

Ceres Sustainable Avocados Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN: 654 896 394

Second report to creditors
27 March 2024

Strictly private and confidential



Glossary

Our report includes a number of terms and short descriptions, which we define alongside

Term	Definition
Company	Ceres Sustainable Avocados Pty Ltd
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
ARITA	Australian Restructuring Insolvency and Turnaround Association
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities
POD	Proof of Debt
Sensitivity	The estimated illustrative financial effect of a change to a key assumption, to reflect either a vulnerability or an upside
R&M	Justin Walsh and Stewart McCallum of Ernst & Young appointed by RaboBank Australia Ltd
PPSR	Personal Property Securities Register
ROCAP	Report on Company Affairs and Property
ALLPap	All present and after acquired property security interest registered on the PPSR
Act	Corporations Act 2001
RaboBank	RaboBank Australia Ltd and related entities

Term	Definition
FY	Financial Year – Company has December year-end
circa. or c.	In the range of or approximately
DOCA	Deed of Company Arrangement
YTD	Year to date
p.a.	Per annum
withheld	Information not disclosed as may be commercial sensitive or prejudicial
m	Millions
000's	Thousands
EBIT/ EBITDA	Earnings before interest and tax/ Earnings before interest, tax, depreciation and amortisation
Administrators & Joint and Several Administrators	Mahala Hazell and Michael Fung
directors	James Pringle, Rodney Parsley, Sam Mitchell
N/A	Not applicable
COI	Committee of Inspection
COPP	ARITA's Code of Professional Practice

Disclaimer

In reviewing this Report, creditors should note:

- This Report is based upon our preliminary investigations to date. Any additional material issues that are identified subsequent to issuing this Report may be the subject of a further written report and/or tabled at the Second Meeting.
- The contents of this Report are based on information obtained to date from the Company's books and records, financial systems, representations from the directors, the Company's legal representatives and accountants and our own enquiries and investigations.
- The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. Except where otherwise stated, we reserve the right to alter any conclusions reached on the basis of any amended or additional information which may be provided to us between the date of this Report and the date of the Second Meeting.
- In considering the options available to creditors and formulating our recommendation, the Administrators have necessarily made forecasts of asset realisations and total creditor claims. These forecasts and estimates may change as asset realisations progress and claims are received from creditors. While the forecasts and estimates are based on the Administrators' best assessment in the circumstances, creditors should note that the eventual outcome for creditors may differ from that estimated in this Report.
- Neither the Administrators, PricewaterhouseCoopers, nor any member or employee of the firm, is responsible in any way whatsoever to any person in respect of any errors in this Report arising from incorrect information provided to us.
- The Administrators do not assume or accept any responsibility for any liability or loss sustained by any creditor or any other party as a result of the circulation, publication, reproduction or any use of the information presented in this Report.
- This Report is not for general circulation, publication, reproduction or any use other than to assist creditors in evaluating their position as creditors of the Company and must not be disclosed without the prior approval of the Administrators.

Creditors should consider seeking their own independent legal advice as to their rights and the options available to them at the Second Meeting.



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To the Creditor as addressed

We report on the voluntary administration of Ceres Sustainable Avocados Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) in accordance with our appointment on 5 March 2024.

This report has been prepared pursuant to section 75-225 of the *Insolvency Practice Schedule* 2016 and outlines the Company's financial position, findings from our initial investigations, and our recommendation as to the future of the Company.

We accept no liability (including for negligence) to anyone else or for any other purpose in connection with this report, and it may not be provided to anyone else.

The information reviewed for the purpose of this report has not been audited by us and no warranties are given as to the accuracy or completeness thereof. Our comments and findings are predicated on the assumption that the information provided to us is materially accurate.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Mahala Hazell'.

Mahala Hazell
Administrator

A handwritten signature in black ink, appearing to read 'Michael Fung'.

Michael Fung
Administrator

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27 March 2024

Contents

Glossary	2
Disclaimer	3
Transmittal Letter	4
Executive Summary	6
Report	9
1 Introduction	10
2 Company background	14
3 Conduct of administration	15
4 Company financial background	16
5 ROCAPs	19
6 Investigations	21
7 Offences and liquidation recoveries	26
8 Matters to be decided at the second meeting	30
9 Estimated return to creditors	31
10 Administrators' opinion	33
11 Enquiries	34
Appendices	35

Executive Summary

Appointment Background

Michael Fung and Mahala Hazell of PricewaterhouseCoopers were appointed Joint and Several Administrators of the Company on 5 March 2024 by resolution of the directors of the Company pursuant to section 436A of the *Corporations Act 2001*.

Later on the same day as our appointment, Justin Walsh and Stewart McCallum of Ernst & Young were appointed as Receivers and Managers (**R&M**) to the assets and undertakings of the Company by RaboBank Australia Ltd (**RaboBank**), the holder of an all present and after acquired property (**ALLPap**) security interest. All inquiries regarding the ongoing trading of the business of the Company or the sale of assets should be directed to the R&M.

Administrators' overview

Since our appointment we have:

- Liaised with the R&M regarding appointment, securing of books and records and relevant information
- Prepared and issued requests for books and records to advisors and the directors
- Undertaken searches to identify any assets of the Company
- Liaised with the directors and other advisors to obtain information regarding the Company
- Conducted a preliminary review of the Company's financial statements
- Liaised with creditors in regards to their claims
- Issued an initial Circular to Creditors and held the first meeting of creditors
- Conducted investigations into corporate structure
- Prepared this report to creditors and called the second meeting of creditors

Reports Purpose

The purpose of this report is to table the findings of our investigations into the Company's business, property, affairs and financial circumstances, as well as provide an opinion on the three options available to creditors in deciding the future of the Company. These options are to bring to an end the administration and hand back control to the directors of the Company, accept a Deed of Company Arrangement proposal, or wind up the Company.

End Administration

While creditors have the option to end the Administration and hand back control to the directors, we do not consider this is a viable option given the insolvency of the Company and creditors will remain in the same position as before our appointment.

Deed of Company Arrangement

We have not received any Deed of Company Arrangement (**DOCA**) proposals for the Company at the date of this Report to Creditors and therefore the option for creditors to vote in favour of a DOCA proposal is currently unavailable. We will advise creditors accordingly should a DOCA proposal be received after issue of this Report and before the meeting of creditors.

Administrators' opinion (Wind Up Company)

It is our opinion that it is in the creditors' best interests to have the Company wound up (i.e. placed into liquidation) for the following reasons:

- No DOCA proposal has been received at the date of this Report, therefore this option is not available
- The Company is insolvent and therefore we do not consider it to be in the interest of creditors that the administration end and the Company be returned to the control of the directors
- Winding up of the Company is the only viable option for creditors.

The Statement of Administrators' Opinion is attached at Appendix 1.

27 March 2024

Estimated return to creditors

There is no alternative DOCA proposal to estimate the potential return to creditors. This report indicates the potential return to creditors should the Company be wound up. There are two main sources of recovery for the benefit of creditors – the assets of the Company, and any recovery actions able to be pursued by the appointed Liquidators.

As indicated above, R&M have been appointed by one of the secured creditors to realise the assets. Until the assets are sold and payment of costs of sale (including costs of the R&M in continuing to trade the business) and secured creditor(s) is complete, it is unknown whether there will be any surplus available to pay to the remaining creditors of the Company or if the secured creditor(s) suffer a shortfall and will lodge a claim for this shortfall in the liquidation.

In regards to potential recovery actions, we have undertaken preliminary investigations based on the records available to us and in the limited time available during the Voluntary Administration. While we have reached a preliminary estimate of potential claims and their quantum, more detailed investigations would be required by the appointed Liquidator to establish the claims and their values, consider the merits of the claims, and seek to determine the transactions' recipient's ability to meet a claim.

Given the above circumstances, it is difficult to reliably estimate a return to creditors in a liquidation. Accordingly the range of potential return is estimated to be between 0 cents to 65 cents in the dollar. Further information is contained in Section 9.

Second meeting of creditors

The Second meeting of creditors (Second Meeting) will be held on:

Date:	Monday, 8 April 2024
Registration:	1:30 pm AEST
Meeting time:	2 pm AEST
Location	Virtual Meeting

To register attendance and be entitled to vote at the Second Meeting, creditors must complete and submit the following forms attached at Appendix 4 and 5.

- Form 532 – appointment of proxy
- Form 535 – proof of debt or claim.

Creditors that have previously lodged a Proof of Debt form with the Administrators are not required to lodge a further Proof of Debt form unless there is a change in the amount claimed.

Proxy forms from the first meeting of creditors are unable to be used for the second meeting of creditors. Creditors wishing to vote at the second meeting must complete a new proxy form.

Video conference details will be provided to creditors that have submitted a proxy form and indicated that they wish to attend.

Forms must be submitted to this office or by email to declan.karklins-wehr@au.pwc.com by no later than **4.00pm AEST** on **Friday, 5th April 2024**.

Remuneration

We are seeking approval for our remuneration at the second meeting of creditors as summarised below:

Period	Amount (excluding GST) (\$)
Voluntary Administration	
Resolution 1: 5 March 2024 to 19 March 2024	60,202.50
Resolution 2: 20 March 2024 to the end of the administration*	15,000.00
Liquidation	
Resolution 4: 8 April 2024 to the end of the liquidation*	90,000.00

* These amounts have been estimated to the completion of the administration and liquidation. Should the costs exceed these estimates further creditor approval may be sought for any increase. Alternatively if the costs are less than estimates (assuming approved) only the amount actually incurred will be paid.

Note while we are seeking approval of remuneration from creditors, the payment of this remuneration is subject to sufficient recoveries being made in the liquidation to enable payment of this remuneration.

Please refer to our Remuneration Report at Appendix 6 for full details of key activities undertaken by us, our partners and staff and the remuneration approval sought.

Enquiries

We ask creditors to submit questions they would like addressed at the Second Meeting by email to declan.karklins-wehr@au.pwc.com by no later than **4pm AEST on Friday 5 April 2024**. Whilst we will make every effort to address questions submitted, we reserve the right to exclude questions to avoid compromising creditors' interests or due to time constraints.

We will address all material matters that come to our attention after the date of this Report at the Second Meeting. Should any significant information affecting the creditors' decision regarding the future of the Company become known, we will endeavour to advise creditors prior to the Second Meeting by emailing such information to creditors and posting on PwC's website at:

<https://insolvency.pwc.com.au/singleEntityCases/ceres-sustainable-avocados-pty-ltd-administrators-appointed-receivers-and-managers/casePage>

Report

1	Introduction	10
2	Company background	14
3	Conduct of administration	15
4	Company financial background	16
5	ROCAs	19
6	Investigations	21
7	Offences and liquidation recoveries	26
8	Matters to be decided at the second meeting	30
9	Estimated return to creditors	31
10	Administrators' opinion	33
11	Enquiries	34

1. Introduction

Appointment Information

Michael Fung and Mahala Hazell were appointed as Administrators of the Company on 5 March 2024 by resolution of the Directors of the Company pursuant to s436A of the Act.

Justin Walsh and Stewart McCallum of Ernst & Young were appointed as Receivers and Managers (**R&M**) to the assets and undertakings of the Company on 5 March 2024 by RaboBank Australia Ltd (**RaboBank**), the holder of an all present and after acquired property security interest.

Background to independence

The conduct of insolvency professionals is governed by the Act and by the standards set by the Australian Restructuring Insolvency and Turnaround Association (**ARITA**).

The Act requires that a person appointed as Administrator of a company must be a registered Liquidator and must not be a significant debtor or creditor, officer, auditor or partner or employee of an officer or auditor of the Company.

The ARITA's Code of Professional Practice (**COPP**) states that the overriding qualifications of persons appointed as Administrators are that they are, and are seen to be, independent and that they have the necessary expertise to deal effectively and efficiently with a company.

The rationale for independence

Independence is critical because of the nature of the role of the Administrator. Tasks such as adjudicating on complex and competing interests, preserving and selling assets and investigating and pursuing claims require a high degree of objectivity and impartiality.

Stakeholders are entitled to have confidence in the Administrator's conduct and decision making processes. They need to be able to regard the Administrator as fair, unbiased and not acting from self interest when exercising their professional and commercial judgment.

The test of independence

As set out in the COPP, there are two aspects to independence.

An insolvency practitioner must:

- be independent in fact
- be seen or perceived to be independent.

An insolvency practitioner must be independent in fact, that is, they should act and conduct the administration in an independent manner.

An insolvency practitioner must be seen to be independent, that is, they must not accept an appointment, or continue to act under an existing appointment, if:

- a reasonable and informed third party
- on the information available (or which should have been available) at the time might reasonably form the opinion that the Administrator might not bring an independent mind to the administration and thus may not be impartial or may in fact act with bias
- because of a lack of independence, or a perception of a lack of independence.

