



**Beston Global Food Company
Limited (Administrators
Appointed) (“BGFC”)
ACN 603 023 383
Beston Pure Dairies Pty Ltd
(Administrators Appointed)
 (“BPD”)
ACN 606 417 994**

Voluntary Administrators’ Report

13 February 2025

151 Pirie Street, ADELAIDE SA
5000

GPO Box 2499
ADELAIDE SA 5001

P. +61 8 8236 3111
F. +61 8 8236 3299
W. kpmg.com.au

Contents

Section	Page
Glossary of terms	2
1 Executive summary	5
2 Introduction	9
3 Company information	15
4 Historical financial position and performance	23
5 Report on company activities and property and Directors' reasons for failure	31
6 Overview of Administrators' trading period and sale processes	40
7 Statutory investigations	51
8 Voidable transactions	65
9 Return to creditors	69
10 Statement by Administrators	73
11 Further information and enquiries	74
Annexures	75
A – Statutory Information	76
B – Receipts & Payments	80
C – Notice of meeting of creditors	83
D – Remuneration approval request	86
E – ARITA creditor information sheet	129
F – Short guide to the Creditors' Portal	131
G – Forms to be completed	133
G1 – Appointment of proxy	134
G2 – Nomination Form – COI	139

Please complete and return the forms at **Annexure G** by 4:00pm (ACDT), 20 February 2025 to our office via email at beston@kpmg.com.au

Glossary of terms

Term	Description
ACN	Australian Company Number
Act	Corporations Act 2001
Administrators	Timothy David Mableson James Douglas Dampney Gayle Louise Dickerson David William Kidman
All PAAP	All present and after acquired property – no exceptions
ARITA	Australian Restructuring Insolvency & Turnaround Association
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
The Beston Group / The Group	BGFC, BPD and all of the wholly owned subsidiaries of BGFC (which are not in voluntary administration)
BGFC	Beston Global Food Company Limited (Administrators Appointed)
BPAM	Beston Pacific Asset Management Pty Ltd
BPD	Beston Pure Dairies Pty Ltd (Administrators Appointed)
BPFA	Beston Pure Foods (Australia) Pty Ltd
c/\$	Cents in the \$
Code	ARITA Code of Professional Practice
COI	Committee of Inspection
the Companies	BGFC and BPD
Court	Federal Court of Australia
Creditors' Portal	The online platform used by the Administrators to communicate with creditors, manage creditor claims and allow creditors to vote on resolutions put forward by the Administrators. Please refer to Annexure F for further information
Directors	The Directors of the relevant entity. Refer to Annexure A for further details.
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities, pursuant to s436DA of the Act and the Code.
DOCA	Deed of Company Arrangement
DTA	Deferred Tax Asset
ERV	Estimated Realisable Value
EPA	Environmental Protection Agency
FEG	Fair Entitlements Guarantee

Term	Description
First Meeting	First meeting of creditors held on Wednesday, 2 October 2024
FY	Financial year (ending 30 June)
GSA	General Security Agreement
GST	Goods and services tax
HY	Half (financial) Year (ending 31 December)
IP	Intellectual Property
IPO	Initial Public Offering
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations) 2016
JLL	Jones Lang LaSalle
k	thousand
kg	kilogram
KPMG	KPMG Australia
m	Million
Megmilk	Megmilk Snow Brand Co. Ltd and subsidiaries, including Snow Brands Australia Pty Ltd
MS	Milk solids
NAB	National Australia Bank Limited
NBIO	Non-Binding Indicative Offer
PAYG	Pay as you go withholding
PFG	Provincial Food Group Pty Ltd
PMSI	Purchase Money Security Interest
PP&E	Property, plant and equipment
PPSA	Personal Property Securities Act 2009 (Cth)
PPSR	Personal Property Securities Register
ROCAP	Report on Company Activities and Property
Report / the Administrators' Report	This report, prepared pursuant to IPR 75-225 and Section 438A of the Act
ROT	Retention of Title
ScotPac	Scottish Pacific Business Finance Pty. Limited
Second Meeting	Second meeting of creditors to be held pursuant to IPR 75-225 and Section 439A of the Act, where creditors determine the future of the Companies.

Term	Description
WHS	Workplace health and safety
\$	Australian Dollars
\$'000s	Thousands of Australian Dollars

1 Executive summary

This section addresses frequently asked questions relating to the voluntary administration of the Companies including estimated outcome for creditors. Full details are available throughout this Report.

Question	
What is the background of the Companies?	BGFC and BPD operated a dairy products processing and manufacturing business from facilities located in regional South Australia and an Adelaide head office.
What is the purpose of this Report?	The purpose of this Report is to table the outcome of the voluntary administration and certain findings from our investigations to the date of this Report with respect to the Companies' business, property, affairs, financial circumstances and reasons for failure, as well as our opinion on the three options available to creditors in deciding the future of the Companies at the Second Meeting.
What is the current status of the Companies?	<p>On 26 November 2024, the Administrators announced that the Companies would undergo an orderly wind down.</p> <p>The Administrators have continued to work with customers and suppliers during the wind-down period and commenced an asset sale process. Please refer to Section 6 for further information.</p>
Who is in control of the Companies?	On appointment, the Administrators assumed control of the Companies' operations and notified employees, creditors and other stakeholders of their appointment. The Administrators have therefore conducted the affairs and operations of the Companies from their appointment with the Directors powers suspended.
What is the ownership structure of the Companies?	<p>BGFC is the head company of the Beston Group and is listed on the ASX. BPD is a wholly owned subsidiary of BGFC.</p> <p>Refer to Section 3.1 for the Group Structure.</p>
How did the Companies business operate?	BPD is the main operating entity for the Group. The Administrators continued trading whilst exploring options for a sale of the Companies' business and assets or a recapitalisation via a DOCA.
Why do the Directors believe the Companies became insolvent?	<p>The Directors of the Companies have provided us with the following reasons for failure:</p> <ul style="list-style-type: none">– High operating costs including electricity, gas, labour and transport;– Increases in farmgate milk prices;– Poor operational performance of the cheese and whey powder business (which accounts for 80% of sales) due to cost and price pressures; and– Several unsuccessful attempts to restructure the business via a recapitalisation or an asset sale.

Question

What do the Administrators consider were the underlying causes of the Companies failure?

In addition to the reasons provided by the Directors, the Administrators consider the reasons the Companies failed include:

- Trading losses incurred which have continued since the incorporation of the Companies;
- Lack of working capital which created challenges managing the working capital cycle of the business;
- Higher debt levels and servicing costs relating to same in an increasing interest rate environment; and
- Inability to raise further equity, evident through the failed special resolution for a 10% share placement put forward at the AGM held on 24 November 2023. The last capital raise for BGFC occurred in December 2022 raising \$28.2m (excluding transaction costs).

When do the Administrators consider the Companies became insolvent?

The Administrators are of the opinion that the Companies may have been insolvent from at least **4 April 2024**.

Given the extent of losses incurred in prior periods, the date of insolvency may be earlier and would be subject to further and more detailed investigations which would be undertaken by a liquidator should the Companies be wound up at the Second Meeting.

What was the outcome of the sale of business process?

Unfortunately, the Administrators did not receive a binding offer or proposal for a DOCA capable of acceptance for the sale of the business as a going concern, or restructure via a DOCA.

We note that several parties requested additional time to conduct due diligence and/or seek funding prior to submitting a binding offer or proposal. Due to ongoing trading losses being incurred, and limited funding available to the Administrators in which to fund operations, further extensions of time were not possible beyond 30 November 2024 (being approximately 10 weeks post appointment).

On 26 November 2024, the Administrators announced that the Companies would undergo an orderly wind down.

An asset sale process commenced shortly thereafter (refer **Section 6** of this Report).

Have the Administrators explored the possibility of a DOCA?

DOCA proposals have been considered by the Directors and third parties during the sale process, however, to date, and more than four months since the voluntary administration commenced, no binding DOCA proposal (as an alternative to liquidation) has been received from the Directors or any other current/former director or any third party. Further information is provided within **Section 6** of this Report.

What is the purpose of the Second Meeting?

To resolve the future of the Companies. The options available for creditors to consider at the Second Meeting include whether the Companies:

- execute a DOCA (should a DOCA be proposed); or
- the voluntary administration should end; or
- the Companies be wound up.

For further details on how to attend and vote at the Second Meeting please refer to **Section 2** of this Report.

Question

What is the estimated return to creditors?

We estimate that the dividends payable to each class of creditor from the liquidation of BPD and BGFC as follows (refer **Section 9**):

	BPD Liquidation		BGFC Liquidation	
	ERV High Case	ERV Low Case	ERV High Case	ERV Low Case
Estimated return by Creditor Group				
NAB (c/\$) – secured claim	34.03	26.07	0.06	-
Priority Employee Creditors (c/\$)	100.00	100.00	-	-
Unsecured Creditors (c/\$)	Withheld	Withheld	Withheld	Withheld

Priority employee creditors of BPD are estimated to receive a dividend of 100 cents in the dollar from net circulating asset recoveries of BPD, estimated to be completed by 30 June 2025 (if not earlier). In the event of any unforeseen delays, former BPD employees could seek payment of their outstanding employee entitlements (excluding unpaid superannuation) from FEG, a scheme operated by the Department of Employment and Workplace Relations. If FEG advances funds to pay entitlements, FEG has a subrogated position to the employees to claim the priority payment from the liquidation of BPD.

Given the lack of circulating assets of BGFC, priority employee creditors of BGFC can claim their outstanding employee entitlements (excluding unpaid superannuation) from FEG, subject to eligibility and other criteria of FEG.

A dividend to unsecured creditors is subject to any liquidators' recoveries that may be achieved and as such the prospective recoveries have been withheld in the table above for commercial sensitivity reasons, including that the full extent of the claim(s), if any, have not been determined and quantified, which is subject to a liquidator's further investigations.

What do the Administrators recommend for creditors?

Given no DOCA proposal has been received and ending the voluntary administration is not a viable option due to the insolvency of the Companies, **it is our opinion that BGFC and BPD should both be placed into liquidation at the Second Meeting.**

What claims will a liquidator investigate?

Whilst the Administrators have considered the underlying causes of the Companies' failure, our investigations into claims arising from those matters are still at an early stage given the priorities of the Administrators were the trading and sale of the business and assets of the Companies, whereas a liquidator has more extensive powers than the Administrators to conduct detailed investigations.

The preliminary investigations of the Administrators to the date of this Report (per **Sections 7 and 8**), which would be advanced and confirmed by a liquidator should the Companies be wound up at the Second Meeting, have identified the following potential claims:

- unfair preference and other voidable transactions in excess of \$7.4m;
- an insolvent trading claim; and
- unreasonable director related transactions.

These, and other potential claims, will require further investigation by a liquidator, including the potential for public examinations to obtain further information and explanation.

Question

What do creditors need to do next?

Creditors will vote on the future of each of the Companies at the Second Meeting to be held via Microsoft Teams at **11:30 am (ACDT) on Friday, 21 February 2025**.

All creditors are entitled to attend the Second Meeting. Creditors should review the contents of this Report and complete the following forms by **4:00pm** on 20 February 2025.

Form/ voting	Where to submit
Appointment of proxy - form 532 (Annexure G1)	Email: beston@kpmg.com.au
COI nomination form (Annexure G2)	Email: beston@kpmg.com.au
Proof of debt - form 535 (Annexure F)	Via Creditors' Portal https://creditors.accountants/
Attending the Second Meeting of creditors	If you wish to attend the Second Meeting, please click on the following link – Registration Form - Beston Second Meeting of Creditors . Once you have registered, we will receive notification of your interest to attend the meeting, and you will be emailed the meeting access link by 9:00am (ACDT) on 21 February 2025.
Voting at the meeting of creditors	Creditors intending to vote on the resolutions to be put to the Second Meeting must submit their votes by lodging a completed 'Appointment of Proxy Form'. A copy of this form along with instructions on completing the form is provided at Annexure G1 Email: beston@kpmg.com.au

Further guidance on how to register, submit a Proof of Debt form and vote at the Second Meeting can be found at **Section 2.7** of this Report.

Where can I get more information?

If you require any further information, please see the KPMG website and/or contact the following:

Creditor queries

E-mail: beston@kpmg.com.au

Employee queries

E-mail: bestonemployees@kpmg.com.au

2 Introduction

This section provides information on the entities subject to the voluntary administration process, the objectives of the voluntary administration, the purpose of this Report, details of meetings of creditors and a summary of the Administrators' remuneration.

Key takeaways		Ref.
1	The purpose of this Report is to summarise the investigations undertaken by the Administrators and to outline the options available to creditors for each of the Companies.	2.2
2	The First Meeting was held on Wednesday, 2 October 2024 where the appointment of the Administrators was confirmed. Additionally, a COI was established for the voluntary administration of BPD.	2.6
3	The Companies continued to trade during the voluntary administration in an attempt to maximise the value of the business as a going concern sale. In early December 2024, following an announcement by the Administrators on 26 November 2024, the Companies commenced an orderly wind down of their operations.	2.2
4	The concurrent Second Meeting will be held on Friday, 21 February 2025 at 11:30am (ACDT) .	2.7

2.1 Appointment of Voluntary Administrators

On 20 September 2024, we, Timothy David Mableson, James Douglas Dampney, Gayle Louise Dickerson and David William Kidman, were appointed as joint and several Administrators of the following Companies by the Directors pursuant to Section 436A of the Act:

- Beston Global Food Company Limited ACN 603 023 383 (**BGFC**)
- Beston Pure Dairies Pty Ltd ACN 606 417 994 (**BPD**)

2.2 Objective of voluntary administration

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

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

Administrators are also required to investigate the Companies' affairs to the extent possible in the voluntary administration and report to creditors on the Administrators' opinion as to which outcome of the voluntary administration process is in the creditors' best interests, informing the creditors prior to their voting at the Second Meeting (please see **Section 2.7** for further details).

2.3 Purpose and basis of this Report

IPR 75-225 requires a voluntary administrator to provide a report (the **Voluntary Administrators' Report** or this **Report**) to all creditors ahead of the Second Meeting, outlining:

- Details regarding the business, property, affairs and financial circumstances of the entity under administration;
- The administrator's opinion and recommendation on each of the options available to creditors; and
- If a DOCA is proposed, the details of the DOCA.

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

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

In order to complete our Report, we have utilised information from:

- ASIC;
- ASX announcements;
- the PPSR;
- the book and records of the Companies;
- discussions with certain Directors and certain former directors of the Companies;
- discussions with key senior management and other employees of the Companies;
- discussions with secured and unsecured creditors of the Companies; and
- other public databases.

2.4 Context of this Report

This Report is based on our preliminary investigations to the date of this Report. Any additional material issues that are identified subsequent to the issue of this Report may be the subject of a further written report and/or tabled at the Second Meeting.

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. We reserve the right to alter any conclusions reached based on any changed or additional information which may be provided to us between the date of this Report and the date of the Second Meeting (except where otherwise stated).

In considering the options available to creditors and formulating our opinion and recommendation, we have necessarily made forecasts of asset realisations and total creditors' claims based on our best assessment in the circumstances. These forecasts and estimates may change as asset realisations progress and we receive creditor claims and consequently the outcome for creditors might differ from the information provided in this Report.

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

2.5 Declaration of independence, relevant relationships and indemnities

In accordance with Section 436DA of the Act and the Code, a DIRRI was enclosed with the Administrators' first communication to creditors (and tabled at the First Meeting).

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

There has been no change in the DIRRI since that time.

2.6 First Meeting of Creditors and Committee of Inspection

Section 436E of the Act requires the Administrators to convene the first meeting of creditors within eight business days of being appointed.

The concurrent First Meeting was held on Wednesday, 2 October 2024, at which the Administrators' appointment was confirmed.

Creditors resolved at the First Meeting to appoint a COI for BPD. Details of the members of the COI for BPD are set out in the table that follows. Creditors did not resolve to appoint a COI for BGFC.

Creditor	COI Member
SA Dairyfarmers Association	John Elferink
Global Life Sciences Australia Pty Ltd	Eve Langford-Smith
Beyond Borders Express Pty Ltd	Fanyang (David) Kong
MDR Family Trust (Fernleaf Farms)	John Hunt

During the voluntary administration there has been two update reports prepared for the COI of BPD, and two formal BPD COI meetings held with the minutes of the same lodged at ASIC, albeit limited in detail because the matters discussed were broadly confidential between the Administrators and the COI given commercial sensitivities surrounding the sale process. The Administrators also spoke with COI members individually on or around 26 November 2024 to communicate the Administrators decision to wind down the business operations.

Matters discussed and the resolutions passed by the COI of BPD are summarised in the following table:

Meeting date	Matters discussed	Resolution passed – in respect of BPD only
31 October 2024	<p>Update on the Administrators trading and operational activities including:</p> <ul style="list-style-type: none"> - Liaison with suppliers - Management of production - Management of employees - Ongoing cashflow forecasting <p>Progress of the sale campaign, including the outcome of the initial campaign which resulted in three NBIO's for the business as a going concern and nine offers for specific assets.</p> <p>Brief discussion of statutory matters attended to including preparation of affidavit to extend convening period and attendance at Court hearing to extend convening period.</p> <p>Approval of Administrators' remuneration for BPD for the period 20 September 2024 to 18 October 2024.</p>	<p><i>"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 28 October 2024, for the period from 20 September 2024 to 18 October 2024 be fixed in the amount of \$1,105,200.00, plus any applicable GST, and may be paid."</i></p>
11 December 2024	<p>Update since the announcement of an orderly wind down of the Companies' operations including redirection of milk supply to other processors (organised with assistance from SADA) and expected final production timeline.</p> <p>A potential DOCA proposal that is being worked on as well as appointment of Pickles to conduct an asset sale process.</p> <p>The extent of the Administrators' investigations into the Companies leading up to the appointment of the Administrators.</p> <p>Approval of Administrators' remuneration for BPD for the period 19 October 2024 to 29 November 2024.</p>	<p><i>"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 5 December 2024, for the period from 19 October 2024 to 29 November 2024 be fixed in the amount of \$894,292.00, plus any applicable GST, and may be paid."</i></p>

2.7 Second Meeting of Creditors

Based on the statutory timetable of a voluntary administration, the convening period of the Companies was due to expire on 28 October 2024.

Given the number of NBIOs received and the indicative timetable we proposed for the sale process, we made an application to the Federal Court of Australia (**Court**) for an extension of the convening period pursuant to Section 439A(6) and Section 447A(1) of the Act. The Court made several orders on 18 October 2024 including that the date by which the Administrators were required under Section 439A of the Act to convene the meeting of creditors for each of the Companies be extended to 28 February 2024.

As noted above, the Second Meeting has been convened to be held concurrently on **Friday, 21 February 2025 at 11:30am (ACDT)**.

At the Second Meeting, creditors of each of the Companies will decide the Companies' future by voting on one of the following options:

- that the Companies should execute a DOCA (should one be proposed); or
- that the voluntary administrations should end (in this case control of the Companies will revert to its Directors); or
- that the Companies should be wound up.

The Notice of Meeting of Creditors is attached (**Annexure C**) along with an appointment of proxy form (**Annexure G1**) and a committee of inspection nomination form (**Annexure G2**).

Creditors have the opportunity to adjourn the Second Meeting for up to a period of 45 business days should a reason arise that warrants such an adjournment. At the date of this Report the Administrators are not aware of any reason why the Second Meeting should be adjourned.

The Administrators intend to hold the Second Meeting of the Companies as a concurrent meeting.

We are using the Creditors' Portal to manage creditor claims. Creditors are required to register and submit a formal Proof of Debt form electronically via the Creditors' Portal at the following link <https://creditors.accountants/>. Creditors can find further guidance on how to register, submit and manage a claim at **Annexure F**.

A person is not entitled to vote at the Second Meeting unless they provide particulars of the debt or claim to the Administrators before the meeting. All creditors must furnish full details of their claims, indicating whether they rank as secured, preferential or unsecured, and whether they claim title to any goods supplied to the Companies or any lien over goods in their possession which are the property of the Companies.

All creditors are entitled to attend the Second Meeting. Creditors should review the contents of this Report and complete the following forms in respect of the Companies by **4:00pm on 20 February 2025**:

Form/ voting	Key notes / details	Where to submit
Appointment of proxy - form 532 (Annexure G1)	A copy of this form along with instructions on completing the form is provided at Annexure G1 . Please note a proxy form completed for the First Meeting is <u>not</u> valid for the Second Meeting.	Email: beston@kpmg.com.au
COI nomination form (Annexure G2)	A copy of this form along with instructions on completing the form is provided at Annexure G2	Email: beston@kpmg.com.au
Proof of Debt - form 535 (Annexure F)	Creditors are required to register and submit a formal Proof of Debt from electronically via the Creditors' Portal.	Via Creditors' Portal https://creditors.accountants/

Form/ voting	Key notes / details	Where to submit
	<p>If you have already lodged a Proof of Debt form and you do not wish to amend it then you do not need to lodge another Proof of Debt form for the Second Meeting.</p> <p>Creditors can find further guidance on how to register, submit and manage a claim at Annexure F</p>	
Voting at the meeting of creditors	<p>Creditors intending to vote on the resolutions raised during the Second Meeting are requested to submit their votes by lodging a completed 'Appointment of Proxy Form' (see above).</p> <p>A copy of this form along with instructions on completing the form is provided at Annexure G1</p>	Email: beston@kpmg.com.au

Should you wish to attend the Second Meeting, please click on the following link to register:

Registration Form - Beston Second Meeting of Creditors.

Once you have registered, we will receive notification of your interest to attend the meeting, and you will be emailed the meeting access link by 9:00am (ACDT) on 21 February 2025.

2.8 Remuneration

An administrator's remuneration can only be fixed by resolution of a COI, the Companies' creditors, or by application to the Court. In accordance with IPR 70-35 and the Code, an Initial Remuneration Notice was provided to creditors with our initial communication and tabled at the First Meeting.

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

At COI meetings held, the following remuneration was approved for **BPD only**:

Meeting date	Remuneration period	Amount approved (\$ ex GST)
31 October 2024	20 September – 18 October 2024	1,105,200.00
11 December 2024	19 October – 29 November 2024	894,292.00
Total – BPD only		1,999,492.00

To the date of this Report, the Administrators' have not drawn any of the approved remuneration for BPD.

No remuneration has been approved in relation to BGFC as at the date of this Report.

Please refer to our Remuneration Approval Request at **Annexure D** for further information regarding our remuneration request at the Second Meeting where we will be seeking approval for the following remuneration:

Remuneration period	BPD Amount (\$ ex GST)	BGFC Amount (\$ ex GST)
Remuneration previously approved by COI	1,999,492.00	Nil
Remuneration to be approved at the Second Meeting		
Voluntary Administration – 20 September 2024 to 7 February 2025	N/A	212,158.00
Voluntary Administration – 30 November 2024 to 7 February 2025	882,429.50	N/A
Voluntary Administration – 8 February 2025 to 21 February 2025	220,000.00	20,000.00
Remuneration to be approved – Voluntary Administration	1,102,429.50	232,158.00
Liquidation (if applicable) – 21 February 2025 to 30 June 2025	480,000.00	25,000.00
Estimated initial remuneration – Liquidation	480,000.00	25,000.00

2.9 Non-disclosure of certain information

There are sections of this Report where we have considered it inappropriate to disclose certain information to creditors. Such information includes:

- valuations of specific assets;
- valuation of the business;
- details of offers received during the sale process; and
- commercially sensitive prospective financial information (for example, projections / forecasts).

We recognise the need, so far as is possible, to provide creditors with complete disclosure of all necessary information relating to the Companies. However, we believe where information is commercially sensitive it is not in creditors' interests for us to disclose that information publicly at this stage.

Where necessary in this Report, we provide a combined figure for potential realisations of assets when comparing estimated dividends under the relevant options.

As a member of the COI represented a creditor who was involved in the sale of business campaign, information provided to COI members regarding the sale process was anonymised and kept brief so as to maintain the integrity of the process, while ensuring the COI was still informed.

All information provided to COI members was disclosed under the strict terms of the undertaking as to confidentiality that each member acknowledged prior to receiving such information given commercial sensitivities involved.

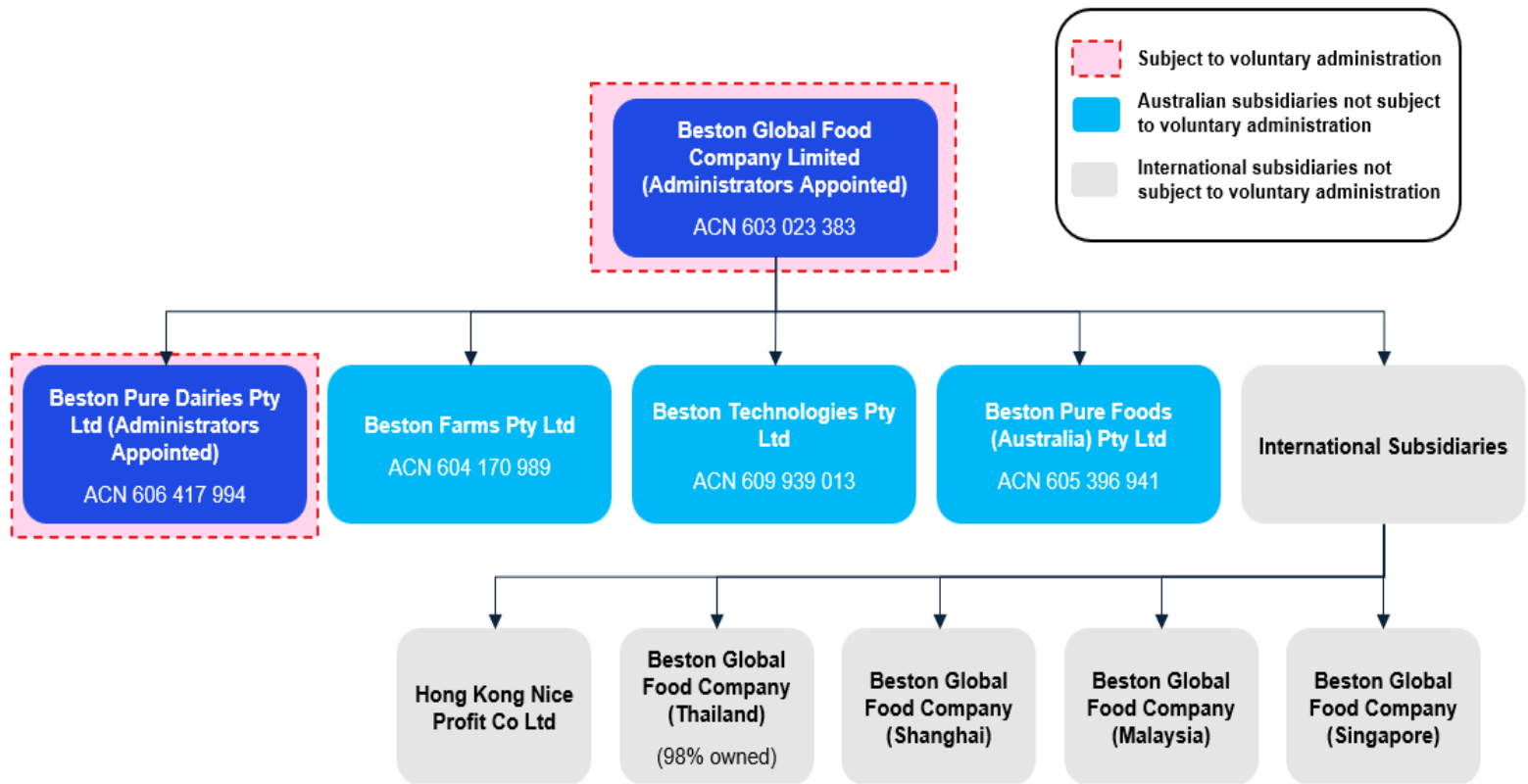
3 Company information

This section provides creditors with information on the history of the Companies and the circumstances leading up to the appointment of Administrators together with details of related entities including statutory information, and an overview of the operating businesses.

