established;

unless a just estimate of its value has been made.

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

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

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

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



Eden Australasia Pty Ltd
ACN 653 282 609

The Sapphire Australasia Pty Ltd
ACN 655 675 442

(Both Administrators Appointed)

Annexure "2"
Declaration of Independence,
Relevant Relationships and
Indemnities (Updated)

Declaration of Independence, Relevant Relationships and Indemnities

**EDEN AUSTRALASIA PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 653 282 609 / ABN 87 653 282 609**

**THE SAPPHIRE AUSTRALASIA PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 655 675 442 / ABN 15 655 675 442**

(“THE COMPANIES”)

Revised 23 December 2024

**Peter Krejci
Andrew Cummins
Joint and Several Voluntary Administrators**

Novabrif Pty Ltd t/as BRI Ferrier
ABN 61 643 013 610
Level 26, 25 Bligh Street, Sydney NSW 2000
Phone (02) 8263 2333
Email: info@brifnsw.com.au
Website: www.briferrier.com.au

BRI Ferrier

[This is a replacement declaration of independence, relevant relationships and indemnities \("DIRRI"\) dated 27 September 2024.](#)

The purpose of this document is to assist creditors with understanding any relevant relationships that we, the Joint and Several Administrators, have with parties who are closely connected to Eden Australasia Pty Ltd (Administrators Appointed) ACN 653 282 609 ("Eden") and The Sapphire Australasia Pty Ltd (Administrators Appointed) ACN 655 675 442 ("Sapphire") (collectively "the Companies") and any indemnities or upfront payments that have been provided to us. None of the relationships disclosed in this document are such that our independence is affected.

This information is provided so you have trust and confidence in our independence and, if not, you can ask for further explanation or information and can act to remove and replace us if you wish.

This declaration is made in respect of ourselves, our partners and BRI Ferrier network.

We are Professional Members of ARITA – Australian Restructuring Insolvency and Turnaround Association. We acknowledge that we are bound by the ARITA Code of Professional Practice.

A. INDEPENDENCE

We, Peter Krejci and Andrew Cummins, of BRI Ferrier have assessed our independence prior to accepting the appointment as Joint and Several Administrators of the Companies in accordance with the law and applicable professional standards and we are not aware of any reasons that would prevent us from accepting this appointment.

There are no other known relevant relationships, including personal, business and professional relationships that should be disclosed beyond those we have disclosed in this document.

B. CIRCUMSTANCES OF APPOINTMENT

I. HOW WE WERE REFERRED THIS APPOINTMENT

This appointment was referred to us by ERA Legal. ERA Legal are the legal representatives of the Companies' secured creditor, Bond Finance Pty Ltd ("Bond Finance"). Our firm has been referred other matters from ERA Legal, however these matters were referred to us on an irregular basis. Further, we have not received or paid any benefit to ERA Legal with respect to these referrals. Therefore, we are of the view that the referral source will not give rise to a conflict of interest.

There is no expectation, agreement or understanding between us and ERA Legal regarding the conduct of the Administrators and we are free to act independently and in accordance with the law and applicable professional standards.

II. DID WE MEET WITH THE COMPANY, THE DIRECTOR OR THEIR ADVISORS BEFORE WE WERE APPOINTED?

Yes No

We have engaged in various discussions during our appointment as Investigating Accountants and prior to our appointment as Voluntary Administrators, as detailed below:

- ▶ On 27 August 2024, Mr Krejci received a telephone call from Daren Anderson of ERA Legal to provide some background to a potential appointment as investigative accountants and to arrange a meeting with the secured creditor, Bond Finance, to discuss the affairs of the Companies and some of their related entities.
- ▶ On 28 August 2024, Mr Krejci and Mr Coyne provided their consent to act as Investigating Accountants. The appointment included the Companies as well as Risby Cove TAS Pty Ltd (“RCT”), an accommodation hotel trading as The Adelphi Hotel in Melbourne CBD and Republic Hotel Sydney Pty Ltd (“RHS”), a pub located in Sydney CBD. The scope of the appointment was limited in nature and included a review of the financial position of the RHS and RCT, investigating the sale of the businesses and real properties of these entities as well as the recoverability of some large GST Refunds.
- ▶ On 29 August 2024, Mr Krejci contacted Mr John Palasti by telephone, the Director of both the Companies and RHS and RCT, requesting he provide information and records required to commence investigations. Their phone call was confirmed via email, which outlined Mr Krejci’s requests for information and records. Later that day, Mr Krejci received a letter from McEvoy Legal, representing Mr Palasti, providing some of the information requested.
- ▶ On 29 August 2024, Mr Aman Ray Singh Bajwa of McEvoy Legal, representing Mr Palasti, sent further emails to our office providing some additional information regarding the GST position of the Companies and RHS and RCT.
- ▶ On 30 August 2024, Mr Palasti, attended a meeting at our offices to discuss various aspects of our investigating accountants’ engagement, including a potential sale of the Republic Hotel and the Adelphi Hotel. The meeting was attended by a representative from Bond Finance, Mr Darren Anderson and Ms Kylie Lundy from ERA legal, Mr John Palasti and his legal advisers Mr Bajwa and Mr Kekatos.
- ▶ On 30 August 2024, Mr Krejci’s staff issued a further email to Mr Bajwa, reiterating the information required to undertake our investigations as investigating accountants.
- ▶ On 3 September 2024, Mr Krejci’s staff sent a further follow-up email to Mr Bajwa reiterating the required information.
- ▶ On 19 September 2024, ERA Legal advised Mr Krejci by email that RHS had entered into a contract for the sale of the RHS’s property and business. Further, ERA Legal sought a Consent to Act as Voluntary Administrators for RHS and Republic Hotel Management Pty Ltd from Mr Krejci and Mr Cummins.

- On 20 September 2024, Mr Krejci and Andrew Cummins provided a Consent to Act as Joint and Several Administrators of RHS and Republic Hotel Management Pty Ltd. Mr Krejci and Mr Cummins’ appointment as Voluntary Administrators was made later that day by Bond Finance pursuant to Section 436C of the Corporations Act.
- On 24 September 2024, ERA Legal sought a Consent to Act as Voluntary Administrators of the Companies from Mr Krejci and Mr Cummins.
- On 24 September 2024, Mr Krejci and Andrew Cummins provided a Consent to Act as Joint and Several Administrators of the Companies. Mr Krejci and Mr Cummins’ appointment as Voluntary Administrators was made by Bond Finance pursuant to Section 436C of the Corporations Act.

Neither of us, nor our firm have received any remuneration for the abovementioned correspondence and advice.

In our opinion, the above does not affect our independence for the following reasons:

- We have not provided any advice to the Companies or Directors prior to our appointment.

We have provided no other information or advice to the Companies, its Directors or advisors prior to our appointment beyond that outlined in this DIRRI.

C. RELEVANT RELATIONSHIPS (EXCLUDING PROFESSIONAL SERVICES TO THE INSOLVENT)

Within the previous two years, we, or members of our firm, have, or have had a relationship with:	
The Company?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
The Directors?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Any associates of the Company?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Appointment of Peter Krejci and David Coyne as Investigating Accountants of the Companies, Republic Hotel Sydney Pty Ltd and Risby Cove TAS Pty Ltd Appointment of Peter Krejci and Andrew Cummins as Voluntary Administrators of Republic Hotel Sydney Pty Ltd and Republic Hotel Management Pty Ltd Appointment of Peter Krejci and David Coyne as Voluntary Administrators of Risby Cove TAS Pty Ltd and Risby Cove Management Pty Ltd Appointment of Peter Krejci and Andrew Cummins as Voluntary Administrators of the Companies On 28 August 2024, Peter Krejci and David Coyne were appointed as Investigating Accountants to a group of companies which

Within the previous two years, we, or members of our firm, have, or have had a relationship with:

	<p>included Republic Hotel Sydney Pty Ltd, Risby Cove TAS Pty Ltd and the Companies.</p> <p>Peter Krejci and Andrew Cummins were both appointed Voluntary Administrators of the below companies on the 27 November 2024.</p> <p>Appointment of Peter Krejci and Andrew Cummins as Voluntary Administrators of Core Asset Investments Pty Ltd</p> <p>Appointment of Peter Krejci and Andrew Cummins as Voluntary Administrators of Nerang QLD Pty Ltd</p> <p>Appointment of Peter Krejci and Andrew Cummins as Voluntary Administrators of Virtical Metro Pty Ltd</p> <p>Appointment of Peter Krejci and Andrew Cummins as Voluntary Administrators of The Courthouse Management Pty Ltd</p> <p>Appointment of Peter Krejci and Andrew Cummins as Voluntary Administrators of Newcastle Denison Pty Ltd</p> <p>Appointment of Peter Krejci and Andrew Cummins as Voluntary Administrators of Cedar Grove Tas Pty Ltd</p>
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Within the previous two years, we, or members of our firm, have, or have had a relationship with:

	<p>On 20 September 2024, Peter Krejci and Andrew Cummins were appointed as Voluntary Administrators of Republic Hotel Sydney Pty Ltd and Republic Hotel Management Pty Ltd.</p> <p>On 23 September 2024, Peter Krejci and David Coyne were appointed as Voluntary Administrators of Risby Cove TAS Pty Ltd and Risby Cove Management Pty Ltd.</p> <p>On 24 September 2024, Peter Krejci and Andrew Cummins were appointed as Voluntary Administrators of the Companies.</p> <p>On 27 November 2024, Peter Krejci and Andrew Cummins were appointed as Voluntary Administrators of Core Asset Investments Pty Ltd, Nerang QLD Pty Ltd, Virtical Metro Pty Ltd, The Courthouse Management Pty Ltd, Newcastle Denison Pty Ltd and Cedar Grove Tas Pty Ltd.</p> <p>These entities all share a common director, Mr Palasti, and Bond Finance is the secured creditor across each of these entities.</p> <p>Appointments to group and/or related parties is permitted under the ARITA Code of Professional Practice and should generate efficiencies in conducting the appointments. This is particularly relevant given the mixing of the financial and operational matters between the Companies.</p> <p>The affairs of these Companies are closely linked to The Republic Hotel and the Adelphi Hotels and therefore the appointment to these entities will assist in seeking to maximise the outcomes for creditors.</p> <p>The role undertaken by us as Joint and Several Voluntary Administrators will not influence our ability to fully comply with the statutory and fiduciary obligations associated the administration of the Companies in an objective and impartial manner.</p> <p>Should any conflict arise, we will keep creditors informed and take appropriate actions to resolve the conflict which may include obtaining court directions or the appointment of a Special Purpose Administrator.</p>
<p>A former insolvency practitioner appointed to the Company?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

Within the previous two years, we, or members of our firm, have, or have had a relationship with:

A secured creditor entitled to enforce a security over the whole or substantially the whole of the Company' property?

Yes No

Appointment by Bond Finance Pty Ltd as Investigating Accountants and Voluntary Administrators

Bond Finance Pty Ltd hold registered security interests and registered mortgages over property owned by Republic Hotel Sydney Pty Ltd, Republic Hotel Management Pty Ltd, Risby Cove TAS Pty Ltd, Risby Cove Management Pty Ltd, Core Asset Investments Pty Ltd, Nerang QLD Pty Ltd, VERTICAL Metro Pty Ltd, The Courthouse Management Pty Ltd, Newcastle Denison Pty Ltd and Cedar Grove Tas Pty Ltd and the Companies.

As discussed above, on 28 August 2024, Mr Krejci and Mr Coyne were engaged as Investigating Accountants to the Companies, RHS and RCT by the secured creditor, Bond Finance, to undertake a review of the financial positions, GST positions and possible sale of business/assets of RHS and RCT. Mr Krejci and Mr Coyne have subsequently been appointed as Voluntary Administrators of RCT on 23 September 2024.