Compliance with qualifications to act as Administrators

With reference to the Act, we confirm that we are:

- Registered Liquidators; and
- Not disqualified to act as Administrators.

With reference to the COPP, we confirm that we are:

- Members of the ARITA
- Have adhered to, and intend to adhere to, the guidelines set out in the COPP with respect to the acceptance of our appointment as Administrators of the Company, and in our continuing role as Administrators of the Company, and Liquidators if so appointed.

27 March 2024

Declaration of Independence, Relevant Relationships and Indemnities

Our Declaration of Independence, Relevant Relationships and Indemnities (**DIRRI**) was provided with our initial notice to creditors dated 7 March 2024. There have been no changes to our DIRRI that need to be reported.

We confirm that the Administrators and PricewaterhouseCoopers have had no prior personal or professional relationships or dealings with the Company or directors. We are completely independent to the Company and directors. Our duties are to the Company and all stakeholders.

As indicated in the DIRRI the secured creditor, RaboBank has made a payment of \$75,000 towards our costs of the Administration. This amount is held in the Administration bank account and will not be drawn without prior approval of the Administrators' remuneration from creditors.

We have not received any other indemnities or payments relating to this appointment.

Report's purpose

An administrator is required to investigate a company's business, property, affairs and financial circumstances and report to creditors on the administrator's opinion on the options available to creditors, being that the:

- company be wound up ("liquidation")
- company execute a DOCA
- administration should end (with control of the company reverting to the Company's directors).

This Report is based upon our investigations to date. Any additional issues we identify after this report and before the second meeting of creditors, may be the subject of a further written report emailed to creditors and posted on PwC's website and/or tabled at the Second Meeting.

Purpose of second meeting

The Second Meeting will:

- address the contents of this Report
- respond to questions from creditors
- determine the company's future by resolving one of the three available options
- seek approval of:
 - administrators' remuneration
 - future remuneration of the liquidators
- should creditors desire, consider the formation of a Committee of Inspection ("COI")

The current Administrators automatically become the Deed Administrators or Liquidators unless creditors resolve to replace them.

Our opinion regarding the future of the Company is set out in Appendix 1.

In summary, our opinion is that the Company is insolvent and our recommendation is that it should be wound up at the Second Meeting.

Second meeting details

The Second Meeting will be held on **Monday, 8 April 2024 at 2pm AEST** virtually. Formal notification Form 529 – Notice of Meeting of Creditors is attached at Appendix 3.

Video conferencing facilities will be provided to creditors that submit a Proof of Debt and proxy form indicating their attendance at the meeting before **4pm AEST on 5 April 2024**.

The Act stipulates the timing of the Second Meeting. Generally, the Second Meeting must be convened between 15-25 business days (or 20-30 business days at Christmas and Easter) from the date the administration begins. The Court may extend the convening period if circumstances require.

We have not applied to the Court for an extension of time.

Meeting registration

To register attendance and be entitled to vote at the Second Meeting, creditors must complete and submit the following forms attached at Appendix 4 and Appendix 5.

Forms must be submitted no later than **4pm AEST on 5 April 2024** to Declan Karklins-Wehr by email at declan.karklins-wehr@au.pwc.com or via regular post at Ceres Sustainable Avocados Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) GPO Box 150 Brisbane QLD 4001. If returning the forms via post you must allow time for postage to ensure that they are received by the due date.

Only creditors of the Company are entitled to vote at the Second Meeting.

If you plan to attend via video conference, please indicate when returning your completed proxy form for the meeting. The video conference details will only be provided to creditors that have lodged a proxy form and confirmed their attendance via video conference before the time indicated above.

Creditors are encouraged to arrive as early as possible after the registration time to enable the orderly registration of attendees so that the meeting can commence on time.

Registration forms	Information
Form 532 – Appointment of Proxy	<p>A new proxy form is required to be completed for each creditors' meeting (i.e. previous meeting proxy forms are invalid for the Second Meeting).</p> <p>If a corporate creditor wants to be represented at the Second Meeting, it must appoint an individual to act on its behalf by providing an executed proxy form.</p> <p>Individuals may choose to appoint a representative to vote on their behalf by executing a proxy form. If an individual is attending in person a proxy form is not required.</p>
Form 535 - Proof of Debt or Claim Form	<p>This form is required to be completed to entitle a creditor to vote at the Second Meeting. Documents to support the amount claimed (e.g. unpaid invoices) must also be provided.</p> <p>There is no requirement to resubmit a proof of debt form if previously provided unless the amount claimed has changed.</p> <p>Please take care when completing the form to ensure the correct party is named as the creditor. As an example, this may include XYZ Pty Ltd as trustee for the ABC Family Superannuation Fund.</p>

Committee of Inspection (“COI”)

Creditors may wish to establish a COI at the Second Meeting, typically to assist and guide the liquidator or deed administrator (as applicable). A minimum of two members is required to form a COI, except in the case of a DOCA, where a COI must consist of at least three and not more than five members (unless the DOCA provides otherwise).

It is our opinion that a COI is not required in the current circumstances. An information sheet on the role of a COI is included at Appendix 7.

Creditors should consider whether they are in a position to be a COI member, as membership of a COI requires attendance at meetings (video conference facilities will be available, so members do not have to attend in person). Members of the COI must have regard for the creditor group’s interest, not their own interests.

Importantly, for a creditor to be eligible for appointment as a member of a COI, they must either:

- be in attendance at the Second Meeting
- appoint a general power of attorney to attend the Second Meeting on their behalf
- authorise a person in writing to be a member of the COI on their behalf.

If you wish to be a COI member or would like to nominate a member for appointment to a COI (if one is appointed), please complete the attached Nomination at Appendix 8 and return it to this office by email to Declan Karklins-Wehr at declan.karklins-wehr@au.pwc.com by no later than **4pm AEST on 5 April 2024**.

Further information

To assist creditors, employees, and shareholders to understand the voluntary administration process, the Australian Securities and Investments Commission (“ASIC”) has released a package of insolvency information sheets endorsed by ARITA.

Enclosed at Appendix 9 is ASIC’s publication Insolvency information for directors, employees, creditors and shareholders, which provides an index of all the information sheets that are available. You can download these information sheets from:

- www.asic.gov.au
- www.arita.com.au

2. Company background

Company overview

Our searches of ASIC's database indicates the Company was registered on 28 October 2021.

Company structure

The Company does not have any subsidiaries. The ownership of the Company is outlined below.

Statutory information

A search of ASIC's database reveals the following details of the Company and its directors, other officers and shareholders.

Company details	
Date of incorporation	28 October 2021
Registered office	Unit 3, 138-140 Warners Avenue Bondi Beach, NSW 2026
Principal place of business	Suite 2, 462-468 Banna Avenue Griffith, NSW 2680
Directors	Appointment from/to
James Mossman Pringle	20 May 2022
Rodney Alexander Parsley	20 May 2022
Sam Alexander Mitchell	28 October 2021 to 10 January 2024*
Secretary	Appointment from/to
Sam Alexander Mitchell	28 October 2021 to 10 January 2024*
* The resignation date is based on documents provided by the director confirming his resignation. ASIC records were updated on 1 March 2024 to reflect this resignation.	
Current Issued Capital	
Shareholder	Australia Avocado Group LLC
Number of Shares/Interests issued	11,132,077
Total Amount paid/taken to be paid	\$11,132,077
Total amount due and payable	\$0

Registered security interests

Our searches of the Personal Property Securities Register (**PPSR**) indicate the following security interests registered over the Company's assets:

- 42 registered interests
- 5 creditors

A summary outlining the PPSR creditors of the Company as at the date of our appointment is enclosed in Appendix 2.

Refer to the Summary of ROCAP section for details how the registrations have been dealt with since our appointment.

Business background

The Company was incorporated to enable the purchase of a property to operate an avocado farming business. The Company continued operating the business up to our appointment. The R&M have taken control of this business. We understand that the R&M are continuing to trade the business to ensure the current ripe produce is harvested and sold (where possible), and will market the business and assets for sale.

Reasons for failure

We are advised by the directors of the Company, that the reasons for the current financial position of the Company are:

- Under-capitalisation
- Trading losses
- Poor economic conditions including sale prices being lower than expected for crops
- Lower yields from crops
- Environmental factors/events

3. Conduct of the administration

First Meeting of creditors

The first meeting of creditors of the Company was held on 15 March 2024 (First Meeting), pursuant to s436E of the Act. No resolutions were proposed at the meeting. Minutes for this meeting can be obtained from ASIC (www.asic.gov.au).

Assets / Trading of Business

Subsequent to the appointment on 5 March 2024, RaboBank pursuant to their registered security interest in the Company appointed Justin Walsh and Stewart McCallum of Ernst & Young as Receivers and Managers to the Company and its assets and undertakings. This means the Receivers and Managers are in control of the Company, its assets and business and any ongoing trading of the Company.

In due course the Receivers and Managers will realise the assets of the Company, pay secured creditors from the proceeds, and if any surplus exists, they will account to the Company for the balance.

Major work streams

In conjunction with our statutory obligations, our areas of focus in the administration to date have included the following:

- Communications with RaboBank's legal representation and the Receivers and Managers regarding their appointment, securing books and records and any updates on sale of assets.
- We have undertaken real property, motor vehicle and financial institution searches to identify assets of the Company.
- Sought completion of Reports on Company Activities and Property (**ROCAP**) and director's questionnaires by each director of the Company.
- Sought production of all books and records of the Company from the directors and other advisors to the Company.
- Prepared and issued notices to creditors calling this first meeting of creditors.
- Communications with creditors regarding appointment, their debt, proof of debt and proxy forms for the first and second meeting of creditors.
- Prepared for and conducted the first meeting of creditors.
- Prepared minutes and lodge with Australian Securities and Investments Commission (**ASIC**) after the conclusion of first meeting of creditors.
- Review of books and records, ROCAPs and director's questionnaires when received.
- Conduct investigations into the Company's affairs based on the books and records produced to the Administrators and assessment of potential recovery actions available to a Liquidator appointed to the Company.
- Conduct preliminary solvency analysis.
- Preparation of this report to creditors including notice for calling the second meeting of creditors.
- Communications with party that expressed interest in putting forward a Deed of Company Arrangement (**DOCA**) proposal for consideration by creditors.
- Preparation for second meeting of creditors.

4. Company financial background

Company's financial position

The Company's financial information was maintained in the Xero accounting software. We have been provided access to this software and extracted the management accounts profit and loss and balance sheet information. We have been provided by the Company's former accountant the financial statements prepared for FY22 with FY21 comparatives. We have included a summary of this information below together with the management accounts extracted for FY23 and YTD to 5 March 2024 given no externally prepared accounts have been prepared for this period.

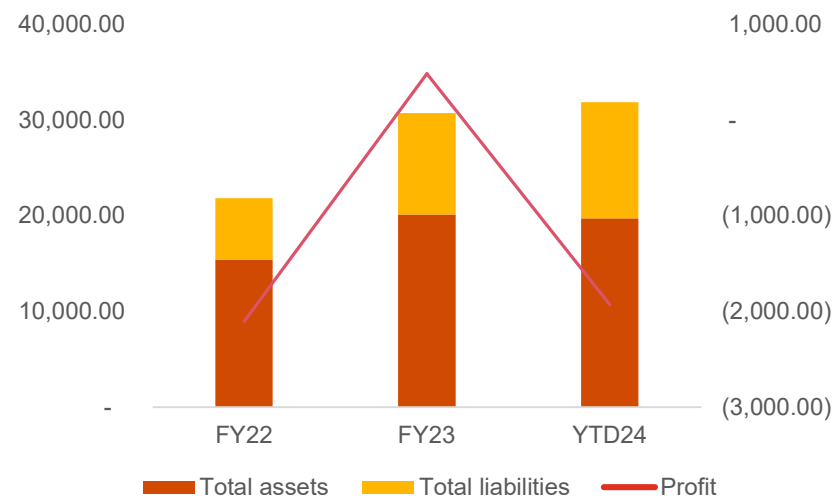
We have not audited or verified the accuracy of this financial information.