Key takeaways		Ref.
1	The Administrators were appointed to two entities of the Beston Group. BGFC is a listed holding company (ASX:BFC) and one of its subsidiaries is BPD which is the primary trading entity of the Group. There are a further eight subsidiaries (including five international subsidiaries) which are not subject to voluntary administration.	3.1
2	The Companies operated from two manufacturing facilities located in Murray Bridge and Jervois, South Australia, and both facilities are owned by BPD. BGFC leased office space in Wayville, South Australia, for certain of its executive staff and head office function.	3.2
3	The Companies' primary business is milk processing and dairy product manufacturing. We understand the other Group subsidiaries have limited assets and liabilities or functions (i.e. trading businesses) that are required for the operation of the Companies' primary business activities.	3.2

3.1 Group structure

The corporate structure of the Group as at 20 September 2024 is summarised below:



Key points to note in relation to the corporate structure are:

- Only two entities (BGFC and BPD) within the wider Beston Group are subject to voluntary administration. The remaining subsidiaries are all wholly owned by BGFC, with the exception of Beston Global Food (Thailand) Company Limited, which is 98% owned by BGFC.
- BGFC is listed on the Australian Securities Exchange (**ASX**). BGFC shares have been suspended from trading since 1 July 2024.
- BPD is the primary operating entity and asset owner, holding contracts with suppliers and customers and the majority of employment contracts.
- Until the appointment of the Administrators, Roger Sexton, Stephen Gerlach and Ian Campbell were the Directors of BGFC. Roger Sexton was the sole director of BPD. The Directors of BGFC all resigned from their positions on 22 November 2024.
- Based on information provided to us by former senior management and finance employees of the Companies, the other eight subsidiaries of BGFC (i.e. excluding BPD) have limited assets and liabilities or functions (i.e. trading businesses) that are required for the operation of the Companies' primary business activities.

A summary of the BPD and BGFC functions and operating activities is provided below:

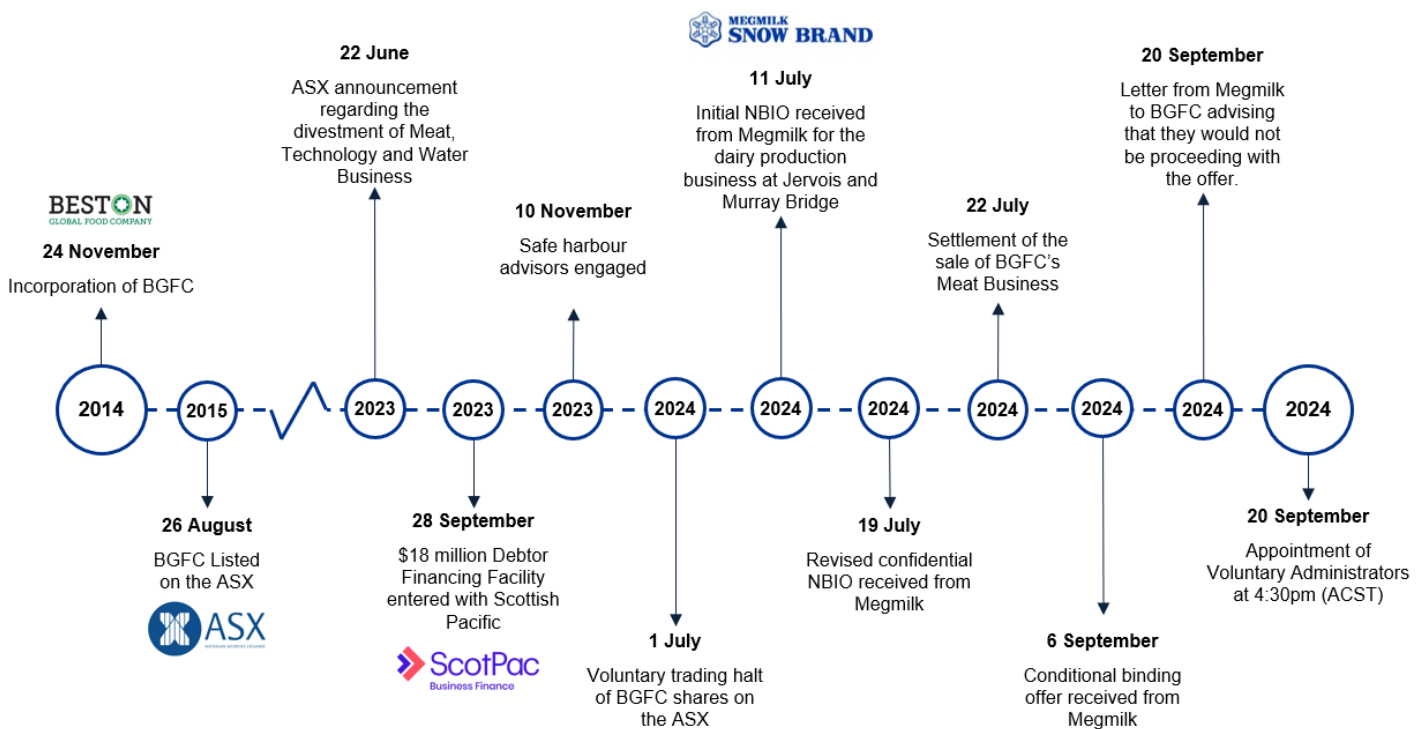
Entity	BGFC		BPD	
Listed entity	✓	Listed on the ASX since 26 August 2015	✗	Not listed but wholly owned by BGFC and part of the consolidated accounts of BGFC
Trading entity	✗	Held minimal assets and no separate trading operations	✓	Primary trading entity which produces the dairy products at two facilities located in Murray Bridge and Jervois, South Australia
Employing entity	✓	Employer of 7 staff, mainly senior executives and management at the Adelaide head office	✓	Employer of 149 staff (including 35 casuals) across two production facilities
Holder of P&E	✓	Office equipment and furniture at the head office; certain IT equipment (e.g. server)	✓	Owner of the real estate in Murray Bridge and Jervois along with all the fixed assets and P&E at these facilities
Holder of inventory	✗	Nil	✓	Owner of all finished goods and raw materials, significant storage capacity at Murray Bridge facility
Lessee of real property	✓	Leased head office located on Greenhill Road, Wayville, South Australia (being the outskirts of the Adelaide CBD)	✗	Nil
Supplier contracts	✗	Minimal; only key IT suppliers	✓	Contracting entity for trading operations; enters into the supply agreements with dairy farmers and other key suppliers supporting key business functions

3.2 The Beston Group's history and events leading up to the voluntary administration

BGFC was incorporated on 24 November 2014. On 26 August 2015, when BGFC was listed on the ASX, the IPO issued 363,241,052 shares to 1,824 shareholders. The original Directors of BGFC included Stephen Gerlach and Roger Sexton, both of whom remained as Directors as at the date of voluntary administration.

BPD was incorporated on 15 June 2015, the directors of BPD at incorporation included Stephen Gerlach, Roger Sexton and Petrina Coventry. Petrina Coventry ceased to act as a director in January 2022, and Stephen Gerlach ceased as director in June 2022. As at the date of our appointment, Roger Sexton was the sole director of BPD.

The below is a summary of key events for the approximate 12-month period leading up to the appointment of the Administrators to the Companies.



Further notable events (in addition to the above) are listed below:

Date	Event
15 June 2015	Incorporation of BPD.
2016-2017	Initial cheddar production commences at the Murray Bridge facility, milk processing capabilities enhanced and milk supply contracted.
2018	Completion of mozzarella and butter plant at Jervois before first sales in March 2018. Key supply contracts executed.
30 August 2018	GSA granted by BPD to NAB.
14 September 2018	Registration of commercial mortgages for Jervois and Murray Bridge properties between BPD and NAB.
18 July 2019	Master Asset Finance Agreement between BPD and NAB.

Date	Event
15 October 2020	Master Asset Finance Agreement between BGFC and NAB.
17 December 2020	Second Master Asset Finance Agreement between BGFC and NAB.
9 August 2021	GSA granted by BGFC to NAB.
25 August 2023	Announced to the ASX that the debt tender had been successful and resulted in \$70m in facilities to be made available from NAB and ScotPac.
28 September 2023	Formally agreed with ScotPac to the \$18m debtor finance facility to support the working capital position of the Companies.
24 November 2023	AGM Chairman's Address states "we have identified a number of options for corporate actions to help shareholders to realise value from what has been achieved to date and are currently looking to appoint corporate advisors to assist the Company in exploring these different options".
24 November 2023	BGFC Board request approval of an additional 10% placement facility by way of special resolution in accordance with listing rule 7.1A. The resolution failed.
27 November 2023	AQUA-Essence water business sale completed with all funds utilised to repay NAB debt. Further ASX announcement states "the Company is in the process of appointing corporate advisors to assist the Board and management in evaluating all of the options which have been identified and help steer the best path forward to realise value".
January 2024	NAB agreed to provide additional funds to the value of \$7.7m, increasing the overdraft limit from \$22.1m to \$29.8m. ASX announcement states "Beston has previously advised stakeholders (23 November 2023) of the appointment of a corporate advisor to assist the Board and Management in evaluating and acting upon various potential corporate actions arising from the ongoing changes in the Australian Dairy Industry".
28 February 2024	Fifth Amended and Restated Finance Agreement between NAB and the Companies was executed.
8 March 2024	Confidential NBIO received from Party 1 to acquire the plant and selected assets at the Jervois facility.
18 March 2024	The Directors sought KPMG's assistance as to the Companies contingency planning for a possible appointment of Voluntary Administrators.
13 May 2024	Confidential NBIO received from Party 2 to acquire BGFC, resolve outstanding bank loans, and provide a substantial working capital injection.
17 June 2024	Confidential NBIO received from Party 3 for the recapitalisation of the Beston Group.
21 June 2024	Confidential NBIO received from Party 4 for the recapitalisation of the Beston Group
12 July 2024	Party 5 (a confidential investment banking firm), who was engaged in discussions regarding the refinancing of the Companies' debt, informed the Directors of BGFC of their decision to withdraw from the refinancing process.

Date	Event
22 July 2024	Meat processing business sale completed with all funds (\$4m less transaction costs) utilised to repay NAB debt.
31 July 2024	Release of ASX announcement titled “Business Activities Update and Appendix 4C Report” which disclosed operating losses of \$14.3m and bank debt of \$67m for the year ending 30 June 2024.
21 August 2024	Confidential NBIO received from Party 6 for the purchase of the real estate located at Murray Bridge including the land, buildings and improvements, plant, equipment, and any other dairy business assets.
11 September 2024	Letter from BGFC to Megmilk indicating that the offer received was not capable of acceptance due to inconsistencies between the offer and the revised NBIO received on 19 July 2024. The letter advised that BGFC would be prepared to consider a binding offer which was more closely aligned with the terms of the revised NBIO.
20 September 2024	Megmilk advised of their decision to not move forward with their offer. The Directors resolved to appoint Administrators at 4:30pm (ACST) on the same day.

3.3 Business operations

The Companies were an accredited dairy processor and manufacturer based in South Australia and was a major contributor to the South Australian dairy industry, operating from two facilities. We understand that the Companies processed approximately 12% of South Australia’s milk supply, with capacity to process up to 30% of South Australia’s milk supply.

The majority of the Group’s operations were located in South Australia, in addition the Group has had a presence in Asian markets via subsidiaries located in Thailand, Malaysia, Singapore, Hong Kong, and China. These overseas subsidiaries were largely dormant by the time of our appointment as Administrators.

As at the date of our appointment, the Companies collectively employed 156 staff:

- BGFC employed 7 staff, all of which were based at the head office located in Wayville, South Australia; and
- BPD employed 149 staff located at the Murray Bridge and Jervois facilities.

The Jervois facility primarily produced mozzarella, lactoferrin (a dairy protein used in dietary supplements), butter and sweet whey powder. The Murray Bridge facility produced hard and cream cheeses. Additionally, the Murray Bridge facility housed packaging and inventory storage capacity.



Murray Bridge Facility



Jervois Facility

The Companies primarily operated under “take or pay” milk supply agreements with numerous dairy farmers located throughout South Australia and into southwestern Victoria. BPD, as the main operating entity, was the entity responsible for entering into these agreements with suppliers. The supply agreements stipulated that BPD agreed to purchase milk from farmers at an agreed volume at a fixed minimum price on a monthly basis. The “take or pay” element of the agreement provided protection for farmers, by imposing a penalty payable by BPD for not accepting the minimum volume agreed.

3.4 Statutory information

Statutory information in respect of each of the Companies extracted from ASIC’s national database at the time of our appointment is contained in **Annexure A**:

- incorporation date
- registered office address
- principal place of business address
- company officers
- shareholders

Provided below is a list of the 10 largest registered shareholders of BGFC as at 26 April 2024:

Registered Owner	Shares held	Fully paid	% Issued Capital
Hishenk Pty Ltd	136,000,000	Yes	6.81
HSBC Custody Nominees (Australia) Limited	128,499,238	Yes	6.43
BNP Paribas Noms Pty Ltd	78,216,194	Yes	3.92
Kunteng Pte Ltd	64,051,111	Yes	3.21
Mr Paul Ainsworth	56,000,000	Yes	2.80
BNP Paribas Nominees Pty Ltd	54,998,463	Yes	2.75
Australia Aulong Auniu Wang Food Holdings Pty Ltd	54,449,834	Yes	2.73
Kijomi Holdings Pty Ltd	43,196,286	Yes	2.16
Willoughby Capital Pty Ltd	36,500,000	Yes	1.83
Citicorp Nominees Pty Limited	32,868,768	Yes	1.65
Balance of Holdings (i.e. all other shareholdings)	1,312,266,998	Yes	65.71
Total	1,997,046,892		100%

Source: Share Register Extracted on 26 April 2024

3.5 Registered security interests

The PPSR disclosed that six parties held 18 registered security interests for BGFC and 37 parties held 150 registered security interests for BPD at the date of the Administrators appointment. We understand that the majority of the security interests related to financed motor vehicles, financed equipment or the supply of inventory.

Details of the security interest holders are set out below:

BGFC:

Collateral Class	Creditor	Number of Registrations
All PAAP	NAB, ScotPac	2
Motor vehicles	Smartavait Technologies Pty Ltd	4
Other goods	Various	12
Total		18

Source: PPSR searches undertaken on 20 September 2024

BPD:

Collateral Class	Creditor	Number of Registrations
All PAAP	NAB, ScotPac	2
All PAAP with exception	NAB	1
Account	ScotPac	2
Motor vehicles	Various	7
General Intangibles	Citibank	1
Other goods	Various	137
Total		150

Source: PPSR searches undertaken on 20 September 2024

NAB and ScotPac each hold security interests over the whole or substantially the whole of the property of the Companies.

The Administrators have completed their detailed assessment of the registered security interests above, as well as any further PPSA claims that have been lodged since appointment. However, it is noted that there are certain PPSA claims still being dealt with by the Administrators, marked as “Currently being assessed” in the tables below, which summarise the Administrators’ review of the PPSR registrations and security interest claims:

BGFC:

Status	Number of Registrations
Valid	5
Currently being assessed	Nil
No response or unperfected	1
Discharged or to be discharged	12
Total	18

Source: PPSR searches undertaken on 20 September 2024; KPMG analysis

BPD:

Status	Number of Registrations
Valid	27
Currently being assessed	3
No response or unperfected	5
Discharged or to be discharged	115
Total	150

Source: PPSR searches undertaken on 20 September 2024; KPMG analysis

Further details of the registered security interests are available at **Annexure A** or can be provided to creditors on request.

3.6 Winding up applications

At the date of our appointment, there were no winding up applications against the Companies.

4 Historical financial position and performance

This section provides a summary of the financial performance and position of the Companies during the period from FY21 through to HY24.

Key takeaways		Ref.
1	The Group prepared audited consolidated financial statements which has formed the basis of our review.	4.1
2	The Group's cost of sales and operational expenses increased throughout the period of review.	4.2
3	The Group's net asset position deteriorated from \$75.9m at 30 June 2021 to \$14m by 31 December 2023 due to the erosion in equity value by virtue of accumulated losses and the disposal of non-core assets where proceeds were used to funding working capital and repay senior debt.	4.3

4.1 Preparation of financial statements

The Group's financial statements were prepared on a consolidated basis and as at our appointment as Administrators had been audited up to 31 December 2023. EY has audited the financial statements since BGFC was listed in 2015.

On 1 March 2024, audited financials for the half year to 31 December 2023 were released on the ASX website. EY gave an unqualified opinion for each of the financial statements audited in each of FY21, FY22, FY23 and for the period HY24. However, EY flagged material uncertainty relating to the Group's ability to continue as a going concern in each of the FY22, FY23, and HY24 reports.

Additionally, the Administrators have been provided with unaudited and unreconciled management accounts for FY24 containing profit and loss for both BGFC and BPD, as well as a profit and loss for BPD only for the months of July and August 2024. In terms of balance sheet in the unreconciled management accounts, there is a monthly balance sheet to 30 June 2024, however, no monthly balance sheets are available for BGFC.

For the purpose of our analysis in this Report, we have focussed on the Group's audited financial statements separately to the management accounts as:

- There are inconsistencies between the preparation of management accounts and audited financial statements. This is not uncommon given the management accounts are ordinarily prepared for different purposes and stakeholders and on an entity-by-entity basis.
- Whilst Management prepared monthly managements accounts for each of BGFC and BPD up to June 2024 (with a profit and loss for BPD for July 2024 and August 2024), the monthly management accounts have not been audited or reconciled and are not directly comparable to the audited financial statements which contain year-end and consolidation adjustments.

Sections 4.4 and 4.5 provide an overview of the management accounts for BPD. We have not received complete management accounts for BGFC and note that minimal trading activity is recorded within this entity. The analysis focuses on BPD, as it represents the core business unit of the Group and holds the majority of the Group's assets.

We reiterate that the below analysis considers consolidated financial statements for the Group (which includes other subsidiaries not subject to the voluntary administration), and not the individual position and performance of the Companies except in relation to management accounts. It is appropriate to consider the Companies' historical financial information on a consolidated basis given that the respective Companies' operations were interdependent and practically operated as one business. However, whilst the balance of the subsidiaries at appointment were dormant, we do note that the water business and meat business (i.e. PFG) were sold in FY24 and did form part of the Companies' business up to the date of their respective sales.

Please refer to **Section 9** of this Report for our estimate of the realisable values (**ERV**) of the respective Companies' assets and the Administrators' estimate of returns to creditors for each of the Companies.

4.2 Summary profit and loss

A summary of the Group's profit and loss statements is presented below:

Beston Group Consolidated Profit and Loss				
\$'000s	FY21	FY22	FY23	HY24
Revenue from Sale of Goods	112,420	126,771	169,538	81,035
Cost of sales of goods	(110,641)	(117,288)	(143,266)	(73,074)
Gross profit / (loss)	1,779	9,483	26,272	7,961
Gross profit margin (%)	1.6%	7.5%	15.5%	9.8%
Other operating revenue	48	36	37	18
Other operating expenses	(26,668)	(29,432)	(34,446)	(18,171)
Loss from operations	(24,841)	(19,913)	(8,137)	(10,192)
Other Income	826	90	323	8
Other Expenses	(4,559)	-	-	(1,092)
Finance Income/(Expense)	(686)	(1,115)	(3,826)	(2,872)
Loss before income tax	(29,260)	(20,938)	(11,640)	(14,148)
Income tax benefit/(expense)	7,389	2,998	(29,795)	(22)
Loss after income tax	(21,871)	(17,940)	(41,435)	(14,170)
Loss from discontinued operations	-	(3,786)	(6,056)	(4,613)
Other comprehensive income/(expense)	537	(21)	36	(3)
Total comprehensive loss for the period	(21,334)	(21,747)	(47,455)	(18,786)

Source: Group Annual Reports and Half Yearly Report

Key observations:

- Revenue increased from FY21 to FY23 and remained strong in the 6 months to 31 December 2023 (based on annualised basis HY24 revenue). The Group's annual reports note that increases in revenue were attributable to factors including inflation and output price increases, improving manufacturing stability, and an improving product mix resulting in the Group's business growing in South Australia.
- Employee costs and farmer payments made up a material portion of the Group's cost of sales in each period. During FY23 there was a 22% year-on-year increase in cost of sales, and a 17% increase in other operating expenses. The Group noted that milk prices reached their highest ever weighted average price of \$9.48/kg MS in the same year. Higher operational expenses in the same period were due to worsening economic conditions, increasing input costs such as electricity, natural gas, insurance, and chemicals.
- Revenue in FY23 improved materially from FY22, increasing year on year by 33.7% (\$42.8m). The increase in revenue has negated the rising cost of sales ultimately resulting in a peak gross profit margin of 15.5%. The Companies attributed the strong revenue growth to an improved product mix and greater manufacturing stability.
- Gross profit margins fluctuated between 1.6% and 15.5% given the cost of sales pressures discussed above. Further, the Group was unable to generate an operating profit albeit the size of its operating losses was reducing from FY21 to FY23. In the period HY24, the operating loss deteriorated materially as a result of higher than expected milk intake (due to favourable milk supply weather conditions) and the high milk prices, as well as other high operational expenses.

- As the Group acquired more debt in FY22 and FY23, net finance expenses (i.e. interest) increased by 243% in FY23.
- There was a material increase to the Group's loss after tax for FY23 as a result of a \$29.8m tax expense. This expense was the result of a derecognition of the deferred tax assets of the Group. This is further discussed at **Section 4.3**.

4.3 Summary balance sheet

An overview of the Group's balance sheet is presented below:

Beston Group Consolidated Balance sheet				
\$'000s	30 June 2021	30 June 2022	30 June 2023	31 December 2023
Assets				
Current Assets				
Cash and cash equivalent	922	322	230	244
Trade and other receivables	16,731	16,660	20,896	18,138
Prepayments	2,021	2,209	1,209	3,096
Inventories	18,874	18,117	18,397	28,454
Investments	1,200	-	-	-
Assets held for sale	-	-	12,821	7,890
Non-Current Assets				
Receivables	150	150	-	-
Right-of-use assets	155	21	630	554
Property, plant and equipment	55,543	57,192	48,878	50,573
Deferred tax assets	27,506	31,801	-	-
Intangible assets	7,081	5,071	1,195	58
Total Assets	130,183	131,543	104,256	109,007
Liabilities				
Current Liabilities				
Trade and other payables	(18,439)	(17,896)	(20,607)	(26,655)
Unearned Revenue	-	-	(348)	(232)
Financial liabilities	(1,529)	(24,292)	(20,619)	(62,007)
Employee benefit obligations	(789)	(1,256)	(1,359)	(1,445)
Provision for income tax	-	-	-	(22)
Liabilities re assets for sale	-	-	(3,467)	(3,155)
Non - Current Liabilities				
Financial liabilities	(31,709)	(31,762)	(24,404)	(1,323)
Employee benefit obligations	(110)	(184)	(68)	(137)
Deferred tax liabilities	(1,713)	(2,006)	-	-
Total Liabilities	(54,289)	(77,396)	(70,872)	(94,976)
Net Assets	75,894	54,147	33,384	14,031
Equity				
Contributed equity	174,636	176,580	203,272	203,272
Other reserves	(6,411)	(8,376)	(8,340)	(8,343)
Accumulated losses	(91,533)	(113,258)	(162,115)	(180,898)
Non-controlling interests	(798)	(799)	567	-
Total Equity	75,894	54,147	33,384	14,031

Source: Group Annual Reports and Half Yearly Report

Key observations:

- The Group's net asset position deteriorated from \$75.9m at 30 June 2021 to \$14.0m by 31 December 2023. Accumulated losses doubling over that period to \$180m by 31 December 2023 was a significant factor.
- The working capital of the Group fluctuated throughout the review period due to factors including increasing inventory, debtors and creditors over the period.
- In the 18 months from 1 July 2022 to 31 December 2023, trade and other payables balance increased by \$8.8m, indicating cashflow constraints, including \$6m alone during the 6 months to 31 December 2023.
- In the 12 months to 30 June 2022, the financial liabilities of the Group increased by c.\$23m (or 68.6%), made up of a \$11.2m NAB term loan, a \$3m increase in NAB overdraft balance and \$7.5m debtor finance facility.
- \$23.4m was raised in FY23 in a share offering which was used to repay \$17.5m of principal debt. There was, however, a \$6.8m increase in the NAB overdraft and \$1m from the debtor finance facility. The Group continued to rely on borrowings to support ongoing trading losses.
- By 31 December 2023, facilities with NAB and ScotPac began to mature (i.e. \$62.0m was now due in the next 12 months).
- A further material change in the Group's asset base occurred in FY23 with the derecognition of the deferred tax assets of the Group. The rationale for the decision to derecognise the deferred tax assets is provided in the 2023 Annual Report as follows: "In FY23, due to challenging macro-economic conditions and inflationary cost pressures impacting on utilities (gas, electricity, chemicals) and insurance costs, as well as industry challenges impacting milk supply and consequently milk costs, the Company has reassessed and revised downwards its short to medium forecasts. As a result, the Company considers that it is less likely that sufficient future taxable income will be generated to support the recoverability of the deferred tax asset (OTA) that has been recognised, within the next 5 years in line with Company policy. The DTA therefore has been de-recognised, with the booked DTA being limited to the extent of available deferred tax liabilities (DTL)."
- In FY23 and HY24, the Group decided to divest non-core businesses, including its meat, technology and water businesses. Consequently, \$10.4m of property, plant, and equipment was reclassified as Assets Held for Sale, with AQUA-Essence being sold in the 6 months to 31 December 2023 (and PFG selling after 31 December 2023).