Further, Mr Krejci and Mr Cummins were appointed as Voluntary Administrators of RHS and Republic Hotel Management Pty Ltd on 20 September 2024 and subsequently, Voluntary Administrators of the Companies on 24 September 2024.

Furthermore, Mr Krejci and Mr Cummins were appointed as Voluntary Administrators of Core Asset Investments Pty Ltd, Nerang QLD Pty Ltd, VERTICAL Metro Pty Ltd, The Courthouse Management Pty Ltd, Newcastle Denison Pty Ltd and Cedar Grove Tas Pty Ltd on 27 November 2024.

We believe that this relationship does not result in a conflict of interest or duty for the following reasons:

- ▲ Our investigations as investigating accountants were only in its preliminary stages and no final report was ultimately provided to Bond Finance. We have not been paid for the work completed and BRI Ferrier have written off any amount owed in respect of the work completed prior to the voluntary administration.
- ▲ The work undertaken by us for the secured creditor as administrators of RHS and Republic Hotel Management Pty Ltd, Core Asset Investments Pty Ltd, Nerang QLD Pty Ltd, VERTICAL Metro Pty Ltd, The Courthouse Management Pty

Within the previous two years, we, or members of our firm, have, or have had a relationship with:

	<p>Ltd, Newcastle Denison Pty Ltd and Cedar Grove Tas Pty Ltd will not influence our investigations and/or relationships with the creditors of the Companies.</p> <ul style="list-style-type: none"> ▶ The work undertaken would not be subject to review or challenge during the course of the voluntary administration. <p>As such, the work undertaken by us for the secured creditor will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the voluntary administration of the Companies in an objective and impartial manner.</p>
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Do we have any other relationships that we consider are relevant to creditors assessing our independence?

Yes No

Australian Taxation Office

The records identify that the ATO is a creditor of the Companies.

The ATO is a sophisticated statutory creditor and is administratively bound to act as a Model Litigant. In our experience the ATO does not seek to exert improper pressure on insolvency practitioners in connection with the discharge of their duties to creditors generally.

Principals and Directors of BRI Ferrier around Australia, were, until its expiration at the end of 2014, members of a panel of Official Liquidators established by the ATO and accepted appointments by Australian Courts initiated by the Federal Commissioner. These Official Liquidators had undertaken to the ATO to accept appointments as Liquidator appointed by a Court under the Corporations Act where the ATO is the applicant creditor, whether the Companies has assets or not. BRI Ferrier is likely to seek inclusion in any comparable panel should one be established in future. Membership of the panel was not conditional upon any preference or benefit being conferred upon the ATO.

In addition to the above, we also note that Principals of BRI Ferrier routinely accept nominations and appointment as insolvency practitioners by the major trading banks, in addition to creditors such as the ATO (as discussed above). The nature of these relationships varies over time depending on the nature of the engagements. Such relationships do not impede our independence or give rise to a conflict of duties because we accept such engagements only on the basis that our independence will be maintained and the relationships are maintained on professional commercial terms.

Do we have any other relationships that we consider are relevant to creditors assessing our independence?

ERA Legal

ERA Legal are a firm of solicitors who we have dealt with from time to time. We have been referred other matters from ERA Legal prior to these appointments, however these matters were referred to us are on an irregular basis. Further, we have not received or paid any benefit to ERA Legal with respect to these referrals. Therefore, we are of the view that the referral source will not give rise to a conflict of interest.

III. NO OTHER RELEVANT RELATIONSHIPS TO DISCLOSE

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the Companies, an associate of the Companies, a former insolvency practitioner appointed to the Companies or any person or entity that has a valid and enforceable security interest on the whole or substantially whole of the Companies’ properties that should be disclosed.

D. INDEMNITIES AND UP-FRONT PAYMENTS

We have been provided with the following indemnity:

Name	Relationship with the Companies	Nature of indemnity or payment
Bond Finance Pty Ltd	The Companies’ secured creditor.	<p>On 24 September 2024, we, as Administrators of the Companies, entered into a Deed of Indemnity with Bond Finance.</p> <p>The Deed of Indemnity provides for funding capped to an amount of \$200,000 to cover all liabilities properly incurred by the Administrators in the conduct of the Administration of the Companies, including but not limited to, the trading costs, Administrators’ remuneration, expenses, legal fees and disbursements. The indemnity may be called upon at the conclusion of the Administration period if the</p>

		<p>trading of the business is insufficient to meet such expenses/liabilities.</p> <p>This indemnity is unconditional and will not affect our ability to conduct the external administrations.</p> <p>We have received an amount of \$50,000 under the Deed of Indemnity to date, in order to facilitate ongoing trading of the Companies.</p> <p>We also received \$56,453.00 on the 22nd of November 2024 under the Deed of Indemnity.</p> <p>On the 19th of December 2024, we requested a further \$93,547.00 under the Deed of Indemnity.</p>
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We have not received any upfront payments and have not been indemnified in relation to this administration, other than any indemnities that we may be entitled to under statute.

Dated: 23rd December 2024



.....
Peter Krejci

Joint and Several Administrator



.....
Andrew Cummins

Joint and Several Administrator

NOTE:

- 1. The assessment of independence has been made based on an evaluation of the significance of any threats to independence and in accordance with the requirements of the relevant legislation and professional Standards.*
- 2. If circumstances change, or new information is identified, we are required under the Corporations Act 2001 and ARITA's Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors. For creditors' voluntary liquidations and voluntary administrations, this document and any updated versions of this document are required to be lodged with ASIC.*

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green triangle on the right side.

BRI Ferrier

**Eden Australasia Pty Ltd
ACN 653 282 609**

**The Sapphire Australasia Pty Ltd
ACN 655 675 442**

(Both Administrators Appointed)

**Annexure "3"
Formal Proof of Debt or Claim Form**

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Joint and Several Administrators of: (please tick one)

Eden Australasia Pty Ltd (Administrators Appointed) ACN 653 282 609

The Sapphire Australasia Pty Ltd (Administrators Appointed) ACN 655 675 442

1. This is to state that the company was, on 24 September 2024⁽¹⁾ and still is, justly and truly indebted to⁽²⁾ (full name):

.....
(‘Creditor’)

.....
of (full address)

for \$ dollars and cents.

Particulars of the debt are:

Date	Consideration ⁽³⁾ state how the debt arose	Amount \$	GST included \$	Remarks ⁽⁴⁾ include details of voucher substantiating payment

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

Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor	Amount \$ c	Due Date

I am **not** a related creditor of the Company ⁽⁵⁾

I am a related creditor of the Company ⁽⁵⁾
relationship: _____

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

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

I authorise the External Administrators' (whether as Voluntary Administrators/Deed Administrators/Liquidators) on behalf of the Company and his or her employees and agents to send and give electronic notification of documents in accordance with Section 105A of the Corporations Act 2001 to the following email address:

Contact Name: _____

Email Address: _____

DATED this day of 2024

Signature of Signatory

NAME IN BLOCK LETTERS

Occupation

Address

OFFICE USE ONLY

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

Proof of Debt Form Directions

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

Annexures

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



Eden Australasia Pty Ltd
ACN 653 282 609

The Sapphire Australasia Pty Ltd
ACN 655 675 442

(Both Administrators Appointed)

Annexure "4"
Eden Appointment of Proxy Form

APPOINTMENT OF PROXY

**EDEN AUSTRALASIA PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 653 282 609
("THE COMPANY")**

*I/*We⁽¹⁾.....of.....
a creditor of **Eden Australasia Pty Ltd (Administrators Appointed)**, appoint⁽²⁾
..... or in his or her absence
as *my/our general/special proxy to vote at the Resumed Second Meeting of Creditors of the Company to be held on Monday, 6 January 2025 at 11:00 AM AEDT, or at any adjournment of that meeting.

Please mark any boxes with an

Proxy Type: General Special

	For	Against	Abstain
<p>Resolution 1: <i>"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 21 October 2024 to 18 December 2024, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Second Report to Creditors dated 23 December 2024, and approved to an interim cap of \$287,896.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 2: <i>"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 19 December 2024 to the conclusion of the administration, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Second Report to Creditors dated 23 December 2024, and approved to an interim cap of \$15,000.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 3: <i>"That the Joint and Several Voluntary Administrators be allowed internal disbursements from 24 September 2024 to the conclusion of the Voluntary Administration at the rates of charge annexed to the Voluntary Administrators' Supplementary Second Report to Creditors dated 23 December 2024, up to an amount of \$1,000.00 (plus GST) and that the Joint and Several Voluntary Administrators be authorised to draw that amount as accrued."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	For	Against	Abstain
<p>Resolution 4⁽³⁾: <i>"That the Company execute a Deed of Company Arrangement."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 5⁽³⁾: <i>"That the Voluntary Administration should end."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 6⁽³⁾: <i>"That the Company be wound up."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If creditors resolve that the Company execute a Deed of Company Arrangement			
<p>Resolution 7: <i>"That the remuneration of the Joint and Several Deed Administrators, their partners and staff from the execution of the DOCA to the finalisation of DOCA, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Second Report to Creditors dated 23 December 2024, and approved to an interim cap of \$10,000.00 (plus GST), and that the Joint and Several Deed Administrators be authorised to draw that amount as and when incurred."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 8: <i>"That the Deed Administrator be allowed internal disbursements for the period of the DOCA at the rates of charge annexed to the Voluntary Administrators' Supplementary Second Report to Creditors dated 23 December 2024, up to an amount of \$1,000.00 (plus GST) and that the Deed Administrators be authorised to draw that amount as accrued."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If creditors resolve to place the Company into Liquidation			
<p>Resolution 9: <i>"That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 6 January 2025 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Report to Creditors dated 23 December 2024, and approved to an interim cap of \$100,000.00 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when incurred."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 10: <i>"That the Joint and Several Liquidators be allowed internal disbursements for the period starting from the conclusion of the Voluntary Administration to the conclusion of the Liquidation at the rates of charge annexed to the Voluntary Administrators' Supplementary Report to Creditors dated 19 December 2024, up to an amount of \$1,000.00 (plus GST) and that the Joint and Several Liquidators be authorised to draw that amount as accrued."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	For	Against	Abstain

INSTRUCTIONS FOR COMPLETING:

- * Strike out if inapplicable.
 - (1) Insert name and address. 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.
 - (3) You may only vote in "favour" for one of these 3 resolutions relating to the future of the Company. You must vote "against" the other 2 resolutions.
-

DATED thisday of 2024/2025

Signature

Proxies should be returned to the offices of BRI Ferrier by 4.00 PM AEDT one (1) business day prior to the meeting by: Email: mmandair@brifnsw.com.au, or Post: Level 26, 25 Bligh Street SYDNEY NSW 2000

CERTIFICATE OF WITNESS – (This certificate is to be completed only if the person giving the proxy is blind or incapable of writing)

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 before he attached his signature or mark to the instrument.

DATED thisday of 2024/2025

Signature of Witness:

Description:

Place of Residence:

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey rectangular background. A green triangle is positioned at the bottom right corner of the grey rectangle.

BRI Ferrier

**Eden Australasia Pty Ltd
ACN 653 282 609**

**The Sapphire Australasia Pty Ltd
ACN 655 675 442**

(Both Administrators Appointed)

**Annexure "5"
Sapphire Appointment of Proxy Form**

APPOINTMENT OF PROXY

**THE SAPPHIRE AUSTRALASIA PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 655 675 442
("THE COMPANY")**

*I/*We⁽¹⁾.....of.....
a creditor of **The Sapphire Australasia Pty Ltd (Administrators Appointed)**, appoint⁽²⁾
..... or in his or her absence
as *my/our general/special proxy to vote at the Resumed Second Meeting of Creditors of the Company to be held on Monday, 6 January 2025 at 11:00 AM AEDT, or at any adjournment of that meeting.