Profit and Loss Information

	Notes	FY21	FY22	FY23	YTD to 5 Mar 2024
		\$	\$	\$	\$
Revenue					
Sales	1	0	1,372,518	6,172,124	0.00
Other income	2	0	232,393	281,931	21,121
Total revenue		1,479,879	1,604,911	6,454,055	21,121
Expenses					
Cost of sales	3	0	(2,207,839)	(4,741,184)	(168,351)
Operating expenses	4	(26,705)	(1,835,591)	(2,236,415)	(411,173)
Total expenses		(26,705)	(4,043,430)	(6,977,599)	(579,525)
EBIT		(26,705)	(2,438,518)	(523,544)	(558,403)
Income tax (expense)/benefit		0	0	0	0
Net Profit/(Loss) After Tax		(26,705)	(2,438,518)	(523,544)	(558,403)

Notes

1. The Company's main source of revenue is from the sale of avocados. Sales were predominantly made in the February to August period each year, with no sales being made between the September to January period each year since incorporation.
2. Other income comprises insurance policy claims, ATO fuel tax credits, rental income and minor amounts of interest income.
3. Comprises expenditure related to production costs including crops, irrigation and packaging
4. Operating costs including labour hire, external consultant fees (e.g. accountants, lawyers, IT specialists), waste management, general overheads and repairs and maintenance costs.



Balance Sheet

	Notes	FY21 \$	FY22 \$	FY23 \$	YTD to 5 Mar 2024 \$
Current assets					
Cash and cash equivalents	1	10,002,165	88,614	2,465	3,561
Trade and other receivables	2	3,317	12,279	3,317	22,165
Inventory and stock	3	0	1,321,737	1,321,737	1,321,738
Total current assets		10,005,482	1,422,630	1,327,519	1,347,464
Fixed assets					
Plant & equipment	4	16,820	2,019,125	1,532,764	1,522,764
Accumulated depreciation	5	(55)	(137,328)	(295,678)	(318,497)
Total fixed assets		16,765	1,881,797	1,227,086	1,204,267
Non-current assets					
Real property	6	15,400,000	16,373,441	16,373,441	16,373,441
Infrastructure	7	16,006	247,706	780,092	785,341
Total non-current assets		15,416,006	16,621,147	17,153,533	17,158,783
Total assets		25,438,253	19,925,574	19,708,138	19,710,514
Current liabilities					
Trade and other payables	8	(16,089)	(695,675)	(998,314)	(1,510,775)
Hire purchase liability	11	0	(219,868)	(230,873)	(206,648)
Loan accounts	9	(14,350,000)	(9,200,000)	(9,419,435)	(9,545,770)
Tax liabilities	10	4,666	70,646	66,744	106,645
Total current liabilities		(14,361,423)	(10,044,897)	(10,581,878)	(11,156,548)
Non-current liabilities					
Hire purchase liability	11	0	(1,233,165)	(1,002,292)	(988,789)
Total non-current liabilities		0	(1,233,165)	(1,002,292)	(988,789)
Total liabilities		(14,361,423)	(11,278,062)	(11,584,170)	(12,145,337)
Net assets		11,076,829	8,647,512	8,123,968	7,565,177
Equity		11,076,829	8,647,512	8,123,968	7,565,177

Notes

- Bank accounts and cash on hand. We have written to financial institutions to confirm any balances held by the Company.
- The balance of the trade receivables is either “current” or under two months overdue, which would indicate a high level of recoverability.
- Comprises crops and trading consumables such as fuel, fertiliser and packaging supplies. The book value disclosed is not necessarily representative of the assets’ market value which will only be determined upon sale by the R&M.
- Comprises motor vehicles, farming machinery, furniture and other chattels. The net book value disclosed is not necessarily representative of the assets’ market value and will only be determined upon sale of these assets whether individually or via sale of the business by the R&M. We have undertaken vehicle searches to confirm all items registered in the Company’s name. This plant and equipment is likely encumbered by the liabilities set out in item 11.
- Comprises the accumulated depreciation of all fixed assets. This is an accounting item and may not be representative in determining the market value of the relevant item.
- Real property comprises the properties registered to the Company. We have conducted real property searches to verify the ownership of these properties and to determine if any further properties were owned by the Company. The properties owned by the Company are located at the following addresses:
 - 121 Stanton Road, Arriga QLD 4880; and
 - 1506 Mareeba Dimbulah Road, Arriga QLD 4880

The book value disclosed is likely related to the original purchase price and is not necessarily representative of the assets’ market value which will only be determined upon its sale by the R&M.

Notes (continued)

7. Comprises water entitlements, infrastructure constructed on the properties to facilitate trading, including a fertigation system, plumbing, electrics, various water and fuel storage facilities. The book value disclosed is likely related to the original purchase price and is not necessarily representative of the assets' market value which will only be determined upon its sale by the R&M.
8. Comprises trade creditors and sundry creditors. We have written to creditors seeking details of their debt.
9. Comprises loan accounts held with RaboBank Australia Ltd.
10. Tax liability in respect of GST and income tax. We have requested confirmation from the Australian Taxation Office (**ATO**) of any debt outstanding or otherwise, and details of outstanding lodgements. We are yet to receive this information from the ATO.
11. Hire Purchase Liabilities. These liabilities current and non-current appears to represent the finance costs incurred in relation to the plant and equipment indicated in Note 4. We would expect most (if not all) of these hire purchase facilities would be the subject of a security interest registration on the Personal Property Securities Register (**PPSR**). We have written to all creditors that have a registration on the PPSR but are yet to receive responses from all creditors as to amounts owed and the relevant asset that their security attaches. These liabilities are likely in respect of the plant and equipment listed in item 4.

5. Report on Company Activities and Property (ROCAP)

Directors' Reports on Company Activities and Property (ROCAPs)

A company director must provide an administrator with a ROCAP outlining the company's business, property, affairs and financial circumstances at the appointment date. The ROCAP should include:

- net asset book values (based on historical financial records)
- estimated asset realisable values
- known liabilities.

We requested the three directors of the Company provide completed ROCAPs. All three directors provided ROCAPs containing varying levels of information. The ROCAPS containing the most information are summarised below.

Sam Mitchell ROCAP		ROCAP	ROCAP	Administrators'
		Book	Estimated	Estimated
\$'000	Notes	value	realisable value	realisable value
Assets	1			
Accounts receivable		18.85	Not stated	Withheld
Cash on hand		3.56	Not stated	Withheld
Inventory		221.80	Not stated	Withheld
Motor vehicles		82.28	Not stated	Withheld
Plant & equipment		1,047.69	Not stated	Withheld
Furniture & Fittings		74.30	Not stated	Withheld
Other assets		18,262.04	Not stated	Withheld
Total known Assets		19,710.51	Not stated	Withheld
Liabilities				
Secured creditors	2	(10,824.47)	(10,824.47)	(10,858.38)
Unsecured creditors				
ATO	3	(1.53)	(1.53)	(1.53)
Related entities	4	(594.63)	(594.63)	(603.54)
Trade creditors	5	(723.27)	(723.27)	(728.19)
Total known creditors		(12,143.91)	(12,143.91)	(12,191.64)
Surplus subject to costs of liquidation		7,566.60	Not stated	Withheld

James Pringle ROCAP		ROCAP	ROCAP	Administrators'
		Book	Estimated	Estimated
\$'000	Notes	value	realisable value	realisable value
Assets	1			
Accounts receivable		18.85	Not stated	Withheld
Cash on hand		Not stated	Not stated	Withheld
Inventory		Not stated	Not stated	Withheld
Motor vehicles		Not stated	Not stated	Withheld
Plant & equipment		Not stated	Not stated	Withheld
Furniture & Fittings		Not stated	Not stated	Withheld
Other assets		16,577.94	Not stated	Withheld
Total known Assets		16,596.79	Not stated	Withheld
Liabilities				
Secured creditors	2	(10,824.47)	(10,824.47)	(10,858.38)
Unsecured creditors				
ATO	3	(1.53)	(1.53)	(1.53)
Related entities	4	(592.89)	(592.89)	(603.54)
Trade creditors	5	(698.86)	(698.86)	(728.19)
Total known creditors		(12,117.75)	(12,117.75)	(12,191.64)
Surplus subject to costs of liquidation		4,479.04	Not stated	Withheld

Notes to Directors' ROCAPs

1. Assets

All assets are under the control of the R&M. While the directors have attributed values to the assets, we are not in control of the assets and have not had the assets valued to make any assessment as to their realisable value. Further we would withhold any information regarding asset values at this time given they are commercially sensitive as the R&M are continuing to trade the business and will sell the assets in due course. Any surplus of sale proceeds realised from the Company's assets, net of the costs of the R&M and the secured debt registered against those assets, is payable to the Company and to be disbursed in accordance with the priorities of the Corporations Act in a liquidation.

Conversely, any shortfall in the sale proceeds realised from the Company's assets, net of the costs of the R&M and the secured debt is a claim against the Company in a liquidation.

Where possible we have undertaken searches to confirm the assets of the Company.

2. Secured creditors

A secured creditor is a creditor that holds a security interest over some or all of the Company's assets. These security interests are generally either registered on the Personal Property Securities Register (**PPSR**) or, in the case of land, at the relevant Land Titles Office. A secured creditor will generally have the first right to proceeds from the sale of the relevant asset.

RaboBank has registered security interests over the Company's assets and has exercised this security and appointed R&M to act in their interests. The R&M will seek to realise the relevant assets which are the subject of RaboBank's security in reduction of RaboBank's debt. RaboBank has indicated their outstanding debt to be approximately \$10,858,380.

There are other creditors that have registered security interests on the PPSR. We have written to all these creditors to seek details of their security interest and details of their debt outstanding. We are yet to receive responses from each of these creditors.

We do not have sufficient information at this time to advise whether the secured creditors will be paid out in full from the proceeds of the sale of the assets the subject of their security, or will suffer a shortfall and claim against the Company. Note if a secured creditor suffers a shortfall they are entitled to lodge a Proof of Debt and share in any return to non-priority creditors.

3. ATO

The directors have disclosed an amount owing to the ATO. We have written to the ATO seeking confirmation of the debt owed to the ATO and details of any outstanding lodgements.

4. Related entity creditors

Related entities of the director are disclosed as creditors of the Company. We have received Proofs of Debt from these creditors. As with all other creditor claims we have not undertaken any assessment apart from considering for voting purposes.

5. Trade creditors

The directors' disclosed 49 unsecured trade creditors totalling approximately \$723k. We have received some Proofs of Debt to date which have been in line with the amounts disclosed in the Company's books and records and reported by the directors.

6. Investigations

Background

We have made enquiries into the financial affairs of the Company. The investigations we have undertaken are only indicative of the actions that may be possible in the event of a liquidation.

A Liquidator of a company has the power to pursue certain transactions that took place prior to the date of liquidation with a view to enhancing the pool of funds available to the Creditors. It is important to note that these actions can only be pursued in the event that Creditors resolve to wind up the company and a Liquidator is appointed. Creditors should note that these actions may become expensive due to the time costs incurred in thoroughly investigating all aspects of potential claims and obtaining legal advice on the merits of the claims. In some cases, Court intervention is necessary to enforce recoveries, which adds to the length of time and costs to pursue the claims.

Where Liquidators do not have funds available to pursue recovery actions, or where they do not consider it commercial or in the best interests of Creditors to pursue an action, Creditors prepared to fund such action may choose to do so. Creditors providing such funding should, if sufficient moneys are recovered from the action, be entitled to receive the amount of their contribution in priority to other Creditors.

Alternatively, actions may be funded by litigation insurance, which is effectively a fund provided by a third party insurer/funder rather than by a creditor of the company. Litigation insurance tends to be available only for cases where legal advice indicates that the potential success of an action is very strong and outweighs the expense involved.

Certain defences may be available in relation to these claims and creditors should also consider the financial capacity of defendants and their ability to settle any established insolvent trading claim.

Reasons for the Company's difficulties

We have conducted investigations into the reasons for the Company's failure to the extent possible in the available time. Our investigations to date have been limited for the following reasons:

- Delayed responses to requests for completion of ROCAPs, directors' questionnaires and production of books and records

We have based our investigations and opinions on information obtained from:

- available books and records, including management accounts, reports and financials
- directors
- former advisors to the Company
- searches of ASIC and Real Property databases
- publicly available information

Based on our preliminary investigations, the current financial position of the Company appears due to:

- inadequate cash flow
- under capitalisation
- trading losses
- poor economic conditions including sale prices being lower than expected for crops
- lower crop yields
- environmental factors and/or events

The above will be investigated further should the Company be wound up.

Insolvency

In the course of our investigations we have endeavoured to ascertain whether the Company was insolvent at any particular point in time prior to our appointment as Administrators, in order to determine a point in time from which the provisions of Part 5.7B may be applied.

Solvency is defined in section 95A of the Act as when a company is able to pay all its debts as and when they become due and payable. A company that is not solvent is insolvent.

Whether a company is able to meet its debts as they become due is essentially a “cash flow” test rather than a “balance sheet” test (although its balance sheet is relevant). We have considered both tests as part of our investigations.