4.4 Summary cashflow statement

A summary of the Group's statement of cashflows is presented below:

Beston Group Consolidated Cashflow Statement				
\$'000s	FY21	FY22	FY23	HY24
Cash flows from operating activities				
Receipts from customers	107,389	139,143	178,065	88,012
Payments to suppliers and employees	(138,042)	(157,756)	(183,823)	(99,705)
Interest received	4	-	-	-
Interest paid	(622)	(1,209)	(4,157)	(2,735)
Net cash inflows/(outflows) from operating activities	(31,271)	(19,822)	(9,915)	(14,428)
Cash flows from investing activities				
Payments for PP&E	(16,244)	(5,202)	(6,032)	(4,009)
Payments for intangibles	(315)	(616)	(732)	-
Proceeds on disposal of PP&E (net of costs)	-	-	-	538
Proceeds on disposal of Seafood Assets (net of costs)	-	1,200	-	-
Proceeds on disposal of Dairy Farms (net of costs)	39,004	-	-	-
Proceeds on disposal of livestock	280	-	-	-
Net cash inflows/(outflows) from investing activities	22,725	(4,618)	(6,764)	(3,471)
Cash flows from financing activities				
Proceeds from the issue of shares	15,299	-	26,397	-
Proceeds from borrowings	4,105	23,060	7,896	20,510
Repayment of borrowings	(20,517)	(244)	(17,497)	(2,202)
Payment of lease liabilities	156	134	(442)	(96)
Proceeds from government grants	-	900	80	-
Transaction costs related to loans and borrowings	-	-	-	(290)
Cash inflows/(outflows) from financing activities	(957)	23,850	16,433	17,922
Net increase/(decrease) in cash and cash equivalents	(9,503)	(590)	(246)	23
Cash and cash equivalents at the beginning of the period	10,556	922	322	248
Net foreign exchange differences	(131)	(10)	172	42
Cash and cash equivalents at the end of period	922	322	248	313

Source: Group Annual Reports

Key observations:

- The Group never generated cash from operations in the review period consistent with the trading losses discussed at **Section 4.1**. There was a significant increase in the operating cash outflows in the 6 months to 31 December 2023 with a cashflow deficit approximately 50% higher than the full year operating cash loss for FY23.
- Operating cash outflows have been offset in the review period by the following divestments and financing activities:
 - \$54m cash inflow in FY21:
 - The Group disposed of its farming assets on 31 August 2020 for net proceeds of \$39m (which was used to repay senior debt).
 - \$15.3m from a share capital raise which was to be used to fund an acceleration of the lactoferrin production business.
 - \$23m cash inflow in FY22 - borrowings in FY22 of \$23m (as discussed in the commentary in **Section 4.3**),

- \$26.4m cash inflow in FY23 – from a share capital raise albeit net \$10m was largely used to reduce senior debt. In addition to reducing senior debt the Group sought to also use the funds to invest in a third lactoferrin extraction column as well as implement several operational improvements.
- \$20.5m cash inflow in HY24 – borrowing increases including \$11.3m in relation to the bank overdraft and \$5m from the ScotPac debtor financing facility.

4.5 Management Accounts – BPD

4.5.1 Profit and Loss

A summary of BPD's profit and loss statements contained in the management accounts is presented below:

BPD - Profit and Loss								
\$'000s	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
Revenue	17,809	12,953	15,883	13,495	19,649	9,594	13,603	5,627
Cost of sales of goods	(18,843)	(12,840)	(16,290)	(12,781)	(19,036)	(11,290)	(12,625)	(5,892)
Gross profit / (loss)	(1,033)	113	(407)	715	614	(1,696)	978	(265)
Gross profit margin (%)	-5.80%	0.87%	-2.56%	5.30%	3.12%	-17.68%	7.19%	-4.70%
Other operating revenue	-	-	-	-	-	-	-	-
Other operating expenses	(1,826)	(1,998)	(1,845)	(1,898)	(2,124)	(2,503)	(1,726)	(1,655)
Loss from operations	(2,860)	(1,885)	(2,252)	(1,183)	(1,511)	(4,199)	(748)	(1,920)
Other Income	3	3	13	3	78	3	10	3
Other Expenses	-	-	-	-	-	-	-	-
Finance Income/(Expense)	(527)	(614)	(664)	(639)	(783)	(699)	(587)	(540)
Total loss for the period	(3,384)	(2,496)	(2,903)	(1,819)	(2,215)	(4,895)	(1,325)	(2,458)

Source: BPD Management Accounts

Key observations:

- Consistent operating losses were incurred each month from 1 January 2024 through until 31 August 2024 totalling \$16.6m, which increased to \$21.5m after finance expenses (related to the BPD's borrowings).
- August 2024 saw a significant decrease in revenue as well as cost of goods sold, indicating production slowed significantly during the month. Milk supply to BPD significantly reduced from 1 July 2024 as the major milk supplier, Aurora Dairies, withdrew its supply to BPD.
- The gross loss for the 6 months to June 2024 was \$1.7m. This is due to high input costs, particularly milk prices and obligation to accept milk supplied under "take or pay" contracts. It meant BPD was not able to generate revenue to cover cost of goods sold, let alone fixed and other operating costs. BPD therefore was reliant on debt funding and indulgence of unsecured creditors, in particular from farmers whose debts were approximately \$11.6m at the time of the Administrators' appointment.

4.5.2 Balance Sheet

A summary of BPD's balance sheet contained in the management accounts is presented below:

BPD - Balance Sheet						
\$'000s	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Assets						
Current Assets						
Cash and cash equivalents	201	123	123	(474)	1,054	1,055
Trade and other receivables	16,347	15,050	17,363	15,683	16,812	8,172
Prepayments	407	373	338	328	573	421
Inventories	26,987	26,088	22,420	23,282	16,001	16,224
Total Current Assets	43,942	41,634	40,243	38,819	34,439	25,872
Non-Current Assets						
Property, plant and equipment	50,417	50,210	49,901	49,598	49,346	49,024
Intangible assets	30	24	19	13	7	4
Total Non-Current Assets	50,447	50,235	49,919	49,611	49,353	49,028
Total Assets	94,389	91,869	90,162	88,431	83,792	74,900
Liabilities						
Current Liabilities						
Trade and other payables	(22,764)	(20,613)	(20,472)	(23,569)	(22,803)	(22,660)
Unearned Revenue	-	-	-	-	-	(137)
Financial liabilities	(58,327)	(61,093)	(63,178)	(61,882)	(61,974)	(59,459)
Employee benefit obligations	(1,511)	(1,495)	(1,465)	(1,263)	(1,507)	(1,394)
Goods received not invoiced	63	73	19	6	5	35
GST	1,512	1,091	1,125	1,138	1,188	1,018
Milk Purchase Price Variance	(3,417)	(2,860)	(2,161)	(1,143)	290	-
Total Current Liabilities	(84,443)	(84,896)	(86,133)	(86,714)	(84,801)	(82,597)
Non - Current Liabilities						
Accrued Liabilities	(2,123)	(2,325)	(2,548)	(3,025)	(3,150)	(2,078)
Provision for stock loss	(67)	(67)	(67)	(70)	(95)	(151)
Provision for doubtful debts	(10)	(10)	-	-	(116)	(116)
Intercompany Loan - BGFC	(67,181)	(66,502)	(66,249)	(65,276)	(64,499)	(63,722)
Total Non-Current Liabilities	(69,380)	(68,903)	(68,864)	(68,370)	(67,860)	(66,067)
Total Liabilities	(153,824)	(153,799)	(154,997)	(155,084)	(152,661)	(148,664)
Net Assets	(59,435)	(61,931)	(64,834)	(66,653)	(68,869)	(73,764)
Equity						
Contributed equity	0.002	0.002	0.002	0.002	0.002	0.002
Accumulated losses	(59,435)	(61,931)	(64,834)	(66,653)	(68,869)	(73,764)
Total Equity	(59,435)	(61,931)	(64,834)	(66,653)	(68,869)	(73,764)

Source: BPD Management Accounts

Key observations:

- Material decreases in debtor balance and inventory balance over the period 1 January 2024 to 30 June 2024 of \$8.2m (or 50%) and \$10.8m (or 40%), yet trade and other payables balance effectively remained the same at \$22.7m, indicating dilution of working capital as debtors and inventory being utilised to reduce the debtor finance facility and to fund trading losses.
- The deficiency of current assets to current liabilities in each month is as a result of the secured debts being classified as current (ie payable within 12 months) consistent with the expiry of those facilities. BPD otherwise would have had sufficient current assets to meet current liabilities based on the management accounts.

- Significant intercompany loan due to BGFC inflated net asset deficit. If the BGFC loan is disregarded, BPD was in a net asset deficit in April 2024 and at all times thereafter. BPD had limited (if any) ability to repay the intercompany loan to BGFC given its poor financial performance and position. The loan arose through BGFC equity raises being directed to BPD as the operating entity and asset owner, however, a further equity raise was not an option in the circumstances of the financial position of the Companies, noting BGFC's attempt to raise equity at the 24 November 2023 AGM by seeking approval of an additional 10% placement facility by way of special resolution, was defeated.
- The cash balance increased by \$1.5m in May 2024 and was maintained in June 2024, primarily due to a \$1 million increase in cash reserves within the debtor finance facility. Given the financier controlled this bank account pursuant to its facility arrangements and security, this cash amount was not necessarily "free cash" available for withdrawal by BPD.
- Trade payables from January to June 2024 showed minor fluctuations. Despite this, the overdraft facility balance rose from \$26.2m to \$28.8m due to insufficient cashflows being generated from operations.

5 Report on company activities and property and Directors' reasons for failure

This section provides a summary of the report on company activities and property submitted by the Directors, together with the Directors' explanation for the failure of the Companies.

Key takeaways		Ref.
1	Section 438B of the Act requires the Directors to give an administrator a ROCAP about each of the Companies. We received the ROCAPs from each of the Directors on 26 September 2024, 3 October 2024 and 10 October 2024.	5.1
2	The Directors have estimated a net asset surplus of \$36.2m; however, several items were omitted from the ROCAPs received such as the senior secured debts owed to each of NAB and ScotPac at appointment which were in excess of \$55m (refer to Section 5.2)	5.1
3	The Directors attributed the failure of the Companies to high operating costs, uncompetitive milk supply contracts, underperformance of key products, and several unsuccessful restructuring attempts	5.3

5.1 Report on company activities and property

Section 438B of the Act requires the Directors to give an administrator a ROCAP about each of the Companies business, property, affairs and financial circumstances.

We received a ROCAP for BGFC from Roger Sexton, Ian Campbell, and Stephen Gerlach on 26 September 2024, 3 October 2024, and 10 October 2024 respectively. The ROCAPs contained the same financial information from all three Directors.

We received a ROCAP for BPD from Roger Sexton on 26 September 2024.

In the ROCAPs, the Directors detailed the Companies' assets and liabilities at book value and ERV.

The Administrators have not audited the Companies' records or the book values. The below schedule should therefore not be used to determine the likely return to creditors as a number of realisable values are based on the Companies' records and remain subject to the review of the Administrators and, in particular:

- the Administrators are not in a position to confirm certain asset values as they are commercially sensitive to ongoing negotiations and therefore cannot be disclosed in this Report;
- the value of creditor claims remains subject to change as further claims may be received and all claims still require adjudication; and
- the table below does not provide for possible trading losses or professional costs associated with the voluntary administration process.

Further detail on the estimated return to creditors from the voluntary administration is contained in **Section 9**.

The following table summarises the assets and liabilities disclosed in the Directors' ROCAP(s):

\$000s	Ref	BGFC	BPD	Total
Assets				
Cash at bank	5.1.1	-	-	-
Debtors	5.1.2	52	6,539	6,591
Inventory	5.1.3	-	-	-
Plant and equipment	5.1.4	654	43,838	44,492
Other assets	5.1.5	-	3,428	3,428
Total assets		706	53,805	54,511
Liabilities				
Secured creditors	5.1.6	-	-	-
Employees claims	5.1.7	(219)	(1,665)	(1,884)
PMSI claims	5.1.8	-	-	-
Unsecured trade creditors	5.1.9	(253)	(16,139)	(16,392)
Statutory Creditors	5.1.9	(126)	-	(126)
Total liabilities		(598)	(17,804)	(18,402)

Notes

5.1.1 Cash

While no cash balances were reported in the Directors' ROCAP, the Administrators' have obtained copies of bank statements relating to bank accounts maintained by the Companies.

BGFC held one bank account which had a positive balance of \$2,036 as at the date of appointment.

BPD held two bank accounts with NAB, one of which held a nil balance at appointment, while the second account had a considerable overdraft balance in excess of \$29m. As such, there is no cash available for the voluntary administration.

Cash (\$000s)	BGFC	BPD	Total
ROCAP	-	-	-
Administrators' ERV	2	-	2

Immediately upon appointment, the Administrators issued bank freeze letters. To date, we have not received notice of any further accounts held with any other banks.

5.1.2 Debtors

The ROCAPs disclose the following outstanding debtors as at 20 September 2024:

Debtors (\$000s)	BGFC	BPD	Total
ROCAP	52	6,539	6,591
Administrators' ERV	52	5,534	5,586

BGFC

Prior to our appointment BGFC had issued an invoice to PFG totalling c. \$51k for transitional services and utility costs. This amount was received into BGFC's pre-appointment bank account on 23 September 2024 and was subsequently transferred to the Administrators' bank account.

As detailed at **Section 4.5.2**, BPD's management accounts detail a loan due from BPD to BGFC of \$63.7m at 31 August 2024. Any return in relation to this debt will be subject to a dividend being paid to unsecured creditors in the liquidation of BPD. A dividend to unsecured creditors of BPD (or BGFC) will be subject to liquidators' recoveries (see **Section 9**).

BPD

BPD's outstanding debtor book was \$6.5m at appointment. This included certain bad debts and debtors subject to valid counterclaims in the amount of \$1.3m. As such, we understand there were collectable debtors of \$5.2m at appointment. This amount is included in our Administrators' ERV above.

As discussed at **Section 5.1.6** below, BPD held a debtor finance facility with ScotPac. The terms of this debtor finance facility arrangement meant that all BPD's invoices were to be paid to a bank account held in the name of ScotPac which BPD did not control. Following our appointment, ScotPac required that debtors continued to pay their outstanding amounts into this account until such time as the debtor finance facility, other ScotPac equipment facilities and early termination charges were repaid in full. This total debt was \$3.4m. A summary of the ScotPac's debt repaid from BPD's pre-appointment debtor balance is set out at **Section 5.1.6** below.

Once ScotPac's debt was repaid in full in late October 2024, ScotPac began remitting surplus pre-appointment debtor receipts to the Administrators' bank account.

To date, the Administrators have received \$1.4m. There are no further pre-appointment debtor invoices outstanding.

As at the date of this Report, we are waiting to receive from ScotPac a detailed reconciliation which sets out the total pre-appointment debtors that they have collected and all debts, fees, interest and charges paid to ScotPac from these collections in order to understand any residual debtors that may be available to the voluntary administration. We currently understand that ScotPac may be holding circa \$400k in this regard.

In addition to the \$1.4m received from ScotPac, the Administrators have also received \$339k from the ATO for the BAS period 1 September 2024 to 20 September 2024.

As such, the total pre-appointment debtors collected by the BPD Administrators since their appointment is \$1.7m with a further \$400k that may be recoverable from ScotPac once their detailed reconciliation is provided.

5.1.3 Inventory

No inventory value was disclosed in the Directors' ROCAP. The Administrators' ERV has been withheld due to ongoing realisation of remaining inventories is commercially sensitive.

Inventory (\$000s)	BGFC	BPD	Total
ROCAP	-	-	-
Administrators' ERV	-	Commercially Sensitive	Commercially Sensitive

BGFC is not a trading entity and did not hold any inventory at appointment.

BPD was the main trading entity and, as such, held all dairy inventory, raw materials and packaging in its accounts at appointment. There was 1.1k Tonnes of total dairy inventory at appointment with book value of \$6.7m.

Whilst we have a listing of raw materials and packaging at appointment, BPD has been unable to provide us with the book value, hence the reason raw materials and packaging is excluded in the table above.

As at the date of this report, all pre-appointment dairy inventory has now been realised by the Administrators through the course of ordinary trading and specific asset sales. We estimate that the total amount realised for the inventory available at appointment is approximately \$5.74m.

Any dairy inventory produced by the Administrators during the course of the voluntary administration has also been sold by the Administrators. Realisations from this post appointment dairy inventory are set out in our trading receipts and payments at **Section 6.4.6**. At the date of the Report, there is a small amount of lactoferrin still to be produced and sold by the Administrators which we expect to be completed by no later than 31 March 2025.

5.1.4 Plant & equipment

Plant and equipment consists of processing plant and equipment, office furniture and equipment and motor vehicles.

Plant and Equipment (\$'000s)	BGFC	BPD	Total
ROCAP	654	43,838	44,492
Administrators' ERV	Commercially Sensitive	Commercially Sensitive	Commercially Sensitive

A breakdown of the plant and equipment assets owned by each entity as disclosed by the Directors is displayed in the table below:

Plant and Equipment	\$'000s
BGFC	
Office Equipment	192
Capitalised Improvements	462
Total - BGFC	654
BPD	
Manufacturing and Processing Equipment	43,228
Office Equipment	275
Motor Vehicles	335
Total - BPD	43,838

BGFC plant and equipment consisted of office equipment and capitalised improvements at the leased head office at 83 Greenhill Road, Wayville. The landlord has advised of a claim in respect of the freehold improvements as part of their lease which the Administrators dispute. We are in dialogue with the landlord to resolve the lease and any claims the landlord may purport including against a bank guarantee they hold.

Upon appointment, the Administrators engaged Pickles to complete a valuation of the plant and equipment at the Murray Bridge and Jervois facilities as well as at the head office at Wayville. The Administrators have utilised this valuation in order to compare against offers received during the voluntary administration.

As at the date of this Report (and as discussed at **Section 6.3**), we have accepted aggregate offers for the sale of \$12.98m of BPD plant and equipment located at the Murray Bridge and Jervois facilities. Our agent Pickles is continuing to progress the sale processes for the remaining plant and equipment that has not been sold to date.

We note that certain plant and equipment at the Murray Bridge facility has been included in an asset sale agreement which is not captured in the aggregate offers above, please refer to **Section 6.3** for further details.

Due to the ongoing Pickles sale process (including the confidential Murray Bridge sale), the Administrators are not able to disclose their ERV for all remaining plant and equipment that has not been sold.

5.1.5 Other assets

Other Assets in the ROCAP were represented by the real property (land and buildings) owned by BPD located at Murray Bridge and Jervois. The ROCAP amount received from the Directors for the land and buildings was extracted from the fixed asset register and we understand is reflective of the cost price of the land.

Other Assets (\$000s)	BGFC	BPD	Total
ROCAP	-	3,428	3,428
Administrators' ERV	Commercially Sensitive	Commercially Sensitive	Commercially Sensitive

Land and buildings

The land and buildings owned by BPD relate to the two dairy processing facilities at each of Murray Bridge and Jervois. There are also certain smaller agricultural parcels of land surrounding the Jervois processing facility. A summary of all the land and buildings owned by BPD by is set out as follows:

Property	Number of Certificates of Title	Area (Ha)
Murray Bridge Facility at 128-130 Maurice Road, Murray Bridge	4	4.29
Jervois facility at 2571 Jervois Road, Jervois and various other land parcels in Jervois	8	82.45

Upon appointment, the Administrators engaged Jones Lang LaSalle (**JLL**) to complete a valuation of the land and buildings at Murray Bridge and Jervois.

As discussed at **Section 6.3** below:

- The Murray Bridge land and buildings as well as certain processing plant and equipment is currently subject to a sale agreement with a third party. We are unable to disclose the purchase price or other contractual terms in relation to this sale for reasons of confidentiality. Settlement is expected on or around 31 March 2025.
- The Administrators sought marketing submissions in relation to the sale of the Jervois facility and surrounding agricultural land. A selling agent will be appointed shortly, with the approval of NAB as mortgagee, to commence a sale process commencing in March 2025.

Due to the ongoing sale processes and the commercial sensitivity relating to same, the Administrators are not able to disclose their ERV for the land and buildings at Murray Bridge and Jervois for the purposes of this Report.

Other assets

In addition, the Administrators are aware of certain intellectual property (brands and trademarks) held in BPD at appointment. The Directors did not disclose these assets in their ROCAP but the Administrators have been discussing the realisation of these assets with interested parties as part of their sale processes. Due to the ongoing sale processes, the Administrators are not able to disclose their ERV for this intellectual property for the purposes of this Report.

Given that there are no assets (or operations) in the subsidiary companies owned by BGFC that form the balance of the Group, there is no likely realisable value in these entities. However, it is noted that one entity, Beston Pure Foods (Australia) Pty Ltd (**BPFA**) did hold two legacy cream cheese trademarks. As part of the sale of the cream cheese business and assets (see **Section 6.3** below), the Administrators included the sale of BGFC's shareholding in BPFA to the purchaser. Whilst the price paid for these shares was nominal, the sale was linked to the price achieved for the cream cheese assets (relative to valuation) which was subject to the purchaser obtaining the cream cheese trademarks.

5.1.6 Secured creditors

The Directors have not disclosed a value for secured creditors within the ROCAP. Instead, the Directors provided a creditor ageing report and the secured creditors were not included in this ageing report.

The below table summarises the Administrators' understanding of the amounts owed to the secured creditors at appointment.

Secured Creditors (\$'000s)	BGFC	BPD	Total
ROCAP	-	-	-
Administrators' Estimate	830	54,668	55,498

We summarise the key secured creditors as follows:

NAB

- The Companies' first ranking secured financier is NAB, which has various facilities, including corporate loan facilities, mortgages, bank guarantee facilities, an overdraft facility, lease facilities and a credit card facility (**the NAB Facilities**). The Companies are the primary borrowers, cross guarantors and security providers in relation to the NAB's debt and are both jointly and severally liable for the full amount of this debt. The NAB Facilities all expired in July 2024 however were extended to 30 September 2024 to allow further time for the Group to attempt to finalise interest from Megmilk.
- As at 26 September 2024, the amount owing to NAB in respect of the NAB Facilities was \$52.56m.
- NAB has a first ranking all present and after acquired security interest over each of BGFC and BPD and their assets, albeit subject to a deed of priority with ScotPac with respect to debtors (discussed below).
- To date, the Administrators have made payment to NAB for \$250k in relation to the sale of the cream cheese non-circulating assets. Further payments are anticipated to be made to NAB shortly in relation to the proceeds of sale received from Pickles in relation to certain equipment assets (discussed at **Section 6.3** below) as well as from the Murray Bridge sale once it settles.

ScotPac

- In or around September 2023, NAB agreed to subordinate its priority position over the Companies' debtors to enable BPD to secure a new debtor finance facility from ScotPac.
- BPD entered into a debtor finance facility with ScotPac on 28 September 2023 with a facility limit of \$18m (**ScotPac Facility**). The ScotPac Facility is guaranteed by BGFC (amongst other entities in the Group).
- Pursuant to the ScotPac Facility, BPD assigned its trade receivables in favour of ScotPac in consideration for ScotPac paying up to 82% of the face value of domestic trade receivables owed to BPD by its customers. BPD's trade debtors then pay their invoiced amounts into an account controlled by ScotPac.
- The amount owing to ScotPac on our appointment was \$3.4m. This amount comprised the ScotPac Facility, a separate equipment asset finance facility and termination and interest charges which were applied after the Administrators' appointment.
- As discussed at **Section 5.1.2** above, following our appointment, ScotPac continued to collect BPD's pre-appointment debtor balances. ScotPac utilised these debtor receipts in order to pay down the \$3.4m debt (including their termination and interest charges). As ScotPac collected these debtor amounts into their own bank account and until ScotPac provides a detailed reconciliation to the Administrators as requested, our receipts and payments at **Annexure B** do not detail the receipt of these amounts (nor any such repayments to ScotPac).
- On or around 24 October 2024, the total debt outstanding to ScotPac was repaid in full. At that point, ScotPac commenced paying across surplus debtor receipts to the Administrators' bank account.

5.1.7 Employee claims

We note that the employee entitlements disclosed by the Directors represents amounts owed as at June 2024. The Administrators' estimate reflects that a wind down of the business has occurred and that all of the Companies' employees have been or will be made redundant.

Employee Claims (\$000s)	ROCAP		Administrators' Estimate		Total
	BGFC	BPD	BGFC	BPD	
Unpaid wages (including unpaid bonuses)	-	-	84	-	84
Unpaid superannuation	-	-	2	12	14
Annual leave	130	845	155	899	1,054
Long service leave	89	820	29	155	184
Redundancy / PILN	-	-	562	2,609	3,171
Total	219	1,665	833	3,674	4,507

The Administrators review of outstanding employee entitlements as at the date of appointment resulted in minor variances compared to the ROCAP amounts for annual leave and long service leave. The variances are largely a result of the omission of the unpaid BGFC wages and unpaid superannuation within the ROCAP.

We note that the ROCAP does not include redundancy or PILN payable. Redundancies have been made during the voluntary administration and affected employees have been issued with termination letters outlining their entitlements as at the date of termination.

Employee claims are afforded priority of repayment pursuant to Section 556 of the Act, ahead of any return to unsecured creditors.

The Act provides that excluded employees (including company directors and their spouses) are each restricted to a total maximum priority claim of \$2,000 for unpaid wages and superannuation entitlements and \$1,500 for leave entitlements. Amounts owed to excluded employees that exceed the statutory limit, and all payments owing in respect of redundancy and payment in lieu of notice, will rank as an ordinary unsecured claim against the employer entity.

Should the Companies be placed into liquidation at the Second Meeting, employees may be eligible for financial assistance under the Fair Entitlements Guarantee Act 2012. Further information on FEG including eligibility for assistance can be found at www.employment.gov.au/feg.

5.1.8 PMSI claims

The Directors' have not disclosed a value for PMSI claims within the ROCAP. Instead, the Directors provided a creditor ageing report, within which PMSI claims are included.

The below table summarises the amounts owing to PMSI claimants, as disclosed by the Directors and based on the Administrators' understanding at the date of appointment. The table reflects the amounts claimed by secured parties, prior to any assessments or the release of securities. It excludes amounts owing to NAB and ScotPac.

PMSI Claims (\$000s)	BGFC	BPD	Total
ROCAP	-	-	-
Administrators' Estimate	26	1,728	1,754

As at the date of the appointment, there were 42 PMSI registrations recorded against BPD and 3 PMSI registrations recorded against BGFC. We have resolved an outcome for the majority of claims, and where appropriate, arranged for the return of goods, and/or purchased goods from the secured parties.

5.1.9 Unsecured creditors

The Directors have recorded unsecured creditors totalling \$253k for BGFC and \$16.1m for BPD. A summary of the unsecured creditors is below:

Unsecured Trade Creditors (\$000s)	BGFC	BPD	Total
ROCAP	253	16,139	16,392
Administrators' Estimate			
Trade Creditors	814	17,864	18,678
Intercompany Loan	-	63,722	63,722
Total Estimate	814	81,586	82,400

The Administrators' estimate has been calculated by reference to the books and records of the Companies, as well as Proof of Debt forms received as at 31 January 2025. These unsecured balances include claims of approximately \$11.6m in respect of amounts owing to dairy farmers. In addition, we have also added the intercompany claim owing to BGFC of \$63.7m as per the management accounts as at 31 August 2024 (see **Section 4.5.2**) given that BGFC would have a claim for this amount against BPD in the event of liquidation.

At this stage we have not adjudicated unsecured creditor claims.

In addition to the above, the table below sets out amounts due to statutory creditors:

Statutory Creditors (\$000s)	BGFC	BPD	Total
ROCAP	126	-	126
Administrators' Estimate	45	72	117

Statutory creditors include amounts owing to the ATO and RevenueSA. As at the date of this Report, the ATO has submitted a Proof of Debt for BGFC of \$28k but have not submitted a POD in relation to BPD. Payroll tax amounts owing to RevenueSA include \$15k for BGFC and \$72k for BPD.

5.2 Omissions from ROCAP

Through the course of our investigations and upon review of the ROCAPs received from the Directors we note that amounts for the following asset and liability classes were not disclosed in the ROCAP received by the Administrators:

- Inventory
- Intellectual property
- Secured creditors

We note that the information provided in the ROCAPs was limited. The Administrators have accessed the books and records of the Companies, which has assisted in identifying assets and liability amounts not disclosed within the Directors' ROCAPs.

5.3 Directors' opinions as to the reasons for failure

In the ROCAPs the Directors referred to the BGFC ASX statement dated 23 September 2024 which provided their views as to the status of the Companies affairs and the reasons to be attributed to their failure, summarised below:

- Exceptionally high operating costs in particular increased costs of electricity, gas, labour and transport;
- The introduction of the updated Australian Dairy Code Legislation which came into effect 1 January 2020 introduced terms which disconnected Australian farmgate milk prices from global commodity prices as such making Australian farmgate prices uncompetitive, particularly in periods of poor global price performance;
- Poor operational performance of the cheese and whey powder business (which accounts for 80% of sales) due to cost and price pressures; and

- Several unsuccessful attempts to restructure the business via a recapitalisation or asset sale agreement. Most notably the Companies were unable to reach an agreement with Megmilk on commercially acceptable terms for an asset sale involving both Murray Bridge and Jervois production facilities.