Please mark any boxes with an

Proxy Type: General Special

	For	Against	Abstain
<p>Resolution 1: <i>"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 21 October 2024 to 18 December 2024, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Second Report to Creditors dated 23 December 2024, and approved to an interim cap of \$19,177.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 2: <i>"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 19 December 2024 to the conclusion of the administration, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Second Report to Creditors dated 23 December 2024, and approved to an interim cap of \$5,000.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 3: <i>"That the Joint and Several Voluntary Administrators be allowed internal disbursements from 24 September 2024 to the conclusion of the Voluntary Administration at the rates of charge annexed to the Voluntary Administrators' Supplementary Second Report to Creditors dated 23 December 2024, up to an amount of \$1,000.00 (plus GST) and that the Joint and Several Voluntary Administrators be authorised to draw that amount as accrued."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	For	Against	Abstain
<p>Resolution 4⁽³⁾: <i>"That the Company execute a Deed of Company Arrangement."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 5⁽³⁾: <i>"That the Voluntary Administration should end."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 6⁽³⁾: <i>"That the Company be wound up."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If creditors resolve that the Company execute a Deed of Company Arrangement			
<p>Resolution 7: <i>"That the remuneration of the Joint and Several Deed Administrators, their partners and staff from the execution of the DOCA to the finalisation of DOCA, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Second Report to Creditors dated 23 December 2024, and approved to an interim cap of \$30,000.00 (plus GST), and that the Joint and Several Deed Administrators be authorised to draw that amount as and when incurred."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 8: <i>"That the Deed Administrator be allowed internal disbursements for the period of the DOCA at the rates of charge annexed to the Voluntary Administrators' Supplementary Second Report to Creditors dated 23 December 2024, up to an amount of \$1,000.00 (plus GST) and that the Deed Administrators be authorised to draw that amount as accrued."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If creditors resolve to place the Company into Liquidation			
<p>Resolution 9: <i>"That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 6 January 2025 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Report to Creditors dated 23 December 2024, and approved to an interim cap of \$100,000.00 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when incurred."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 10: <i>"That the Joint and Several Liquidators be allowed internal disbursements for the period starting from the conclusion of the Voluntary Administration to the conclusion of the Liquidation at the rates of charge annexed to the Voluntary Administrators' Supplementary Report to Creditors dated 19 December 2024, up to an amount of \$1,000.00 (plus GST) and that the Joint and Several Liquidators be authorised to draw that amount as accrued."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INSTRUCTIONS FOR COMPLETING:

- * Strike out if inapplicable.
 - (1) Insert name and address. 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.
 - (3) You may only vote in "favour" for one of these 3 resolutions relating to the future of the Company. You must vote "against" the other 2 resolutions.
-

DATED thisday of 2024/2025

Signature

Proxies should be returned to the offices of BRI Ferrier by 4.00 PM AEDT one (1) business day prior to the meeting by: Email: mmandair@brifnsw.com.au, or Post: Level 26, 25 Bligh Street SYDNEY NSW 2000

CERTIFICATE OF WITNESS – (This certificate is to be completed only if the person giving the proxy is blind or incapable of writing)

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 before he attached his signature or mark to the instrument.

DATED thisday of 2024/2025

Signature of Witness:

Description:

Place of Residence:

The logo for BRI Ferrier features the company name in white, bold, sans-serif font on a dark grey rectangular background. A green triangle is positioned at the bottom right corner of the grey rectangle, pointing towards the center of the text.

BRI Ferrier

**Eden Australasia Pty Ltd
ACN 653 282 609**

**The Sapphire Australasia Pty Ltd
ACN 655 675 442**

(Both Administrators Appointed)

**Annexure "6"
Estimated Outcome Statement**

Eden Australasia Pty Ltd

ACN 653 282 609

&

The Sapphire Australasia Pty Ltd

ACN 655 675 442

Estimated Outcome Statement

Management

DOCA

Liquidation

Note	Accounts (maintained in Xero) 24/9/2024	DOCA		Liquidation	
		High (\$)	Low (\$)	High (\$)	Low (\$)
Assets					
Cash and Cash Equivalents	8,060	387	387	387	387
Trade Debtors	11,036	-	-	-	-
Prepayments	12,687	-	-	-	-
Stock on Hand	19,549	20,000	10,000	-	-
Free Hold Land and Plant & Equipment	136,003,090	4,100,000	4,100,000	3,000,000	2,000,000
Related Party Loans	9,773,614	-	-	-	-
Clearing Accounts	84,872	-	-	-	-
Rental Bonds	5,800	-	-	-	-
Other Assets	219,454	-	-	-	-
Total Realisations	146,138,161	4,120,387	4,110,387	3,000,387	2,000,387
Recoveries in Liquidation					
Uncommercial Transaction Claims	-	unknown	unknown	unknown	unknown
Insolvent Trading Claims	-	unknown	unknown	unknown	unknown
Breach of Director Duties Claims	-	unknown	unknown	unknown	unknown
Unreasonable Director-related Transaction Claims	-	unknown	unknown	unknown	unknown
Total Recoveries	-	-	-	-	-
Less: Administration Costs					
Administrators' Remuneration (Accrued)	-	479,783	479,783	479,783	479,783
Administrators' Additional Remuneration (Future)	-	15,000	20,000	15,000	20,000
Administrators' Disbursements	-	500	1,000	500	1,000
Liquidators Remuneration (Est.)	-	50,000	100,000	150,000	180,000
Liquidator's Disbursements (Est.)	-	4,000	2,000	4,000	2,000
Deed Administrators Remuneration (Est.)	-	30,000	40,000	-	-
Deed Administrators Disbursements (Est.)	-	500	1,000	500	1,000
Legal Costs	-	50,000	100,000	100,000	150,000
Total Administration Costs	-	629,783	743,783	749,783	833,783
Estimated Surplus Available for Secured Creditors	146,138,161	3,490,604	3,366,604	2,250,604	1,166,604
Secured Creditor Claims (Estimated)	2,794,337	66,244,031	66,244,031	66,244,031	66,244,031
Total Secured Creditor Claims	2,794,337	66,244,031	66,244,031	66,244,031	66,244,031
Estimated Surplus Available to Priority Creditors	143,343,824	(62,753,427)	(62,877,427)	(63,993,427)	(65,077,427)
Priority Creditor Claims (Estimated)					
Wages and Superannuation		33,449	33,449	33,449	33,449
Annual Leave & Accrued Day Off	44,530	18,165	18,165	18,165	18,165
PILN and Redundancy	14,852	27,446	27,446	27,446	27,446
Total Priority Creditor Claims	59,382	79,060	79,060	79,060	79,060
Estimated Surplus Available to Unsecured Creditors	143,284,442	(62,832,487)	(62,956,487)	(64,072,487)	(65,156,487)
Unsecured Creditors					
Statutory Creditors	54,136	15,105,224	15,105,224	15,105,224	15,105,224
Trade Creditors	143,473,934	146,009,760	146,009,760	146,009,760	146,009,760
Related Party Loans	951,862	951,862	951,862	951,862	951,862
Total Unsecured Creditors	144,479,932	162,066,846	162,066,846	162,066,846	162,066,846
Net Surplus / Deficiency for Creditors	(1,195,490)	(224,899,333)	(225,023,333)	(226,139,333)	(227,223,333)

Summary of Return to Creditors	DOCA		Liquidation	
	High Cents/\$	Low Cents/\$	High Cents/\$	Low Cents/\$
Secured Creditors	0.05	0.05	0.03	0.02
Priority Creditors	Nil	Nil	Nil	Nil
Unsecured Creditors	Nil	Nil	Nil	Nil

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green triangle on the right side.

BRI Ferrier

**Eden Australasia Pty Ltd
ACN 653 282 609**

**The Sapphire Australasia Pty Ltd
ACN 655 675 442**

(Both Administrators Appointed)

**Annexure "7"
Eden Summary of Receipts and
Payments**

Summarised Receipts & Payments

Eden Australasia Pty Ltd (Administrators Appointed)

Transactions From 24 September 2024 To 18 December 2024

A/C	Account	Net	GST	Gross
1	Sales - Food and Beverage	339,991.62	33,999.12	373,990.74
2	Sales - Accommodation / Travel	86,128.47	8,612.85	94,741.32
9	Return of funds (supplier bank does not	245.80	24.58	270.38
61	Transaction Fee (no GST)	0.01	0.00	0.01
74	Funds subject to Indemnity	106,453.00	0.00	106,453.00
79	Cash at Bank	239.73	0.00	239.73
Total Receipts (inc GST)		\$533,058.63	\$42,636.55	\$575,695.18
8	Failure of Transaction	245.80	24.58	270.38
14	Purchases (2)	2.68	0.27	2.95
22	Refrigeration Costs	6,575.00	657.50	7,232.50
23	Suppliers (Excl. GST)	63,185.27	0.00	63,185.27
24	Suppliers (Incl. GST)	180,036.17	18,003.68	198,039.85
25	Band Performances	450.00	0.00	450.00
26	Waste Removal	1,102.48	110.25	1,212.73
32	Electricity	8,147.28	814.72	8,962.00
34	Consultancy Labour (GST)	12,873.50	1,287.36	14,160.86
35	Consultancy Labour (No GST)	23,774.98	0.00	23,774.98
36	Insurance Premium Funding	36,520.91	3,652.09	40,173.00
41	Professional Fees	7,672.50	767.25	8,439.75
43	Rent Paid (Residential)	12,266.14	0.00	12,266.14
44	Repairs & Maintenance (incl GST)	5,459.30	545.93	6,005.23
51	Wages & Salaries	171,306.05	0.00	171,306.05
59	Transaction Fees (incl GST)	3,583.08	358.28	3,941.36
62	POS system	1,286.48	128.65	1,415.13
63	IT Services (incl GST)	7,881.64	788.16	8,669.80
64	Repairs & Maintenance (excl GST)	2,200.00	0.00	2,200.00
65	Employee Accommodation	495.00	0.00	495.00
88	wages deductions	(150.00)	0.00	(150.00)
89	PJ & AM Morgan Staff Accomodation	(6,300.00)	0.00	(6,300.00)
157	Superannuation	18,619.19	0.00	18,619.19
228	Superannuation Liability	(17,331.70)	0.00	(17,331.70)
231	GST Payable	19,084.00	0.00	19,084.00
233	GST Clearing Account	782.00	0.00	782.00
234 - 1	Withholding Tax (PAYG) - Total Tax Withheld - OTE	(27,630.00)	0.00	(27,630.00)
Total Payments (inc GST)		\$532,137.75	\$27,138.72	\$559,276.47
Balance in Hand - By Bank Account				
212	Cheque Account			16,418.71
				\$16,418.71

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green triangle on the right side.

BRI Ferrier

**Eden Australasia Pty Ltd
ACN 653 282 609**

**The Sapphire Australasia Pty Ltd
ACN 655 675 442**

(Both Administrators Appointed)

**Annexure "8"
Eden – Remuneration Approval
Report**

Remuneration Approval Report

**Eden Australasia Pty Ltd
(Administrators Appointed)
ACN 653 282 609
("The Company")**

23 December 2024

**Peter Krejci & Andrew Cummins
Joint and Several Administrators**

Novabrif Pty Ltd ABN 61 643 013 610
Level 26, 25 Bligh Street, Sydney NSW 2000
Phone (02) 8263 2333
Email: info@brifnsw.com.au
Website: www.briferrier.com.au



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1. EXECUTIVE SUMMARY

We are asking creditors to approve the following remuneration and disbursements:

Eden Australasia Pty Ltd	Remuneration \$ (excl GST)	Disbursements \$ (excl GST)
Voluntary Administration	302,896.00	1,000.00
If a DOCA is accepted	10,000.00	1,000.00
If Company is liquidated	100,000.00	1,000.00

Details of remuneration can be found in section 3 of this report. Creditors have previously approved our remuneration as follows:

Eden Australasia Pty Ltd	Period	Remuneration \$ (excl GST)
Voluntary Administration	24 September 2024 to 20 October 2024	155,252.00

We estimate the total cost of this Voluntary Administration will be approximately \$458,148.00 (plus GST).