Consideration of the entire financial position of a company at any single point in time is required to establish if it is insolvent. This includes factors such as:

- the value of a company’s assets relative to its liabilities
- the nature of these assets and liabilities
- the extent to which cash is expected to be generated from future trading activities
- the extent that cash is available from alternative sources.

In the case of a company, some of the factors that a Liquidator may also consider in determining the solvency position of the company are:

- the ability or otherwise of the company to obtain further funding from its financiers
- the ability or otherwise of the Shareholders or directors to inject further funds into the company

- the ability or otherwise of the Company to attract external investors
- the likelihood of success of negotiations with the company’s suppliers in relation to extending payment terms
- the likelihood of success of negotiations with the company’s key customers in relation to increasing sales
- any other relevant factors that the directors may assert that they had reasonable grounds to continue trading.

Directors who allow a company to continue trading when there are reasonable grounds for suspecting that the company is, or may become, insolvent may be held personally liable for debts incurred.

Given the industry in which the Company trades, there would be significant cash outflows until the relevant crop is harvested and sold. A holistic approach with the benefit of hindsight needs to be considered as to whether the costs being incurred were reasonably recoverable from the likely sale proceeds from the crop. Further, it is important to know if the Company had sufficient resources or ability to access appropriate funding between crop sale periods in order to meet its debts as and when they fell due.

We have sought to consider these issues as part of our solvency analysis within the limited time available, and the limited records and information available.

Balance sheet

The balance sheet test assesses the solvency of a company with reference to its net asset position (i.e. the quantum of total assets relative to total liabilities).

	FY22 \$	FY23 \$	YTD24 \$
Total assets	15,428,073	20,115,431	19,710,514
Total liabilities	(6,418,895)	(10,621,508)	(12,145,337)
Net assets	9,009,178	9,493,923	7,565,177

The balance sheet analysis can be limiting as it reflects a position at a single point in time and is subject to the carrying value of assets in the Company's records being correct. Relying solely on the balance sheet as reported, the Company appears to be balance sheet solvent. Further analysis is required of the actual market value of the assets, and the proceeds achieved in an at arms length sale of the relevant assets in the current agriculture industry environment.

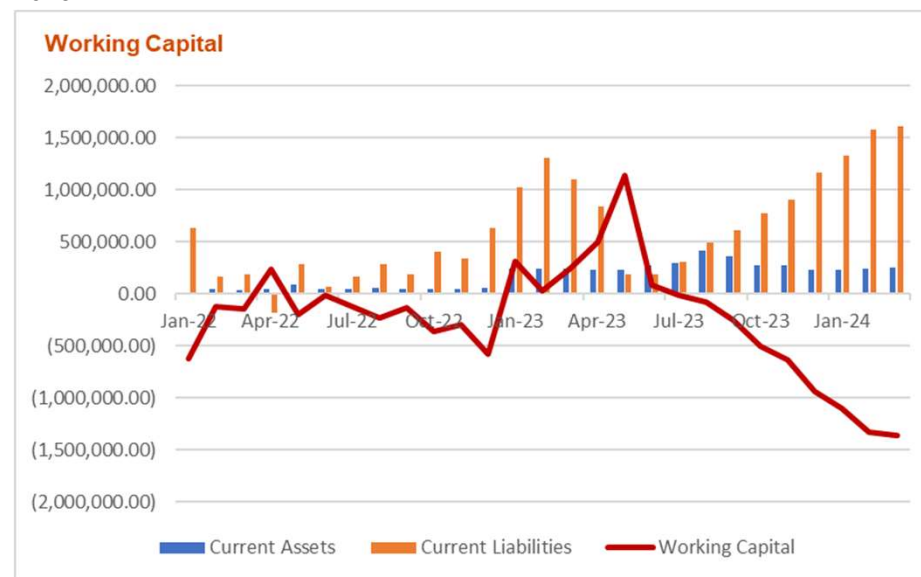
Cashflow

Working capital analysis is representative of a cashflow analysis. Working capital, or net current assets, is an indicator of liquid assets available to pay debts as and when they fall due. A working capital ratio of less than one indicates that the Company may not be able to pay its debts as and when they fall due, i.e. their current assets are insufficient to meet their current liabilities.

We note that the Company's accounts had the debt to RaboBank listed as a current debt. This does not appear correct as the majority of the debt would be payable over a period of time greater than 12 months. For the purposes of our analysis the debt to RaboBank is treated as non-current. The Company's position is further deteriorated if this is not the case.

The Company had a working capital deficit from November 2021, which increased to a surplus in January 2023 (1.3), and declined to a deficit in July 2023 (0.965). The working capital deteriorates for all subsequent periods until our appointment.

It appears the Company sold all available stock by June 2023 with no further sales up to our appointment. However, the financial accounts include a constant value for the crop from January 2023 until our appointment, with no reduction to account for change in inventory or sales. We have removed this stock value from June 2023 until our appointment for the purposes of the working capital analysis to more accurately reflect current assets available to be utilised to pay debts as and when they fell due. Based on our analysis the Company was unable to meet its debts as and when they fell due from July 2023.



Other solvency indicators

In addition to the above analysis there are other indicators of potential insolvency. Our preliminary observations are summarised below.

Indicator	Present	Comment
Continuing trading losses	Yes	Trading losses since June 2023
Liquidity ratio below one	Yes	Liquidity ratio below 1 since July 2023
Overdue Commonwealth and state taxes	Yes	Outstanding land tax. Yet to confirm ATO tax position.
Poor relationship with borrower/financier	Uncertain	While R&M recently appointed, further analysis required regarding past dealings with financier.
No access to alternative finance	Uncertain	Further investigation required.
Inability to raise further equity	Uncertain	Further investigation required.
Supplier placing debtor on COD terms, otherwise demanding special payments before resuming supply	Yes	Indications of suppliers ceasing supply
Creditors outside trading terms	Uncertain	Further investigations required
Issuing of post-dated cheques	N/A	Appears Company only utilised electronic banking.
Dishonoured cheques	N/A	As above
Special arrangements with selected creditors	Uncertain	Further investigations required

Indicator	Present	Comment
Legal action threatened or commenced, or judgements entered against the company	Uncertain	Further investigation required.
Payments to creditors of rounded figures, which are irreconcilable to specific invoices	No	Not identified in the Company's bank statements

Accounts Payable

The Company's accounting records indicate that the majority of accounts payable were cleared by June 2023 which appears to correlate with the sale of the crop. The records indicate one creditor remaining from this period. Further information will be required regarding this debt as to whether it is unpaid due to a dispute.

After July 2023 accounts payable increased each month with no net reduction. A significant portion of these creditors remain outstanding at the time of our appointment. This is a further indication the Company was unable to meet its debts as and when they fell due from July 2023.

Solvency assessment

Based on these preliminary investigations, we consider that **the Company may have traded whilst insolvent from 1 August 2023.**

Further investigations into the Company's insolvency will be conducted by a liquidator should the Company be wound up. Determining when a company became insolvent can be a costly and complex exercise, involving a detailed review of the company's financial position, cash flow, and other relevant information.

Books and records

Although our review of the books and records provided is ongoing, we believe sufficient books and records have been provided to satisfy s286 of the Act.

A company must keep written financial records that:

- correctly record and explain its transactions, financial position and performance
- would enable true and fair financial statements to be prepared and audited
- must be kept for seven years after the transactions covered by the records are completed (s286).

Directors are responsible for ensuring that adequate financial records are maintained. Directors who fail to take all reasonable steps to ensure compliance with this requirement may be subject to a civil penalty order. This includes shadow and de facto directors. Failure to maintain books and records may give rise to a presumption of insolvency (pursuant to s588E of the Act).

A liquidator (if appointed) will continue investigations into whether any breaches of the Act may have occurred in relation to the maintenance of proper books and records, including:

- failure to keep proper financial records (s286)
- failure to take all reasonable steps to comply with financial records reporting requirements (s344)
- requiring officers to exercise a reasonable degree of care and diligence in the exercise of their powers and discharge of their duties (s180).

Director Duties

The Directors and Officers of a company are subject to a civil duty of care and diligence as provided for in Section 180(1) of the Act, amongst other statutory and common law duties.

Subsection 180(2) of the Act provides that a director or other officer who makes a “business judgment” is taken to have met the requisite statutory duty and the equivalent requirements in Common Law and in Equity, in respect of the judgment if they:

- make the judgment in good faith for a proper purpose
- do not have a material personal interest in the subject matter of the judgment
- inform themselves about the subject matter of the judgment to the extent they would reasonably believe to be appropriate
- rationally believe that the judgment is in the best interest of the company.

Pursuant to Section 1317E of the Act, if a Court is satisfied that a person has contravened Section 180 of the Act, it must make a declaration of that contravention. If a person contravenes Section 1317E of the Act, a Court may make a compensation order pursuant to Section 1317H of the Act.

These investigations are ongoing and will be completed by the Liquidators if the creditors decide that the Company is to be wound up.

7. Offences and liquidation recoveries

Background on voidable transactions

These investigations centre on transactions entered into by a company that a Liquidator may seek to void or challenge where a company is wound up. Investigations of this nature allow an Administrator to inform Creditors of what funds may become available in the event a company is wound up.

An Administrator's obligations with respect to investigations of this type is not to the same level as a Liquidator. A Liquidator may take many months to investigate these matters before reaching a conclusion as to any potential claims that may be recoverable.

These transactions generally fall into the categories as set out below:

- Unfair preference payments
- Uncommercial transactions
- Unfair loans
- Unreasonable Director related transactions
- Transactions with related parties.

The information provided in this section is based on our investigations to date. We have not yet had the opportunity to consider such matters in detail and more detailed investigations would be required before any final view can be formed.

In order for a transaction to be void as against a Liquidator, a company must have been insolvent at the time of the transaction. In this regard, we refer to our previous comments with respect to solvency.

Unfair preferences

Section 588FA of the Act provides that a transaction is an unfair preference if, and only if:

- the company and the creditor are parties to the transaction (even if someone else is also a party)
- the transaction results in the creditor receiving from the company, in respect of an unsecured debt that the company owes the creditor, more than the creditor would receive from the company in respect of the debt if the transaction were set aside and the creditor were to prove for the debt in the winding up of the company.

Even if the transaction is entered into, is given effect to, or is required to be given effect to, because of an Order of an Australian Court or a direction by an agency.

Unfair preferences apply to transactions entered into in a period of up to six months leading up to the appointment.

Where a transaction is part of a continuing business relationship, the preference payment claim could be reduced to the difference between the maximum amount payable within the six months leading up to the appointment and the amount payable at appointment (a "running balance" reduction).

We have commenced our investigation for the purposes of determining whether there were any transactions which may be recoverable under Part 5.7B of the Act, including:

- reviewed the Company's transactions for the six month period to our appointment
- reviewed running balance account statements (when available) to identify any potential "running balance" reduction to claims, including payment plans
- prepared a list of payments that may constitute unfair preferences.

Unfair preferences (cont.)

Our preliminary investigation has identified two payments to related entities totalling circa. \$29k, that may be recoverable as unfair preference claims. We understand that these related parties were responsible for the management of the Company. Further investigations will be required to confirm the nature of these payments, noting other provisions of the Corporations Act might be more appropriate to seek recovery. These investigations will be completed by a liquidator should the Company be wound up.

Uncommercial and insolvent transactions

For an uncommercial transaction to exist at the time of the transaction, it must have the following features:

- a reasonable person would not have entered into the transaction after considering the detriment and benefits to the company
- it was made when the company was insolvent
- it must have been entered into two years or less prior to our appointment as Administrators (however if it was a related entity it may be 4 years prior to the commencement of the administration)
- the person could have reasonably been aware that the company was insolvent at the time of the transaction or the person did not provide valuable consideration.

Apart from the payments identified above, no other claims have been identified in our preliminary investigations. These investigations will be completed by a liquidator should the Company be wound up.

Unfair loans

Section 588FD of the Act defines a loan as being unfair if:

- the interest on the loan was extortionate when the loan was made, or has since become extortionate because of variation
- the charges in relation to the loan were extortionate when the loan was made, or have since become extortionate because of variation.

In determining whether the interest on the loan was extortionate, the Liquidator will consider the commerciality of the arrangement, including but not limited to:

- the length of the loan term
- the security being offered, including third party security and the ranking of that security
- the amount of the loan
- any historical relationship the lender had with the company prior to the loan being granted
- the assets of the company, i.e. whether they are tangible, valuable etc.

No unfair loans identified at this time. These investigations will be completed by a liquidator should the Company be wound up.

Unreasonable director related transactions

Section 588FDA of the Act sets out that a transaction of a company is an unreasonable director-related transaction of the company if the transaction is:

- a payment made by the company
- a conveyance, transfer or other disposition by the company of property of the company
- the issue of securities by the company
- the incurring by the company of any obligation to make such a payment, disposition or issue.