5.4 Administrators' opinions as to the reasons for failure

Our preliminary view is that, in addition to the reasons identified by the Directors, the Companies failed as a result of:

- Trading losses incurred which have continued since the incorporation of the Companies;
- Lack of working capital which created challenges managing the working capital cycle of the business;
- Higher debt levels and servicing costs relating to same in an increasing interest rate environment; and
- Inability to raise further equity, evident through the failed special resolution for a 10% share placement put forward at the AGM held on 24 November 2023. The last capital raise for BGFC occurred in December 2022 raising \$28.2m (excluding transaction costs).

6 Overview of Administrators' trading period and sale processes

This section provides an overview of the trading of the Companies' business and the going concern and asset sale processes.

Key takeaways	Ref.
1 Upon appointment, the Administrators undertook an immediate financial and commercial review of the Companies and their business operations. It was decided to continue to trade the business as usual whilst sale and recapitalisation options were explored.	6.1
2 The Administrators immediately advertised the business for sale and commenced a campaign to either recapitalise or sell the business as a going concern, as a whole or in parts.	6.2
3 On 30 October 2024, a preferred bidder for a going concern sale of the whole business was selected. However, due to the lack of a binding offer being forthcoming and available funding to continue to fund the trading losses of the business beyond 30 November 2024, the Administrators were ultimately unable to commit to the completion timeline proposed by the preferred bidder.	6.2.2
4 On 26 November 2024, the Administrators announced that no binding offers had been received for either the sale or recapitalisation of the Companies and their business as a going concern. As a result, an orderly wind-down of the Companies' operations commenced and the sale process pivoted to an asset sale campaign.	6.2.3

6.1 Overview of Administrators' trading period

6.1.1 Immediate steps taken following the appointment

On appointment, the Administrators assumed control of the Companies' business. Appropriate controls and systems were put in place with respect to banking, purchase orders, stock control and reporting.

Following an urgent assessment of the business, the Administrators' view was that the best chance to preserve the business and to maximise the potential realisations for creditors was by continuing to trade the business during voluntary administration and contemporaneously pursuing a going concern sale or recapitalisation through a DOCA (see Section 6.2 below).

In order to continue to trade the business, the Administrators required financial support from NAB via an Administrators' overdraft facility. The Administrators were ultimately provided by NAB with a \$5m overdraft facility (**NAB Loan**) to support a sale process. The NAB Loan was provided on a secured basis and benefited from NAB's existing security. No other interested party, potential DOCA proponent, customer, supplier or other stakeholder was, at any stage, prepared to offer funding to trade the business under voluntary administration. The NAB Loan has now been repaid in full.

In relation to other tasks relating to trading, the Administrators:

- addressed the Companies' staff immediately following their appointment;
- contacted all milk supply farmers and agreed terms of trade to supply the business during the voluntary administration;
- reviewed major contracts and negotiated terms of trade with various suppliers;
- opened new accounts with service providers, utilities and other non-stock suppliers;
- continued the employment of staff;
- obtained a loan from NAB for \$5m on a limited recourse basis to enable the Administrators to continue to trade the Companies' business on a 'business as usual' basis;

- negotiated certain payments of necessity to ensure continued supply of business critical services;
- undertook assessments of registered security interests and negotiated security interest settlements;
- worked with senior management and wider operational team on a day-to-day basis to maintain 'business as usual' trading. Identification and implementation of certain operational improvement initiatives;
- engaged with senior secured creditors, NAB and ScotPac, in relation to proposed trading arrangements, the strategy for the voluntary administration and to understand prospective funding arrangements for the voluntary administration (discussed further below);
- issued instructions to staff to carry out an immediate stock take of inventories and consumables;
- prepared a voluntary administration trading and working capital forecast;
- reviewed the procedures for IT services and back-up processes for information on site; and
- reviewed the adequacy of the insurance policies held by the Companies including renewal of insurance policies and engaged a workplace health and safety (WHS) consultant to conduct a review.

In addition to the above, an extension of the convening period was sought to allow time for a sale or recapitalisation of the Companies' business and assets. Our application to Court sought the following:

- an extension to the convening period to hold the Second Meeting to 28 February 2025 to align with the anticipated sale process timeline;
- an order pursuant to section 90-15 of the IPS that the Administrators and the Companies acted reasonably in entering into and performing the NAB Loan between NAB, the Companies and the Administrators for \$5m; and
- an order pursuant to Section 447A(1) of the Act or alternatively Section 90-15 of the IPS that the Administrators would not be personally liable (except expressly provided for in the NAB Loan) to repay any debts or satisfy any liabilities arising in connection entry in the NAB Loan

The application was heard on 17 October 2024, and the Court extended the convening period for the Second Meeting to no later than **5.00pm (ACST) on 28 February 2025**.

6.1.2 Employees

On appointment Beston had 156 employees. As trading continued in a 'business as usual' manner, the vast majority of employees were retained, with the exception of a small number of senior personnel who were made redundant within the first week of the voluntary administration period.

We have had regular communication with all employees regarding the Administrators strategy and progress. Multiple FAQs were issued throughout the voluntary administration period and 'townhall' meetings were held for all employees upon appointment of the Administrators.

Once the decision was made to wind down the business, employees were addressed on 26 November 2024. Final employment dates for each employee were communicated on a case-by-case basis,

At the date of this Report, 14 staff members (excluding contractors) remain to oversee final production activities, collection of debtor balances, preserve and maintain the Companies' assets (e.g. the land, building and equipment assets) and to assist with Pickles' sale process (which includes demobilisation of processing plant and equipment).

The Administrators acknowledge the professionalism and commitment of all employees throughout the voluntary administration period and thank them sincerely for their support. Their conduct was integral to operating the business throughout the voluntary administration period and the asset realisations that have been completed.

6.1.3 Head office lease

The land and buildings owned by BPD are addressed through the sale process outlined in **Section 6.2.3**.

Upon appointment, we contacted the landlord of the leased head office premises at Wayville, South Australia. The premises was the only property leased by the Companies, namely by BGFC. The head office was primarily used by senior management, the sales team and administrative staff. However, most importantly for the business operations, the head office hosted the Companies' key IT servers and network connectivity for Murray Bridge and Jervois, which would prove to be an inhibitor to vacating the head office premises.

After due consideration and given the timeframe for pursuing a going concern sale of the business, the commercial merits of relocating IT servers from the head office were limited and a decision was made to continue to pay the rent in relation to the head office so as to preserve access to the servers so as not to interrupt business operations as well as avoiding the material costs of relocation. At the date of this Report, we are negotiating with the landlord in relation to the final exit date from the premises.

6.1.4 Trading Receipts and Payments

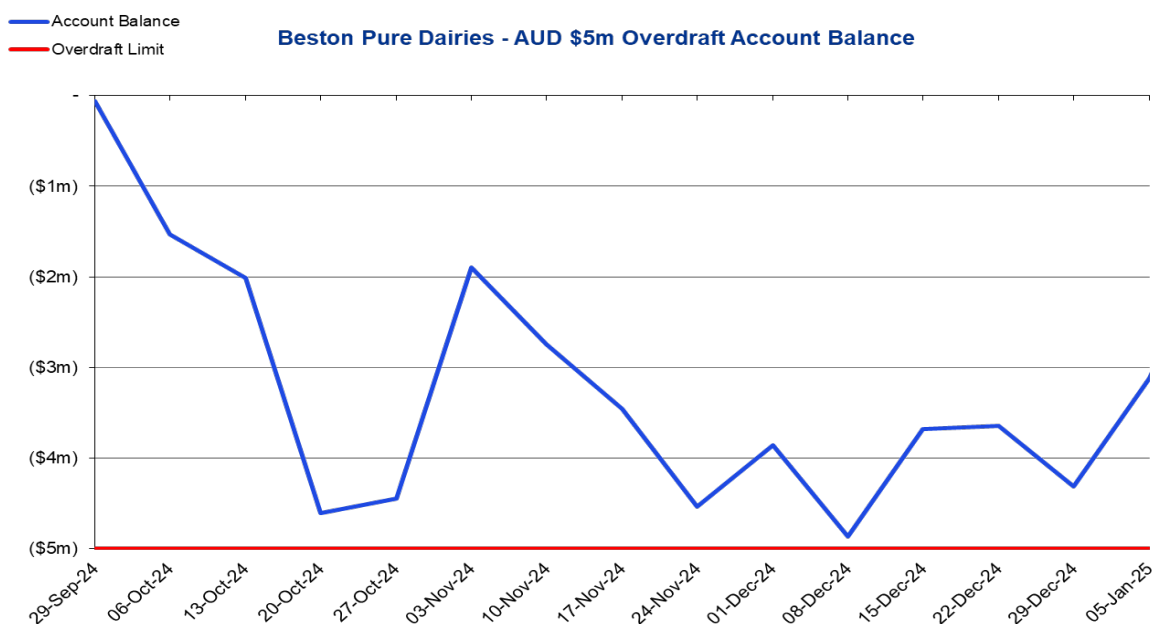
The Administrators' trading receipts and payments for the period 20 September 2024 to 31 January 2025 is summarised below:

BPD \$'000s	Total Ex GST
Trading Receipts	
Sale of Goods	14,629
Total Trading Receipts	14,629
Trading Payments	
Farmer Milk Payments	(8,791)
Wages & Salaries (net of PAYG accrued but not paid)	(2,138)
Freight	(1,731)
Insurance	(1,459)
Utilities	(1,258)
Raw Materials	(1,065)
Repairs & Maintenance	(352)
Other trading payments	(1,172)
Total Trading Payments	(17,966)
Net Trading Receipts / (Payments) to 31 January 2025	(3,337)
Less:	
PAYG Accrued - BPD (net off in wages & salaries) - due to ATO	(567)
Trading Payments made by BPD on behalf of BGFC	(449)
PAYG Accrued - BGFC (net off in wages & salaries) - due to ATO	(72)
Net Trading Receipts / (Payments) BPD and BGFC to 31 January 2025	(4,425)
Estimated Weekly Trading Receipts / (Payments) - 12 weeks trading:	(369)

We comment as follows:

- The table above summarises the Administrators' trading losses on a receipts and payments (i.e. cash) basis to 31 January 2025. Following the decision to wind-down the business from 26 November 2024, the last material inventory production at Jervois was on 13 December 2024. This equates to an approximate 12-week trading period.
- For the 12-week period and excluding receipts and payments relating to the period which have yet to be received or paid, the above table details a cash trading loss of approximately \$369k per week. The Administrators took steps to mitigate this trading loss through inventory production efficiency (i.e. focus on higher margin product sales) and negotiating more favourable customer and supplier rates with the assistance of the Companies' staff.
- The largest costs of trading included wages and milk payments. In addition, the insurance premiums for the business are material due to the high risk nature of the cold storage units (particularly at Murray Bridge) and highly specialised equipment integral to operations.

- Notwithstanding that we have been able to somewhat mitigate the trading cash loss during the appointment, the Companies' payment terms for wages and milk supply (which we agreed with farmers to support them financially given some had not been paid for in excess of 2 months) were much shorter than the terms customers would pay. This created a material working capital shortfall which had to be funded to ensure payments could be made when due, which NAB provided via the \$5m NAB Loan in the form of an overdraft facility. We were able to manage our weekly overdraft bank balance throughout the voluntary administration within the \$5m limit, as depicted in the table below:



Full particulars of the Administrators' total receipts and payments (i.e. trading and non-trading) are attached as **Annexure B**.

6.2 Sale of Business Process

Immediately following our appointment, the Administrators' priority was to pursue an urgent sale process to endeavour to achieve a recapitalisation or sale of the Companies (and/or their assets) as soon as practicable and on the best terms achievable to maximise the prospects of the Companies, or as much as possible of their businesses, continuing as a going concern.

The situation at the outset of the voluntary administration was precarious as there were no funds available on our appointment to meet the debts being incurred by the business. To enable a going concern sale process to be undertaken, urgent arrangements were agreed with NAB to provide limited funding support for a sale process to be conducted.

In the absence of funding being provided by a third party (such as NAB or interested parties participating in the sale process) immediately following the appointment, the Administrators would have needed to commence an immediate and expedited wind down process. Throughout the sale process, all parties were clear that the Administrators would be unable to continue to fund trading beyond 30 November 2024 unless an interested party or another third party (other than NAB) advanced funding in addition to NAB.

The open market sales process undertaken by the Administrators is summarised as follows:

- 1) An urgent expressions of interest (**EOI**) campaign commenced on 26 September 2024, calling for non-binding indicative offers (**NBIOs**) to be submitted by 9 October 2024. Following a review of the NBIOs received, the Administrators shortlisted three interested parties seeking to continue the Companies as a going concern and a period of approximately five weeks was provided to undertake due diligence and lodge their binding offers.
- 2) On 26 November 2024, the Administrators announced that no binding offers for the sale or recapitalisation of the Companies as a going concern had been received, and that an orderly winddown of the Companies' operations and asset sale program would commence. This process is ongoing as at the date of this Report.

Details regarding each of the above are provided as follows.

6.2.1 Initial EOI campaign

The key dates for the EOI campaign were as follows:

Date or deadline	Step
26 September 2024	Advertisement placed in the Australian Financial Review, seeking NBIOs by 9 October 2024.
27 to 30 September 2024	Information Memorandum prepared and data room established, with access provided to all parties that signed a confidentiality deed.
2 October to 9 October 2024	Due diligence undertaken by interested parties, including site visits to Murray Bridge and Jervois by certain interested parties.
9 October 2024	NBIOs received, of which three expressed interest in a whole of business transaction and nine expressed interest in specific assets.
10 October to 18 October 2024	Review and comparison of NBIO's, including liaison with interested parties to certain clarify details and provide responses to requests for further information.
21 October 2024	Prepare and issue report to NAB, setting out offers received and the Administrators' recommended next steps.
22 October 2024	Decision made to shortlist three parties proposing a whole of business transaction.

During the campaign, the Administrators received EOIs from approximately 50 individual parties, including:

- direct contact made with parties that operate in the dairy and logistics industries, identified by the Companies' management as potentially having interest in the process, including parties that had previously participated in pre-appointment sale processes;
- direct contact made with investment and private equity funds that the Administrators considered may have interest in participating in the sale campaign; and
- unsolicited interest received from numerous parties following news of the Administrators' appointment being published in the media.

Parties that completed a confidentiality deed were issued with a short-form Information Memorandum and were provided with access to a data room. The Administrators issued Information Memorandums and provided data room access to 37 interested parties.

The Administrators also assisted interested parties with their respective due diligence, by:

- facilitating site tours of the Murray Bridge and Jervois facilities;

- preparing responses to requests for additional information; and
- attending calls and meetings with interested parties where required, to clarify their respective interest.

Ultimately, the Administrators received 12 NBIOS by the requested date of 9 October 2024:

- 3 parties proposed a whole of business transaction, either via asset sale or DOCA; and
- a further 9 parties expressed interest in specific land, plant and equipment and intellectual property assets.

Following review of all NBIOS received, the Administrators determined that the three parties who expressed an interest in a whole of business transaction were those most likely to result in the best outcome for creditors. The Administrators provided this recommendation to NAB who was supportive of the approach and willing to continue to provide funding whilst these parties attempted to finalise their respective offers.

The three parties were shortlisted on 22 October 2024 and requested to finalise the terms of their respective offers by 25 October 2024.

6.2.2 Shortlisted parties to acquire the Companies as a going concern via a business and asset sale or DOCA

The three going concern NBIOS were received from the following parties:

- a private capital fund (**the Fund**);
- an industry body led consortium (**the Consortium**); and
- Roger Sexton, on behalf of the Directors.

While the terms and structure of each proposal varied, all three NBIOS contemplated the following elements:

- an acquisition or recapitalisation of the Companies' operations as a going concern;
- the retention of the majority of the Companies' staff, and payment of certain outstanding employee entitlements;
- a payout of NAB's debt (subject to their approval), albeit at a significantly compromised amount to the full debt outstanding; and
- a payment to milk supply farmers with respect to historic amounts owed and a potential return to other unsecured creditors.

By the requested date of 25 October 2024, all three parties reconfirmed their respective interest, however, no party submitted a binding offer capable of being accepted by the Administrators by this date.

The Administrators then formed a view that the offers from the Fund and the Consortium were the leading parties in consideration, given the detail that had been provided in support of their respective NBIOS.

Subsequently, the Administrators wrote to the Fund and the Consortium on 28 October 2024, seeking clarification regarding certain aspects of their offers, including but not limited to:

- how the transaction would be funded, noting both parties were wholly reliant on external debt and equity funding from a variety of sources including lenders, capital funds, government bodies and creditors;
- timing to complete a transaction, noting the Administrators made it clear they would not have sufficient funding to enable trading to continue beyond 30 November 2024; and
- in light of the above, whether the parties would consider the payment of a non-refundable deposit, or other funding mechanism, upon being provided with exclusivity as the preferred purchaser. Such funding would allow the Administrators more time to continue trading beyond 30 November 2024 while the preferred party undertook further due diligence to finalise binding offers.

The Consortium was ultimately provided with preferred bidder status. The Fund and the Directors were advised that whilst exclusivity had not been granted to them, they could progress with their respective offers albeit the Administrators' priority would be on the preferred bidder.

We provide additional details of our interactions with the Consortium, the Fund and the Directors after 28 October 2024 as follows:

The Consortium

On 29 October 2024, the Consortium responded to the Administrators' request for clarification of key offer details.

While the response clarified certain aspects of the Consortium's bid, the timing to secure funding, undertake further due diligence and proceed to documenting a sale agreement remained uncertain. The Consortium also advised that it was unable to offer interim funding to cover ongoing trading losses being incurred by the Administrators.

Notwithstanding the above, the Administrators formed the view that the Consortium's offer represented the best available option and potential outcome. With NAB's consent, the Consortium was provided with preferred bidder status on 30 October 2024 to progress its bid (initially given until 4 November 2024, but later further extended by the Administrators).

Over a period of approximately four weeks, the Administrators continued to liaise with the Consortium on its bid, and provided assistance where possible, including:

- making available a copy of the Administrators' trading cash flow, to assist the Consortium with assessing the trading losses being incurred;
- introducing the Consortium to potential investment partners who had engaged late in the sale process;
- liaising with NAB on the Consortium's behalf, to ascertain whether NAB would be willing to consider any funding support of their bid;
- connecting the Consortium with the Companies' senior management, including Chief Financial Officer and Chief Manufacturing Officer, to respond to queries and expedite the flow of information required to complete due diligence;
- making available a pre-appointment financial model prepared by the Companies' management, to assist the Consortium with building a financial model for the purposes of their acquisition;
- meeting with advisers engaged by the Consortium to assist with preparing a business plan and financial model, as required to secure external financing (discussed further below); and
- reviewing further updates from the Consortium and providing feedback where relevant.

On 25 November 2024, the Consortium provided the Administrators with a copy of their advisor's engagement letter, which set out an engagement timeline as follows:

- to prepare a financial model by the end of November 2024; and
- prepare a business plan by 13 December 2024.

Furthermore, the Administrators noted that once this work had been completed, the Consortium would have required further time to secure funding, as well as complete any final due diligence prior to entering a term sheet or contract with the Administrators in relation to the going concern sale.

On this basis, and in the absence of any funding being provided by the Consortium to allow more time to conduct trading, the Administrators were unable to commit to the Consortium's proposed timeframe (leading to the Administrators' announcement to wind down operations of the business on 26 November 2024).

The Fund

On 28 October 2024, the Fund advised that it had received an unexpected withdrawal from its lead investor.

On 30 October 2024, the Administrators advised the Fund that it was not the preferred bidder.

On 6 November 2024, the Fund advised that it was willing to continue exploring alternative funding options, but would require an additional four to six weeks, to finalise at least an initial round of funding for ongoing trading.

The Administrators advised that neither they, nor NAB, were willing to fund ongoing trading losses for this duration, particularly given the lack of certainty offered by the Fund's proposal.

On 14 November 2024, the Administrators suggested the prospect of the Fund supporting the Consortium's bid and introduced the parties to each other.

The Administrators understand that an initial discussion was held between the Fund and the Consortium, however, nothing advanced.

The Fund was largely inactive in the sale process after this time.

Directors

The Administrators formed a view that the Directors' proposal received on 25 October 2024 was incapable of being progressed at that stage as it lacked detail in relation to a number of key terms, including the proposed transaction structure, funding and timing. The Administrators advised the Directors on 30 October 2024 that the Directors were therefore not the preferred bidder.

We have set out below a timeline of key events with regard to our communications with the Directors on the sale process/recapitalisation via DOCA after 30 October 2024:

- On 6 November 2024, the Directors advised that the DOCA proposal they were pursuing was based on a combination of equity funding (primarily with existing customers) and debt funding. The potential debt funder they were working with (a second tier bank), had identified the Federal Government's National Reconstruction Fund (NRF) as a possible partner in the debt package and therefore an application was made to NRF. The Administrators understand that the application to NRF was unsuccessful however this was not a condition of the potential debt funder's interest.
- On 12 November 2024, the Directors advised that they were working on submitting a DOCA proposal by the end of November 2024, to align with timing of the Administrators' funding requirement. The Directors did not have any funding sources available to enable trading beyond 30 November 2024.
- On 25 November 2024, the Directors requested a variety of additional information to assist with further progressing a DOCA for submission. The Administrators arranged for the Companies' management to issue a response.
- On 26 November 2024, the Directors were advised that the Administrators were unable to continue incurring trading losses due to lack of funding, and had no choice but to wind down operations.
- On 29 November 2024 the Directors were advised that the next phase of the sale campaign was to be conducted by Pickles, and while a recapitalisation by way of a DOCA was still potentially possible, the Administrators' immediate focus was now a sale of assets. An email from the Administrators to the Directors set out the two stage sale process (refer Section 6.2.3).
- On 5 December 2024, at a meeting between the Administrators, the Directors and a potential key stakeholder/investor in the DOCA/sale process, the Administrators made it clear that the asset sale process was continuing and that the Administrators were close to accepting an offer in relation to the Murray Bridge property and equipment.
- On 16 December 2024, the Administrators were advised that the key stakeholder from the 5 December 2024 meeting had withdrawn their interest, albeit the Directors would continue to work on a DOCA proposal as an alternative. The Directors' alternative proposal was based on interest received from existing customers of the business and would involve a staged process structured around funding commitments they had received to date (although had only been able to provide evidence to the Administrators in writing of a commitment for \$5m).
- By responding email on 17 December 2024, the Administrators informed the Directors that they continue to progress asset and land sale offers and will complete on these as soon as possible with a view to securing the best return to creditors possible in the circumstances noting the Administrators had not received any offers capable of acceptance for the Companies' businesses in one line and on a going concern basis (whether via a business/asset sale or DOCA).
- On 27 December 2024, the Administrators informed the Directors of the asset sales which had been accepted and that NAB, being the only creditor with an economic stake in the non-circulating assets (eg property, plant and equipment) were given all appropriate opportunities to approve asset sales and had done so.

- By letter dated 29 December 2024, the Directors expressed concern that asset sales had been accepted in circumstances where they were still working on a DOCA proposal that they felt would “produce a better result for all stakeholders than a liquidation”. The Directors also confirmed they were now working to deliver a DOCA proposal by the end of January 2025.
- Representations from the Directors as to what may happen by the end of January 2025 in regards to a potential DOCA proposal did not provide any assurance for creditors. On 30 December 2024, the Administrators responded that to date and in just over three months since the voluntary administration commenced, no binding DOCA proposal has been received from the Directors or any other former director or any third party. The Administrators have accordingly continued to progress the voluntary administration in the best interests of the general body of creditors as a whole on the basis that the Administrators cannot delay progressing business / asset / land sales to preference the position of former directors or third parties where that is contrary to the best interests of the general body of creditors including convening the Second Meeting.
- There was further email correspondence between the Directors and the Administrators regarding the above matters between 31 December 2024 and 3 February 2025.

6.2.3 Decision to move to an orderly wind-down and asset sale

On 26 November 2024, the Administrators announced to staff and stakeholders that the business would undergo an orderly wind down, with the last milk to be collected from farmers on or around 3 December 2024 and the majority of processing operations at Murray Bridge and Jervois ending by 13 December 2024.

This decision was made following consideration of the following factors:

- The significant trading losses being incurred on a weekly basis;
- The absence of any increase in funding from NAB or any other party, noting none of the interested parties in the sale process were prepared to provide the Administrators with additional funding to allow them more time to conduct due diligence and finalise offers;
- The Fund had effectively withdrawn from the process, and the remaining two parties (i.e. the Consortium and the Directors) had not made binding offers capable of being accepted by the Administrators (or provided certainty as to when such a final binding offer might be forthcoming).

In terms of the next phase of the sale campaign, while a recapitalisation by way of a DOCA was still potentially possible, our immediate focus was on a sale of assets and Pickles were engaged by the Administrators accordingly. This sale campaign involved a two stage process, being:

- Stage 1: Pickles commenced a formal EOI campaign for the major plant and equipment/processing lines located at Jervois and Murray Bridge running from 3 to 16 December 2024. The outcome of this process is outlined in **Section 6.3** below; and
- Stage 2: A separate marketing campaign for BPD’s real property assets (being the land at Murray Bridge and Jervois) and the auction of any residual items of plant and equipment (not sold as part of the stage 1 EOI campaign above). The status of this sale process is discussed in **Section 6.3** below.

In parallel to the above two stage process outlined above, the Administrators continued to consider any potential transaction for the sites(s) as a whole (i.e. including real property, plant and equipment, inventory and/or intellectual property assets) at Murray Bridge and/or Jervois. This included the Administrators contacting the nine interested parties that had previously submitted a NBIO as part of their initial EOI campaign (see **Section 6.2.1**), to ascertain whether their respective interest in specific assets remained.

All parties reconfirmed their interest, and were invited to participate in the Pickles campaign, or to enter negotiations with the Administrators in relation to assets other than plant and equipment, e.g. the land and buildings or intellectual property. Given the Directors’ proposed DOCA was in effect for all assets, we had further dialogue with the Directors (as outlined in **Section 6.2.2**) regarding same but making it clear that we reserved the right to accept an offer for the assets prior to Pickles process completing.

6.3 Current status of the asset sale process

As at the date of this Report, the Administrators have completed the following asset sales (excluding inventory sold in the ordinary course of business) split between Murray Bridge and Jervois:

Murray Bridge

Land & buildings and plant and equipment asset sale

Following the announcement to wind down the business operations and the withdrawal of the Consortium and the Fund from the sale process, the Administrators received an updated offer to purchase the Murray Bridge facility (including the land, buildings and plant and equipment assets) and after an assessment of same and with the approval of NAB, the Administrators formed the view that this offer represented the best return to creditors from the Murray Bridge land and assets and was accepted on 20 December 2024 with settlement to occur on or around 31 March 2025. This sale excluded the cream cheese business and assets at Murray Bridge which were subject to separate negotiation (see below).

For reasons of confidentiality, until settlement we are unable to confirm the price paid for the Murray Bridge land and assets, suffice to say the price was assessed with reference to other offers and valuations and was acceptable to NAB.

Murray Bridge - cream cheese business and assets

The Administrators commenced discussions with three parties that had submitted NBIO's relating to BPD's cream cheese business as part of the initial NBIO campaign.