This has increased from our previous estimate in the Initial Remuneration Notice due to significant additional time spent by the Administrators' staff dealing with trading and operational issues and the fact that the convening period was extended 45 business days beyond that which was originally contemplated.

2. DECLARATION

Peter Krejci and I of BRI Ferrier, have undertaken an assessment of this remuneration claim in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursement claimed is necessary and proper.

We have reviewed the work in progress ledger to ensure that remuneration is only being claimed for necessary and proper work performed and no adjustment was necessary.

3. REMUNERATION APPROVAL SOUGHT

The remuneration we are asking creditors to approve is as follows:

For	Period	Amount (\$, excl. GST)	Rates to apply	When it will be drawn
Work already completed	21 October 2024 to 18 December 2024	\$287,896.00	Provided in Supplementary Second Report to	It will be drawn when approved by Creditors and funds are available.

For	Period	Amount (\$, excl. GST)	Rates to apply	When it will be drawn
			Creditors dated 23 December 2024	
Future Work	19 December 2024 to Conclusion of VA	\$15,000.00	Provided in Supplementary Second Report to Creditors dated 23 December 2024	It will be drawn when approved by Creditors and funds are available and incurred
VA Total		302,896.00		
Future Work DOCA	Execution of DOCA to finalisation of DOCA	10,000.00	Provided in Supplementary Second Report to Creditors dated 23 December 2024	It will be drawn when approved by Creditors and funds are available and incurred
DOCA total	30,000.00	10,000.00		
Future work – Liquidation	6 January 2025 to Finalisation of Liquidation	80,000.00	Provided in Supplementary Second Report to Creditors dated 23 December 2024	It will be drawn when approved by Creditors and funds are available and incurred
Liquidation Total		100,000.00		

Details of the work done for the period 24 September 2024 to 18 December 2024 and future work that we intend to do are included at **Schedule A**.

A breakdown of time spent by staff members on each major task for work completed from 24 September 2024 to 18 December 2024 is included in **Schedule B**.

Details of future work that we intend to do (either in a DOCA or Liquidation) are included at **Schedule C**.

Actual resolutions to be put to the meeting are included at **Schedule D** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

We will only seek approval of the resolution for the liquidation if creditors vote to place the Company into liquidation.

4. DISBURSEMENTS SOUGHT

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the administration, but we must provide details to creditors. To date, we have not paid any such costs in the administration.

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.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 27 September 2024.

The internal disbursements we would like creditors to approve is as follows:

For	Period	Amount (\$, excl. GST)
Disbursements during the VA period	24 September 2024 to conclusion	1,000.00
If a DOCA is executed	Execution of the DOCA to conclusion	1,000.00
If Company is liquidated - Future disbursements	6 January 2025 to conclusion	1,000.00

Details of disbursements incurred, and future disbursements are included at **Schedule E**. Actual resolutions to be put to the meeting are included at **Schedule D** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

5. LIKELY IMPACT ON DIVIDENDS

The Corporations Act sets the order for payment of claims against the Company, and it provides for the remuneration of the Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Administrators receives payment for the work done to recover assets, investigate the Company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

An estimated outcome statement is attached as **Annexure 6** of this Report to Creditors dated 23 December 2024. Any dividends payable to creditors will depend on a range of variables, particularly the decision creditors make on the future of the Company, future realisations, our estimated remuneration as we have set out in this report and creditor claims.

6. SUMMARY RECEIPT AND PAYMENTS

A summary of receipts and payment as at 18 December 2024 is attached.

7. QUERIES & INFORMATION SHEET

If you have any queries in relation to the information in this report, please contact our office. You can also access information which may assist you on the following websites:

ARITA at www.arita.com.au/creditors

ASIC at <http://www.asic.gov.au> (search for INFO 85)

Further supporting documentation for our remuneration claim can be provided to creditors on request.

8. ATTACHMENTS

Schedule A – Details of work from 24 September 2024 to 18 December 2024 and future work in the voluntary administration.

Schedule B – A breakdown of time spent by staff members on each major task for work completed from 24 September 2024 to 18 December 2024.

Schedule C – Detail of work to be completed – 6 December 2024 to Conclusion of the DOCA/Liquidation.

Schedule D – Resolutions.

Schedule E – Disbursements.

SCHEDULE A – DETAILS OF WORK FROM 21 OCTOBER 2024 TO 18 DECEMBER 2024

Company	Eden Australasia Pty Ltd (Administrators Appointed)	Period From	21 October 2024	To	Conclusion of the voluntary administration
Practitioner	Peter Krejci and Andrew Cummins	Firm	BRI Ferrier		
Administration Type	Voluntary Administration				
		Tasks			
		Work completed (excl. GST)		Future work (excl. GST)	
Period	24 September 2024 to 18 December 2024		19 December 2024 to conclusion of the voluntary administration		
Amount (excl. GST)	\$443,148.00		\$15,000.00		
Task Area	General Description				
Assets	65.9 Hours \$38,106.00		\$1,500.00		
	Sale of Business and Freehold land	Review and discuss marketing material for sale of business Review Draft sale contract Internal discussions to discuss ongoing insurance Correspondence with solicitors regarding sale contract Review Company sale history Internal discussions to discuss hotel renovations and ongoing insurance	Liaise with agent regarding progress of sale Responding to potential purchaser queries Prepare and review cashflow		
	Debtors	Review and assess debtors ledgers Prepare debtors demands Correspond with Debtors and their solicitors	Correspondence with debtors		
	Other Assets	Prepared and issued circular to banks requesting all accounts to be frozen	N/A		

		Daily check of bank balances and organising bank sweeps when required Correspondence with real estate agents managing rental properties	
Trade On		446.6 Hours \$229,004.00	\$10,000.00
	Trade on management	<p>Liaising with management and staff</p> <p>Internal meetings to discuss trading, budgeting and staffing</p> <p>Liaise with management, staff and suppliers regarding continued trading</p> <p>Liaise with lawyers regarding trade on issues</p> <p>Correspondence with bookkeeper regarding appointment and trade on support</p> <p>Discussions regarding payroll obligations</p> <p>Implementing management and operational protocols for continued trading</p> <p>Reconciling weekly payroll reports from accountant</p> <p>Organise payment of weekly payroll</p> <p>Discussions with key suppliers regarding trade on accounts to be opened under the company in administration's name</p> <p>Organise payment of suppliers on a weekly basis</p> <p>Requesting account statements from suppliers</p> <p>Maintaining a supplier invoice register</p> <p>Authorising purchase orders</p> <p>Liaising with management and dealing with various operational issues</p> <p>Liaising with OSR regarding outstanding taxes</p> <p>Liaising with the IT service provider in relation to prepare a backup of the Company's electronic records</p>	<p>Maintaining a supplier invoice register</p> <p>Organise payment of weekly payroll</p> <p>Organise payment of suppliers on a weekly basis</p> <p>Authorising purchase orders</p> <p>Liaising with management and staff and dealing with operational issues as they may arise</p>

		Liaise with lawyers regarding trade on accounts and employees	
	Budgeting & Financial Reporting	Review and discuss cashflow forecast and funds required for trade on Telephone conversations with key suppliers regarding ongoing trade and updating cash flow and supplier log accordingly	Review and discuss cashflow forecast and funds required for trade on
	Processing receipts and payments	Entering trade on receipts and payments into accounting system	Entering trade on receipts and payments into accounting system
Creditors		141.3 Hours \$78,948.00	\$3,000.00
	Creditor Enquiries	Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare correspondence to creditors and their representatives by email Responding to information requested by creditors	Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare correspondence to creditors and their representatives by email Responding to information requested by creditors Internal discussions regarding trade creditor liabilities and other transfer costs
	Creditor Reports	Preparing and issuing Second Report to Creditors regarding notification of appointment and convening Second Meeting of Creditors Preparation of necessary annexures for Second Report to Creditors Preparing Supplementary Report to Creditors Preparation of necessary annexures for Supplementary Report to Creditors	Preparing and issuing Supplementary Report to Creditors detailing investigations and convening Resumed Second Meeting of Creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors	Receipting, processing, and filing Proofs of Debts when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors

	Secured creditor reporting	<ul style="list-style-type: none"> Notifying PPSR registered creditors of appointment Preparing reports to secured creditor Responding to secured creditor's queries 	Responding to secured creditor's queries
	Meeting of Creditors	<ul style="list-style-type: none"> Preparation of meeting notices, proxies and advertisements Sending Notice of Meeting to all known creditors Preparation of meeting file, including agenda, attendance register, list of creditors, report to creditors, advertisement of meeting and draft minutes of meeting Attend Second meeting of creditors Preparation of minutes of Second Meeting of Creditors with ASIC Responding to creditor queries and questions immediately following meeting 	<ul style="list-style-type: none"> Preparation of minutes of Resumed Second Meeting of Creditors with ASIC Preparation of meeting notices, proxies and advertisements Sending Notice of Meeting to all known creditors Preparation of meeting file, including agenda, attendance register, list of creditors, report to creditors, advertisement of meeting and draft minutes of meeting Attending second meeting of creditors Adjourning the resumed second meeting of creditors (if necessary) Responding to creditor queries and questions immediately following meeting
Investigation		59.6 Hours \$34,909.00	\$0
	Conducting Investigation	<ul style="list-style-type: none"> Reviewing Company's books and records Preparation of comparative financial statements Review Company bank statements in detail for related party transfers Review the Company's books and records in relation to the Company's historical financial position and financial performance Review Company Xero file and nature of related party loan accounts Review of General Ledger and account transactions Review signatory on company bank accounts 	N/A

		<p>Conducting statutory searches on directors' role in the Company as at appointment</p> <p>Conducting Motor Vehicle searches on Company's name</p> <p>Review and preparation of Company nature and history</p> <p>Preparation of comparative financial statements</p> <p>Preparation of investigation file</p> <p>Review aged payable schedules and prepare analysis</p> <p>Review inter-company loan accounts</p> <p>Review of Company Xero file and noting inaccuracies on same</p> <p>Conducting statutory searches on directors' financial position</p> <p>Conducting and summarising Directorships and Shareholdings of Former and Current Director</p> <p>Review ATO audit of GST claims by the Company</p> <p>Correspondence to and from Former Director regarding ROCAP completion</p>	
Employees		<p>6 Hours \$2,712.00</p>	<p>\$0</p>
	Employees enquiries	<p>Review claims from employees</p> <p>Attend to employees' queries</p> <p>Maintain employee register</p> <p>Review and prepare correspondence to creditors and their representatives via facsimile, email and post</p> <p>Preparation of letters to employees advising of their entitlements and options available</p>	<p>N/A</p>
	Calculation of entitlements	<p>Calculating employee entitlements</p> <p>Reviewing employee files and Company's books and records</p> <p>Liaise with management in relation to calculation of employee entitlements</p>	<p>N/A</p>

	FEG	Attend to FEG questionnaire	N/A
Administration		179.9 Hours \$59,469.00	\$500.00
	ASIC Forms and lodgements	Preparing and lodging ASIC forms including 505, 205, 531, 530 etc Preparing and lodging ASIC PNW Advertisements	Preparing and lodging ASIC forms including 5011, 530 etc Preparing and lodging ASIC PNW Advertisements
	Bank account administration	Requesting bank statements Bank account reconciliations Set up payments	Bank account reconciliations
	Correspondence		Prepared and issued further notices to director and company Issued ROCAP to director
	Document maintenance/file review/checklist	Preparing and updating job checklists Filing of documents	Updating job checklists Filing of documents
	ATO and other statutory reporting	Review audit documents obtained Prepare and lodge BAS forms	Correspondence with ATO to gain access to business portal in order to complete STP reporting obligations Liaising with ATO regarding claim
	Planning / Review	Discussions regarding status of administration	Discussions regarding status of administration
	Insurance	Prepared and issued notification of appointment to insurance provider Liaising with insurance broker regarding adequacy of insurance Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements	Liaising with insurance broker regarding adequacy of insurance