Apart from payments identified above, no other claims have been identified in our preliminary investigations. These investigations will be completed by a liquidator should the Company be wound up.

Insolvent trading

Insolvent trading is when a company incurs a debt at a time when:

- The company was insolvent or became insolvent by incurring the debt
- There were reasonable grounds to suspect the company was insolvent or would become so as a result of incurring the debt.

Company directors have a duty to prevent insolvent trading by not incurring debt when there are reasonable grounds for suspecting that the company is or will be unable to pay its debts as and when they fall due.

The objective test or standard of measure in deciding whether insolvent trading has occurred is whether a director can demonstrate that their actions are at the same degree and level that would be required of an ordinary reasonable person holding a similar position and responsibility in the same circumstances.

A director who fails to prevent a company from incurring a debt at a time when there are reasonable grounds for suspecting that the company is insolvent, or will become insolvent by incurring that debt, contravenes s588G of the Act.

Creditors should note that only a liquidator or an individual creditor with the liquidator's permission can bring an action against a director for breach of s588G. An administrator or deed administrator can not pursue a director for recoveries from contraventions of s588G of the Act.

A liquidator may recover from a director the amount of loss or damages suffered by a creditor (s588M).

Our analysis indicates the Company may have been insolvent from 1 August 2023. After this time we have identified debts incurred of approximately \$1.2m which remain outstanding at the time of our appointment. This represents the potential claim for insolvent trading. Note further analysis will be required by the Liquidator appointed to quantify this claim and the merits of the claim.

Defences

Defences available to directors under the Act in regard to allegations of insolvent trading are:

- the director had reasonable grounds to expect, and did expect, that the company was solvent at that time and would continue to be solvent if it incurred the debt.
- the director had reasonable grounds to believe that a competent and reliable person was responsible for providing adequate information about whether the company was solvent and that person was fulfilling the responsibility and it was expected, that on the basis of the information provided, that the company was solvent and would continue to be solvent when the debt was incurred.
- at the time the debt was incurred the director, due to illness or other good reason, did not take part in the management of the company.
- the director took all reasonable steps to prevent the company from incurring the debt.

We would expect that the directors will seek to rely on defences should a claim be made for insolvent trading. Note it is on the director to establish and prove the defence. At this time we have been unable to assess the merits of any potential defences that might be put forward by the directors.

Recoverability

In considering an action against the directors for insolvent trading, it should be noted that any proceedings are only commercially justifiable if a director has assets to satisfy any judgement made against them. The director may also be entitled to claim certain defences available under Section 588H of the Act.

We have completed an initial search of publicly available records for assets held in the directors' names. These searches have indicated the following:

- Mr Pringle and Mr Parsley hold no registered assets in their own name in Australia. We have not assessed any other methods of holding assets. Note both these directors reside overseas. An assessment of whether it is possible and commercial to pursue any overseas held assets would need to be conducted.
- Mr Mitchell is the registered owner of real property in NSW. Searches of the ASIC also indicate Mr Mitchell is the director and/or shareholder of a number of corporate entities.

In addition to seeking to quantify the directors' capacity to meet any potential claim, regard also needs to be had to the costs and practicalities of pursuing such a claim, i.e. is there likely to be a commercial return in pursuing a claim. Further analysis will be required by the Liquidator appointed to assess a potential claim, merits and risks of the claim, and likely commercial return and recovery.

8. Matters to be decided at the second meeting

What Creditors can decide at the meeting

At the Second Meeting, Creditors are required to decide whether:

1. The Company should execute a DOCA
2. The administration of the Company should end
3. The Company should be wound up.

In accordance with the requirements of section 439A(4)(b) of the Act, the Administrators must provide an opinion on each of the above options and whether the options is in the Creditors' interests.

Administrators' opinion on the options available to Creditors

1. *The Company should execute a DOCA*

No DOCA has been proposed. Therefore, this option is not available to creditors.

Should a DOCA proposal be received prior to the meeting of creditors the Chairperson will further advise creditors of their options. This may include the ability to adjourn the meeting for up to 45 business days should the creditors at the meeting so resolve that this is in their best interests.

2. *The Administration of the Company should end*

We do not consider that the Administration should come to an end, taking into account that the Company appears to be insolvent.

3. *The Company should be wound up*

We recommend that the Company be wound up and placed into Liquidation, taking into account the following:

- The Company appears to be insolvent, potentially since 1 August 2023;
- Areas of investigation and potential recovery actions have been identified that are only available if the Company is wound up; and
- There is no other option available for creditors in the absence of a DOCA proposal, and where the Company is insolvent.

9. Estimated return to creditors

Detailed below is a comparison of the estimated returns to creditors under 'high' and 'low' cases in the event of a liquidation. Based on the assumptions detailed in the notes below, the 'high' case liquidation scenario provides for an estimated return to unsecured creditors up to 65 cents in the dollar assuming successful recovery of the total recovery actions identified with the low position representing 0 return to unsecured creditors. As indicated with the wide range of 0 to total claim value, the claims are difficult to successfully pursue and reliably estimate potential recovery. Creditors need to be cautious in making any assumption as to amounts able to be recovered from these claims and any resulting potential return to creditors.

		Notes	Liquidation	
			Low	High
Assets		1		
	Cash and cash equivalents		Withheld	Withheld
	Trade and other receivables		Withheld	Withheld
	Inventory and stock		Withheld	Withheld
	Plant & equipment		Withheld	Withheld
	Real property		Withheld	Withheld
	Infrastructure		Withheld	Withheld
	Total assets		Withheld	Withheld
Secured Creditors		2		
Less	Rabobank Australia Limited		(10,858,380)	(10,858,380)
	Other secured creditors		(Unknown)	(Unknown)
	Assets available after security		(Unknown)	(Unknown)
Funding		3		
	Funding for conduct of external administration		75,000	75,000
Liquidator Recovery Actions		4		
	Voidable Transactions		0	29,116
	Insolvent Trading		0	1,200,000
	Total recoveries available for distribution		0	1,229,116
Less	Administrators' Disbursements	5	(3,000)	(10,000)
	Administrators' Remuneration	5	(45,000)	(75,000)
	Liquidators' Disbursements	6	(15,000)	(100,000)
	Liquidators' Remuneration	6	(90,000)	(250,000)
	Available for unsecured creditors		0	869,117
Liabilities		7		
	Unsecured creditor claims:			
	Related entities		565,916	603,543
	Shortfall to secured creditors	8	0	Unknown
	ATO		1,530	1,530
	Trade and other creditors		713,224	728,186
	Estimated Return to unsecured creditors (cents in the dollar)	9	0	65

27 March 2024

Notes

1. Asset values have been withheld for the reasons indicated earlier in this report, i.e. so as not to prejudice a sale by the R&M, or the values are unknown.
2. Secured creditors will receive proceeds from the sale of the Company's assets in which they hold a security interest. Any surplus from the sale of the Company's assets, net of the R&M realisation costs, will form part of the available funds of the Company for distribution. Refer to Note 8 regarding a shortfall to the secured creditors.
3. As reported in our DIRRI, RaboBank has paid \$75,000 to the Administrators to be applied against the Administrators' costs.
4. This is an estimate of the potential return from liquidators' recovery actions based on the preliminary investigations completed to the date of this report. While potential claims have been identified they are subject to more detailed investigation, an assessment of the costs of recovery actions, and the ability of the recipient of the voidable transactions to settle the claim amount.
5. Refer to the Remuneration Approval Report in Appendix D for details of the Administrators' remuneration. The Administrators' disbursements are an estimate of costs incurred as a result of the administration and may include:
 - Legal fees
 - Postage costs
 - Printing costs
 - Travel costs
6. Refer to the Remuneration Approval Report in Appendix D for Liquidators' remuneration. The Liquidators' disbursements are an estimate of costs incurred as a result of the liquidation and may include:
 - Legal fees
 - Postage costs
 - Printing costs
 - Travel costs
7. Creditor numbers are based on information presently available to the Administrators. Should the creditors values materially change due to updated information and/or the secured creditors incur a shortfall, the estimated return may also materially change.
8. The shortfall to secured creditors is currently unknown and dependent on the proceeds realised in a sale of the Company's assets. A shortfall to secured creditors after the asset sale will decrease the estimated return to creditors. Refer to Note 2 regarding surplus proceeds from a sale of the Company's assets.
9. The estimated return has assumed no surplus from the sale of the Company's assets. The high estimate assumes successful recovery of the total value of the identified recovery actions while the low range assumes zero recovery. There are inherent risks and difficulties in pursuing these types of claims hence the difficulty in providing any reliable estimate of potential recovery. Creditors should bear this in mind in regards to making any assessment of potential returns. Should there be a surplus from the sale of assets then this may increase the return to creditors. There is nil return in the low scenario irrespective of any shortfall to the secured creditor.

10. Administrators' opinion

It is our obligation to make a recommendation to creditors on which alternative course of action is in the best interests of creditors.

We are of the opinion that it is in the creditors' best interests that the Company be wound up.

Our analysis of each option available to creditors is discussed below.

Liquidation

We are of the opinion that it is in the best interest of creditors that the Company be wound up as there is no proposal for a DOCA, and the Administration cannot end as the Company is insolvent.

If creditors resolve that the Company be wound up, a liquidator would be appointed to conduct detailed investigations into the circumstances leading up to the appointment of the Administrators.

A liquidator will be empowered to:

- pursue various potential recoveries under the Act, such as voidable transactions (refer section 7)
- distribute recoveries made in accordance with the priority provisions of the Act
- complete thorough investigations into:
 - the Company's dealings and affairs
 - actions of the Directors
 - report findings to ASIC pursuant to the Act.

The potential return in a liquidation scenario is unknown due to a number of factors, including:

- Awaiting realisation of assets by the R&M and whether any surplus after payment of secured creditors

- Investigations are preliminary based on information available.
- Any recovery actions identified are subject to costs of recovery and the recipient of the claims having the capacity to meet the claim
- Have not received responses from all secured creditors as to their debts and assets their security relates.
- Have not received Proofs of Debt from all creditors to confirm the full extent of creditors.

Despite these limitations, ***we are of the opinion that it is in the creditors' best interests that the Company be wound up, as the Company is insolvent.***

DOCA

We have not received any proposal for a DOCA at the date of this Report so this is not an option for creditors to consider at the upcoming meeting.

Administration to end

We are of the opinion that it is not in the best interest of creditors to end the administration.

While our investigations are continuing, it is evident that the Company is insolvent and unable to pay its debts as and when they fall due. Accordingly, returning control of the Company to the Directors would be inappropriate in the present circumstances.

11. Enquiries

Should you have any queries relating to the contents of this Report, the Second Meeting or the administration generally please contact Declan Karklins-Wehr of this office, contact details on 0449 765 410 or at declan.karklins-wehr@au.pwc.com.

If you wish to participate in the meeting of creditors you are required to provide us with your proof of debt and proxy form by no later than **4pm AEST on 5 April 2024**. Please return this form via email to Declan Karklins-Wehr whose email appears above. If you wish to return these forms via post please ensure you allow sufficient time for them to be received by the due date.

Appendices

1	Statement of Administrators' Opinion	36
2	Registered Security Interests	37
3	Notice of Meeting	39
4	Proxy Form	40
5	Proof of Debt	41
6	Remuneration Approval Report	42
7	Information Sheet on Committees of Inspection	43
8	Committee of Inspection Nomination Form	44
9	ASIC Information Sheets	45

Appendix 1 - Statement of Administrators' Opinion



Statement of Administrators' Opinion

Pursuant to IPR 75-225(3)(b)

Ceres Sustainable Avocados Pty Ltd
(Administrators Appointed) (Receivers and Managers Appointed)
ACN: 654 896 394
("the Company")

This statement sets out our opinions in relation to the alternatives which the creditors of the Company will consider at the Second Meeting to be held on 8 April 2024 at 2pm AEST virtually.

The following options are available to creditors to decide at the Second Meeting pursuant to Section 439C of the Act, being that:

- a) the Company should execute a Deed of Company Arrangement; or
- b) the administration of the Company should end; or
- c) the Company be wound up.