Following negotiations with these parties and with reference to valuations, with the approval of NAB, the Administrators accepted an offer to purchase the cream cheese business and assets at Murray Bridge as follows:

	Legal Owner	\$ (excl GST)
Plant & Equipment	BPD	249,998
Intellectual Property	BPD	1
Shares in BPFA – owner of Mables and Grange Peak trademarks	BGFC	1
Inventory	BPD	103,524
Total		353,524

A sale agreement was entered into on 30 January 2025. Initial proceeds of \$330,000 (plus GST) were received on 30 January 2025 with a further \$23,524 (excluding GST) to be received on 28 February 2025.

There is also a further final allocation of cream cheese stock (estimated 13 metric tonnes) that will be sold to this party, which was subject to removal of certain third-party security interests. As of the date of this Report, the security interest over this stock has been resolved and the sale is due to be finalised shortly.

Jervois

Plant and equipment sale

As outlined above, Pickles undertook an EOI campaign for all major plant and equipment lines located at Murray Bridge and Jervois in December 2024.

Pickles progressed with the offers relating to major processing plant and equipment at Jervois following the Administrators acceptance of the offers for the Murray Bridge business and assets per the above.

As at the date of this Report, Pickles have realised \$12.7m for these plant and equipment/processing lines at Jervois, with the approval of the Administrators and NAB.

Pickles are in the process of accounting to the Administrators with net sale proceeds to be remitted to NAB after deducting the Administrators' costs of realisation incurred relating to the care, preservation and realisation of those assets. As such, these realisations are not yet included in the Return to Creditors at **Section 9**.

The remaining plant and equipment at Jervois will be offered for sale via public auction. An auction date is yet to be confirmed with Pickles but is likely to occur in late March 2025.

All of these assets are owned by BPD.

Land and Buildings

The Administrators have sought marketing submissions from property agents for the sale of BPD's properties at Jervois, including the main dairy processing facility and surrounding agricultural land.

In the request for submissions, we asked for each agent to provide us with a view as to whether it would be advantageous for the property sale process (and price) to include the remaining, unsold plant and equipment at Jervois (including at the time, the Mozzarella line), so that interested parties could possibly acquire this plant and equipment with the dairy processing facility property as a quasi-going concern proposition, i.e. it was mainly just the lactoferrin plant which had been sold by this stage.

The feedback we received from the agents approached was that there was likely no added benefit in selling the remaining, unsold plant and equipment at Jervois with the Jervois dairy processing facility property. The Administrators will proceed to provide a recommendation to NAB as Mortgagee of the Jervois real property for an agent to be appointed to sell the Jervois real property.

This process is expected to commence in March 2025.

7 Statutory investigations

This section provides creditors with information on the preliminary investigations undertaken by the Administrators to date, and whether there have been any potential actions identified that may be pursued by a liquidator, if appointed.

Key takeaways		Ref.
1	We have investigated matters to the extent possible in the time available and formed the preliminary view that the Companies were insolvent from at least 4 April 2024 (and possibly earlier), being the period in which the Companies' creditor ageing deteriorated, a net asset deficiency emerged and the date the Directors were advised by their safe harbour advisor that their primary restructuring plan (to sell the Companies or their business) had failed.	7.4
2	A liquidator, if appointed, would need to conduct further investigations including consideration of each of the Companies' overall financial position when determining the insolvency of each entity.	7.5
3	Our investigations to date have revealed that the Directors engaged safe harbour advisors on or around 10 November 2023, but that a liquidators' investigations would need to consider many aspects of that appointment. Liquidators would also need to confirm the Companies' continuing satisfaction of the statutory pre-conditions to reliance on the safe harbour defence.	7.5

7.1 Nature and scope of review

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

Investigations centre on transactions entered into by the Companies that a liquidator might seek to have declared void (together with orders for repayment or compensation) if the Companies are wound up at the Second Meeting. Investigations allow an administrator to advise creditors what funds might become available to a liquidator such that creditors can properly assess whether to accept a DOCA proposal (should one be proposed at the Second Meeting) or resolve to wind up the Companies.

A liquidator may recover funds from certain voidable transactions (such as unfair preferences and uncommercial transactions) and/or through other avenues; for example, through action seeking compensation for insolvent trading or breach of director duties. Funds recovered would be available to the general body of unsecured creditors including secured creditors but only to the extent of any shortfall incurred after realising their security.

A deed administrator of a DOCA does not have recourse in relation to voidable transactions. We note that as a DOCA proposal has **not** been received at the date of this Report, creditors will not be required to compare a potential liquidator's recoveries against a DOCA proposal.

Liquidators, if appointed, would continue the investigations commenced by the Administrators and report their findings to creditors.

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

- discussions with the Directors, their advisors and key staff members;
- the Directors' ROCAP;
- management accounts, books and records, Board reports and financial statements;
- the Companies' internal accounting system;
- correspondence and discussions with the Companies' creditors;
- independent valuations of the Companies' assets;
- searches obtained from relevant statutory authorities;
- records maintained from the ATO; and

- publicly available information.

When conducting our analysis in relation to the Companies' affairs, we have made the following assumptions:

- As both BGFC and BPD were operating (for all practical purposes) as a single entity, we have considered them together for the purposes of our solvency analysis. It follows that when, as a "group", there is an insolvency event, the two individual entities are effectively insolvent at the same time. This is particularly relevant for BGFC and BPD given:
 - BPD was the main trading entity; and
 - BGFC was wholly reliant on BPD (and NAB) for funding its day-to-day operations. As BGFC had no operating business generating income it relied on BPD for payments of wages for BGFC's employees and for payments made to its suppliers (including the landlord of the head office and IT suppliers). It is noted, however, that BPD did have a large intercompany liability owing to BGFC. The loan arose through BGFC equity raises being directed to BPD as the operating entity and asset owner.
- On that basis, and particularly for the purposes of a solvency assessment (discussed at **Section 7.3**), if BPD was insolvent at a particular time, then BGFC would also be insolvent at the same time.
- An analysis of indicators of insolvency outlined in **Section 7.3** has been prepared on a Group basis, with entity specific commentary added where possible and appropriate.

Ultimately liquidators, if appointed, to each of the Companies will need to conclude an assessment of each Company's solvency on an individual basis.

7.2 Directors' and officers' responsibilities

Sections 180 to 184 of the Act set out the duties, obligations and responsibilities imposed on directors which are designed to promote good governance and ensure that directors act in the interests of a company or corporate group. These duties include:

- duty of care and diligence;
- duty of good faith;
- duty not to make improper use of position; and
- duty not to make improper use of information.

We have identified a number of matters during the course of our preliminary investigations into the affairs of the Companies that warrant further investigation by a liquidator to determine whether there have been any breaches that may have been committed by the Directors. We are not currently in a position to detail these matters so as not to prejudice a liquidator's role, however, our investigations with respect of any breaches are continuing. Ultimately a liquidator if appointed would investigate this further and report to ASIC accordingly where appropriate (and as required by Section 533 of the Act).

7.3 The Companies' solvency

Some actions available to a liquidator to recover funds through the voiding of certain transactions or through other legal action, such as seeking compensation from directors for insolvent trading, require a company's insolvency to be established at the relevant time.

There are two primary tests used in determining a company's solvency at a particular date, namely:

- balance sheet test; and
- cash flow or commercial test.

The Courts have widely used the cash flow or commercial test in determining a company's solvency at a particular date along with several other indicators. The following table summarises the key insolvency indicators and our comments on those indicators where relevant to the Companies:

Insolvency Indicator 1: Working capital deficiency

Present	Date relevant to Insolvency	Administrators' comments																		
		<p>Working capital is the difference between a company's current assets and current liabilities and indicates the liquidity levels of businesses for managing day-to-day cash flow and payment of trading expenses. A working capital ratio of less than 1.0x indicates a company may not be able to pay its debts as and when they fall due. The working capital ratios of the consolidated accounts are summarised in the table below:</p> <table><tr><th></th><th>FY21</th><th>FY22</th><th>FY23</th><th>HY24</th><th>FY24*</th></tr><tr><td>Net Working Capital</td><td>\$18.99m</td><td>(\$6.14m)</td><td>\$7.15m</td><td>(\$35.69m)</td><td>(\$64.33m)</td></tr><tr><td>Ratio</td><td>1.91x</td><td>0.86x</td><td>1.15x</td><td>0.62x</td><td>0.32x</td></tr></table> <p>Source: Statutory accounts for the Group to HY24; KPMG analysis; *Unreconciled and unaudited consolidated management accounts of BGFC FY24</p> <p>There was a significant working capital deterioration from 30 June 2023 to 31 December 2023, with management accounts indicating a \$64.3m working capital deficiency by 30 June 2024.</p> <p>As noted in Section 4, BPD's management accounts indicate a material decrease in debtors and inventory of \$8.2m (or 50%) and \$10.8m (or 40%) (respectively) from 31 December 2023 to 30 June 2024, yet trade and other payables balance effectively remained the same around \$22.7m, indicating dilution of working capital as debtors and inventory were being utilised to reduce the ScotPac debtor finance facility and to fund trading losses.</p> <p>The deficiency of current assets to current liabilities in each month is as a result of the secured debts owed to NAB and ScotPac being classified as current (i.e. payable within 12 months) consistent with the expiry of those facilities. BPD otherwise would have had sufficient current assets to meet current liabilities based on the management accounts.</p>		FY21	FY22	FY23	HY24	FY24*	Net Working Capital	\$18.99m	(\$6.14m)	\$7.15m	(\$35.69m)	(\$64.33m)	Ratio	1.91x	0.86x	1.15x	0.62x	0.32x
	FY21	FY22	FY23	HY24	FY24*															
Net Working Capital	\$18.99m	(\$6.14m)	\$7.15m	(\$35.69m)	(\$64.33m)															
Ratio	1.91x	0.86x	1.15x	0.62x	0.32x															
✓	By 31 December 2023																			

Insolvency Indicator 2: Net Asset Deficiency

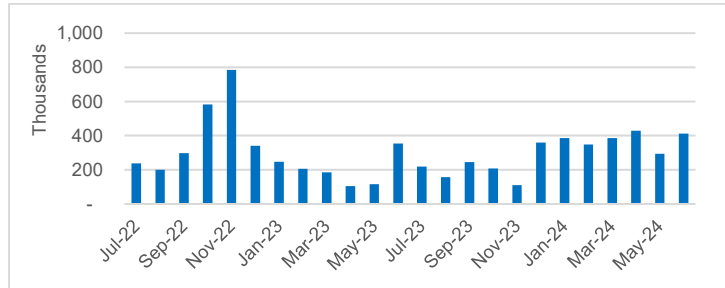
Present	Date relevant to Insolvency	Administrators' comments
		BGFC's consolidated accounts reported a declining net asset position throughout the period of review, and a net asset deficiency of \$9.8m (as per its management accounts) as at 30 June 2024:
✓	By 30 April 2024	

Present	Date relevant to Insolvency	Administrators' comments																																
		<p>We note that consolidated management accounts as at 30 June 2024 disclose net asset/(liability) balances of (\$73.8m) and \$74.5m attributable to BPD and BGFC respectively, due to intercompany loan balances payable and receivable between BPD, BGFC, and other entities within the consolidated Group.</p> <p>Significant intercompany loan due to BGFC inflated the net asset deficit. If the BGFC loan is disregarded, BPD was in a net asset deficit by 30 April 2024, which continued in May and June 2024. BPD had no ability to repay the intercompany loan to BGFC given its poor financial performance and position. The loan arose through BGFC equity raises over time with funds then passing from BGFC to BPD to fund operations. However, a further equity raise was not an option in the circumstances, noting BGFC's unsuccessful attempt to raise equity at the 24 November 2023 AGM.</p> <p>A summary of the net asset deficiency of BPD's management accounts, adjusted to exclude the intercompany loan payable to BGFC is provided below:</p> <table> <tr> <th>\$m</th><th>Jan-24</th><th>Feb-24</th><th>Mar-24</th><th>Apr-24</th><th>May-24</th><th>Jun-24</th></tr> <tr> <td>Net assets</td><td>(59.43)</td><td>(61.93)</td><td>(64.83)</td><td>(66.65)</td><td>(68.87)</td><td>(73.76)</td></tr> <tr> <td>Less: loan payable to BGFC</td><td>67.18</td><td>66.50</td><td>66.25</td><td>65.28</td><td>64.50</td><td>63.72</td></tr> <tr> <td>Adjusted net asset surplus / (deficiency)</td><td>7.75</td><td>4.57</td><td>1.41</td><td>(1.38)</td><td>(4.37)</td><td>(10.04)</td></tr> </table> <p>Source: Management accounts for BPD; KPMG analysis</p> <p>Based on the above analysis, BPD had a net asset deficiency from April 2024, after deducting the loan payable to BGFC. This deficiency continued through to the date of our appointment as Administrators. As discussed in Section 7.1, BGFC and BPD were operating (for all practical purposes) as a single entity. On a consolidated position, intercompany loans between BGFC and BPD are eliminated.</p> <p>A liquidator, if appointed, will need to further investigate any loans recoverable by BPD and BGFC, noting third party ownership interests in BGFC subsidiaries (refer ownership diagram in Section 2).</p>					\$m	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Net assets	(59.43)	(61.93)	(64.83)	(66.65)	(68.87)	(73.76)	Less: loan payable to BGFC	67.18	66.50	66.25	65.28	64.50	63.72	Adjusted net asset surplus / (deficiency)	7.75	4.57	1.41	(1.38)	(4.37)	(10.04)
\$m	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24																												
Net assets	(59.43)	(61.93)	(64.83)	(66.65)	(68.87)	(73.76)																												
Less: loan payable to BGFC	67.18	66.50	66.25	65.28	64.50	63.72																												
Adjusted net asset surplus / (deficiency)	7.75	4.57	1.41	(1.38)	(4.37)	(10.04)																												

Insolvency Indicator 3: Ageing of creditors

Entity	Present	Date relevant to Insolvency	Administrators' comments
BGFC	✓	December 2023	BGFC creditors related to expenses associated with the ASX listing, advisor fees and other corporate costs not relating to business operations.

Entity	Present	Date relevant to Insolvency	Administrators' comments
--------	---------	-----------------------------	--------------------------



Source: BGFC Managements Accounts.

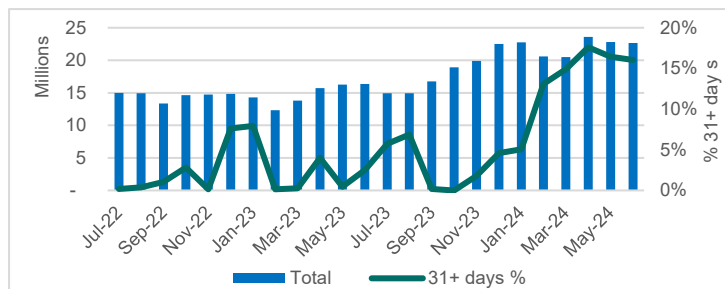
Trade payables increased in December 2023 compared to prior months (excluding July 2023), then from January to June 2024 with minor fluctuations. There was minimal change in ageing. Given the low value of these creditors, we have not completed a full review of the ageing.

For BPD, total creditors increased throughout FY24, particularly in the period leading up to December 2023, with total payables reaching \$23.6m by 30 April 2024.

BPD

✓

December 2023



Source: BGFC Managements Accounts; KPMG analysis.

NAB provided a working capital facility in October 2023, which does not appear to have resulted in an immediate reduction in aged creditors given creditors continued to increase and/or the ageing deteriorated from December 2023 onwards. From December 2023 creditor ageing began to steadily increase from 4.6%, being more than 30 day terms to 17.6% by April 2024.

Insolvency Indicator 4: Inability to extend finance facilities

Present	Date relevant to Insolvency	Administrators' comments
---------	-----------------------------	--------------------------

✓

July 2024
(or earlier)

In August 2023, the Companies agreed funding facilities of \$70m with NAB and ScotPac to support working capital, equipment and its capital structure. On 28 September 2023, the Companies formally secured the \$18m debtor financing facility with ScotPac through a letter of offer.

Present	Date relevant to Insolvency	Administrators' comments
		<p>In October 2023, a working capital facility (\$4.4m) was requested from NAB to assist with its continuing cash flow difficulties. This facility was to be repaid following the receipt of proceeds from the divestment of PFG and its associated real-estate assets. This funding was granted.</p> <p>In January 2024, NAB allowed a further \$7.7m increase to the working capital facility.</p> <p>In July 2024, NAB provided the Companies with an extension on the maturity date of certain of its banking facilities to assist with management's discussions with Megmilk in relation to the going concern business sale. NAB provided a two month extension being from 31 July 2024 to 30 September 2024.</p> <p>In terms of the Companies seeking an alternative financier to NAB, the minutes of Board meetings over the 6-month period prior to the appointment of Administrators discloses that actions were being taken from April 2024 to refinance the Companies' NAB facility with an alternative lender.</p>

Insolvency Indicator 5: Inability to meet other financial commitments / default on finance agreements

Present	Date relevant to Insolvency	Administrators' comments
		<p>As outlined at Insolvency Indicator 3 above, there was an increase in ageing of creditors for both BGFC (from January 2024) and BPD (from September 2023).</p> <p>We are aware of eight payment agreements entered into with BPD's creditors from as early as January 2024. These payment arrangements include:</p>
✓	From January 2024	<ul style="list-style-type: none"> - An arrangement with a milk supplier commencing in January 2024, to pay approximately \$3.1m by \$200k weekly instalments; and - An arrangement with an energy provider, commencing in February 2024, to pay approximately \$1.3m over eight weekly instalments. <p>Email correspondence between Management and trade creditors indicates that some payment arrangements were extended in consultation with suppliers.</p>

Insolvency Indicator 6: Profitability / trading losses

Present	Date relevant to Insolvency	Administrators' comments
✓	From FY16	<p>Based on our review of the Companies' financials, the Companies never generated a trading profit since their incorporation.</p>

The following net losses were incurred during the period of review:

\$ million	FY21	FY22	FY23	HY24
Loss before income tax	(29.3)	(20.9)	(11.6)	(14.1)
Income tax benefit/(expense)	7.4	3.0	(29.8)	(0.022)
Loss after income tax	(21.9)	(17.9)	(41.3)	(14.1)

Source: Statutory accounts

We note that trading losses were incurred by the Companies for the entire duration of the review period. The accumulated losses since incorporation as at 31 December 2023 totalled \$180.9m.

As outlined at **Section 4.5**, consistent operating losses were incurred by BPD for each month from 1 January 2024 through until 31 August 2024 totalling \$16.6m, which increased to \$21.5m after finance expenses (related to BPD's borrowings).

Insolvency Indicator 7: Cash flow difficulties

Present	Date relevant to Insolvency	Administrators' comments
---------	-----------------------------	--------------------------

BGFC's consolidated accounts reported the following closing cash positions at year-end for the following periods:

\$'000	FY21	FY22	FY23	HY24
Cash and cash equivalent	922	322	230	244
NAB overdraft facilities	-	(2,990)	(9,830)	(21,153)

Source: Statutory accounts

Given the Companies incurred operational losses since incorporation, they were reliant on debt (such as the overdraft facility) and equity raises.

As noted at Insolvency Indicator 4, the Companies restructured their debt facilities in the first half of FY24 and this included various requests for working capital and an extension of the overdraft balance. In addition, the Companies also funded operations in FY24 by stretching creditors (see Insolvency Indicator 3). The balance of this overdraft at the date of appointment was \$29.4m.

Present	Date relevant to Insolvency	Administrators' comments
		As noted at Insolvency Indicator 5 above, close monitoring of cashflow was clearly being undertaken from January 2024, with the Companies entering into payment arrangements with certain suppliers and engaging with existing and alternative lenders.

Insolvency Indicator 8: Access to alternative sources of finance (including equity capital)

Present	Date relevant to Insolvency	Administrators' comments
		From late 2023 various refinancing and recapitalisation attempts were made by BGFC with the assistance of restructuring advisors.
✓	24 November 2023 (equity)	As at the date of this Report we have not established a full list of dates in which all refinancing and recapitalisation efforts were exhausted. However, as set out at Insolvency Indicator 4, from April 2024, the Companies attempted to refinance via an alternate finance provider. However, this interest was abandoned by 12 July 2024.
	July 2024 (debt)	The last equity capital raise for BGFC occurred in December 2022, raising \$28.2 million (excluding transaction costs). On 24 November 2023, an AGM took place for BGFC shareholders, during which BGFC requested approval of an additional 10% placement facility by way of special resolution in accordance with listing rule 7.1A. The required 75% majority to pass the special resolution was not achieved, so the resolution did not pass. A further equity raise attempt was not an option thereafter given the financial position of the Companies continued to deteriorate.

Insolvency Indicator 9: Inability to dispose of non-core assets

Present	Date relevant to Insolvency	Administrators' comments
		The Companies divested the following non-core assets in order to assist with debt repayment in the 12 months prior to the Administrators' appointment:
✗	N/A	<ul style="list-style-type: none"> - Interest in the AQUA-Essence business – sold to minority partner and settled in November 2023; and - 100% shareholding in PFG – sold and settled in July 2024 for \$4m (net of costs). <p>Net proceeds from the respective transactions were utilised to repay NAB debt.</p> <p>We did not consider the unsuccessful Megmilk transaction in relation to the sale of the Companies business to be a non-core asset for the purpose of this indicator, as the sale was for the whole of the business.</p>

Insolvency Indicator 10: Dishonoured payments

Present	Date relevant to Insolvency	Administrators' comments
---------	-----------------------------	--------------------------

✗

N/A

There is no evidence reviewed to date that indicates any dishonoured payments.

Insolvency Indicator 11: Overdue Commonwealth and State taxes

Present	Date relevant to Insolvency	Administrators' comments
---------	-----------------------------	--------------------------

BGFC and BPD entered into payment arrangements with the ATO on 27 August 2024 as summarised below:

	BPD	BGFC
Total arrangement amount	\$253,276	\$127,700
Nature of debt	PAYG withholding from 14 August – 16 August 2024	PAYG withholding from 14 August – 16 August 2024
Status	Paid in full as part of the August 2024 BAS	An instalment of \$12,051 was paid on 30 August 2024. Balance remains outstanding.

Source: ATO; KPMG analysis

We understand the Companies were meeting their repayment arrangements as required and no lodgements were overdue at appointment. At this stage we are not aware of any other overdue Commonwealth or State taxes.

Insolvency Indicator 12: No forbearance from creditors / legal action threatened or commenced by creditors

Present	Date relevant to Insolvency	Administrators' comments
---------	-----------------------------	--------------------------

✓

June 2024 (or earlier)

As part of our investigations we have identified only two letters of demand issued by suppliers;

- Eaton Filtration on 25 June 2024 for payment of \$146k. Various payments totalling \$143k were subsequently paid prior to the appointment of Administrators.
- Middleton Logistics Pty Ltd on 13 August 2024 demanding payment of a \$15k debt, which was paid in full on 16 August 2024.

We are not aware of any other formal demands or debt collection activity initiated by creditors. However, we are aware of a major milk supplier refusing to renew a milk supply agreement effective 1 July 2024 due to concerns raised regarding the “risk profile/appetite” of the Companies based on its reported financial position.

Notwithstanding the above, the Companies’ finance team advised that an increasing number of creditor suppliers became increasingly overdue from the commencement of January 2024 onwards (as illustrated at Insolvency Indicator 3).

We are advised that the approach taken by Management was to reactively make payment of those overdue debts once the respective supplier threatened to initiate debt collection. This approach minimised formal letters of demand being issued.

7.4 Preliminary conclusion as to solvency

In light of the insolvency indicators discussed above, we are of the opinion that the Companies may have been insolvent from at least **4 April 2024** (and possibly earlier):

- There was a significant working capital deterioration from 30 June 2023 to 31 December 2023, with management accounts indicating a \$35.7m working capital deficiency which had further deteriorated to a deficiency of \$64.3m by 30 June 2024 (Insolvency Indicator 1);
- BPD had a net asset deficiency from April 2024, after deducting the intercompany loan payable to BGFC. This deficiency continued through to the date of our appointment as Administrators (Insolvency Indicator 2);
- Trade creditor balances had been increasing and ageing began to deteriorate in the period leading up to April 2024 and continued thereafter (refer Insolvency Indicator 3);
- Increasing requests were made for additional support from NAB for working capital purposes (Insolvency Indicator 4);
- At an AGM on 24 November 2023 shareholders rejected BGFC’s request for approval of an additional 10% placement facility. A further equity raise attempt was not an option thereafter given the financial position of the Companies continued to deteriorate (Insolvency Indicator 8); and
- Emails from the Companies’ safe harbour advisor from November 2023 suggest the Companies were implementing a safe harbour plan from then onwards (primarily “Project White” - a whole of business sale) (refer **Section 7.5.2.3** below). On 3 April 2024, the safe harbour advisor was advised by separate advisors engaged to conduct Project White that Project White had failed. The Directors met the safe harbour advisor on 4 April 2024 to be advised of this. Further activity relating to safe harbour is set out at **Section 7.5.2.3**.

Given the extent of losses incurred in prior periods, and the Companies’ history of being unable to generate profit from operations in any period since listing on the ASX, the date of insolvency may be earlier.

A liquidator, if appointed, would need to conduct further investigations, and possibly conduct public examinations of the Directors, former directors and other relevant persons, to ultimately determine whether or not the Companies became insolvent from 4 April 2024 or some other date.

7.5 Potential liquidator recoveries – insolvent trading

7.5.1 Directors’ liability

Section 588G of the Act imposes a positive duty upon company directors to prevent insolvent trading. If a director is found to have committed an offence under Section 588G, the Court may order him or her to pay compensation to the company equal to the amount of loss or damage suffered by its unsecured creditors pursuant to Section 588M of the Act.

The Court may also impose upon the directors one of two types of civil penalty orders, the first can include a fine or an order prohibiting the directors from participating in the management of a company. The second, where there is criminal intent and conviction, exposes a director to imprisonment for up to five years and/or a fine.

This action is not a right that is available to an administrator or a deed administrator. Applications for compensation payable to the company are usually made by a liquidator, or in specified circumstances, a creditor.

The substantive elements of Section 588G are:

- a person is a director of a company at the time when the company incurs a debt;
- the company is insolvent at that time, or becomes insolvent by incurring that debt (or by incurring, at that time, debts including that debt); and
- at that time, there are reasonable grounds for suspecting that the company is insolvent or would so become insolvent (as the case may be).

7.5.2 Directors' defences

7.5.2.1 Section 588H defences

The defences available to directors contained in Section 588H are:

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

7.5.2.2 Safe harbour defences

Section 588GA of the Act provides directors with a safe harbour from the insolvent trading provisions contained in Section 588G whilst attempting to restructure or turnaround the business.

Safe harbour provisions apply if (and subject to certain conditions being met) after the director starts to suspect the company may become or is insolvent, the director starts developing one or more courses of action that are reasonably likely to lead to a better outcome for the company.

The period of safe harbour continues from the time at which the director starts developing the course of action and ends at the earliest of any of the following times:

- if the director fails to take any such course of action within a reasonable period after that time – the end of that reasonable period;
- when the director ceases to take any such course of action;
- when any such course of action ceases to be reasonably likely to lead to a better outcome for the company; or
- the appointment of an administrator or liquidator to the company.

During the period of safe harbour, the following conditions must be met:

- a debt must be incurred directly or indirectly in connection with the course of action reasonably likely to lead to a better outcome for the company;

- the company must continue to pay all employee entitlements (including superannuation) by the time they fall due; and
- the company must continue to comply with all tax reporting obligations.