		Reviewing insurance policies Correspondence with previous brokers	
	Finalisation	N/A	Notifying ATO of finalisation Completing checklists Finalising WIP

SCHEDULE B – TIME SPENT BY STAFF ON MAJOR TASKS – 24 SEPTEMBER 2024 TO 18 DECEMBER 2024

Eden Australasia Pty Ltd (Administrators Appointed)
ACN 653 282 609
For the period 24 September 2024 to 18 December 2024

Staff Classification	Name	Hourly Rate \$ (ex GST)	Administration		Assets		Creditors		Employees		Investigation		Trade On		Total	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Appointee	Andrew Cummins	750	0.30	225.00	16.1	12,075.00	7.1	5,325.00	-	-	2.3	1,725.00	60.1	45,075.00	85.9	64,425.00
Appointee	Peter Krejci	750	0.90	675.00	3.9	2,925.00	19.7	14,775.00	-	-	22.5	16,875.00	4.9	3,675.00	51.9	38,925.00
Principal	John Keenan	750	0.30	225.00	-	-	-	-	-	-	-	-	0.4	300.00	0.7	525.00
Principal	David Cocker	750	0.10	75.00	-	-	-	-	-	-	1.8	1,350.00	0.2	150.00	2.1	1,575.00
Senior Manager	Pauline Yeow	620	6.90	4,278.00	7.8	4,836.00	44.1	27,342.00	2.2	1,364.00	3.2	1,984.00	16.8	10,416.00	81	50,220.00
Manager	Savio Monis	580	3.40	1,972.00	24	13,920.00	27.7	16,066.00	0.6	348.00	11.5	6,670.00	145.6	84,448.00	212.8	123,424.00
Supervisor	Ashleigh Roche	510	0.40	204.00	-	-	-	-	-	-	-	-	-	-	0.4	204.00
Senior 1	Joshua Coorey	450	2.40	1,080.00	-	-	3.6	1,620.00	-	-	-	-	103.2	46,440.00	109.2	49,140.00
Senior 2	Sushma Mandira	400	5.00	2,000.00	1.4	560.00	12.1	4,840.00	-	-	3	1,200.00	3.5	1,400.00	25	10,000.00
Intermediate 1	Mankirth Mandair	350	13.50	4,725.00	2.6	910.00	17.6	6,160.00	0.8	280.00	11.3	3,955.00	70.6	24,710.00	116.4	40,740.00
Intermediate 2	Hugh Matthews	300	27.50	8,250.00	8.6	2,580.00	8.8	2,640.00	2.4	720.00	3	900.00	39.6	11,880.00	89.9	26,970.00
Intermediate 2	Zachary George	300	23.10	6,930.00	-	-	-	-	-	-	-	-	0.4	120.00	23.5	7,050.00
Senior Administration	Sonia Stelmach	300	1.10	330.00	-	-	-	-	-	-	-	-	-	-	1.1	330.00
Senior Administration	Andrea Moulikova	300	12.70	3,810.00	-	-	-	-	-	-	0.5	150.00	-	-	13.2	3,960.00
Senior Administration	Sarita Gurung	300	81.70	24,510.00	-	-	0.6	180.00	-	-	-	-	1.3	390.00	83.6	25,080.00
Senior Administration	Ashleigh Hartigan	300	0.60	180.00	-	-	-	-	-	-	-	-	-	-	0.6	180.00
Junior Administration	Phoebe Cummins	200	-	-	1.5	300.00	-	-	-	-	0.5	100.00	-	-	2	400.00
Total			179.90	59,469.00	65.9	38,106.00	141.3	78,948.00	6.0	2,712.00	59.6	34,909.00	446.6	229,004.00	899.3	443,148.00
															Previously Approved	155,252.00
															Approval Sought	287,896.00
															GST	28,789.60
															Total (incl GST)	316,685.60
Average Rate			<u>330.57</u>	<u>578.24</u>	<u>558.73</u>	<u>452.00</u>	<u>585.72</u>	<u>512.77</u>	<u>492.77</u>							

SCHEDULE C – DETAILS OF WORK TO BE COMPLETED – 19 DECEMBER 2024 TO THE CONCLUSION OF THE DOCA/ LIQUIDATION

Company	Eden Australasia Pty Ltd (Administrators Appointed)	Period From	19 December 2024	To	Conclusion of DOCA/Liquidation
Practitioner	Peter Krejci and Andrew Cummins	Firm	BRI Ferrier		
Administration Type	DOCA/Creditors Voluntary Liquidation				
		Tasks			
		If Creditors resolve to accept a DOCA		If wound up	
		Liquidation Work			
Period	Execution of the DOCA to conclusion		6 February 2025 to Conclusion of Liquidation		
Amount (excl. GST)	\$10,000.00		\$100,000.00		
Task Area	General Description				
Assets		\$2,500.00		\$20,000.00	
	Debtors	N/A		Correspondence with debtors and issue demands Review records supporting claims Reviewing and assessing debtors' ledgers Liaising with debt collectors and solicitors	
	Sale of Freehold and Business	Attend to settlement of the sale		Attend to settlement of the sale	
Creditors		\$1,000.00		\$20,000.00	
	Creditor Enquiries	Receive and respond to creditor enquiries Considering reasonableness of creditor request Compiling information requested by creditors		Receive and respond to creditor enquiries Considering reasonableness of creditor request Obtaining legal advice on requests Compiling information requested by creditors	

	Creditor Reports	Prepare Circular to Creditors	Prepare Circular to Creditors regarding Liquidation Prepare Statutory Report to Creditors Preparation of necessary annexures for Statutory Report to Creditors
	Secured creditor reporting	Preparing reports to secured creditor Responding to secured creditor's queries	Preparing reports to secured creditor Responding to secured creditor's queries
	Dealing with proofs of debt	Receipting, processing, and filing Proofs of Debts when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors	Receipting, processing, and filing Proofs of Debts when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors
	Deed of Company Arrangement	Liaising with Director and lawyers regarding DOCA Ongoing monitoring and enquiries with proponents as to DOCA progress Periodically updating returns to creditors	N/A
	Meeting of Creditors	Convening creditors meeting as necessary Preparation of Minutes of Meeting (if required)	Convening creditors meeting as necessary Preparation of Minutes of Meeting (if required)
Trade On		\$6,000.00	\$0
	Trade on management	Liaising with management and staff Internal meetings to discuss trading, budgeting and staffing Liaise with management, staff and suppliers regarding continued trading Liaise with lawyers regarding trade on issues Correspondence with bookkeeper regarding appointment and trade on support Discussions regarding payroll obligations Implementing management and operational protocols for continued trading	N/A

		<p>Reconciling weekly payroll reports from accountant</p> <p>Organise payment of weekly payroll</p> <p>Discussions with key suppliers regarding trade on accounts to be opened under the company in administration's name</p> <p>Organise payment of suppliers on a weekly basis</p> <p>Requesting account statements from suppliers</p> <p>Maintaining a supplier invoice register</p> <p>Authorising purchase orders</p> <p>Liaising with management and dealing with various operational issues</p> <p>Liaising with OSR regarding outstanding taxes</p> <p>Liaising with the IT service provider in relation to prepare a backup of the Company's electronic records</p> <p>Liaise with lawyers regarding trade on accounts and employees</p>	
	Budgeting & Financial Reporting	<p>Review and discuss cashflow forecast and funds required for trade on</p> <p>Telephone conversations with key suppliers regarding ongoing trade and updating cash flow and supplier log accordingly</p>	N/A
	Processing receipts and payments	<p>Entering trade on receipts and payments into accounting system</p>	N/A
Investigation		\$0	\$30,000.00
	Conducting Investigation	N/A	<p>Obtaining and reviewing further Company's books and records</p> <p>Reviewing further Company's books and records</p> <p>Review of specific transactions and liaising with Director regarding certain transactions</p> <p>Conducting further investigations into potential voidable transactions</p>

			<ul style="list-style-type: none"> Conducting further investigations into solvency analysis Preparation of updated investigation file
	Examinations	N/A	<ul style="list-style-type: none"> Preparing brief to solicitor Liaising with solicitor(s) regarding examinations Attendance at examination Reviewing examination transcripts Liaising with solicitor(s) regarding outcome of examinations and further actions available
	Litigation / Recoveries	N/A	<ul style="list-style-type: none"> Internal meetings to discuss status of litigation Preparing brief to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations Attending to settlement matters
	ASIC Reporting	N/A	<ul style="list-style-type: none"> Preparing statutory investigation reports Preparation and lodgement of supplementary report if required Lodgement of investigation with ASIC Liaising with ASIC
Employees		\$0	\$15,000.00
	Employees enquiries	N/A	<ul style="list-style-type: none"> Correspondence with employees Receive and follow up employee enquiries via telephone Maintain employee enquiry register
	FEG	N/A	<ul style="list-style-type: none"> Correspondence with FEG Preparing initial questionnaire Preparing FEG quotation for services Request further supporting documentation from employees to substantiate their claims Preparing verification spreadsheet of employee entitlements Completing FEG questionnaires Correspondence with FEG regarding discrepancies, if any

	Calculation of entitlements	N/A	Calculating employee entitlements Reviewing employee files and Company's books and records Reconciling superannuation accounts Reviewing awards Liaising with solicitors regarding entitlements
	Employee dividend	N/A	Correspondence with employees regarding dividend Correspondence with ATO regarding SGC POD (if required) Preparing dividend file Advertising dividend notice Receipting and adjudicating POD Preparing distribution
Administration		\$500.00	\$15,000.00
	ASIC Forms and lodgements	Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms	Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms
	Bank account administration	Preparing receipt and payment vouchers Bank account reconciliations Correspondence with bank regarding specific transfers	Preparing receipt and payment vouchers Bank account reconciliations Correspondence with bank regarding specific transfers
	Books and Records/ Storage	Dealing with records in storage	Dealing with records in storage
	Correspondence	Correspondence regarding the Company not related to any of the above milestones	Correspondence regarding the Company not related to any of the above milestones
	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists	Filing of documents File reviews Updating checklists
	ATO and other statutory reporting	Notification of appointment Preparing BAS	Notification of appointment Preparing BAS

	Planning / Review	Discussions regarding status of administration	Discussions regarding status of administration
	Finalisation	Finalisation of DOCA Notifying ATO of finalisation	Notifying ATO of finalisation Cancelling ABN/GST/PAYG registration Completing checklists Finalising WIP

SCHEDULE D – RESOLUTIONS

We will be seeking approval of the following resolutions to approve our remuneration and disbursements. Details to support these resolutions are included in **sections 3 and 4** and in the attached Schedules.

Resolution 1: Administrators’ Remuneration for the period 21 October 2024 to 18 December 2024

“That the remuneration of the Joint and Several Administrators, their partners and staff for the period 21 October 2024 to 18 December 2024, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators’ Supplementary Second Report to Creditors dated 23 December 2024, and approved to an interim cap of \$287,896.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount.”

Resolution 2: Administrators’ Remuneration for the period 19 December 2024 to the conclusion of the Voluntary Administration

“That the remuneration of the Joint and Several Administrators, their partners and staff for the period 19 December 2024 to the conclusion of the administration, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators’ Supplementary Second Report to Creditors dated 23 December 2024, and approved to an interim cap of \$15,000.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred.”