Opinion

IPR 75-225(3)(b) requires the Administrators to express an opinion and give their reasons on each option available to creditors:

Option	Opinion and reason(s)
Company execute a Deed of Company Arrangement (DOCA)	<ul style="list-style-type: none">– No DOCA proposal has been submitted to the Administrators– This option is NOT available to the creditors of the Company
The administration should end	<ul style="list-style-type: none">– This option is NOT in the creditors' interests as the Company is insolvent and there is no likelihood of it returning to solvency in the current circumstances
The Company should be wound up	<ul style="list-style-type: none">– This option is presently the only option available to creditors and therefore the Administrators recommend that the Company be wound up

PricewaterhouseCoopers, ABN 52 780 433 757
480 Queen Street, BRISBANE QLD 4000, GPO Box 150, BRISBANE QLD 4001
T: +61 7 3257 5000, F: +61 7 3257 5999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Additional information for creditors

IPR 75-225(3)(b) requires that the Administrators provide the following additional information to creditors:

Information for creditors	Administrators' response
Such other information as will enable creditors to make an informed decision	– This opinion should be read in conjunction with our Second Report to Creditors and accompanying appendices.
Voidable transactions recoverable by a liquidator	– Our preliminary investigations have identified a number of voidable transactions that may be recoverable by a liquidator (refer Section 6 of the Second Report to Creditors).

DATED: 27 March 2024



Mahala Hazell
Administrator



Michael Fung
Administrator

Appendix 2 - Registered Security Interests

Collateral Class	Organisation Name	Registration Number	Date Registration	End Date	Description
OtherGoods	NU-EDGE SOLUTIONS AUSTRALIA PTY LTD	202206060036004	06/06/2022	06/06/2029	Except any personal property of the grantor which is not from time to time subject to a security agreement in favour of the secured party. It will be a breach of the security agreement if certain dealings in the collateral (including selling or leasing it) occur without the secured party's consent.
OtherGoods	AIR LIQUIDE AUSTRALIA LIMITED, AIR LIQUIDE W.A. PTY LTD, AIR LIQUIDE AUSTRALIA SOLUTIONS PTY LTD	202204190003226	19/04/2022	19/04/2029	All goods, equipment and/or other tangible property (including any accessions to those goods, equipment and/or property), sold, leased, hired, rented, bailed, supplied on consignment, sold subject to a conditional sale agreement (including retention of title) or otherwise made available by the secured party to the grantor.
OtherGoods	The Trustee for THE ADAPTIVE TRUST	202210100051085	10/10/2022	10/04/2027	SPRAYER - TRAILER MOUNTED Serial No.: VV9000A6421209141
OtherGoods	RABO EQUIPMENT FINANCE LIMITED	202209200075055	20/09/2022	20/03/2027	AGRI MACH & EQUIP R/R Serial No.: FWS-CER01-MAITSYS-01
OtherGoods	RABO EQUIPMENT FINANCE LIMITED	202209200075040	20/09/2022	20/03/2027	AGRI MACH & EQUIP R/R Serial No.: FWS-OF-004
OtherGoods	RABO EQUIPMENT FINANCE LIMITED	202209200075038	20/09/2022	21/03/2027	AGRI MACH & EQUIP R/R Serial No.: FWS-MF-002
OtherGoods	RABO EQUIPMENT FINANCE LIMITED	202209200075029	20/09/2022	21/03/2027	AGRI MACH & EQUIP R/R Serial No.: FWS-MF-003
OtherGoods	RABO EQUIPMENT FINANCE LIMITED	202209200075017	20/09/2022	21/03/2027	AGRI MACH & EQUIP R/R Serial No.: FWS-MF-003
OtherGoods	RABO EQUIPMENT FINANCE LIMITED	202209120065771	12/09/2022	7/03/2027	MULCHER Serial No.: MR-3690-24 6703577
OtherGoods	RABO EQUIPMENT FINANCE LIMITED	202205120068125	12/05/2022	12/12/2026	SPRAYER - TRAILER MOUNTED Serial No.: OSF4DSSFPTO3203
OtherGoods	RABO EQUIPMENT FINANCE LIMITED	202205090063686	9/05/2022	9/11/2026	AGRI MACH & EQUIP R/R Serial No.: 2323383313
OtherGoods	RABO EQUIPMENT FINANCE LIMITED	202205090063664	9/05/2022	9/11/2026	AGRI MACH & EQUIP R/R Serial No.: 2205365012
OtherGoods	RABO EQUIPMENT FINANCE LIMITED	202205090063655	9/05/2022	9/11/2026	AGRI MACH & EQUIP R/R Serial No.: 2372390614
OtherGoods	RABO EQUIPMENT FINANCE LIMITED	202205090063588	9/05/2022	9/11/2026	AGRI MACH & EQUIP R/R Serial No.: 2488407515
OtherGoods	RABO EQUIPMENT FINANCE LIMITED	202205090063574	9/05/2022	9/11/2026	AGRI MACH & EQUIP R/R Serial No.: 2205364912
OtherGoods	RABO EQUIPMENT FINANCE LIMITED	202205090063561	9/05/2022	9/11/2026	MOWER CONDITIONER - TOW Serial No.: 1278594

Appendix 2 - Registered Security Interests (cont.)

Collateral Class	Organisation Name	Registration Number	Date Registration	End Date	Description
OtherGoods	RABO EQUIPMENT FINANCE LIMITED	202205090063557	9/05/2022	9/11/2026	AGRI MACH & EQUIP R/R Serial No.: 2786451117
OtherGoods	RABO EQUIPMENT FINANCE LIMITED	202205090063542	9/05/2022	9/11/2026	AGRI MACH & EQUIP R/R Serial No.: 2786451217
OtherGoods	RABO EQUIPMENT FINANCE LIMITED	202205090063535	9/05/2022	9/11/2026	AGRI MACH & EQUIP R/R Serial No.: 2323383413
OtherGoods	RABO EQUIPMENT FINANCE LIMITED	202203080077995	8/03/2022	8/10/2026	GPS SYSTEM Serial No.: PCGU6UD111872
OtherGoods	RABO EQUIPMENT FINANCE LIMITED	202202090060662	9/02/2022	9/09/2026	AGRI MACH & EQUIP R/R Serial No.: 1100-21C-14586
OtherGoods	RABO EQUIPMENT FINANCE LIMITED	202202090060658	9/02/2022	9/09/2026	AGRI MACH & EQUIP R/R Serial No.: 396097/395915
OtherGoods	RABO EQUIPMENT FINANCE LIMITED	202202090060643	9/02/2022	9/09/2026	AGRI MACH & EQUIP R/R Serial No.: 391931/391955
MotorVehicle	RABO EQUIPMENT FINANCE LIMITED	202208230067135	23/08/2022	23/03/2027	n/a
MotorVehicle	RABO EQUIPMENT FINANCE LIMITED	202209130065592	13/09/2022	13/03/2027	n/a
MotorVehicle	RABO EQUIPMENT FINANCE LIMITED	202209130065585	13/09/2022	13/03/2027	n/a
MotorVehicle	RABO EQUIPMENT FINANCE LIMITED	202204260099452	26/04/2022	26/11/2026	n/a
MotorVehicle	RABO EQUIPMENT FINANCE LIMITED	202205090063705	9/05/2022	9/11/2026	n/a
MotorVehicle	RABO EQUIPMENT FINANCE LIMITED	202205090063693	9/05/2022	9/11/2026	n/a
MotorVehicle	RABO EQUIPMENT FINANCE LIMITED	202205090063672	9/05/2022	9/11/2026	n/a
MotorVehicle	RABO EQUIPMENT FINANCE LIMITED	202205090063640	9/05/2022	9/11/2026	n/a
MotorVehicle	RABO EQUIPMENT FINANCE LIMITED	202205090063590	9/05/2022	9/11/2026	n/a
MotorVehicle	RABO EQUIPMENT FINANCE LIMITED	202205090063526	9/05/2022	9/11/2026	n/a
MotorVehicle	RABO EQUIPMENT FINANCE LIMITED	202205090063519	9/05/2022	9/11/2026	n/a
MotorVehicle	RABO EQUIPMENT FINANCE LIMITED	202205090063503	9/05/2022	9/11/2026	n/a
MotorVehicle	RABO EQUIPMENT FINANCE LIMITED	202203220068556	22/03/2022	22/10/2026	n/a
MotorVehicle	RABO EQUIPMENT FINANCE LIMITED	202203220068541	22/03/2022	22/10/2026	n/a
MotorVehicle	RABO EQUIPMENT FINANCE LIMITED	202203080077982	8/03/2022	8/10/2026	n/a
MotorVehicle	RABO EQUIPMENT FINANCE LIMITED	202203080077976	8/03/2022	8/10/2026	n/a
MotorVehicle	RABO EQUIPMENT FINANCE LIMITED	202202250081929	25/02/2022	25/09/2026	n/a
AllPapNoExcept	RABOBANK AUSTRALIA LIMITED	202201190048812	19/01/2022	19/01/2047	n/a

Appendix 3 - Notice of Meeting

CORPORATIONS ACT 2001
Section 439A

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

**NOTICE OF SECOND MEETING OF
CREDITORS OF COMPANY UNDER ADMINISTRATION**

**CERES SUSTAINABLE AVOCADOS PTY LTD
(ADMINISTRATORS APPOINTED) (RECEIVERS & MANAGERS APPOINTED)
ACN 654 896 394 ("the Company")**

NOTICE is given that a meeting of the creditors of the Company will be held at **2:00pm AEST on Monday, 8 April 2024**. The meeting will be held by virtually.

A G E N D A

1. To receive a Report from the joint and several Administrators concerning the Company's business, property, affairs and financial circumstances.
2. For creditors to consider the options available and to resolve that:
 - a. that the company execute a Deed of Company Arrangement; or
 - b. that the administration should end; or
 - c. that the company be wound up.
3. To approve:
 - a. The Administrators' remuneration
 - b. The Liquidators' remuneration, if appointed.
4. If the company is wound up, to consider appointing a Committee of Inspection and, if so, who are to be the committee members.
5. Questions from creditors.
6. Any other business that may be lawfully brought forward.

Creditors wishing to attend will be provided with details of the virtual conference following the submission of a completed proof of debt (if not already submitted previously) and a proxy form for this meeting.

A creditor can only be represented by proxy or by an attorney pursuant to Insolvency Practice Rules (Corporations) (IPR) 75-150 & 74-155 and if a body corporate by a representative appointed pursuant to Section 250D. Proxies for this meeting should be submitted to the Administrators by 4pm AEST on Friday, 5 April 2024 via post to the address below or by email (preferred) to declan.karklins-wehr@au.pwc.com.

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

DATED this 27th day of March 2024.



Mahala Hazell
Joint and Several Administrator

PricewaterhouseCoopers
480 Queen Street
Brisbane QLD 4000

Appendix 4 - Proxy Form

**FORM 532
APPOINTMENT OF PROXY**

**CERES SUSTAINABLE AVOCADOS PTY LTD
(ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED)
ACN 654 896 394 (the Company)**

A. Appointment of a proxy

I/We,
(If a company, strike out "I" and set out full name of the company)

of
(address)

a creditor of the Company appoint
as my/our proxy, or in his/her absence....., to vote at the meeting
of creditors to be held on 8 April 2024 at 2:00pm AEST or at any adjournment of that meeting.

B. Voting directions

Option 1: ☐ If appointed as a general proxy, as he/she determines on my/our behalf
(Please proceed to section C ie do not complete the table below)

and/or

Option 2: ☐ If appointed as a special proxy in the manner set out below:
(Please complete the table below before proceeding to section C)

No	Resolution	For	Against	Abstain
1	That the remuneration of the Administrators is approved for the period 5 March 2024 to 19 March 2024 in the amount of \$60,202.50 plus GST as set out in the Remuneration Approval Report dated 27 March 2024 to be drawn from available funds immediately or as funds become available.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	That the remuneration of the Administrators is approved for the period 20 March 2024 to the conclusion of the Administration up to a maximum amount of \$15,000.00 plus GST, as set out in the Remuneration Approval Report dated 27 March 2024 to be drawn from available funds as incurred or as funds become available. This amount may be revised by resolution of creditors or by order of the court.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	The Company to execute a Deed of Company Arrangement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	The Administration should end (and control revert back to the Company director(s))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	The Company be wound up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 (if applicable)	That the remuneration of the Liquidators is approved for the period 8 April 2024 to the conclusion of the Liquidation up to a maximum amount of \$90,000.00 plus GST, as set out in the Remuneration Approval Report dated 27 March 2024 to be drawn from available funds as incurred or as funds become available. This amount may be revised by resolution of creditors or by order of the court.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7 (if applicable)	If the Company is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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C. Signature (in accordance with Sections 127 or 250D of the Corporations Act 2001)

If the creditor is an individual

If the creditor is a Company

.....

.....

Director/Company Secretary

.....

Print name

DATED this day of 2024

Certificate of witness

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

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

Signature of Witness:

Place of residence:

Dated:

Appendix 5 - Proof of Debt

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Joint and Several Administrators of Ceres Sustainable Avocados Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed)

1. This is to state that the company was, on 5 March 2024 ⁽¹⁾ and still is, justly and truly indebted to⁽²⁾ (full name):

.....
(‘Creditor’)

.....
of (full address)

for \$.....dollars andcents.