7.5.2.3 Safe harbour restructuring plan

Our investigations to date have revealed that:

- On or around 10 November 2023, BGFC engaged a safe harbour advisor;
- On 21 November 2023, the safe harbour advisor provided the Directors with initial safe harbour advice by email;
- On 11 December 2023, an initial report and restructuring plan was developed by the safe harbour advisor;
- Emails from the Companies' safe harbour advisor from November 2023 suggest the Companies were implementing a safe harbour plan from then onwards (primarily "Project White" - a whole of business sale);
- On 3 April 2024, the safe harbour advisor was advised by separate advisors engaged to conduct Project White that Project White had failed;
- On 4 April 2024, the safe harbour advisor met the Directors to inform them of this; and
- On 9 April 2024, the safe harbour advisor emailed the Directors regarding the "material change of course" to the restructuring plan (because of the failed Project White) and the Directors beginning to take additional or accelerating courses of action as part of an updated restructuring plan focussed primarily on NAB debt restructuring and "contingency planning" for an external administration.

We are aware of further correspondence to and from the safe harbour advisor after 9 April 2024 as well as the provision of an updated safe harbour report and updated restructuring plan. All of this would require further investigations by a liquidator to determine whether it supports any defence raised to an insolvent trading claim.

A liquidator's investigations would need to consider many aspects of the safe harbour appointment, including:

- The details of the restructuring plan developed by (or for) the Directors (both the original restructuring plan and the updated restructuring plan);
- The adequacy and timeliness of the information provided to the safe harbour advisor;
- The advice provided by the safe harbour advisor;
- The Directors' compliance with the safe harbour advisor's advice and the Directors' preparation, pursuit and monitoring of the safe harbour restructuring plan(s) put in place (which appears to have changed over time) comparative to the expected outcome of an immediate appointment of external administrators; and
- Whether it remained reasonably likely that the safe harbour plan(s) being pursued from time to time remained reasonably likely to result in a better outcome for the Companies and their creditors than an immediate external administration.

Amongst many other considerations, a liquidator would also need to confirm the Companies' continuing satisfaction of the statutory pre-conditions to reliance on the safe harbour defence, such as whether all employee entitlements were substantially paid when due within the period that the Directors (and relevant former directors) may claim the safe harbour defence, and whether the Companies complied with their tax reporting obligations in that period.

We note that safe harbour protections are intended to provide directors of a company with a defence against applications for compensation payable to a company, made by a liquidator or creditor, pursuant to Sections 588G and 588M of the Act. A liquidator, if appointed at the Second Meeting, would therefore be required to conduct a detailed analysis of the defences available, prior to pursuing a potential claim.

7.5.3 Pursuing an insolvent trading claim

A liquidator must form an opinion as to the date of insolvency and determine the debts incurred from that date; thereby quantifying the loss to the company.

The costs of proceeding with an insolvent trading action, which are usually considerable, particularly given the need for expert evidence as to insolvency, must be considered.

Any decision to commence an action against directors for insolvent trading must have regard to the following:

- the costs of litigation and the uncertainty of success inherent in any complex litigation;
- the defences available to the directors; and
- the directors' capacity to meet a claim for compensation.

Our preliminary view is that the Companies were insolvent from at least **4 April 2024** and possibly earlier.

In determining a course of action, a liquidator would consider the costs and risks of any proceedings and the ability to fund any proceedings, including whether creditors are prepared to forgo any scheduled dividends and/or the cost of litigation funding as an alternative.

A liquidator may write to the Directors, setting out the results of their investigations and the conclusions in relation to insolvent trading and requesting payment of compensation for debts incurred by the Companies (one or all) at a time when they were insolvent.

Subject to a response, if any, being received from the Directors, to progress the insolvent trading claims, it would probably be necessary, in the first instance, to conduct public examinations of the Directors. The purpose of these examinations would be to further investigate the examinable affairs of the Companies and obtain further information and documentation in relation to the matters raised in this Report.

If a settlement is not forthcoming in answer to any letter of demand, a liquidator may commence recovery proceedings against the Directors (and entities associated with them, if applicable) for amounts relating to insolvent trading.

The analysis of an insolvent trading claim is complex and would require a detailed calculation by a liquidator and legal advice and would take many months, if not years, to resolve.

7.6 Adequacy of books and records

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

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

The Administrators are of the opinion that the Companies books and records were maintained in accordance with Section 286 of the Act.

7.7 Other matters arising from investigations

7.7.1 Falsification of books

Pursuant to Section 1307(1) of the Act, it is an offence for a person to engage in conduct that results in the concealment, destruction, mutilation or falsification of any securities of or belonging to the company or any books affecting or relating to affairs of the company.

If an offence is proven, there are criminal penalties only. However, similar or related conduct also could give rise to a contravention of Section 1307(2) of the Act and that contravention could give rise to a claim for damages. Further, conduct falling within either Section 1307(1) or Section 1307(2) may amount to breaches of directors' statutory and/or general law duties and/or provisions proscribing misleading conduct which could give rise to a recovery of funds.

The Administrators' investigations to the date of this Report do not reveal any evidence of falsification of books.

7.7.2 False or misleading statements

Pursuant to Section 1308 of the Act, a company must not advertise or publish a misleading statement regarding the amount of its capital. It is an offence for a person to make or authorise a statement that, to the person's knowledge is false or misleading in a material particular.

The Administrators' investigations to the date of this Report do not reveal any evidence of any false or misleading statements.

7.7.3 False information

Pursuant to Section 1309 of the Act, it is an offence for an officer or employee to make available or give information to a director, auditor, member, debenture holder, or trustee for debenture holders of the company that to the knowledge of the officer or employee:

- is false or misleading in a material particular; or
- has omitted from it a matter or thing the omission of which renders the information misleading in a material respect.

The Administrators' investigations to the date of this Report do not reveal any evidence of any false information.

8 Voidable transactions

This section informs creditors about any potential voidable transactions that may be recoverable by a liquidator where such a transaction occurred prior to the appointment of the Administrators, and where the property of the Companies may have been disposed of or dealt with in a manner which was either not beneficial, or was detrimental, to the Companies.

Key takeaways		Ref.
1	Our preliminary investigations to the date of this Report have identified potential unfair preference payments and other voidable transactions in excess of \$7.4m. At this stage, we have not considered the defences that may be available to the recipients of the identified transactions.	8.1
2	We have considered payments made to related entities of the Companies, including its Directors. We are aware of management fees paid by the Group to Beston Pacific Asset Management Pty Ltd, an entity controlled by certain of the Directors. At this stage we have not determined whether these fee payments constitute voidable transactions and this is a matter which will require further investigation by a liquidator.	8.4
3	A liquidator will be able to perform further investigations into various transactions that had the effect of conferring a benefit on a creditor(s), the Directors and/or related parties.	

A liquidator has the power to take steps to have declared void certain transactions which are either not beneficial, or are detrimental, to a company. An administrator must endeavour to identify any transactions that appear to be voidable by a liquidator, subject to further investigations by a liquidator. Apart from seeking to have a voidable transaction declared void, a liquidator may seek related orders, including the payment of compensation.

Enclosed at **Annexure E** is a creditor information sheet published by ARITA. This information sheet details the types of transactions which a liquidator can seek to have declared void, including:

- unfair preference payments;
- uncommercial transactions;
- unfair loans;
- unreasonable director-related transactions;
- inappropriate related party transactions;
- creation of circulating security interests within 6 months of the commencement of external administration; and
- transactions for the purpose of defeating creditors.

For the purposes of examining voidable transactions, a liquidator would review transactions that occurred during the relevant time period (as prescribed under the Act), taking into consideration the “relation back day”. The relation back day for the Companies is 20 September 2024, being the date the Directors resolved to appoint Voluntary Administrators, as determined by Section 91 of the Act. The relation back period is therefore 21 March 2024 to 20 September 2024.

8.1 Unfair preferences – section 588FA

An unfair preference payment is a transaction, generally occurring in the six months prior to the relation back day, between the company and a creditor, resulting in the creditor receiving from the company, in respect of an unsecured debt that the company owes to 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 a winding up of the company. This period is extended up to four years for transactions entered into with a related entity.

A transaction can only be considered an unfair preference if the company was insolvent at the time the transaction took place, or the company became insolvent as a result of the transaction.

We have identified payments totalling approximately **\$7.4m** that were made to **11** creditors by BPD from 4 April 2024 to 20 September 2024) which appear to potentially represent unfair preference payments.

It would appear that the 11 creditors who received the payments identified as potentially unfair preference payments had reasonable grounds for suspecting BPD was insolvent at the time due to the following:

- They received lump sum payments that were partial payments for debts that had been incurred by BPD (i.e. these payments were made in partial satisfaction of debts which left residual debts outstanding outside of contracted payment terms); and/or
- There was extensive email correspondence regarding payment arrangements and overdue trading terms at the time the payments were made; and/or
- The creditors required pre-payment for the delivery of certain goods and services during this period.

A liquidator will undertake further investigations into the identified payments and any other potential preference payments once they are appointed.

Unfair preference payments are voidable against a liquidator, and further investigations will be undertaken in the liquidation to determine the likelihood of action for the recovery of unfair preference payments being successful. We note that successful action for unfair preference payments includes establishing the date of insolvency, and the costs of pursuing an unfair preference payment can sometimes outweigh the potential returns.

8.1.1 Unfair preferences – defences

The creditor may defend an unfair preference claim brought by a liquidator if it proves that it became a party to the transaction in good faith and, at the time when the person became a party to the transaction:

- the creditor had no reasonable grounds for suspecting that the company was insolvent at that time or would become insolvent because of entering into the transaction or a person doing an act, or making an omission, for the purpose of giving effect to the transaction; and
- a reasonable person in the creditor's circumstances would have had no such grounds for so suspecting; and
- the creditor provided valuable consideration under the transaction or has changed his, her or its position in reliance on the transaction.

8.2 Uncommercial transactions – section 588FB

An uncommercial transaction is a transaction which a reasonable person in the company's circumstances would not have entered into, having regard to:

- the benefits (if any) to the company entering into the transaction(s);
- the detriment to the company of entering into the transaction(s);
- the respective benefits to other parties to the transaction(s) of entering into it; and
- any other relevant matters.

A liquidator will investigate transactions to determine if they are uncommercial, where those transactions have occurred in the period two years prior to the date of liquidation.

Based on the books and records of the Companies and information provided by creditors, there are certain transactions which will require investigation by a liquidator to determine whether or not those transactions would constitute uncommercial transactions and to quantify the potential benefit to creditors if pursued.

8.3 Unfair loans – section 588FD

A liquidator will investigate any loans to the company which may be considered unfair due to extortionate interest rates or charges.

Based on the books and records in our possession we have not identified any transactions which would constitute unfair loans to the Companies at the date of this Report.

8.4 Unreasonable director-related transactions – section 588FDA

Section 588FDA of the Act refers to “unreasonable director-related transactions” and requires the liquidator to investigate such transactions, having regard to the detriment to the company (if any) suffered as a consequence of the transaction.

The transaction must satisfy the criteria set out in section 588FDA of the Act, and have been entered into, or an act was done for the purpose of giving effect to it, during the four years prior to the relation back day, regardless of the solvency at the time the transaction occurred. Unreasonable director-related transactions can potentially include payments by the company to, dispositions of property by the company to, issuances of securities by the company to and incurrance of obligations by the company in favour of:

- a director of the company;
- a close associate of a director of the company; or
- a person on behalf of, or for the benefit of, a director of the company or a close associate of a director of the company.

An unreasonable director related transaction must be a transaction which a reasonable person in the company's circumstances would not have entered into, having regard to:

- the benefits (if any) to the company of entering into the transaction;
- the detriment to the company of entering into the transaction;
- the respective benefits to other parties to the transaction of entering into it; and
- any other relevant matter.

The Group's FY21 accounts detail that investment management, valuation, accounting and other administrative functions were outsourced by BGFC to Beston Pacific Asset Management Pty Ltd (**BPAM**) in accordance with an investment management agreement. In return for these services and functions, BPAM received an annual fee of 1.2% of the Group's portfolio value. As part of this agreement, the CEO and CFO of the Group were also employed by BPAM.

The directors of BPAM are Roger Sexton, Stephen Gerlach and Kerrie Sexton. The shareholders of BPAM are Blue Ridge Holdings Pty Limited and S Gerlach Pty Limited, entities related to the Directors.

The BPAM investment management agreement was terminated on 29 August 2021 (i.e. 3 years prior to the Administrators' appointment) by resolution of the shareholders of BGFC. When the BPAM investment management agreement was terminated, BPAM was paid a termination fee of \$1.13m in cash and received 21,125,000 shares in BGFC. This consideration was received by BPAM on or around 28 May 2021. We understand based on the share register that BPAM retained approximately 18m shares at the date of the Administrators' appointment.

Given the relationship between the Directors and BPAM, a liquidator, if appointed, will undertake a detailed review of the investment management agreement in order to understand the underlying basis for the agreement and any charges that were paid to BPAM in accordance with the agreement, including the annual fees paid and the termination fees. At this stage, it is too early to determine whether there is any likely recovery from these investigations.

A liquidator will also determine whether there are any other director related transactions that require further investigation as part of the liquidation process.

8.5 Voidable charges

A circulating security interest is void, as against the company's liquidator, if the security interest was created during the six months ending on the relation back day except so far as it secures:

- an advance paid to the company, or at its direction, at or after the date it was created and as consideration for the creation of the circulating security interest;
- interest on such an advance;

- the amount of a liability under a guarantee or other obligation undertaken at or after that time on behalf of, or for the benefit of, the company;
- an amount payable for property or services supplied to the company undertaken at or after that time on behalf of, or for the benefit of, the company; or
- interest on an amount so payable.

We have not identified any voidable charges at the date of this Report.

8.6 Arrangements to avoid employee entitlements

Part 5.8A of the Act aims to protect the entitlements of a company's employees from agreements that deliberately defeat the recovery of those entitlements upon insolvency. Under Section 596AB(1) of the Act, it is an offence for a person to enter into a transaction or relevant agreement with the intention of, or with intentions that include the intention of:

- avoiding or preventing the recovery the entitlements of employees of a company; or
- significantly reducing the entitlements of employees of a company that can be recovered.

Based on the books and records in our possession we have not identified at the date of this Report any arrangements to avoid employee entitlements.

8.7 Directors' ability to pay a liquidator's claims

At this stage, the Administrators have not made any assessment as to the financial capacity of the Directors to meet any potential actions that we may identify.

A liquidator, if appointed, will make a formal assessment of the Directors' personal capacity to meet any potential actions that may be brought.

8.8 Reports to the ASIC

Section 438D of the Act requires an administrator of a company to lodge a report with ASIC (and give ASIC such information, and access to and facilities for inspecting and taking copies of documents, as ASIC requires) should it appear to the administrator that:

- a past or present officer or employee, or a member, of the company may have been guilty of an offence in relation to the company; or
- a person who has taken part in the formation, promotion, administration, management or winding up of the company:
 - may have misapplied or retained, or may have become liable or accountable for, money or property (in Australia or elsewhere) of the company; or
 - may have been guilty of negligence, default, breach of duty or breach of trust in relation to the company.

Given the limitations on our investigations as Administrators of the Companies, we have not identified any offences at the date of this Report that require reporting to the ASIC pursuant to Section 438D of the Act. A liquidator, if appointed, must prepare a similar report to ASIC pursuant to Section 533 of the Act once the liquidator has concluded their investigations.

9 Return to creditors

This section provides creditors with information on the estimated financial outcome to creditors together with the anticipated timing of any dividend.

Key takeaway	Ref.
<p>1 NAB retains a first ranking security interest over the Companies' assets. Priority employee creditors rank above NAB in relation to certain circulating security interest assets (i.e. debtors and inventory) but NAB rank above priority employee creditors and unsecured creditors in relation to non-circulating security interest assets (i.e. land and buildings and plant and equipment).</p> <p>ScotPac has already been paid in full in relation to their secured debts. They are not included in the analysis below.</p>	9.1
<p>2 The table below outlines an estimated High and Low return for the classes of creditors in a liquidation. Given that BPD was the operating entity and owned the majority of the assets, there are higher asset realisations in BPD than BGFC, before any pooling consideration.</p> <p>It is noted that the estimated outcome presented incorporates many assumptions which may be subject to change, including the final realisations from the Companies' assets, the final costs from the administration (and liquidation) process and any liquidator's recoveries that may be available.</p>	9.1
<p>3 It is estimated that the Companies' circulating and non-circulating security interest assets may all be realised by 30 June 2025.</p>	9.1
<p>4 Priority employee creditors of BPD are estimated to receive a dividend of 100 cents in the dollar from net circulating asset recoveries of BPD. A dividend to priority creditors of BGFC is dependent on any recovery to BGFC from the intercompany loan from BPD.</p> <p>The return to priority creditors of BPD is estimated to be completed by 30 June 2025 (if not earlier). In the event of any unforeseen delays, former BPD employees could seek payment of their outstanding employee entitlements (excluding unpaid superannuation) from FEG, a scheme operated by the Department of Employment and Workplace Relations. If FEG advances funds to pay entitlements, FEG has a subrogated position to the employees to claim the priority payment from the liquidation of BPD.</p> <p>Given the lack of circulating assets of BGFC, priority employee creditors of BGFC can claim their outstanding employee entitlements (excluding unpaid superannuation) from FEG, subject to eligibility and other criteria of FEG.</p>	9.2
<p>5 A dividend to unsecured creditors is subject to any liquidator's recoveries that may be available and successful, net of costs. Our estimate of these recoveries has been withheld from this Report for commercial sensitivity reasons. A liquidator will be better placed to provide an estimate in due course once further investigations are conducted.</p>	9.2

9.1 Estimated return to creditors

Given that no DOCA proposal has been received at the date of this Report, the table below outlines an estimated High and Low return for each class of creditor for each of BPD and BGFC in a liquidation scenario:

\$'000s	BPD		BGFC	
	Liquidation		Liquidation	
	ERV High Case	ERV Low Case	ERV High Case	ERV Low Case
Excluding GST				
NON-CIRCULATING ASSETS				
Real property (net of statutory charges)	Withheld	Withheld	Withheld	Withheld
Plant & equipment	Withheld	Withheld	Withheld	Withheld
Other non-circulating assets	Withheld	Withheld	Withheld	Withheld
Total realisations from non-circulating assets	21,727	19,938	63	29
Less: Realisation costs attributable to non-circulating assets				
Trading losses (estimate)	(2,157)	(2,574)	0	0
Agent's commission and asset decommissioning costs	(746)	(706)	(5)	(2)
Asset preservation and holding costs	(594)	(1,702)	0	0
Professional fees - Administrators' Fees and Disbursements	(2,270)	(2,270)	(24)	(24)
Professional fees - Liquidators' Fees and Disbursements	(130)	(200)	(5)	(5)
Professional fees - Lawyers	(210)	(275)	0	0
Total realisation costs attributable to non-circulating assets	(6,106)	(7,727)	(34)	(31)
Net proceeds available from non-circulating assets	15,621	12,211	29	0
CIRCULATING ASSETS				
Circulating assets available to priority creditors				
Cash	0	0	2	2
Accounts receivable (net of ScotPac)	2,131	1,731	52	52
Inventory and stock	5,743	5,743	0	0
Repayment of Related Party Intercompany Loan	-	-	Withheld	0
Total realisations from circulating assets	7,874	7,474	54	54
Less: Realisation costs attributable to circulating asset realisations				
Trading losses (estimate)	(601)	(734)	0	0
Asset preservation and holding costs	(86)	(153)	0	0
Professional fees - Administrators' Fees and Disbursements	(823)	(823)	(218)	(218)
Professional fees - Liquidators' Fees and Disbursements	(350)	(500)	(15)	(45)
Professional fees - Lawyers	(76)	(101)	(15)	(25)
Total realisation costs attributable to circulating assets	(1,936)	(2,310)	(248)	(288)
Net proceeds available to priority creditors from circulating assets	5,939	5,164	0	0
Less: Priority Employee Creditors	(3,674)	(3,674)	(833)	(833)
Net proceeds available from circulating assets	2,264	1,490	0	0
Net proceeds available to NAB	17,885	13,701	29	0
Less: NAB Debt (excluding any accrued / capitalised interest)	(52,559)	(52,559)	(52,559)	(52,559)
Shortfall to NAB	(34,674)	(38,858)	(52,530)	(52,559)
Liquidator Recoveries (e.g. voidable transactions) (net of costs)	Withheld	Withheld	Withheld	Withheld
Total Funds Available to Creditors from Liquidator Recoveries	Withheld	Withheld	Withheld	Withheld
Shortfall to Priority Employee Claims	0	0	(833)	(833)
Shortfall to Priority Employees Creditors (after Liquidator Recoveries)	Withheld	Withheld	Withheld	Withheld
Surplus available to unsecured creditors	Withheld	Withheld	Withheld	Withheld

\$'000s	BPD		BGFC	
	Liquidation		Liquidation	
	ERV High Case	ERV Low Case	ERV High Case	ERV Low Case
Excluding GST				
<i>Unsecured claims:</i>				
Unsecured Claims – trade and statutory creditors	(17,936)	(17,936)	(859)	(859)
Unsecured Claim – related party intercompany loan account	(63,722)	(63,722)	0	0
Shortfall to Secured Creditors	(34,674)	(38,858)	(34,674)	(38,858)
Total Unsecured Claims	(116,332)	(120,516)	(35,533)	(39,7178)
Return to Unsecured Creditors (c/\$)	Withheld	Withheld	Withheld	Withheld
Return by Creditor Group				
NAB (excluding unsecured portion) (c/\$)	34.03	26.07	0.06	-
Priority Employee Creditors (c/\$)	100.00	100.00	-	-
Unsecured Creditors (including Shortfall to NAB) (c/\$)	Withheld	Withheld	Withheld	Withheld

We make the following comments in relation to the estimated return to creditors:

- The funds received from the realisation of the non-circulating security assets of each of BPD and BGFC will be applied to the secured debt due of NAB, less any costs relating to care, preservation and realisation of the non-circulating assets (to be agreed with NAB).
- The funds received from the realisation of the Companies' circulating assets will be applied in priority towards the payment of employee creditor claims in accordance with the Act, less any costs relating to care, preservation and realisation of the circulating assets.
- In relation to BPD, following payment of priority employee creditor claims, any remaining net realisations will then be paid to NAB pursuant to Section 556 of the Act.
- There are insufficient circulating assets in BGFC to pay out its priority employee creditors.
- Assuming the Companies are placed into liquidation, employees may be eligible for payment of their outstanding employee entitlements (excluding unpaid superannuation) under FEG, a scheme operated by the Department of Employment. Employees can obtain further information on the eligibility requirements of FEG at <https://docs.jobs.gov.au/documents/eligibility-feg-assistance-fact-sheet>.
- The proceeds from the sale of the Companies' assets will be insufficient to discharge the debt due to NAB in full. As such, there will be no funds available to unsecured creditors from the realisation of the Companies' assets. A return to unsecured creditors of the Companies depends on any liquidators' recoveries that may be available and successful (net of costs). However, for reasons of commercial sensitivity we have withheld our estimate of the potential recovery from these claims in order to avoid prejudicing any action or negotiations in relation to the same.
- The above table does not detail the return that has already been made to ScotPac of 100 cents in the dollar (and the realisations that made up that return given these debtor amounts were paid directly to ScotPac by the debtors).

The above calculations are an estimate only and may change due to:

- the final amount realised from the plant and equipment and land and buildings at Jervois and head office that are not currently subject to an agreed sale, including the time that may be taken to realise these assets. The estimated realisable values are commercially sensitive;
- agreeing the allocation of trading losses and asset care, preservation and realisation costs with NAB;

- any accrued interest or capitalised interest that may be applicable in relation to NAB's claim;
- the final proving of creditor claims by priority employee creditors and unsecured creditors, including the intercompany claim between BGFC and BPD; and
- the final amount recoverable from any liquidators' recoveries net of costs including costs of litigation which could be substantial and take some time to resolve.

9.2 Timing of dividend

In a liquidation scenario, the Administrators' estimate the following:

- **Secured Creditor** – payments will be made to NAB following the sale and realisation of the Companies' assets. It is difficult to estimate the precise timing for the sale and realisation of the Companies' remaining circulating and non-circulating assets (i.e. land and buildings and plant and equipment as well as remaining trading sales). However, the Administrators are hopeful of finalising these realisations by 30 June 2025. There may be an additional unsecured return to NAB from liquidators' recoveries but these could take many months and even years to finalise from the liquidation date.
- **Priority Employee Creditors – BPD** – Priority employee creditors of BPD are estimated to receive a dividend of 100 cents in the dollar from net circulating asset recoveries of BPD, estimated to be completed by 30 June 2025 (if not earlier). In the event of any unforeseen delays, former BPD employees could seek payment of their outstanding employee entitlements (excluding unpaid superannuation) from FEG. If FEG advances funds to pay entitlements, FEG has a subrogated position to the employees to claim the priority payment from the liquidation of BPD, where we estimate FEG would ultimately receive full repayment in respect of BPD. A liquidator would write to employees following their appointment to provide an estimated timeline for payment and instructions regarding lodgement of a claim with FEG.
- **Priority Employee Creditors – BGFC** – Given the lack of circulating assets of BGFC, there will be no dividend to priority employee creditors. Following a liquidator's appointment, employees will be directed to the Department of Employment and Workplace Relations and will be able to apply for a payment under FEG, subject to eligibility and other criteria of FEG. Any return to FEG in respect of its subrogated claim for priority employee entitlements advanced, is dependent on any liquidator's recoveries in each of BPD and BGFC.
- **Unsecured creditors** – any return to unsecured creditors for the Companies will be subject to any liquidators' recoveries which, as stated above, could take many months or even years to finalise from the liquidation date.

10 Statement by Administrators

We recommend that the BGFC and BPD should be placed into liquidation on the basis that both Companies are insolvent and no DOCA proposal has been received at the date of this Report.

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

- Companies to execute a DOCA; or
- The voluntary administrations to end; or
- Companies to be wound up.

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

10.1 DOCA

As no DOCA proposal has been received at the date of this Report, this option is not available to creditors.

10.2 Administration to end

The Companies are insolvent and unable to pay their debts as and when they fall due. Accordingly, returning control of the Companies to the Directors would be inappropriate and is not recommended. We note the Directors of BGFC have all resigned in any event.

10.3 Winding up of the Companies

It is our opinion that the Companies should be placed into liquidation.

A liquidator would be in a position to conduct detailed investigations into the conduct of the Directors and the financial affairs of the Companies. A liquidator will also be empowered to:

- complete the sale of the remaining assets of the Companies in an orderly manner;
- assist employees with the payment of their outstanding employee entitlements, including providing assistance to BGFC (and potentially BPD) employees in applying for FEG for the payment of their employee entitlements that cannot otherwise be funded from net circulating asset realisations (including timing in the case of BPD);
- pursue various potential recoveries under the Act;
- distribute recoveries successfully made in accordance with the priority provisions of the Act; and
- report to the ASIC on the results of investigations into the Companies affairs.

11 Further information and enquiries

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

We will advise creditors in writing of any additional matter that comes to our attention after the release of this Report, which in our view is material to creditors' consideration.

Should you have any enquiries, please contact our offices via email at beston@kpmg.com.au.