Resolution 3: Administrators’ Disbursements for the period 24 September 2024 to the conclusion of the Voluntary Administration

“That the Joint and Several Voluntary Administrators be allowed internal disbursements from 24 September 2024 to the conclusion of the Voluntary Administration at the rates of charge annexed to the Voluntary Administrators’ Supplementary Second Report to Creditors dated 23 December 2024, up to an amount of \$1,000.00 (plus GST) and that the Joint and Several Voluntary Administrators be authorised to draw that amount as accrued.”

If creditors resolve for the Company to execute a Deed of Company Arrangement:

Resolution 7: Deed Administrators’ Remuneration for the period of the DOCA

“That the remuneration of the Joint and Several Deed Administrators, their partners and staff from the execution of the DOCA to the finalisation of DOCA, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators’ Supplementary Second Report to Creditors dated 23 December 2024, and approved to an interim cap of \$10,000.00 (plus GST), and that the Joint and Several Deed Administrators be authorised to draw that amount as and when incurred.”

Resolution 8: Deed Administrators’ Internal Disbursements for the period of the DOCA

“That the Deed Administrator be allowed internal disbursements for the period of the DOCA at the rates of charge annexed to the Voluntary Administrators’ Supplementary Second Report to Creditors dated 23 December 2024, up to an amount of \$1,000.00 (plus GST) and that the Deed Administrators be authorised to draw that amount as accrued.”

If the Company is wound up:

Resolution 9: Liquidators' Remuneration from 6 January 2025 to the conclusion of the Liquidation

"That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 6 January 2025 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Report to Creditors dated 23 December 2024, and approved to an interim cap of \$100,000.00 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when incurred."

Resolution 10: Liquidators' Internal Disbursements from the conclusion of the Voluntary Administration to the conclusion of the Liquidation

"That the Joint and Several Liquidators be allowed internal disbursements for the period starting from the conclusion of the Voluntary Administration to the conclusion of the Liquidation at the rates of charge annexed to the Voluntary Administrators' Supplementary Report to Creditors dated 19 December 2024, up to an amount of \$1,000.00 (plus GST) and that the Joint and Several Liquidators be authorised to draw that amount as accrued."

SCHEDULE E – DISBURSEMENTS

Disbursements are divided into three types:

- ▶ Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- ▶ Externally provided non-professional costs such as travel, accommodation, and search fees. These are recovered at cost.
- ▶ Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally charge 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.

We advise that to date we have not paid any disbursements incurred during this Administration by our Firm.

We are not obliged to seek creditor approval for disbursements paid to third parties, but must account to creditors, this includes providing details of the basis of charging for these types of disbursements to creditors as part of the Remuneration Approval Report. We are required to seek creditor approval for internal disbursements where there could be a profit or advantage. Accordingly, we will be seeking approval from creditors for resolutions detailed under Schedule D.

Future disbursements provided by our Firm will be charged to the administration on the following basis:

Disbursement Type	Rate (excl. GST)
Externally provided professional services	At cost
Externally provided non-professional costs	At cost
Internal disbursements	
ASIC Charges for appointments and notifiable events	At cost
Faxes and Photocopying	\$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowance

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green triangle on the right side.

BRI Ferrier

**Eden Australasia Pty Ltd
ACN 653 282 609**

**The Sapphire Australasia Pty Ltd
ACN 655 675 442**

(Both Administrators Appointed)

**Annexure "g"
Sapphire – Remuneration Approval
Report**

Remuneration Approval Report

**The Sapphire Australasia Pty Ltd
(Administrators Appointed)
ACN 655 675 442
("The Company")**

23 December 2024

**Peter Krejci & Andrew Cummins
Joint and Several Administrators**

Novabrif Pty Ltd ABN 61 643 013 610
Level 26, 25 Bligh Street, Sydney NSW 2000
Phone (02) 8263 2333
Email: info@brifnsw.com.au
Website: www.briferrier.com.au



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1. EXECUTIVE SUMMARY

We are asking creditors to approve the following remuneration and disbursements:

The Sapphire Australasia Pty Ltd	Remuneration \$ (excl GST)	Disbursements \$ (excl GST)
Voluntary Administration	24,177.00	1,000.00
If a DOCA is accepted	30,000.00	1,000.00
If Company is liquidated	20,000.00	1,000.00

Details of remuneration can be found in section 3 of this report. Creditors have previously approved our remuneration as follows:

The Sapphire Australasia Pty Ltd	Period	Remuneration \$ (excl GST)
Voluntary Administration	24 September 2024 to 20 October 2024	17,458.00

We estimate the total cost of this Voluntary Administration will be approximately \$41,635.00 (plus GST).

This has increased from our previous estimate in the Initial Remuneration Notice due to significant additional time spent by the Administrators' staff dealing with trading and operational issues and the fact that the convening period was extended 45 business days beyond that which was originally contemplated.

2. DECLARATION

Peter Krejci and I of BRI Ferrier, have undertaken an assessment of this remuneration claim in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursement claimed is necessary and proper.

We have reviewed the work in progress ledger to ensure that remuneration is only being claimed for necessary and proper work performed and no adjustment was necessary.

3. REMUNERATION APPROVAL SOUGHT

The remuneration we are asking creditors to approve is as follows:

For	Period	Amount (\$, excl. GST)	Rates to apply	When it will be drawn
Work already completed	21 October 2024 to 18 December 2024	19,177.00	Provided in Supplementary Second Report to	It will be drawn when approved by Creditors and funds are available.

For	Period	Amount (\$, excl. GST)	Rates to apply	When it will be drawn
			Creditors dated 23 December 2024	
Future Work	19 December 2024 to Conclusion of VA	\$5,000.00	Provided in Supplementary Second Report to Creditors dated 23 December 2024	It will be drawn when approved by Creditors and funds are available and incurred
VA Total		24,177.00		
Future Work DOCA	Execution of DOCA to finalisation of DOCA	30,000.00	Provided in Supplementary Second Report to Creditors dated 23 December 2024	It will be drawn when approved by Creditors and funds are available and incurred
DOCA total		30,000.00		
Future work – Liquidation	6 January 2025 to Finalisation of Liquidation	20,000.00	Provided in Supplementary Second Report to Creditors dated 23 December 2024	It will be drawn when approved by Creditors and funds are available and incurred
Liquidation Total		20,000.00		

Details of the work done for the period 24 September 2024 to 18 December 2024 and future work that we intend to do are included at **Schedule A**.

A breakdown of time spent by staff members on each major task for work completed from 24 September 2024 to 18 December 2024 is included in **Schedule B**.

Details of future work that we intend to do (either in a DOCA or Liquidation) are included at **Schedule C**.

Actual resolutions to be put to the meeting are included at **Schedule D** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

We will only seek approval of the resolution for the liquidation if creditors vote to place the Company into liquidation.

4. DISBURSEMENTS SOUGHT

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the administration, but we must provide details to creditors. To date, we have not paid any such costs in the administration.

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.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 27 September 2024.

The internal disbursements we would like creditors to approve is as follows:

For	Period	Amount (\$, excl. GST)
Disbursements during the VA period	24 September 2024 to conclusion	1,000.00
If a DOCA is executed	Execution of the DOCA to conclusion	1,000.00
If Company is liquidated – Future disbursements	6 January 2025 to conclusion	1,000.00

Details of disbursements incurred, and future disbursements are included at **Schedule E**. Actual resolutions to be put to the meeting are included at **Schedule D** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

5. LIKELY IMPACT ON DIVIDENDS

The Corporations Act sets the order for payment of claims against the Company, and it provides for the remuneration of the Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Administrators receives payment for the work done to recover assets, investigate the Company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

6. SUMMARY RECEIPT AND PAYMENTS

There have been no receipts and payments as at 18 December 2024.

7. QUERIES & INFORMATION SHEET

If you have any queries in relation to the information in this report, please contact our office. You can also access information which may assist you on the following websites:

ARITA at www.arita.com.au/creditors

ASIC at <http://www.asic.gov.au> (search for INFO 85)

Further supporting documentation for our remuneration claim can be provided to creditors on request.

8. ATTACHMENTS

Schedule A – Details of work from 24 September 2024 to 18 December 2024 and future work in the voluntary administration.

Schedule B – A breakdown of time spent by staff members on each major task for work completed from 24 September 2024 to 18 December 2024.

Schedule C – Detail of work to be completed – 6 December 2024 to Conclusion of the DOCA/Liquidation.

Schedule D – Resolutions.

Schedule E – Disbursements.

SCHEDULE A – DETAILS OF WORK FROM 24 SEPTEMBER 2024 TO CONCLUSION OF THE VOLUNTARY ADMINISTRATION

Company	The Sapphire Australasia Pty Ltd (Administrators Appointed)	Period From	21 October 2024	To	Conclusion of the voluntary administration
Practitioner	Peter Krejci and Andrew Cummins	Firm	BRI Ferrier		
Administration Type	Voluntary Administration				
		Tasks			
		Work completed (excl. GST)		Future work (excl. GST)	
Period	24 September 2024 to 18 December 2024		19 December 2024 to Conclusion of the voluntary administration		
Amount (excl. GST)	\$36,635.00		\$5,000.00		
Task Area	General Description				
Assets		4.3 Hours \$3,156.00		\$500.00	
	Sale of Business and Freehold land	Review and discuss marketing material for sale of business Review Draft sale contract Internal discussions to discuss ongoing insurance Correspondence with solicitors regarding sale contract Review Company sale history Internal discussions to discuss hotel renovations and ongoing insurance		Liaise with agent regarding progress of sale Responding to potential purchaser queries Prepare and review cashflow Review employee contracts	
	Other Assets	Prepared and issued circular to banks requesting all accounts to be frozen			

		Daily check of bank balances and organising bank sweeps when required Correspondence with real estate agents managing rental properties	
Trade On		5.4 Hours \$3,482.00	\$3,000.00
	Trade on management	<p>Liaising with management and staff</p> <p>Internal meetings to discuss trading, budgeting and staffing</p> <p>Liaise with management, staff and suppliers regarding continued trading</p> <p>Liaise with lawyers regarding trade on issues</p> <p>Correspondence with bookkeeper regarding appointment and trade on support</p> <p>Discussions regarding payroll obligations</p> <p>Implementing management and operational protocols for continued trading</p> <p>Reconciling weekly payroll reports from accountant</p> <p>Organise payment of weekly payroll</p> <p>Discussions with key suppliers regarding trade on accounts to be opened under the company in administration's name</p> <p>Organise payment of suppliers on a weekly basis</p> <p>Requesting account statements from suppliers</p> <p>Maintaining a supplier invoice register</p> <p>Authorising purchase orders</p> <p>Liaising with management and dealing with various operational issues</p> <p>Liaising with OSR regarding outstanding taxes</p> <p>Liaising with the IT service provider in relation to prepare a backup of the Company's electronic records</p>	<p>Maintaining a supplier invoice register</p> <p>Organise payment of weekly payroll</p> <p>Organise payment of suppliers on a weekly basis</p> <p>Authorising purchase orders</p> <p>Liaising with management and staff and dealing with operational issues as they may arise</p>

		Liaise with lawyers regarding trade on accounts and employees	
	Budgeting & Financial Reporting	Review and discuss cashflow forecast and funds required for trade on Telephone conversations with key suppliers regarding ongoing trade and updating cash flow and supplier log accordingly	Review and discuss cashflow forecast and funds required for trade on
	Processing receipts and payments	Entering trade on receipts and payments into accounting system	Entering trade on receipts and payments into accounting system
Creditors		42.3 Hours \$23,801.00	\$1,000.00
	Creditor Enquiries	Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare correspondence to creditors and their representatives by email Responding to information requested by creditors	Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare correspondence to creditors and their representatives by email Responding to information requested by creditors Internal discussions regarding trade creditor liabilities and other transfer costs
	Creditor Reports	Preparing and issuing Second Report to Creditors regarding notification of appointment and convening Second Meeting of Creditors Preparation of necessary annexures for Second Report to Creditors Preparing Supplementary Report to Creditors Preparation of necessary annexures for Supplementary Report to Creditors	Preparing and issuing Supplementary Report to Creditors detailing investigations and convening Resumed Second Meeting of Creditors Preparation of necessary annexures for Supplementary Report to Creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors	Receipting, processing, and filing Proofs of Debts when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors