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 in writing to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this day of 2024

Signature of Signatory

NAME IN BLOCK LETTERS

Occupation

Address

See Directions overleaf for the completion of this form

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.

Appendix 6 - Remuneration approval report

**Ceres Sustainable Avocados Pty Ltd
(Administrators Appointed)
(Receivers and Managers Appointed)**

ACN 654 896 394

Remuneration Approval Report

27 March 2024

This remuneration approval report provides you with the information you need to be able to make an informed decision regarding the approval of our remuneration.

You should read this report and the other documentation that we have sent you and then attend the meeting of creditors in order to voice your opinion by casting your vote on the resolutions put to the meeting. The meeting will also give you an opportunity to ask any questions that you may have.

Alternatively, you are also able to appoint a representative to attend on your behalf by lodging a proxy form. Lodging a specific proxy form allows you to specify how your proxy must vote. Lodging a general proxy form allows your representative to choose how your vote is exercised.

Information about the meeting of creditors is provided at Appendix 3 of the second report to creditors.

Contents

1	Declaration	3
2	Executive Summary	3
3	Remuneration	3
3.1	Remuneration	3
3.2	Details of remuneration	4
3.3	Total remuneration reconciliation	4
3.4	Likely impact on dividends	4
3.5	Remuneration recovered from external sources	5
4	Disbursements	5
4.1	Future basis of internal disbursements	5
5	Summary of receipts and payments	6
6	Queries	6
	Appendix A Calculations of remuneration schedules	9
	Appendix B Table of major tasks for remuneration	11

1 Declaration

We, Michael Fung and Mahala Hazell of PricewaterhouseCoopers, have undertaken a proper assessment of this remuneration claim for our appointment as Joint and Several Administrators of Ceres Sustainable Avocados Pty Ltd in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the administration.

2 Executive Summary

To date, no remuneration has been approved and paid.

This remuneration report details approval sought for the following remuneration:

Period	Report reference	Amount (ex GST) (\$)
Current remuneration approval sought:		
Voluntary Administration		
Resolution 1: For the period from 5 March 2024 to 19 March 2024	Appendix A1 & B1	60,202.50
Resolution 2: For the period 20 March 2024 to completion*	Appendix A2 & B2	15,000.00
Total remuneration for voluntary administration		75,202.50
Liquidation		
Resolution 3: For the period 8 April 2024 to completion*	Appendix A3 & B3	90,000.00
Total remuneration for liquidation		90,000.00
Total remuneration approval sought		165,202.50

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

Please refer to report section references detailed above for full details of the calculation and composition of the remuneration approval sought.

3 Remuneration

3.1 Remuneration

We will be seeking approval of the following resolutions to approve our remuneration. Details to support these resolutions are included in section 3.2 and attached schedules.

Resolution 1

That the remuneration of the Administrators is approved for the period 5 March 2024 to 19 March 2024 in the amount of \$60,202.50 plus GST as set out in the Remuneration Approval Report dated 27 March 2024 to be drawn from available funds immediately or as funds become available.

Resolution 2

That the remuneration of the Administrators is approved for the period 20 March 2024 to the conclusion of the Administration up to a maximum amount of \$15,000.00 plus GST, as set out in the Remuneration Approval Report dated 27 March 2024 to be drawn from available funds as incurred or as funds become available. This amount may be revised by resolution of creditors or by order of the court.

Resolution 3

That the remuneration of the Liquidators is approved for the period 8 April 2024 to the conclusion of the Liquidation up to a maximum amount of \$90,000.00 plus GST, as set out in the Remuneration Approval Report dated 27 March 2024 to be drawn from available funds as incurred or as funds become available. This amount may be revised by resolution of creditors or by order of the court.

Future remuneration is approved subject to a maximum or cap. Sometimes the actual cost of the administration will exceed the maximum which has been approved, in which case, we may seek another resolution for additional remuneration. We will not pay any amount exceeding the maximum without this approval. Where the cap has not been reached only the remuneration incurred will be claimed.

Where funds are available, we will usually pay approved remuneration at intervals not less than once per month. Where funds are not available, remuneration will not be paid.

3.2 Details of remuneration

The basis of calculating the remuneration claims are summarised in **Appendix A**.

The details of the major tasks performed, and the costs associated with each of those major tasks are contained in **Appendix B**.

3.3 Total remuneration reconciliation

We have not previously sought any approval from creditors in respect of our remuneration.

We are seeking approval of \$75,202.50 (ex. GST) for the remuneration of Joint and Several Administrators. This is materially the same as the estimated range of \$40,000 to \$75,000 (ex. GST) as included in our Initial Remuneration Notice dated 7 March 2024.

We have not previously estimated a cost for the liquidation of the Company. We estimate this cost to be \$90,000 (ex. GST) and this is the amount being sought for approval from creditors.

3.4 Likely impact on dividends

Dividends are not paid to creditors as part of a Voluntary Administration. In the event that the Company is placed into liquidation at the Second Meeting of creditors the liquidators may pay a dividend to creditors in due course.

The Corporations Act sets the order for payment of claims against the company, and it provides for remuneration of the external administrator to be paid in priority to other claims. This ensures that when there are sufficient funds, the external administrator 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.

Any dividend to creditors will also be impacted by the amount of assets that we are able to recover and the amount of creditor claims that are admitted to participate in any dividend.

Please refer to section 9 of the accompanying report for details of the estimated return to unsecured creditors.

3.5 Remuneration recovered from external sources

As indicated in our DIRRI and included in our Report to Creditors dated 27 March 2024, the secured creditor, RaboBank Australia Limited, has made a payment of \$75,000 towards our costs of the administration. These funds are held in the administration bank account and will not be drawn until remuneration approval is obtained. The Joint and Several Administrators have not received any other funding from an external source for their remuneration.

4 Disbursements

Disbursements are divided into three types:

- **External professional services** - these are recovered at cost. An example of an external professional service disbursement is legal fees.
- **External non-professional costs** – these are recovered at cost. Examples of external non-professional costs are travel, accommodation and search fees.
- **Firm non-professional disbursements** such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

We are not required to seek creditor approval for costs paid to third parties or for disbursements where we are recovering a cost incurred on behalf of the administration, but we must account to creditors.

We have undertaken a proper assessment of disbursements claimed for the Company, in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

We are not seeking creditor approval to pay our disbursements from creditors at this time.

4.1 Future basis of internal disbursements

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

Basis of disbursement claim	
Disbursements	Rate (excl GST)
External professional services	At cost
External non-professional costs	At cost
Firm non-professional costs	
Staff vehicle use	72 cents per kilometre for first 150km of return trip and 40 cents per kilometre thereafter.

5 Summary of receipts and payments

The summary of receipts and payments for the period 5 March 2024 to 27 March 2024 is detailed below.

Particulars	Amount (\$)
Funding from secured creditor	75,000.00
Total Receipts (inc GST)	75,000.00
Total Payments (inc GST)	0.00
Balance as on 21 March 2024	75,000.00

6 Queries

Please contact Mr Declan Karklins-Wehr on +61 449 765 410 or by email on declan.karklins-wehr@au.pwc.com should you have any queries or require any further information.

You can access additional information on the following websites:

- ARITA at www.arita.com.au/creditors
- ASIC at <http://asic.gov.au/regulatory-resources/insolvency/insolvency-information-sheets/>

DATED this 27th day of March 2024.



Mahala Hazel
Administrator



Michael Fung
Administrator

Appendices

Appendix A Calculations of remuneration schedules

Appendix B Table of major tasks for remuneration

Appendix A Calculations of remuneration schedules

Schedule A1

Ceres Sustainable Avocados Pty Ltd
(Administrators Appointed) (Receivers and Managers Appointed)
ACN 654 896 394
For the administration period 5 March 2024 to 19 March 2024

Employee	Position	\$ /hours (ex GST)	Total Hrs	Total (\$)	Creditors		Investigations		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$
Michael Fung	Partner (Appointee)	850.00	1.4	1,190.0	0.5	425.00	0.1	85.00	0.8	680.00
Mahala Hazell	Director (Appointee)	765.00	16.5	12,622.5	8.2	6,273.00	3.0	2,295.00	5.3	4,054.50
David Denman	Director	765.00	31.0	23,715.0	22.1	16,906.50	3.6	2,754.00	5.3	4,054.50
Declan Karklins-Wehr	Senior Consultant	535.00	29.6	15,836.0	19.1	10,218.50	4.0	2,140.00	6.5	3,477.50
Taylah Chant	Consultant	430.00	12.5	5,375.0	12.5	5,375.00	0.0	0.00	0.0	0.00
	Offshore Professionals	350.00	3.0	1,050.0	3.0	1,050.00	0.0	0.00	0.0	0.00
Margo Rivers	Administration Support	230.00	1.8	414.0	0.7	161.00	0.0	0.00	1.1	253.00
Total			95.8	60,202.50	66.10	40,409.00	10.70	7,274.00	19.00	12,519.50
GST				6,020.25						
Total (Including GST)				66,222.75						
Average rate (excluding GST)				628.42		611.33		679.81		658.92

Schedule A2

Ceres Sustainable Avocados Pty Ltd (Administrators Appointed)
(Receivers and Managers Appointed)
ACN 654 896 394
For the administration period 20 March 2024 to completion

Position	\$ /hours (ex GST)	Total Hrs	Total (\$)	Creditors		Investigations		Administration	
				Hrs	\$	Hrs	\$	Hrs	\$
Partner (Appointee)	850.00	2.0	1,700.00	2.0	1,700.00	0.0	0.00	0.0	0.00
Director (Appointee)	765.00	4.0	3,060.00	4.0	3,060.00	0.0	0.00	0.0	0.00
Director	765.00	7.0	5,355.00	6.0	4,590.00	0.5	382.50	0.5	382.50
Senior Consultant	535.00	7.5	4,012.50	6.5	3,477.50	0.5	267.50	0.5	267.50
Consultant	430.00	1.5	645.00	1.5	645.00	0.0	0.00	0.0	0.00
Offshore Professionals	350.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Administration Support	230.00	1.0	227.50	0.0	0.00	0.0	0.00	1.0	227.50
Total		23.0	15,000.00	20.0	13,472.50	1.0	650.00	2.0	877.50
GST			1,500.00						
Total (Including GST)			16,500.00						
Average rate (excluding GST)					673.63		650.00		441.15

Schedule A3

Ceres Sustainable Avocados Pty Ltd (Administrators Appointed)

(Receivers and Managers Appointed)

ACN 654 896 394

For the liquidation period 8 April 2024 to completion

Position	\$/hours (ex GST)	Total Hrs	Total (\$)	Creditors		Investigations		Administration	
				Hrs	\$	Hrs	\$	Hrs	\$
Partner (Appointee)	850.00	5.3	4,505.00	1.5	1,275.00	2.9	2,465.00	0.9	765.00
Director (Appointee)	765.00	12.0	9,180.00	5.0	3,825.00	5.0	3,825.00	2.0	1,530.00
Director	765.00	20.5	15,682.50	10.0	7,650.00	10.0	7,650.00	0.5	382.50
Senior Consultant	535.00	43.1	23,058.50	11.7	6,259.50	30.0	16,050.00	1.4	749.00
Consultant	430.00	46.8	20,124.00	11.6	4,988.00	30.0	12,900.00	5.2	2,236.00
Offshore Professional	350.00	39.4	13,799.50	9.5	3,325.00	21.4	7,499.50	8.5	2,975.00
Administration Support	230.00	15.9	3,650.50	0.0	0.00	0.0	0.00	15.9	3,650.50
Total		183.0	90,000.00	49.3	27,322.50	99.3	50,389.50	34.4	12,288.00
GST			9,000.00						
Total (Including GST)			99,000.00						
Average rate (excluding GST)			491.81		554.21		507.31		357.50

Appendix B Table of major tasks for remuneration

Schedule B1

Resolution 1

The below table provides a description of the work undertaken in each major task area for the administration period 5 March 2024 to 19 March 2024