Dated this 13th day of February 2025



TD Mablesen
Joint & Several Voluntary Administrator

Annexures

A – Statutory Information

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

Beston Global Food Company Limited

Beston Global Food Company Limited	
ACN	603 023 383
Incorporation date	24/11/2014
Registered address / Principal place of business	G 84 Greenhill Road, Wayville SA 5000

The BGFC officers over the past 3 years were:

Name	Role	Appointment Date	Resignation Date
Stephen Gerlach	Director	24/11/2014	Current
Roger Neil Sexton	Director	24/11/2014	Current
Ian John Campbell	Director	1/07/2024	Current
Neil Alexander Longstaff	Director	1/01/2021	1/07/2024
Cheryl Loretta Hayman	Director	26/11/2021	30/05/2024
Kevin Richard Reid	Director	1/02/2022	30/05/2024
Joanna Louise Andrew	Director	7/12/2020	19/08/2022
Petrina Coventry	Director	16/02/2015	20/05/2022
Ian McPhee	Director	7/04/2016	20/05/2022
Richard Walter Cumming Willson	Secretary	25/09/2015	Current

See below for details of the share structure of BGFC as at 26 April 2024:

Registered Owner	Shares held	Fully paid	% Issued Capital
Hishenk Pty Ltd	136,000,000	Yes	6.81
HSBC Custody Nominees (Australia) Limited	128,499,238	Yes	6.43
BNP Paribas Noms Pty Ltd	78,216,194	Yes	3.92
Kunteng Pte Ltd	64,051,111	Yes	3.21
Mr Paul Ainsworth	56,000,000	Yes	2.80
BNP Paribas Nominees Pty Ltd	54,998,463	Yes	2.75
Australia Aulong Auniu Wang Food Holdings Pty Ltd	54,449,834	Yes	2.73
Kijomi Holdings Pty Ltd	43,196,286	Yes	2.16
Willoughby Capital Pty Ltd	36,500,000	Yes	1.83
Citicorp Nominees Pty Limited	32,868,768	Yes	1.65

Registered Owner	Shares held	Fully paid	% Issued Capital
Balance of Holdings	1,312,266,998	Yes	65.71
Total	1,997,046,892		100%

Source: Share Register Extracted on 26/04/24

Registered Security Interests

The below summarises the parties who held a registered security interest on the PPSR as at the date of appointment.

Secured Creditor	All PAAP	Motor Vehicle	Other Goods	Total
National Australia Bank Limited	1		9	10
Scottish Pacific Business Finance Pty. Limited	1			1
Smartavait Technologies Pty Ltd		4		4
Viking Food Solutions Pty Ltd			1	1
Waterform Technologies Pty Ltd			1	1
Ecolab Pty Ltd			1	1
	2	4	12	18

Beston Pure Dairies Pty Ltd

Beston Pure Dairies Pty Ltd	
ACN	606 417 994
Incorporation date	15/06/2015
Registered address / Principal place of business	G 84 Greenhill Road, Wayville SA 5000

The BPD officers over the past 3 years were:

Name	Role	Appointment Date	Resignation Date
Roger Neil Sexton	Director	15/06/2015	Current
Fabrizio Vianna Jorge	Director	6/06/2022	12/07/2024
Nicholas Lachlan Martin	Director	24/02/2023	12/07/2024
Kevin Richard Reid	Director	6/06/2022	30/05/2024
Nicholas Frederick Wagner	Director	6/06/2022	8/02/2023
Stephen Gerlach	Director	15/06/2015	6/06/2022
Petrina Coventry	Director	15/06/2015	31/01/2022
Ian Mcphee	Director	29/06/2016	31/01/2022
Jonathan William Hicks	Director	11/02/2019	18/11/2021
Jim Kouts	Director	15/06/2015	1/03/2021
Catherine Sheree Cooper	Director	14/02/2017	1/03/2021
Richard Walter Cumming Willson	Secretary	18/12/2015	Current

The ASIC database search disclosed the shareholders of BPD as follows:

Registered Owner	Shares Held	Description	Fully Paid	% Issued Capital
Beston Global Food Company Limited	100	Ordinary Shares	Yes	100%

Registered Security Interests

The below summarises the parties who held a registered security interest on the PPSR as at the date of appointment.

Secured Creditor	All PAAP	All PAAP with exception	Account	Motor Vehicle	Other Goods	General Intangible	Total
National Australia Bank Limited	1	1			5		7
Scottish Pacific Business Finance Pty. Limited	1		2		100		103
Linde Material Handling Pty Limited				2			2
Summit Auto Lease Australia Pty Limited				1			1
De Lage Landen Pty Limited				1			1
Australian Alliance Automotive Finance Pty Limited				3			3
A&G Engineering Pty Ltd					1		1
Adsteel Brokers Pty. Ltd.					1		1
Alto Manufacturing Pty Ltd					1		1
Applied Industrial Technologies Pty Ltd					1		1
Ausco Modular Pty Limited					1		1
Bidfood Australia Limited					1		1
Bronson & Jacobs Pty Ltd / Ixom Operations Pty Ltd					1		1
Caspak Products Pty Ltd / The Trustee for Caspak Products Trust					1		1
Ecolab Pty Ltd					1		1
Elgas Limited					1		1
Global Life Sciences Solutions Australia Pty Ltd					2		2
Metal Manufactures Pty Limited					1		1
MM Plastics Pty Limited					1		1
Mondelez Australia Pty Ltd / Mondelez Australia (Foods) Ltd					2		2
Motion Asia Pacific Pty Ltd + 10 related entities					1		1
MPD Dairy Products Pty Ltd					1		1
N.H.P. Electrical Engineering Products Proprietary Limited					1		1
Omron Electronics Pty Ltd					1		1
Opal Packaging Australia Pty Ltd					1		1
P. & R. Electrical Wholesalers Pty. Ltd.					1		1
Peerless Holdings Pty. Limited					1		1
Redox Limited					1		1
Scalzo Trading Co. Proprietary Limited					1		1
Sealed Air Australia Pty Limited					1		1
SEW-Eurodrive Pty. Ltd.					1		1
Sugar Australia Pty Limited					1		1

Secured Creditor	All PAAP	All PAAP with exception	Account	Motor Vehicle	Other Goods	General Intangible	Total
Tetra Pak Marketing Pty. Ltd.					1		1
The Trustee for The Adaptive Trust					1		1
Tradelink Pty Limited					1		1
VISY Logistics No 2 Pty Ltd + 25 related entities					1		1
Citibank						1	1
	2	1	2	7	137	1	150

B – Receipts & Payments

BPD

	Total \$ (inc GST)
Trading Receipts	
Sale of Goods	14,630,708.20
Total Trading Receipts	14,630,708.20
Trading Payments	
Advertising	(4,639.80)
Certifications	(3,659.60)
Commercial Necessity	(180,227.21)
Customer Refunds	(1,314.00)
Employee Medicals	(1,500.00)
Employee WHS Training	(3,480.40)
Farmer Milk Payments	(10,109,865.25)
Freight	(1,889,642.44)
Fuel & Oil	(5,828.99)
Hire & Leasing	(60,643.96)
Insurance	(1,479,559.59)
IT Expenses	(27,192.90)
Levies	(20,152.54)
Manufacturing Consumables	(364,420.63)
Office Consumables	(1,400.00)
Payroll Tax	(131,275.09)
Raw Materials	(1,150,027.38)
Rent & Rates	0.00
Repairs & Maintenance	(387,542.25)
Staff Reimbursements	(5,532.55)
Superannuation	(278,411.97)
Utilities	(1,382,215.34)
Wages & Salaries (net of PAYG accrued but not paid)	(2,137,630.35)
Worker's Compensation Insurance	(144,454.90)
Total Trading Payments	(19,770,617.14)
Total Trading Receipts and Payments	(5,139,908.94)
Non-Trading Receipts	
Accounts Receivable (Pre-Appointment)	1,730,935.20
Intellectual Property	1.10
Interest Income	2,660.29
Loan from Beston Global Food Company Limited (Administrators Appointed)	1.10
Plant & Equipment	274,997.80
Inventory (Pre-Appointment)	5,743,401.25
Total Non-Trading Receipts	7,751,996.74
Non-Trading Payments	
Bank Charges	(13,980.72)
Interest Charged	(140,524.30)

	Total \$ (inc GST)
Legal Fees	(12,299.10)
Loan to Beston Global Food Company Limited (Administrators Appointed)	(474,694.29)
Search Fees	(488.30)
Security Expenses	(165.00)
Valuation	(71,021.32)
WHS Expenses	(7,742.90)
Total Non-Trading Payments	(720,915.93)
Total Non-Trading Receipts and Payments	7,031,080.81
Cash at bank at 31 January 2025	1,891,171.87

BGFC

	Total \$ (inc GST)
Trading Receipts	
Nil	0.00
Total Trading Receipts	0.00
Trading Payments	
Certifications	(16,952.00)
Commercial Necessity	(19,260.57)
Employee Reimbursement	(2,643.65)
Hire & Leasing	(2,454.92)
IT Expenses	(150,441.00)
Office Consumables	(3,128.84)
Payroll Tax	(4,272.45)
Rent & Rates	(103,342.64)
Security	(114.40)
Superannuation	(20,313.47)
Wages & Salaries (net of PAYG accrued but not paid)	(146,637.92)
Worker's Compensation Insurance	(7,587.35)
Total Trading Payments	(477,149.21)
Total Trading Receipts and Payments	(477,149.21)
Non-Trading Receipts	
Accounts Receivable (Pre-Appointment)	51,904.93
Interest Income	652.91
Loan from Beston Pure Dairies Pty Ltd (Administrators Appointed)	474,694.29
Sale of BPFA Shares	1.10
Total Non-Trading Receipts	527,253.23
Non-Trading Payments	
Loan to Beston Pure Dairies Pty Ltd (Administrators Appointed)	(1.10)
Total Non-Trading Payments	(1.10)
Total Non-Trading Receipts and Payments	527,252.13
Cash at Bank at 31 January 2025	50,102.92

C – Notice of meeting of creditors

Notice of meeting of creditors

Insolvency Practice Rules (Corporations) 2016 (IPR), Section 75-225

Beston Global Food Company Limited (Administrators Appointed) ACN 603 023 383
Beston Pure Dairies Pty Ltd (Administrators Appointed) ACN 606 417 994
(the Companies)

NOTICE is given that a meeting of creditors of the Companies will be held on 21 February 2025 at 11:30 am (ACDT) online via Microsoft Teams.

Agenda

1. To consider the circumstances leading to the appointment of the Administrators to the Companies and the various options available to creditors.
2. To consider the report of the Administrators
3. To fix the remuneration of the Administrators of the Companies.
4. To resolve, for each of the Companies, that:
 - the Administration should end; or
 - the company be wound up.
5. If it is resolved that the Companies be wound up, and an alternate Liquidator is proposed, consider whether creditors wish to appoint the alternate Liquidator.
6. If it is resolved that the Companies be wound up, consider whether a Committee of Inspection is to be appointed, and if so, the members of that Committee.
7. If it is resolved that the Company be wound up, consider whether, pursuant to Section 477(2B) of the Corporations Act 2001, creditors authorise the Liquidators to enter into any agreement on the Companies behalf where:
 - the term of the agreement may end; or
 - obligations of a party to the agreement may, according to the terms of the agreement, be discharged by performance; more than three months after the agreement is entered into.
8. If it is resolved that the Companies be wound up, to fix the remuneration of the Liquidators.
9. Any other business that may be lawfully brought forward.

Should you wish to attend the meeting, please register via the following link:

Registration Form - Beston Second Meeting of Creditors

Once you have registered, we will receive notification of your interest to attend the meeting, and you will be emailed the meeting access link by 9:00am (ACDT) on 21 February 2025.

Creditors wishing to vote at the meeting, must complete and return a Proxy Form (and lodge a Proof of Debt form electronically via the Creditors' Portal if one has not already been lodged) by no later than 4pm on the last business day prior to the meeting by email to beston@kpmg.com.au. A Proxy Form is enclosed at **Annexure G1**.

Given the number of creditors likely to be in attendance, we request that creditors submit special proxies in order to better facilitate a polling of resolutions. Should creditors wish to submit a general proxy form, please ensure that the name of the proxy and the party they are representing is consistent with the proof of debt submitted via the creditor's portal.

A person is not entitled to vote at the meeting unless they lodge particulars of the debt or claim via the Creditors' Portal before the meeting. All creditors must upload to the Creditors' Portal full details of their claims, indicating whether they rank as secured, preferential or unsecured, and whether they claim title to any goods supplied to the Companies or any lien over goods in their possession which are the property of the Companies.

The meeting will be held virtually via Microsoft teams and creditors wishing to vote or participate must attend virtually in person or by proxy. Creditors are not entitled to vote at the meeting unless they lodge particulars of the debt or claim via the Creditors' Portal before the meeting.

Dated this 13th day of February 2025



TD Mablesen
Joint & Several Voluntary Administrator

Note: In accordance with IPR Section 75-15(1)(c) please see effect of IPR Section 75-85 Entitlement to vote at meetings of creditors on the following page.

Effect of IPR Section 75-85 – Entitlement to vote at meetings of creditors

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

D – Remuneration approval request

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

Beston Global Food Company Limited (Administrators Appointed) ACN 603 023 383
Beston Pure Dairies Pty Ltd (Administrators Appointed) ACN 606 417 994
(the Companies)

1 Summary

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

Remuneration period	BPD Amount (\$ ex GST)	BGFC Amount (\$ ex GST)
Remuneration previously approved by COI		
20 September 2024 to 18 October 2024	1,105,200.00	N/A
19 October 2024 to 29 November 2024	894,292.00	N/A
Remuneration to be approved at the Concurrent Second Meeting of Creditors		
Voluntary Administration – 20 September 2024 to 7 February 2025	N/A	212,158.00
Voluntary Administration – 30 November 2024 to 7 February 2025	882,429.50	N/A
Voluntary Administration – 8 February 2025 to 21 February 2025	220,000.00	20,000.00
Estimated total remuneration – Voluntary Administration	3,101,921.50	232,158.00
Liquidation (if applicable) – 21 February 2025 to 30 June 2025	480,000.00	25,000.00
Estimated initial remuneration – Liquidation	480,000.00	25,000.00

Details of remuneration and disbursements can be found in **Sections 3 and 4** of this remuneration approval request:

- Please review the contents of this remuneration approval request, which sets out the resolutions to be put to creditors for approval at the Second Meeting.
- Refer to **Section 2.7** of this Report for details as to how you can attend the Second Meeting in person or by proxy in order to vote on the resolutions contained in this Report.

The COI of BPD has previously approved remuneration of \$1,999,492.00 (excluding GST) for the period 20 September 2024 to 29 November 2024 inclusive. No remuneration has previously been approved for BGFC.

The remuneration incurred and approval sought is higher than the original estimate provided to creditors in the Initial Remuneration Notice (**IRN**) included in our circular to creditors dated 23 September 2024, which estimated remuneration for the voluntary administration of \$1.5m (excluding GST) for the following reasons:

- Preparation and filing of applications with the Court to extend the convening period of the Second Meeting to facilitate a sale of business campaign to attempt to maximise asset recoveries for the benefit of creditors;

- An extension of the convening period of over 3 months (for the reasons set out in the body of this Report but primarily to achieve a better outcome for the Companies' creditors) was not assumed in our IRN;
- Protracted sale of business process involving multiple extensions of time to allow parties to undertake due diligence and submit final binding offers;
- Funding of trading including entering into the NAB Loan and required forecasting and reporting against same; and
- Management of the trade on of the Companies through the beginning of the voluntary administration, later followed by the facilitation of an orderly wind down of the Companies and commencement and conduct of asset sale process.

We note that there may be further remuneration approval requests than prescribed in the table above during the period of the liquidation of the Companies, assuming that is the outcome for the Companies at the Second Meeting. At this stage we are only seeking approval of an initial estimate of remuneration through to 30 June 2025 to allow us to finalise the realisation of the balance of the Companies' assets (including the land and buildings and plant and equipment), to advance our investigations and to attend to our statutory duties as liquidators. By 30 June 2025 we expect to be in a better position to advise creditors of the likely course of action through the liquidation in so far as potential claims are concerned and therefore an updated estimate of remuneration can be provided.

2 Declaration

We, Timothy David Mableson, James Douglas Dampney, Gayle Louise Dickerson and David William Kidman of KPMG, have undertaken an assessment of this remuneration claim as Administrators of the Companies in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is necessary and proper.

We have reviewed the work in progress report for the voluntary administration to ensure that remuneration is only being claimed for necessary and proper work performed. Adjustments were made to ensure sufficient narrations are provided for the work performed.

3 Remuneration sought

The remuneration we are asking creditors to approve for each of the Companies at the Second Meeting is as follows:

BGFC

For	Period	Amount (ex GST) \$	Rates to apply	When it will be drawn
Work already completed	20 September 2024 to 7 February 2025	212,158.00	Please refer to IRN sent to creditors on 23 September 2024	Immediately, when funds are available
Work to be completed to meeting date	8 February 2025 to 21 February 2025	20,000.00		
Voluntary administration total		\$232,158.00		
Future work – liquidation	21 February 2025 to 30 June 2025	25,000.00	Please refer to IRN sent to creditors on 23 September 2024	Immediately, when funds are available
Liquidation		\$25,000.00		

BPD

For	Period	Amount (ex GST) \$	Rates to apply	When it will be drawn
Work already completed	30 November 2024 to 7 February 2025	882,429.50	Please refer to IRN sent to creditors on 23 September 2024	Immediately, when funds are available
Work to be completed to meeting date	8 February 2025 to 21 February 2025	220,000.00		
Voluntary administration total		\$1,102,429.50		
Future work – liquidation	21 February 2025 to 30 June 2025	480,000.00	Please refer to IRN sent to creditors on 23 September 2024	Immediately, when funds are available
Liquidation		\$480,000.00		

We will only seek approval of the resolutions for the liquidation if creditors vote to place the Companies into liquidation at the Second Meeting.

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

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

Actual resolutions to be put to the Second Meeting are set out at **Schedule D** for your information. These resolutions also appear in the proxy form for the Second Meeting that has been provided to you.

The Administrators are ordinarily required to obtain creditors' consent for the payment of certain disbursements where we, or a related entity, may directly or indirectly obtain a profit. We are not seeking approval as no such disbursements were incurred.

4 Previous remuneration approvals

The following remuneration approvals have previously been provided by the COI. We note that a COI was only formed for BPD, as such the below remuneration approvals only relate to BPD, not BGFC:

BPD

For	Period	Approved by	Amount approved (ex GST) \$	Amount paid (ex GST) \$
Work already completed	20 September 2024 to 18 October 2024	Committee of Inspection	1,105,200.00	-
Work already completed	19 October 2024 to 29 November 2024	Committee of Inspection	894,292.00	-
Total remuneration previously approved			1,999,492.00	-

5 Likely impact on dividends

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

Any dividend to creditors will also be impacted by the amount of assets that are recovered (net of costs) and the amount of creditor claims that are admitted to participate in any dividend, including any claims by priority creditors such as employees which are entitled to a higher priority of payment than unsecured creditors.

Please refer to **Section 9** of the Report for further information regarding dividend estimates to creditors.

6 Administrators' report to creditors

This Remuneration Approval Request must be read in conjunction with the Administrators report to creditors dated 13 February 2025.

7 Summary of receipts and payments

A summary of receipts and payments for the period 20 September 2024 to 31 January 2025 is set out in **Annexure B** of the Report.

8 Approval of remuneration and internal disbursements

For information about how approval of the resolutions for remuneration will be sought, refer to **Section 2.7** of the Report.

9 Questions

If you require further information in relation to the information in this report, please enquire via email at beston@kpmg.com.au.

You can also access information which may assist you on the following websites:

- ARITA at www.arita.com.au/creditors
- ASIC at www.asic.gov.au (search for INFO 85)

Dated this 13th day of February 2025



TD Mablesen
Joint & Several Voluntary Administrator

Attachments:

- Schedule A – Details of work
- Schedule B – Time spent by staff on each major task already completed
- Schedule C – Resolutions

Schedule A – Details of work

BGFC

The below table contains a detailed description of the tasks performed by the Administrators and their staff, which is referred to in Part 3 and supports remuneration Resolutions 1, 2, and 11 as set out in **Schedule C**.

		Tasks		
		Voluntary Administration - Work already done	Voluntary Administration - Future work to meeting date	Liquidation - If company is placed into Liquidation
Period		20 September 2024 to 7 February 2025	8 February 2025 to 21 February 2025	21 February 2025 to 30 June 2025
Amount (ex GST)		\$212,158.00	\$20,000.00	\$25,000.00
Task Area	General Description			
Assets		9.1 hours \$6,825.50	2.5 hours \$1,250.00	7.3 hours \$4,500.00
	Debtors	<ul style="list-style-type: none"> - Correspond with PFG regarding amounts outstanding in relation to the settlement of the business sale and the transitional services agreement - Reconcile PFG sale agreement to invoices issued and determine if any further amounts outstanding - Liaise with PFG regarding reimbursement of Origin invoices born by PFG following sale of business 		
	Plant and equipment and other assets	<ul style="list-style-type: none"> - Instruct valuer in relation to valuation of plant and equipment at head office - Consider IT assets (server and computers) and removal - Prepare summary of assets at head office and share with landlord as interested party in the same 	<ul style="list-style-type: none"> - Tasks associated with realising the plant and equipment located at the head office 	<ul style="list-style-type: none"> - Tasks associated with realising the plant and equipment at head office - Remove certain IT assets from the head office and store at third party location

			Tasks	
			Voluntary Administration - Work already done	Liquidation - If company is placed into Liquidation
			Voluntary Administration - Future work to meeting date	
		<ul style="list-style-type: none"> - Deal with pre-appointment bank account funds - Consider subsidiary documentation provided by Beston management in order to understand any assets and liabilities in these entities - Understand any IP held in BGFC - Prepare for sale of shareholding of BPFA to third party, including prepare due diligence on assets and liabilities within the same and any intercompany debts 		
	Leased assets	<ul style="list-style-type: none"> - Review leased assets register immediately on appointment to determine ongoing lease rentals required - Review leasing documents for any leased assets that remain in the possession of BGFC - Liaise with lessors to arrange for the ongoing use and payment of leased assets 		
Creditors		148.6 hours \$99,307.50	23 hours \$11,250.00	4.0 hours \$2,500.00
	Creditor enquiries, requests and directions	<ul style="list-style-type: none"> - Receive and respond to general creditor enquiries via email - Receive and respond to creditor portal enquiries via email - Phone calls with creditors relating to creditor portal enquiries 	<ul style="list-style-type: none"> - Receive and respond to general creditor enquiries via email - Compile and communicate information requested by creditors 	<ul style="list-style-type: none"> - Receive and respond to general creditor enquiries via email - Compile and communicate information requested by creditors

		Tasks		
		Voluntary Administration - Work already done	Voluntary Administration - Future work to meeting date	Liquidation - If company is placed into Liquidation
		<ul style="list-style-type: none"> - Review and prepare correspondence to creditors and their representatives - Compile and communicate information requested by creditors 		
	Landlords and leasing	<ul style="list-style-type: none"> - Review lease for the head office and determine arrangements for the period of the administration - Frequent communications with the landlord regarding occupation of the head office during the appointment - Correspondence with solicitors for landlord regarding head office lease and their request for surrender of the lease - Consider termination of lease with regard to the administration and the liquidation 	<ul style="list-style-type: none"> - Continue to communicate with the landlord regarding occupation of the head office - Discuss occupation of head office with solicitors 	<ul style="list-style-type: none"> - Continue to communicate with the landlord regarding occupation of the head office - Negotiate with the landlord regarding exit from the premises - Arrange final accounting for head office
	Security interest claims	<ul style="list-style-type: none"> - Search the PPSR register - Notify PPSR creditors identified from PPSR register 		
	Secured creditor	<ul style="list-style-type: none"> - Respond to secured creditor's queries - Liaise with secured creditor regarding progress of business sale campaign and their secured assets - Prepare EOS statement to provide secured creditor with return from the BGFC administration 	<ul style="list-style-type: none"> - Liaise with secured creditor regarding their secured assets 	<ul style="list-style-type: none"> - Liaise with and account to secured creditor regarding their secured assets and outcome from the sale of the same - Deal with secured creditor regarding release of security relating to the sale of their secured assets
	Reports to creditors	<ul style="list-style-type: none"> - Prepare initial Notice of Appointment to creditors 		<ul style="list-style-type: none"> - Prepare statutory report to creditors on the outcome of investigations

		Tasks		
		Voluntary Administration - Work already done	Voluntary Administration - Future work to meeting date	Liquidation - If company is placed into Liquidation
		<ul style="list-style-type: none"> - Prepare Circular to Creditors regarding application to extend convening period - Prepare Circular to Creditors regarding outcome of application to extend convening period - Prepare s439A report to creditors and the detailed analysis that accompanied that report - Convene second meeting of creditors 		
	Dealing with proofs of debt (POD)	<ul style="list-style-type: none"> - Receipt and file PODs when not related to a dividend - Prepare correspondence to potential creditors inviting lodgement of POD - Maintain POD register 	<ul style="list-style-type: none"> - Receipt and file PODs when not related to a dividend - Maintain POD register 	<ul style="list-style-type: none"> - Receipt and file PODs when not related to a dividend - Maintain POD register
	Meeting of creditors	<ul style="list-style-type: none"> - Prepare meeting notices, proxies and advertisements - Forward notice of meeting to all known creditors - Prepare meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. - Prepare and lodge minutes of meetings with ASIC - Respond to stakeholder queries and questions immediately following meeting 	<ul style="list-style-type: none"> - Prepare meeting file, including agenda, certificate of postage, attendance register, list of creditors, advertisement of meeting and draft minutes of meeting. - Review proxy forms and votes submitted by creditors in relation to the second meeting of creditors - Review and update creditor details and POD claims in preparation for the second meeting of creditors - Conduct second meeting of creditors - Respond to stakeholder queries and questions immediately following meeting 	<ul style="list-style-type: none"> - Prepare and lodge minutes of second meeting of creditors with ASIC

		Tasks		
		Voluntary Administration - Work already done	Voluntary Administration - Future work to meeting date	Liquidation - If company is placed into Liquidation
	Shareholder enquiries	<ul style="list-style-type: none"> - Respond to shareholder queries received in the Beston functional mailbox - Release ASX announcement notifying shareholders of the appointment of the Administrators 	<ul style="list-style-type: none"> - Respond to shareholder queries received in the Beston functional mailbox - 	<ul style="list-style-type: none"> - Respond to shareholder queries received in the Beston functional mailbox -
Employees		30.0 hours \$19,738.50	4.5 hours \$2,250.00	2.9 hours \$2,000.00
	Employee enquiries	<ul style="list-style-type: none"> - Prepare updates to employees regarding status and progress of the administration - Review and prepare circular to employees notifying of our appointment - Prepare letters to employees setting out estimated pre appointment entitlements - Prepare termination letters to employees advising of their entitlements and options available 	<ul style="list-style-type: none"> - Prepare updates to employees regarding status and progress of the administration 	<ul style="list-style-type: none"> - Prepare updates to employees regarding status and progress of the liquidation, including details regarding FEG
	Fair Entitlements Guarantee (FEG)	<ul style="list-style-type: none"> - Correspondence with FEG to notify of Administrators' appointment - Communicate with FEG following the appointment in relation to Administration matters 		<ul style="list-style-type: none"> - Communicate with FEG regarding liquidation and requirement for FEG assistance for BGFC employees - Prepare FEG quotations - Prepare FEG verifications - Complete FEG forms and questionnaires
	Calculation of entitlements	<ul style="list-style-type: none"> - Calculate employee entitlements - Review employee files and books and records to support entitlements - Liaise with solicitors regarding entitlements 		<ul style="list-style-type: none"> - Calculate updated employee entitlements (if required) to support FEG payment - Continue to review and verify employee files and books and records to support entitlements payments