	Secured creditor reporting	<ul style="list-style-type: none"> Notifying PPSR registered creditors of appointment Preparing reports to secured creditor Responding to secured creditor's queries 	Responding to secured creditor's queries
	Meeting of Creditors	<ul style="list-style-type: none"> Preparation of meeting notices, proxies and advertisements Sending Notice of Meeting to all known creditors Preparation of meeting file, including agenda, attendance register, list of creditors, report to creditors, advertisement of meeting and draft minutes of meeting Attend Second meeting of creditors Preparation of minutes of Second Meeting of Creditors with ASIC Responding to creditor queries and questions immediately following meeting 	<ul style="list-style-type: none"> Preparation of minutes of Resumed Second Meeting of Creditors with ASIC Preparation of meeting notices, proxies and advertisements Sending Notice of Meeting to all known creditors Preparation of meeting file, including agenda, attendance register, list of creditors, report to creditors, advertisement of meeting and draft minutes of meeting Attending second meeting of creditors Adjourning the second meeting of creditors (if necessary) Responding to creditor queries and questions immediately following meeting
Investigation		3.8 Hours \$1,912.00	\$0
	Conducting Investigation	<ul style="list-style-type: none"> Reviewing Company's books and records Preparation of comparative financial statements Review Company bank statements in detail for related party transfers Review the Company's books and records in relation to the Company's historical financial position and financial performance Review Company Xero file and nature of related party loan accounts Review of General Ledger and account transactions Review signatory on company bank accounts 	N/A

		<p>Conducting statutory searches on directors' role in the Company as at appointment</p> <p>Conducting Motor Vehicle searches on Company's name</p> <p>Review and preparation of Company nature and history</p> <p>Preparation of comparative financial statements</p> <p>Preparation of investigation file</p> <p>Review aged payable schedules and prepare analysis</p> <p>Review inter-company loan accounts</p> <p>Review of Company Xero file and noting inaccuracies on same</p> <p>Conducting statutory searches on directors' financial position</p> <p>Conducting and summarising Directorships and Shareholdings of Former and Current Director</p> <p>Review ATO audit of GST claims by the Company</p> <p>Correspondence to and from Former Director regarding ROCAP completion</p>	
Administration		<p>10.4 Hours</p> <p>\$4,284.00</p>	\$500.00
	ASIC Forms and lodgements	<p>Preparing and lodging ASIC forms including 505, 205, 531, 530 etc</p> <p>Preparing and lodging ASIC PNW Advertisements</p>	<p>Preparing and lodging ASIC forms including 5011, 530 etc</p> <p>Preparing and lodging ASIC PNW Advertisements</p>
	Bank account administration	<p>Requesting bank statements</p> <p>Bank account reconciliations</p> <p>Set up payments</p>	Bank account reconciliations
	Correspondence	<p>Prepared and issued further notices to director and company</p> <p>Issued ROCAP to director</p>	Prepared and issued further notices to director and company

	Document maintenance/file review/checklist	Preparing and updating job checklists Filing of documents	Updating job checklists Filing of documents
	ATO and other statutory reporting	Review audit documents obtained Prepare and lodge BAS forms	Correspondence with ATO to gain access to business portal in order to complete STP reporting obligations Liaising with ATO regarding claim
	Planning / Review	Discussions regarding status of administration	Discussions regarding status of administration
	Insurance	Prepared and issued notification of appointment to insurance provider Liaising with insurance broker regarding adequacy of insurance Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers	Liaising with insurance broker regarding adequacy of insurance
	Finalisation	N/A	Notifying ATO of finalisation Completing checklists Finalising WIP

SCHEDULE B – TIME SPENT BY STAFF ON MAJOR TASKS – 24 SEPTEMBER 2024 TO 18 DECEMBER 2024

The Sapphire Australasia Pty Ltd (Administrators Appointed)

ACN 655 675 442

For the period 24 September 2024 to 18 December 2024

Staff Classification	Name	Hourly Rate \$ (ex GST)	Administration		Assets		Creditors		Investigation		Trade On		Total	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Appointee	Andrew Cummins	750	0.30	225.00	0.50	375.00	3.40	2,550.00	0.70	525.00	0.20	150.00	5.10	3,825.00
Appointee	Peter Krejci	750	-	-	3.30	2,475.00	2.40	1,800.00	-	-	3.20	2,400.00	8.90	6,675.00
Principal	David Cocker	750	-	-	-	-	-	-	0.80	600.00	-	-	0.80	600.00
Senior Manager	Pauline Yeow	620	1.70	1,054.00	0.40	248.00	16.10	9,982.00	-	-	0.10	62.00	18.30	11,346.00
Manager	Savio Monis	580	1.00	580.00	0.10	58.00	9.30	5,394.00	0.40	232.00	1.00	580.00	11.80	6,844.00
Senior 1	Joshua Coorey	450	-	-	-	-	0.90	405.00	-	-	-	-	0.90	405.00
Senior 2	Sushma Mandira	400	1.20	480.00	-	-	3.90	1,560.00	0.10	40.00	0.10	40.00	5.30	2,120.00
Intermediate 1	Mankirth Mandair	350	1.70	595.00	-	-	4.40	1,540.00	0.50	175.00	0.20	70.00	6.80	2,380.00
Intermediate 2	Hugh Matthews	300	1.70	510.00	-	-	1.80	540.00	0.30	90.00	0.60	180.00	4.40	1,320.00
Senior Administration	Sarita Gurung	300	1.10	330.00	-	-	0.10	30.00	-	-	-	-	1.20	360.00
Senior Administration	Sonia Stelmach	300	0.20	60.00	-	-	-	-	-	-	-	-	0.20	60.00
Senior Administration	Andrea Moulikova	300	0.90	270.00	-	-	-	-	0.50	150.00	-	-	1.40	420.00
Senior Administration	Ashleigh Hartigan	300	0.60	180.00	-	-	-	-	-	-	-	-	0.60	180.00
Junior Administration	Phoebe Cummins	200	-	-	-	-	-	-	0.50	100.00	-	-	0.50	100.00
Total			10.40	4,284.00	4.30	3,156.00	42.30	23,801.00	3.80	1,912.00	5.40	3,482.00	66.20	36,635.00
													Previously Approved	17,458.00
													Approval Sought	19,177.00
													GST	1,917.70
													Total (incl GST)	21,094.70
Average Rate			<u>411.92</u>	<u>733.95</u>	<u>562.67</u>	<u>503.16</u>	<u>644.81</u>							<u>553.40</u>

SCHEDULE C – DETAILS OF WORK TO BE COMPLETED – 19 DECEMBER 2024 TO THE CONCLUSION OF THE DOCA/LIQUIDATION

Company	The Sapphire Australasia Pty Ltd (Administrators Appointed)	Period From	12 December 2024	To	Conclusion of DOCA/Liquidation
Practitioner	Peter Krejci and Andrew Cummins	Firm	BRI Ferrier		
Administration Type	DOCA/Creditors Voluntary Liquidation				
		Tasks			
		If Creditors resolve to accept a DOCA		If wound up	
				Liquidation Work	
Period	Execution of the DOCA to conclusion		6 February 2025 to Conclusion of Liquidation		
Amount (excl. GST)	\$30,000.00		\$20,000.00		
Task Area	General Description				
Assets		\$3,000.00		\$1,000.00	
	Sale of Freehold and Business	Attend to settlement of the sale		Attend to settlement of the sale	
Creditors		\$5,000.00		\$5,000.00	
	Creditor Enquiries	Receive and respond to creditor enquiries Considering reasonableness of creditor request Compiling information requested by creditors		Receive and respond to creditor enquiries Considering reasonableness of creditor request Obtaining legal advice on requests Compiling information requested by creditors	
	Creditor Reports	Prepare Circular to Creditors		Prepare Circular to Creditors regarding Liquidation Prepare Statutory Report to Creditors	

			Preparation of necessary annexures for Statutory Report to Creditors
	Secured creditor reporting	Preparing reports to secured creditor Responding to secured creditor's queries	Preparing reports to secured creditor Responding to secured creditor's queries
	Dealing with proofs of debt	Receipting, processing, and filing Proofs of Debts when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors	Receipting, processing, and filing Proofs of Debts when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors
	Deed of Company Arrangement	Liaising with Director and lawyers regarding DOCA Ongoing monitoring and enquiries with proponents as to DOCA progress Periodically updating returns to creditors	N/A
	Meeting of Creditors	Convening creditors meeting as necessary Preparation of Minutes of Meeting (if required)	Convening creditors meeting as necessary Preparation of Minutes of Meeting (if required)
Trade On		\$20,000.00	\$0
	Trade on management	Liaising with management and staff Internal meetings to discuss trading, budgeting and staffing Liaise with management, staff and suppliers regarding continued trading Liaise with lawyers regarding trade on issues Correspondence with bookkeeper regarding appointment and trade on support Discussions regarding payroll obligations Implementing management and operational protocols for continued trading Reconciling weekly payroll reports from accountant Organise payment of weekly payroll	N/A

		<p>Discussions with key suppliers regarding trade on accounts to be opened under the company in administration's name</p> <p>Organise payment of suppliers on a weekly basis</p> <p>Requesting account statements from suppliers</p> <p>Maintaining a supplier invoice register</p> <p>Authorising purchase orders</p> <p>Liaising with management and dealing with various operational issues</p> <p>Liaising with OSR regarding outstanding taxes</p> <p>Liaising with the IT service provider in relation to prepare a backup of the Company's electronic records</p> <p>Liaise with lawyers regarding trade on accounts and employees</p>	
	Budgeting & Financial Reporting	<p>Review and discuss cashflow forecast and funds required for trade on</p> <p>Telephone conversations with key suppliers regarding ongoing trade and updating cash flow and supplier log accordingly</p>	N/A
	Processing receipts and payments	<p>Entering trade on receipts and payments into accounting system</p>	N/A
Investigation		\$0	\$10,000.00
	Conducting Investigation	N/A	<p>Obtaining and reviewing further Company's books and records</p> <p>Reviewing further Company's books and records</p> <p>Review of specific transactions and liaising with Director regarding certain transactions</p> <p>Conducting further investigations into potential voidable transactions</p> <p>Conducting further investigations into solvency analysis</p> <p>Preparation of updated investigation file</p>

	Examinations	N/A	<ul style="list-style-type: none"> Preparing brief to solicitor Liaising with solicitor(s) regarding examinations Attendance at examination Reviewing examination transcripts Liaising with solicitor(s) regarding outcome of examinations and further actions available
	Litigation / Recoveries	N/A	<ul style="list-style-type: none"> Internal meetings to discuss status of litigation Preparing brief to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations Attending to settlement matters
	ASIC Reporting	N/A	<ul style="list-style-type: none"> Preparing statutory investigation reports Preparation and lodgement of supplementary report if required Lodgement of investigation with ASIC Liaising with ASIC
Administration		\$2,000.00	\$4,000.00
	ASIC Forms and lodgements	<ul style="list-style-type: none"> Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms 	<ul style="list-style-type: none"> Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms
	Bank account administration	<ul style="list-style-type: none"> Preparing receipt and payment vouchers Bank account reconciliations Correspondence with bank regarding specific transfers 	<ul style="list-style-type: none"> Preparing receipt and payment vouchers Bank account reconciliations Correspondence with bank regarding specific transfers
	Books and Records/ Storage	<ul style="list-style-type: none"> Dealing with records in storage 	<ul style="list-style-type: none"> Dealing with records in storage
	Correspondence	<ul style="list-style-type: none"> Correspondence regarding the Company not related to any of the above milestones 	<ul style="list-style-type: none"> Correspondence regarding the Company not related to any of the above milestones
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> Filing of documents File reviews Updating checklists 	<ul style="list-style-type: none"> Filing of documents File reviews Updating checklists

	ATO and other statutory reporting	Notification of appointment Preparing BAS	Notification of appointment Preparing BAS
	Planning / Review	Discussions regarding status of administration	Discussions regarding status of administration
	Finalisation	Finalisation of DOCA Notifying ATO of finalisation	Notifying ATO of finalisation Cancelling ABN/GST/PAYG registration Completing checklists Finalising WIP

SCHEDULE D – RESOLUTIONS

We will be seeking approval of the following resolutions to approve our remuneration and disbursements. Details to support these resolutions are included in **sections 3 and 4** and in the attached Schedules.