Task Area	General description	Includes
Creditors 66.1 Hours \$40,409.00	Creditor Enquiries	Phone calls with various creditors regarding debts owed and lodgement of Proof of Debt, ongoing supply to contact Receivers and Managers Communications with Receivers and Managers and their legal advisors Preparation of emails to creditors regarding appointment, outstanding debt, lodgement of Proof of Debt and provision of supporting documents Preparation of creditor listing Setting up the administration with the corresponding announcement and documentation on the PwC insolvency notices website
	Proof of Debt	Reviewed and filed Proofs of Debt provided by creditors
	Creditor reports	Imported the creditor template into IPS. Preparation of initial report to creditors, notice of meeting, initial remuneration notice, and other accompanying attachments Preparation of DIRRI Preparation of second report to creditors, notice of meeting, remuneration approval report, and other accompanying attachments Correspondence and communications with director and advisors regarding potential Deed of Company Arrangement proposal Correspondence with secured creditor legal advisors regarding potential DOCA Report and meeting timing planning given possible DOCA proposal
	Creditor meetings	Preparation of meeting notices, proxies and advertisements for first meeting of creditors Forward notice of meeting to all known creditors for first meeting of creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting for first meeting of creditors Communications with creditors regarding attendance at first meeting of creditors and completion of proxy form Conducting first meeting of creditors Preparation of minutes for first meeting of creditors and lodgement with ASIC

Table of major tasks for remuneration

Task Area	General description	Includes
		Responding to stakeholder queries and questions immediately following meeting
	Other PPSA creditors	Preparation of letters to all creditors with registrations on the PPSR for details of security interests claim
Investigation 10.7 Hours \$7,274.00	Conducting investigation	<p>Prepared letters to financial institutions to identify accounts held by Company, ASIC Form 505, ASIC PNW notice of appointment and IPS case set up form</p> <p>Correspondence requesting details about pre-appointment insurance policies</p> <p>Prepared and issued day one letters to banks, financiers, QLD/NSW offices of state revenue for land tax and payroll tax, NSW/QLD Sheriff offices, utility providers, Workcover QLD/NSW, ATO freedom of information request, Company's former accountant and former solicitor, PPSR letters to secured creditors listed in the company search, letter to Child Support agency and director packages to the Directors</p> <p>Prepared ATO notice of appointment and bank account opening forms</p> <p>Prepare correspondence to third parties in respect of books and records in their possession</p> <p>Liaising with former advisors of the Company to secure books and records and background information regarding Company</p> <p>Reviewing Company's books and records</p> <p>Conducting and summarising statutory searches</p> <p>Conducting property and bank searches to identify all assets registered to the Company</p> <p>Conducting searches with ASIC on Company and directors</p> <p>Review of Company's Xero accounting system and externally prepared financial statements, compare and summarise in second report to creditors</p> <p>Review of bank statements and records for potential voidable transactions</p> <p>Preparation of preliminary solvency analysis</p> <p>Preparation of preliminary insolvent trading analysis</p>
	Director correspondence & ROCAP	<p>Correspondence with directors regarding completion of ROCAPs, director's questionnaires and provision of books and records</p> <p>Consider requests for extension for provision of documents and respond to directors</p>
	Appointment documents & DIRRI	<p>Review of appointment documents</p> <p>Preparation and approval of ASIC lodgements</p>
Administration 19.0 Hours \$12,519.50	General correspondence	Responding to stakeholder enquiries
	Project management	<p>Internal reviews regarding appointment matters, proposed meeting dates and convening periods</p> <p>Updating of checklists</p>
	Bank account administration	Drafted form to open administration bank account and record new bank account details in IPS, download verification of new bank account details for case staff
	ASIC Forms and lodgements	Prepared and lodged ASIC forms including 531

Table of major tasks for remuneration

Task Area	General description	Includes
		Prepared Administrators' ROCAP to be provided to the Receivers and Managers
	ATO and other statutory reporting	Notified ATO of Appointment Uploaded Notification of Appointment, and Requested for Documents

Schedule B2**Resolution 2**

The below table provides a description of the work undertaken in each major task area for the administration period 20 March 2024 to completion.

Task Area	General description	Includes
Creditors 20.0 Hours \$13,472.50	Creditor Enquiries	Deal with creditor enquiries via telephone Maintaining creditor enquiry files Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Creditor reports	Finalise second report to creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements for second meeting of creditors Forward notice of meeting to all known creditors for second meeting of creditors Preparation of meeting file for second meeting, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Conducting a second meeting of creditors Preparation and lodgement of minutes for second meeting with ASIC Responding to stakeholder queries and questions immediately following meeting
Investigation 1.0 Hours \$650.00	Conducting investigation	Collection of company books and records Reviewing company's books and records
	ASIC reporting	Preparing statutory investigation reports Liaising with ASIC
Administration 2.0 Hours \$877.50	Document maintenance/checklist	Filing of documents Updating checklists
	Bank account administration	Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Forms and lodgements	Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage

Schedule B3

Resolution 3

The below table provides a description of the work undertaken in each major task area for the liquidation period 8 April 2024 to completion

Task Area	General description	Includes
Creditors 49.3 Hours \$27,322.50	Creditor Enquiries	Deal with creditor enquiries via telephone Maintaining creditor enquiry files Review and prepare correspondence to creditors and their representatives via facsimile, email and post Correspondence with committee of creditors members
	Creditor reports	Preparing statutory report to creditors, investigation, meeting and general reports to creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Corresponding with OSR and ATO regarding POD when not related to a dividend
Investigation 99.3 Hours \$50,389.50	Conducting investigation	Collection of company books and records Reviewing company's books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of comparative financial statements Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with directors regarding certain transactions Investigations to identify indicators of insolvency and possible claims for insolvent trading Preparation of investigation file Consideration of potential defences to identified claims Consideration of recipients capacity to meet identified claims Consideration of merits and potential recoverability of claims If proceeding with pursuing claims, preparation of demands to recipients of transactions Communications with recipients of transactions regarding claims and seeking commercial resolution
	Litigation / Recoveries	Preparing brief to solicitors regarding transactions identified Liaising with solicitors regarding recovery actions
	ASIC reporting	Preparing statutory investigation reports Preparation and lodgement of supplementary report if required to ASIC Liaising with ASIC
Administration 34.4 Hours \$12,288.00	Document maintenance/file review/checklist	First month, then six monthly administration review Filing of documents File reviews Updating checklists
	Bank account administration	Preparing correspondence opening and closing accounts Bank account reconciliations Correspondence with bank regarding specific transfers

Table of major tasks for remuneration

Task Area	General description	Includes
	ASIC Forms and lodgements	Preparing and lodging ASIC forms including 505, 5602/5603, 911 etc Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment Preparing BAS
	Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage

www.pwc.com.au

Appendix 7 - Information Sheet on Committees of Inspection

Information Sheet: Committees of Inspection

You have been elected to be, or are considering standing for the role of, a member of a Committee of Inspection (COI) in either a liquidation, voluntary administration or deed of company arrangement of a company (collectively referred to as an external administration).

This information sheet is to assist you with understanding your rights and responsibilities as a member of a COI.

What is a COI?

A COI is a small group of creditors elected to represent the interests of creditors in the external administration. The COI advises and assists the external administrator and also has the power to approve and request certain things – this is discussed in more detail below.

Membership of the COI is a voluntary, unpaid position.

Who can be elected to a COI?

To be eligible to be appointed as a member of a COI, a person must be:

- A creditor
- A person holding the power of attorney of a creditor
- A person authorised in writing by a creditor; or
- A representative of the Commonwealth where a claim for financial assistance has, or is likely to be, made in relation to unpaid employee entitlements.

If a member of the COI is a company, it can be represented by an individual authorised in writing to act on that creditor's behalf. It also allows the creditor to maintain its representation if a change in the individual is required

A COI usually has between 5 and 7 members, though it can have more, or less, depending on the size of the external administration.

A member of a COI can be appointed by:

- resolution at a meeting of creditors
- an employee or a group of employees owed at least 50% of the entitlements owed to employees of the company
- a large creditor or group of creditors that are owed at least 10% of the value of the creditors' claims,

If an employee or group of employees, or a large creditor or group of creditors, appoints a member to the COI, they cannot vote on the general resolution of creditors to appoint members to the COI. Each of these groups also have the power to remove their appointed member of the COI and appoint someone else.

If you are absent from 5 consecutive meetings of the COI without leave of the COI or you become an insolvent under administration, you are removed from the COI.

What are the roles and powers of a COI?

A COI has the following roles:

- to advise and assist the liquidator, voluntary administrator or deed administrator (collectively referred to as the external administrator)
- to give directions to the external administrator
- to monitor the conduct of the external administration.

In respect of directions, the external administrator is only required to have regard to those directions. If there is a conflict between the directions of the COI and the creditors, the directions of the creditors prevail. If the external administrator chooses not to comply with the directions of the COI, the external administrator must document why.

A COI also has the power to:

- approve remuneration of the external administrator after the external administrator has provided the COI with a Remuneration Approval Report (a detailed report setting out the remuneration for undertaking the external administration)
- approve the use of some of the external administrator's powers in a liquidation (compromise of debts over \$100,000 and entering into contracts over 3 months)
- require the external administrator to convene a meeting of the company's creditors
- request information from the external administrator
- approve the destruction of the books and records of the external administration on the conclusion of the external administration
- with the approval of the external administrator, obtain specialist advice or assistance in relation to the conduct of the external administration
- apply to the Court for the Court to enquire into the external administration.

An external administrator is not required to convene a meeting of creditors if the request by the COI is unreasonable, or provide requested information if the request is unreasonable, not relevant to the administration or would cause the external administrator to breach their duties.

A request to convene a meeting of creditors is unreasonable if:

- it would substantially prejudice the interests of a creditor or third party
- there are insufficient funds in the external administration to cover the cost of the request
- a meeting of creditors dealing with the same matters has already been held or will be held within 15 business days, or
- the request is vexatious.

If a request for a meeting is reasonable, the external administrator must hold a meeting of creditors as soon as reasonably practicable.

A request for information is unreasonable if:

- it would substantially prejudice the interests of a creditor or third party
- the information would be subject to legal professional privilege
- disclosure of the information would be a breach of confidence
- there are insufficient funds in the external administration to cover the cost of the request
- the information has been provided or is required to be provided within 20 business days, or
- the request is vexatious.

If the request for information is not unreasonable, the external administrator must provide the requested information within 5 business days, but the law provides for further time in certain circumstances.

An external administrator must inform the COI if their meeting or information request is not reasonable and the reason why.

How does the COI exercise its powers?

A COI exercises its powers by passing resolutions at meetings of the COI. To pass a resolution, a meeting must be convened and a majority of the members of the COI must be in attendance.

A meeting is convened by the external administrator by giving notice of the meeting to the members of the COI. Meetings of the COI can be convened at short notice. The external administrator must keep minutes of the meeting and lodge them with ASIC within one month of the end of the meeting.

ASIC is entitled to attend any meeting of a COI.

What restrictions are there on COI members?

A member of a COI must not directly or indirectly derive any profit or advantage from the external administration. This includes by purchasing assets of the company or by entering into a transaction with the company or a creditor of the company. This prohibition extends to related entities of the member of the COI and a large creditor(s) that appoints a member to the COI.

Creditors, by resolution at a meeting of creditors, can resolve to allow the transaction. The member of the COI or the large creditor(s) that appoints a member to the COI is not allowed to vote on the resolution.

Where can you get more information?

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding external administrations and insolvency. This information is available from ARITA's website at www.arita.com.au/creditors.

ASIC provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at www.asic.gov.au (search "insolvency information sheets").

**For more information, go to www.arita.com.au/creditors.
Specific queries about the liquidation should be directed to the liquidator's office.**

Appendix 8 - Committee of Inspection Nomination Form

**CERES SUSTAINABLE AVOCADOS PTY LTD
(ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED)
ACN 654 896 394 (the Company)**

NOMINATION FORM – COMMITTEE OF INSPECTION

Please complete the details below if you would like to be nominated to be as a member of the Committee of Inspection (COI) if one is formed at the forthcoming meeting of creditors. This form must be returned to declan.karklins-wehr@au.pwc.com no later than 4:00PM AEST, 5 April 2024.

An information sheet about the rights and responsibilities as a member of the COI prepared by the Australian Restructuring Insolvency & Turnaround Association (ARITA) is attached. We recommend that interested creditors read the information sheet. There are also restrictions placed on COI members. Please direct any queries to declan.karklins-wehr@au.pwc.com.

Signature:	
Creditor name:	
Creditor address:	
Contact name:	
Position:	
Email Address:	
Contact number:	

Return completed form to: PricewaterhouseCoopers

By email: declan.karklins-wehr@au.pwc.com

By post: PricewaterhouseCoopers
480 Queen Street, Brisbane City QLD 4000

Appendix 9 - ASIC Information Sheets

Creditor Rights in Voluntary Administrations

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



Right to request information

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

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

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

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

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

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

Requests must be reasonable.

They are not reasonable if:

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

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

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

Right to give directions to voluntary administrator

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

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

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

Right to appoint a reviewing liquidator

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

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

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

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

Right to replace voluntary administrator

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

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

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

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

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

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

**For more information, go to www.arita.com.au/creditors.
Specific queries about the voluntary administration should be directed to the voluntary administrator's office.**