Resolution 1: Administrators’ Remuneration for the period 21 October 2024 to 18 December 2024

“That the remuneration of the Joint and Several Administrators, their partners and staff for the period 21 October 2024 to 18 December 2024, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators’ Supplementary Second Report to Creditors dated 23 December 2024, and approved to an interim cap of \$19,177.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount.”

Resolution 2: Administrators’ Remuneration for the period 19 December 2024 to the conclusion of the Voluntary Administration

“That the remuneration of the Joint and Several Administrators, their partners and staff for the period 19 December 2024 to the conclusion of the administration, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators’ Supplementary Second Report to Creditors dated 23 December 2024, and approved to an interim cap of \$5,000.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred.”

Resolution 3: Administrators’ Disbursements for the period 24 September 2024 to the conclusion of the Voluntary Administration

“That the Joint and Several Voluntary Administrators be allowed internal disbursements from 24 September 2024 to the conclusion of the Voluntary Administration at the rates of charge annexed to the Voluntary Administrators’ Supplementary Second Report to Creditors dated 23 December 2024, up to an amount of \$1,000.00 (plus GST) and that the Joint and Several Voluntary Administrators be authorised to draw that amount as accrued.”

If creditors resolve for the Company to execute a Deed of Company Arrangement:

Resolution 7: Deed Administrators’ Remuneration for the period of the DOCA

“That the remuneration of the Joint and Several Deed Administrators, their partners and staff from the execution of the DOCA to the finalisation of DOCA, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators’ Supplementary Second Report to Creditors dated 23 December 2024, and approved to an interim cap of \$30,000.00 (plus GST), and that the Joint and Several Deed Administrators be authorised to draw that amount as and when incurred.”

Resolution 8: Deed Administrators’ Internal Disbursements for the period of the DOCA

“That the Deed Administrator be allowed internal disbursements for the period of the DOCA at the rates of charge annexed to the Voluntary Administrators’ Supplementary Second Report to Creditors dated 23 December 2024, up to an amount of \$1,000.00 (plus GST) and that the Deed Administrators be authorised to draw that amount as accrued.”

If the Company is wound up:

Resolution 9: Liquidators' Remuneration from 6 January 2025 to the conclusion of the Liquidation

"That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 6 January 2025 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Report to Creditors dated 23 December 2024, and approved to an interim cap of \$100,000.00 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when incurred."

Resolution 10: Liquidators' Internal Disbursements from the conclusion of the Voluntary Administration to the conclusion of the Liquidation

"That the Joint and Several Liquidators be allowed internal disbursements for the period starting from the conclusion of the Voluntary Administration to the conclusion of the Liquidation at the rates of charge annexed to the Voluntary Administrators' Supplementary Report to Creditors dated 19 December 2024, up to an amount of \$1,000.00 (plus GST) and that the Joint and Several Liquidators be authorised to draw that amount as accrued."

SCHEDULE E – DISBURSEMENTS

Disbursements are divided into three types:

- ▶ Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- ▶ Externally provided non-professional costs such as travel, accommodation, and search fees. These are recovered at cost.
- ▶ Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally charge 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.

We advise that to date we have not paid any disbursements incurred during this Administration by our Firm.

We are not obliged to seek creditor approval for disbursements paid to third parties, but must account to creditors, this includes providing details of the basis of charging for these types of disbursements to creditors as part of the Remuneration Approval Report. We are required to seek creditor approval for internal disbursements where there could be a profit or advantage. Accordingly, we will be seeking approval from creditors for resolutions detailed under Schedule D.

Future disbursements provided by our Firm will be charged to the administration on the following basis:

Disbursement Type	Rate (excl. GST)
Externally provided professional services	At cost
Externally provided non-professional costs	At cost
Internal disbursements	
ASIC Charges for appointments and notifiable events	At cost
Faxes and Photocopying	\$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowance

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green triangle pointing upwards and to the right.

BRI Ferrier

**Eden Australasia Pty Ltd
ACN 653 282 609**

**The Sapphire Australasia Pty Ltd
ACN 655 675 442**

(Both Administrators Appointed)

**Annexure "10"
Advice to Creditors about
Remuneration**

ADVICE TO CREDITORS ABOUT REMUNERATION

Insolvency Practice Schedule (Corporations) 70-50
Insolvency Practice Rules (Corporations) 70-35

EDEN AUSTRALASIA PTY LTD ACN 653 282 609
THE SAPPHIRE AUSTRALASIA PTY LTD ACN 655 675 442
(BOTH ADMINISTRATORS APPOINTED) ("THE COMPANIES")

A REMUNERATION METHOD

There are four methods for calculation of remuneration that can be used to calculate the remuneration of an Insolvency Practitioner. They are:

- Time based / hourly rates or "Time Cost"

This is the most common method. It provides for remuneration to be charged at an hourly rate for each person working on the matter. The hourly rate charged will reflect the level of experience each person has.

- Fixed Fee

The total remuneration for the administration is quoted at commencement of the appointment and is the total charge for the administration. Sometimes a practitioner will finalise an administration for a fixed fee.

- Percentage

The remuneration for the appointment is based on a percentage of a particular variable, such as the gross proceeds of asset realisations.

- Contingency

The total remuneration for the matter is structured to be contingent on a particular outcome being achieved.

B METHOD CHOSEN

Given the nature of this administration, We propose that our remuneration be calculated on the time based / hourly rates method. In our opinion, this is the fairest method for the following reasons:

- We will only be paid for work done, subject to sufficient realisations of the Companies assets.
- It ensures creditors are only charged for work that is performed. Our time are recorded and charged in six-minute increments and staff are allocated to duties according to their relevant experience and qualifications.
- We are required to perform a number of tasks which do not relate to the realisation of assets, including responding to creditor enquiries, reporting to the ASIC, distributing funds in accordance with the provisions of the Corporations Act 2001.

BRI Ferrier reviews its hourly rates every twelve months. The hourly rates quoted below remain current. BRI Ferrier may increase the hourly rates charged for work performed and if hourly rates are increased, we will seek creditors' approval.

C EXPLANATION OF HOURLY RATES

The rates applicable are set out in the table below together with a general guide to the qualifications and experience of staff engaged in administration and the role they undertake in the administration. The hourly rates charged encompass the total cost of providing professional services and are not comparable to an hourly wage rate.

Title	Description	Hourly Rate (ex GST) 1 July 24
Appointee / Principal	Senior member of the firm. May be a Registered Liquidator and/or Registered Trustee. A senior accountant with over 10 years' experience who brings specialist skills and experience to the appointment. Leads staff carrying out appointments.	\$750
Director	An accountant with more than 10 years' experience. May be a Liquidator. Fully qualified and able to control all aspects of an appointment. May have specialist industry knowledge or skills. Assists with all facets of appointment.	\$670
Senior Manager	An accountant with more than 7 years' experience. Qualified and answerable to the Team Leader. Self-sufficient in completing and planning all aspects of large appointments.	\$620
Manager	An accountant with at least 6 years' experience. Typically qualified with well-developed technical and commercial skills. Controls and plans all aspects of medium to larger appointments, reporting to the Team Leader.	\$580
Supervisor	An accountant with more than 4 years' experience. Typically qualified with sound knowledge of insolvency principles and developing commercial skill. Assists to plan and control specific tasks on medium to larger appointments. Often undertaking post qualification study specialising in Insolvency and Reconstruction.	\$510
Senior 1	An accountant with more than 2 years' experience. Typically a graduate undertaking study leading to professional qualification as a Chartered Accountant or CPA. Able to complete work on appointments with limited supervision.	\$450
Senior 2	An accountant with less than 2 years' experience. Typically a graduate who has commenced study leading to professional qualifications. Able to complete many tasks on medium to large appointments under supervision.	\$400
Intermediate 1	An accountant with less than 2 years' experience. Typically a graduate and commencing study for qualifications. Able to complete multiple tasks on smaller to medium appointments under supervision.	\$350
Intermediate 2	An accountant with less than 1 year's experience. A trainee undertaking degree with an accountancy major. Assists in the appointment under supervision.	\$300
Senior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$300
Junior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$200

D DISBURSEMENTS

Disbursements are divided into three types:

- ▶ Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- ▶ Externally provided non-professional costs such as travel, accommodation and search fees. These are recovered at cost.
- ▶ Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally charge 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.

We are not required to seek creditor approval for disbursements paid to third parties but must account to creditors. However, we must be satisfied that these disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of internal disbursements. Creditors will be asked to approve our internal disbursements prior to these disbursements being paid from the administration.

Details of the basis of recovering disbursements in this administration are provided below.

Disbursement Type	Rate (excl GST)
Externally provided professional services	At cost
Externally provided non-professional costs	At cost
Internal disbursements	
ASIC Charges for appointments and notifiable events	At cost
Faxes and Photocopying	\$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowances

The logo for BRI Ferrier features the text "BRI Ferrier" in white, bold, sans-serif font on a dark grey rectangular background. A green triangle is positioned at the bottom right corner of the grey rectangle.

BRI Ferrier

**Eden Australasia Pty Ltd
ACN 653 282 609**

**The Sapphire Australasia Pty Ltd
ACN 655 675 442**

(Both Administrators Appointed)

**Annexure "11"
ASIC Information Sheet – Insolvency
Information for Directors,
Employees, Creditors and
Shareholders**

Insolvency information for directors, employees, creditors and shareholders

This is **Information Sheet 39 (INFO 39)**. It lists ASIC's information sheets for directors, employees, creditors and shareholders affected by a company's insolvency.

We have produced these with endorsement from the Australian Restructuring Insolvency & Turnaround Association (ARITA).

The information sheets give a basic understanding of the three most common company insolvency procedures – liquidation, voluntary administration and receivership – as well as the independence requirements for external administrators and approving external administrator remuneration. There is also a glossary of commonly used insolvency terms.

List of information sheets

- [INFO 41](#) *Insolvency: A glossary of terms*
- [INFO 42](#) *Insolvency: A guide for directors*
- [INFO 43](#) *Insolvency: A guide for shareholders*
- [INFO 45](#) *Liquidation: A guide for creditors*
- [INFO 46](#) *Liquidation: A guide for employees*
- [INFO 54](#) *Receivership: A guide for creditors*
- [INFO 55](#) *Receivership: A guide for employees*
- [INFO 74](#) *Voluntary administration: A guide for creditors*
- [INFO 75](#) *Voluntary administration: A guide for employees*
- [INFO 84](#) *Independence of external administrators: A guide for creditors*
- [INFO 85](#) *Approving fees: A guide for creditors*

Where can I get more information?

Further information is available from the ARITA website. The ARITA website also contains the [ARITA Code of Professional Practice for Insolvency Practitioners](#).

Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

This information sheet was updated on 1 September 2017.

Last updated: 24/03/2023 08:46

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BRI Ferrier

**Eden Australasia Pty Ltd
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**The Sapphire Australasia Pty Ltd
ACN 655 675 442**

(Both Administrators Appointed)

**Annexure "12"
ARITA Information Sheet – Offences,
Recoverable Transactions and
Insolvent Trading**

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.