		Tasks		
		Voluntary Administration - Work already done	Voluntary Administration - Future work to meeting date	Liquidation - If company is placed into Liquidation
		<ul style="list-style-type: none"> - Review and consider employee contracts - Calculate employee redundancy entitlements and PILN following employee terminations 		<ul style="list-style-type: none"> - Liaise with solicitors regarding entitlements (as required)
	Employee dividend distribution			<ul style="list-style-type: none"> - Correspondence with ATO regarding SGC POD
	Workers compensation	<ul style="list-style-type: none"> - Liaise with Return to Work SA regarding Administrators' account setup 		
	Other employee issues	<ul style="list-style-type: none"> - Consider leave requests from executive staff - Prepare and review weekly and monthly payroll. - Liaise with superannuation funds regarding contributions, termination of employees' employment - Consider matters relating to Payroll tax 	<ul style="list-style-type: none"> - Consider matters relating to closure of payroll tax registration and Return to Work SA registration 	<ul style="list-style-type: none"> - Liaising with superannuation funds regarding final contributions, termination of employees - Consider matters relating to closure of payroll tax registration and Return to Work SA registration
Trade on		48.7 hours \$28,004.50	1.5 hours \$750.00	2.0 hours \$1,000.00
	Trade on management	<ul style="list-style-type: none"> - Liaise with management and staff - Attend head office to deal with trading matters relevant to the head office and staff - Communicate with critical suppliers (i.e. IT providers) regarding ongoing supply and negotiate terms for the Administrators' appointment 	<ul style="list-style-type: none"> - Prepare and authorise payment vouchers 	<ul style="list-style-type: none"> - Finalise trading matters with critical IT suppliers, including payment of final accounts

		Tasks		
		Voluntary Administration - Work already done	Voluntary Administration - Future work to meeting date	Liquidation - If company is placed into Liquidation
		<ul style="list-style-type: none"> - Prepare and authorise payment vouchers - Confirm IT requirements for head office and link to BPD operations - Notify key suppliers of operations wind down 		
	Processing receipts and payments	<ul style="list-style-type: none"> - Enter receipts and payments into accounting system 	<ul style="list-style-type: none"> - Enter receipts and payments into accounting system 	<ul style="list-style-type: none"> - Enter receipts and payments into accounting system
	Budgeting and financial reporting	<ul style="list-style-type: none"> - Prepare cashflow forecast relevant to the BGFC administration - Monitor and update cashflow forecast 	<ul style="list-style-type: none"> - Monitor and update cashflow forecast 	<ul style="list-style-type: none"> - Monitor and update cashflow forecast - Finalise cashflow forecast
	Insurance	<ul style="list-style-type: none"> - Consider pre-appointment insurance policies - Notify Administrators' insurance broker of the appointment - Provide information to the insurance broker following appointment and coordinate review of policies and premises - Liaise and agree with insurance broker during appointment in relation to insurance requirements - Update insurance broker on key matters (e.g. asset sales, wind down) during the Administrators' appointment 		<ul style="list-style-type: none"> - Notify insurance broker of liquidation appointment - Continue to liaise with insurance broker - Finalise insurance policies
Investigation		26.0 hours \$19,492.50	1.0 hours \$500.00	16.8 hours \$12,500.00

		Tasks		
		Voluntary Administration - Work already done	Voluntary Administration - Future work to meeting date	Liquidation - If company is placed into Liquidation
	Conducting investigation	<ul style="list-style-type: none"> - Collect books and records - Initial review of books and records to consider whether sufficient to explain the company's transactions and events leading up to the appointment - Engage forensics expert to recover all data from company electronic devices (server and computers) - Review and prepare detail regarding company history and background to the appointment - Prepare investigation file - Review bank account transactions - Consolidate creditor ageing reports, review consolidated creditor ageing reports - Prepare preliminary analysis of investigations into the company for the purposes of reporting matters to creditors within the Voluntary Administrators' report, including voidable transactions, estimated date of insolvency, director and related party transactions - Review emails, letters and other documents from creditors and management regarding various transactions and events in the lead up to the administration - Conduct review of board meeting minutes during the 12 month period prior 	<ul style="list-style-type: none"> - Closing out preliminary investigations for the purposes of reporting to creditors in the Voluntary Administrators' report to creditors 	<ul style="list-style-type: none"> - Update analysis into the affairs of the company and continue to investigate matters identified in the Voluntary Administrators' Report to creditors - Continue investigations into the affairs of the company - Engage forensics expert to retrieve documents and undertake detailed searches of files and emails of the company; subsequently review the same - Continue to update investigation file - Liaise with solicitors regarding potential actions that may be available and advancing our investigations in order to identify further steps that may need to be undertaken

		Tasks		
		Voluntary Administration - Work already done	Voluntary Administration - Future work to meeting date	Liquidation - If company is placed into Liquidation
		to the appointment of Voluntary Administrators - Prepare financial analysis with respect to key indicators of insolvency		
Dividend		0 hours \$0.00	0.0hours \$0.00	0.0 hours \$0.00
No relevant tasks during the proposed remuneration periods				
Administration		64.9 hours \$38,789.50	8 hours \$4,000.00	3.7 hours \$2,500.00
	Correspondence	- General correspondence with stakeholders and parties not otherwise captured in this report	- General correspondence with stakeholders and parties not otherwise captured in this report	- General correspondence with stakeholders and parties not otherwise captured in this report
	Document maintenance, file review, checklist	- Prepare reviews throughout the period of the administration - File documents - Update checklists for tasks and responsibilities	- File documents - Update checklists for tasks and responsibilities	- Prepare reviews throughout the period of the administration and liquidation - File documents - Update checklists for tasks and responsibilities, including closure of administration checklist and commencement of liquidation checklists
	Bank account administration	- Prepare correspondence opening and closing accounts - Prepare Circular to Banks to freeze accounts following appointment - Request bank statements	- Generate EFT remittance advices for payments made	- Generate EFT remittance advices for payments made

		Tasks		
		Voluntary Administration - Work already done	Voluntary Administration - Future work to meeting date	Liquidation - If company is placed into Liquidation
		<ul style="list-style-type: none"> - Complete monthly bank account reconciliations - Generate EFT remittance advices for payments made 		
	ASIC forms and lodgements	<ul style="list-style-type: none"> - Prepare and lodge ASIC 505 form upon our appointment - Prepare and lodge notice of first meeting of creditors with ASIC - Correspondence with Directors regarding their respective ROCAP's - Prepare and lodge director ROCAP to ASIC - Preparing and lodging ASIC form 484 for the director resignations - 	<ul style="list-style-type: none"> - Preparing and lodging ASIC forms where required - Lodge ASIC Notice for second meeting creditors 	<ul style="list-style-type: none"> - Preparing and lodging ASIC forms where required (including notifications relating to closure of administration and entry into liquidation) - Lodge meeting minutes for the second meeting of creditors with ASIC - Correspondence with ASIC where necessary
	ATO and other statutory reporting	<ul style="list-style-type: none"> - Notify ATO of appointment via lodgement of ATO form - Liaise with the ATO regarding several matters including BAS and PAYG registration and outstanding pre-appointment lodgements - Correspondence with the ATO regarding access to the ATO portal - Lodge complaint with the ATO due to delayed processing of day 1 notification - Complete BAS and STP reporting obligations 	<ul style="list-style-type: none"> - Lodge BAS, as required 	<ul style="list-style-type: none"> - Notify ATO of appointment as liquidator and cessation of Administrators via lodgement of ATO form - General correspondence with the ATO when necessary - Complete BAS and STP reporting obligations
	Planning / Review	<ul style="list-style-type: none"> - Various internal discussions regarding status of and strategy for the administration 	<ul style="list-style-type: none"> - Various internal discussions regarding status of and strategy for the administration 	<ul style="list-style-type: none"> - Various internal discussions regarding status of and strategy for the administration

		Tasks		
		Voluntary Administration - Work already done	Voluntary Administration - Future work to meeting date	Liquidation - If company is placed into Liquidation
		<ul style="list-style-type: none"> - Attend various team meetings to discuss ongoing critical issues 	<ul style="list-style-type: none"> - Attend various team meetings to discuss ongoing critical issues 	<ul style="list-style-type: none"> - Attend various team meetings to discuss ongoing critical issues
	Books and records / storage	<ul style="list-style-type: none"> - Obtain digital books and records from management - Several information requests for further books and records - List records at the head office and arrange for records to be sent to storage 	<ul style="list-style-type: none"> - Deal with records in storage, as required - Send job files to storage, as required 	<ul style="list-style-type: none"> - Deal with records in storage - Send job files to storage as required

BPD

The below table contains a detailed description of the tasks performed by the Administrators and their staff, which is referred to in Part 3 and supports remuneration Resolutions 3, 4, and 12 as set out in **Schedule C**.

Tasks						
		Voluntary Administration - Work done relating to remuneration previously approved by the COI		Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
Period		20 September 2024 to 18 October 2024	19 October 2024 to 29 November 2024	30 November 2024 to 7 February 2025	8 February 2025 to 21 February 2025	21 February 2025 to 30 June 2025
Amount (ex GST)		\$1,105,200.00	\$894,292.00	\$882,429.50	\$220,000.00	\$480,000.00
Task Area	General Description					
Assets		257.2 hours \$182,524.50	133.0 hours \$106,544.50	227.7 hours \$176,195.50	38.0 hours \$30,000.00	117.1 hours \$96,000.00
	Sale of business as a going concern	<ul style="list-style-type: none"> - Agree strategy for the immediate sale of the business - Prepare an information memorandum - Prepare newspaper advertisement - Prepare comprehensive data room - Liaise with various interested parties regarding potential going concern asset sale or DOCA - Facilitate site visits for interested parties - Internal meetings to discuss / review offers received - Provide further information to those who have requested it 		<ul style="list-style-type: none"> - Continue communications with parties interested in the business as a going concern after the decision to wind down operations; seek details on proposed funding arrangements, timeframe and structure - Consider potential DOCA from overseas party - Meeting with party introduced for DOCA with the Directors - Attend further meetings regarding proposed DOCA 		<ul style="list-style-type: none"> - Respond to queries from parties interested in the whole business as a going concern, as required

		Tasks			
		Voluntary Administration - Work done relating to remuneration previously approved by the COI	Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
		<ul style="list-style-type: none"> - Liaise with bidders, including the preferred bidder, to progress their bid - Various call and email correspondence with key bidders - Attend meetings with preferred bidder - Consider details of bids as received including transaction structure, assets, employees and/or contracts to be included, including potential DOCA proposals - Preparing responses to information requests to interested parties including facilitating access to cash flow forecasts and the management - Prepare updates to secured lender on the business sale process - Manage interested party register - Assist advisers to preferred bidders with due diligence requirements - Consider bids and responses from interested parties with reference to overall sale strategy in prospective EOS - Prepare internal memorandums detailing discussions with interested parties as required - Communicate the decision to wind down the business to key interested parties 	<ul style="list-style-type: none"> - Correspond with Directors on various occasions by phone and email in relation to the DOCA - Internal meetings to discuss further dialogue regarding DOCA - Consider sale strategy for cream cheese business 		

		Tasks			
		Voluntary Administration - Work done relating to remuneration previously approved by the COI	Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
	Plant and equipment	<ul style="list-style-type: none"> - Liaise with valuers in relation to plant and equipment - Liaise with parties regarding acquisition of plant and equipment separately from the business sale - Review asset listings prepared by valuer against company's asset depreciation schedule - Review initial valuation received from Pickles - Consider offers received for certain assets including processing lines as part of Administrators' initial sale campaign - Request Pickles to prepare a sale proposal for the sale of plant and equipment at Murray Bridge and Jervois - Liaise with Pickles regarding matters related to the asset sales - Consider asset sale proposal from Pickles - Provide instructions to Pickles to commence two stage asset sale process for Jervois and Murray Bridge split between major processing lines (stage 1) and other mobile plant and equipment (stage 2) - Approach certain underbidders from initial sale process and other interested parties regarding decision to wind down 	<ul style="list-style-type: none"> - Continue discussions with underbidders from initial sale process and other interested parties regarding decision to wind down - Share details of interested parties with Pickles to ensure inclusion in their two-stage sale process - Liaise with Pickles regarding plant and equipment sale campaign timing and particulars - Facilitate site inspections for Pickles to initiate sale processes - Respond to enquiries from interested parties and connecting them with Pickles - Meetings with Pickles on site to discuss several matters relevant to asset sale campaign - Agree security arrangements for plant and equipment assets with Pickles and insurer following decision to wind down operations - Liaise with interested parties in relation to the sale of the cream cheese business equipment assets 	<ul style="list-style-type: none"> - Continue to assist Pickles with their asset process, including preparation for stage 2 auction process - Continue to liaise with interested parties regarding the acquisition of unsold plant and equipment - Oversee decommissioning and removal of plant and equipment from Jervois site - Facilitate settlement of the sale of the Murray Bridge facility - Receive, review and agree accounting from Pickles for plant and equipment asset realisations 	<ul style="list-style-type: none"> - Finalise auction sale campaign with Pickles until all assets are realised - Continue to liaise with interested parties regarding the acquisition of plant and equipment - Receive, review and agree accounting from Pickles for plant and equipment asset realisations - Oversee decommissioning and removal of plant and equipment from Jervois site - Facilitate settlement of the sale of the Murray Bridge facility equipment assets

		Tasks			
		Voluntary Administration - Work done relating to remuneration previously approved by the COI	Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
		<ul style="list-style-type: none"> - Share details of interested parties with Pickles to ensure inclusion in their two stage sale process 	<ul style="list-style-type: none"> - Liaise with party interested in all plant & equipment at Murray Bridge (aside from cream cheese assets) (alongside their land & building interest) - Continue direct negotiations with parties for Murray Bridge plant and equipment assets - Liaise with legal representatives regarding contracts for asset sales for Murray Bridge assets - Prepare, review and consider asset listings to support asset sales for the Murray Bridge assets; append agreed lists to respective contracts - Review EOI summary provided by Pickles; compare Murray Bridge EOIs to offers received - Compare EOIs versus valuation for major processing lines - Agree sale of major processing lines at Jervois following Pickles EOI campaign - Maintain asset register as sale campaign progresses - Meetings with Beston staff regarding status of plant and equipment and assistance with Pickles process 		

		Tasks			
		Voluntary Administration - Work done relating to remuneration previously approved by the COI	Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
			<ul style="list-style-type: none"> - Work with Pickles in relation to security releases on plant and equipment assets - Agree contracts for Murray Bridge assets - Attend completion for cream cheese contract 		
	Sale of real property	<ul style="list-style-type: none"> - Liaise with property valuers in relation to Murray Bridge and Jervois - Liaise with interested parties regarding acquisition of real property from Administrators' initial sale process - Review initial and final valuations received from JLL; attend calls with JLL to discuss and understand key assumptions - Engage with underbidders from initial asset sale process (following decision to wind down and revert to asset sale process). - Liaise with lawyers regarding draft contract of sale for Murray Bridge 	<ul style="list-style-type: none"> - Liaising with interested parties regarding acquisition of real property - Meeting with bidder for Murray Bridge land and buildings to understand details of transaction and assets to be included - Agree sale of Murray Bridge land and buildings (and other assets) - Correspond with lawyers regarding land sale contract and form 1 for Murray Bridge sale - Review drafted land sale contract and form 1 - Finalise contractual terms for Murray Bridge sale - Prepare marketing submission letters for Jervois property and attend various discussions with agents - Facilitate site inspections for potential agent for Jervois 	<ul style="list-style-type: none"> - Engage marketing agents for the sale of the Jervois facility - Attend to other tasks associated with realising the property located at Jervois and Murray Bridge - Finalise and execute contracts for Murray Bridge sale 	<ul style="list-style-type: none"> - Attend to tasks associated with realising the property located at Jervois - Liaise with lawyers regarding draft contract of sale for Jervois - Attend to settlement tasks associated with the Murray Bridge and Jervois sales (separate transactions) - Facilitate settlement of the sale of the Murray Bridge facility (to the extent relates to the land and buildings only) and Jervois (separate transactions)

		Tasks			
		Voluntary Administration - Work done relating to remuneration previously approved by the COI	Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
	Debtors	<ul style="list-style-type: none"> - Review and assess pre-appointment debtors ledgers and review with management - Correspondence with pre-appointment debtors regarding outstanding amounts past due date - Letters to pre-appointment debtors requesting payment of outstanding amounts - Various discussions with ScotPac regarding their collection of pre-appointment debtors - Reconcile pre-appointment debtor ledger to amounts received by ScotPac and request releases - Review and reconcile of ScotPac accounts to ensure the appropriate transfer of funds collected from debtors - Issue debt collection letters to overdue debtors and liaise with debtors on same - Liaise with ScotPac for the transfer of administration invoices collected 	<ul style="list-style-type: none"> - Lodge particulars of pre-appointment debts with administrator for certain debtor - Continue to liaise with ScotPac for the transfer of funds collected from debtors - Issue debt collection letters, and arrange for settlement of claims, where necessary 	<ul style="list-style-type: none"> - Continue to liaise with ScotPac for the transfer of funds collected from debtors - Issue debt collection letters, and arrange for settlement of claims, where necessary 	<ul style="list-style-type: none"> - Seek reconciliation of outstanding pre-appointment debtors from ScotPac and collect available surplus funds - Finalise the collection of any outstanding debtors, including the issue of debt collection letters where required - Arrange the settlement of outstanding claims, where necessary - Finalise ScotPac debtor facility, including the transfer of remaining funds collected from debtors
	Stock	<ul style="list-style-type: none"> - Conduct stock takes for dairy inventory, packaging and other consumables - Review stock takes and book values - Review inventory levels on an ad-hoc basis to understand pre and post appointment inventory production 	<ul style="list-style-type: none"> - Review inventory levels on an ad-hoc basis to understand pre and post appointment inventory production - Prepare an assessment of the value of pre-appointment inventory sold as part of trading 	<ul style="list-style-type: none"> - Finalise sale of any residual stock held, namely consumables, if applicable 	

		Tasks			
		Voluntary Administration - Work done relating to remuneration previously approved by the COI	Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
			<ul style="list-style-type: none"> - Continue discussions with remaining staff regarding residual stock held, namely consumables and whether any realisable value 		
	Other assets	<ul style="list-style-type: none"> - Consider valuers comments on water entitlements and existing water licenses - Consider unfinished projects and any possible asset realisations available - Obtain and share detailed list of intellectual property to include as part of sale processes 	<ul style="list-style-type: none"> - Review company trademarks and intellectual property to ensure owned by the company - Renew registrations for trademarks and other intellectual property to ensure currently registered 	<ul style="list-style-type: none"> - Continue discussions with parties interested in acquiring intellectual property 	<ul style="list-style-type: none"> - Finalise process for realising other assets including intellectual property
	Leased assets	<ul style="list-style-type: none"> - Review leased assets register immediately on appointment to determine ongoing lease rentals required - Review leasing documents in relation to certain leased assets including vehicles, mobile plant and equipment - Liaise with owners / lessors in relation to the ongoing use or collection of assets, including arranging purchase orders, where necessary - Assess equity value of leased assets with reference to plant and equipment valuation - Disclaim leases and leased equipment, where required - Arrange for the collection of disclaimed leased assets 	<ul style="list-style-type: none"> - Ongoing review of leased assets against operations to identify use requirement - Assess equity value of leased assets with reference to plant and equipment valuation - Disclaim leases and leased equipment, where required - Arrange for the collection of disclaimed leased assets with owners / lessors 	<ul style="list-style-type: none"> - Ongoing review of leased assets against operations to identify use requirement - Disclaim leases and leased equipment, where required - Arrange for the collection of disclaimed leased assets with owners / lessors 	<ul style="list-style-type: none"> - Disclaim remaining leases and leased equipment - Arrange for the collection of disclaimed leased assets with owners / lessors

Tasks						
		Voluntary Administration - Work done relating to remuneration previously approved by the COI		Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
Creditors		198.8 hours \$131,940.00	158.2 hours \$105,898.50	172.1 hours \$119,521.00	93.5 hours \$60,000.00	74.7 hours \$48,000.00
	Creditor enquiries, requests and directions	<ul style="list-style-type: none"> - Receive and respond to general creditor enquiries via email - Receive and respond to creditor portal enquiries via email - Phone calls with creditors relating to creditor portal enquiries - Review and prepare correspondence to creditors and their representatives - Compile and communicate information requested by creditors 		<ul style="list-style-type: none"> - Receive and respond to general creditor enquiries via email - Receive and respond to creditor portal enquiries via email - Phone Calls with creditors relating to creditor portal enquiries - Review and prepare correspondence to creditors and their representatives - Compiling and communicating information requested by creditors 	<ul style="list-style-type: none"> - Receive and respond to general creditor enquiries via email - Compiling and communicating information requested by creditors 	<ul style="list-style-type: none"> - Receive and respond to general creditor enquiries via email - Receive and respond to creditor portal enquiries via email - Phone calls with creditors relating to creditor portal enquiries - Review and prepare correspondence to creditors and their representatives - Compile and communicate information requested by creditors
	Security interest claims	<ul style="list-style-type: none"> - Search the PPSR register immediately on appointment - Notify all PPSR and PMSI creditors identified from the PPSR register of the appointment - Receive initial notifications of creditors' intentions to claim - Provide retention of title claim forms to creditors 		<ul style="list-style-type: none"> - Receive completed retention of title claim forms - Continue to adjudicate PPSR claims - Continue to maintain PPSR / retention of title file for adjudicated and discharged claims - Request further documentation from certain claimants to verify validity of claims 	<ul style="list-style-type: none"> - Notify claimants on the result of adjudication of retention of title claims - Conduct final stocktake of retention of title goods and determine collateral consumed throughout appointment - Facilitate the return of goods to secured claimants and arrange 	<ul style="list-style-type: none"> - Notify claimants on the result of adjudication of retention of title claims - Facilitate the return of goods to secured claimants and arrange necessary invoicing and credit notes for settled claims - Continue to maintain PPSR register

		Tasks			
		Voluntary Administration - Work done relating to remuneration previously approved by the COI	Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
		<ul style="list-style-type: none"> - Receive completed retention of title claim forms and undertake preliminary assessment of claims - Maintain PPSR / retention of title file - Meet claimants on site to identify goods and undertake stocktakes, as required - Instruct company staff to complete stocktake for goods subject to security interest claims - Continue to liaise with PPSR and PMSI creditors - Request further documents from creditors in relation to claims - Adjudicate claims and various enquiries regarding documentation - Review stocktakes against retention of title claims to confirm available collateral - Request legal view on certain PMSI, retention of title claims - Work with PPSR Office to arrange for discharge of non-response claims - Request creditors to discharge/remove PPSR registrations in the absence of any claims or for assessment of claims as unsecured 	<ul style="list-style-type: none"> - Issue correspondence to PPSR claimants notifying outcome of adjudication - Continue to work with legal representatives regarding formal responses to PMSI, retention of title claims - Continue to work with PPSR Office to arrange for discharge of non-response claims - Prepare correspondence to PPSR claimants to accompany payment of claim (if valid) - Conduct additional stocktake of inventories held on site 	<ul style="list-style-type: none"> - necessary invoicing and credit notes for settled claims - Continue to maintain PPSR register - Continue to work with PPSR Office to arrange for discharge of non-response claims 	Continue to work with PPSR Office to arrange for discharge of non-response claims
	Secured creditor	<ul style="list-style-type: none"> - Respond to secured creditors queries - Notify senior secured creditors of appointment as required by the Act 	<ul style="list-style-type: none"> - General correspondence with NAB regarding ongoing matters relating to the administration 	<ul style="list-style-type: none"> - Share updated EOS with secured creditor 	<ul style="list-style-type: none"> - Share updated EOS with secured creditor

		Tasks			
		Voluntary Administration - Work done relating to remuneration previously approved by the COI	Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
		<ul style="list-style-type: none"> - Prepare updates to first ranking (NAB) and second ranking (ScotPac) secured lenders immediately following the appointment of decisions made with respect to trading and the proposed sale process - Correspond with first ranking secured lender regarding overdraft to allow ongoing trade throughout the administration period. Subsequently agree overdraft facility agreement. - Liaise with first ranking secured lender regarding progress of business sale campaign - Liaise with second ranking secured lender regarding debtor finance facility and other debts; agree collection of debtors will remain with this lender during appointment - Various correspondence (emails and calls) with second ranking secured lender regarding debtor collections, balance of debt, application of debtor amounts to other equipment finance debt - Confirm second ranking secured debt paid out - Prepare initial EOS to provide to secured creditor upon receipt of valuations and offers through the administration process 	<ul style="list-style-type: none"> - Prepare EOS for consideration by secured creditor - Consider email communications from secured creditor - Prepare and share with secured lender cash flow forecasts throughout the administration given the overdraft facility provided by the lender - Seek approval from secured lender on key decisions made through the administration process including the decision to change to a wind down asset sale - Seek approval to accepting sale various asset sales to the extent the sales relate to their security (including equipment and land) - Prepare for settlement on asset sales by reviewing and sharing Deeds of Release in relation to secured assets for senior lenders 	<ul style="list-style-type: none"> - Respond to secured creditor's queries, as required - Provide updates to secured creditor on remaining asset sales - Share, agree and finalise proposed Deeds of Release in relation to asset sales for agreement 	<ul style="list-style-type: none"> - Respond to secured creditor's queries, as required - Provide updates to secured creditor on remaining asset sales - Share, agree and finalise proposed Deeds of Release in relation to asset sales for agreement - Seek reconciliation from second ranking secured creditor in relation to funds held and final charges applied to debtor collections

		Tasks			
		Voluntary Administration - Work done relating to remuneration previously approved by the COI	Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
		<ul style="list-style-type: none"> - Prepare and share with secured lender cash flow forecasts throughout the administration given the overdraft facility provided by the lender - Seek approval from secured lender on key decisions made through the administration process including the decision to change to a wind down asset sale - Meet and undertake other communications with NAB throughout the administration process, as required 			
	Reports to creditors	<ul style="list-style-type: none"> - Prepare initial Notice of Appointment to creditors - Prepare Circular to Creditors regarding application to extend convening period - Prepare Circular to Creditors regarding outcome of application to extend convening period - 	<ul style="list-style-type: none"> - Prepare s439A report to creditors and the detailed analysis that accompanied that report - Convene second meeting of creditors 	<ul style="list-style-type: none"> - Ongoing preparation of s439A report to creditors and the detailed analysis that accompanied that report 	<ul style="list-style-type: none"> - Prepare statutory report to creditors
	Dealing with proofs of debt (POD)	<ul style="list-style-type: none"> - Receipt and file PODs when not related to a dividend - Prepare correspondence to potential creditors inviting lodgement of PODs - Maintain POD register 	<ul style="list-style-type: none"> - Receipt and filing PODs when not related to a dividend - Maintain POD register - Correspond with RevenueSA and ATO regarding PODs when not related to a dividend 	<ul style="list-style-type: none"> - Receipt and file PODs when not related to a dividend - Maintain POD register 	<ul style="list-style-type: none"> - Receipt and file PODs when not related to a dividend - Maintain POD register
	Meeting of creditors	<ul style="list-style-type: none"> - Prepare meeting notices, proxies and advertisements 	<ul style="list-style-type: none"> - Prepare meeting notices and proxies for second meeting of creditors 	<ul style="list-style-type: none"> - Prepare meeting file, including agenda, certificate of postage, 	<ul style="list-style-type: none"> - Respond to stakeholder queries and questions

		Tasks			
		Voluntary Administration - Work done relating to remuneration previously approved by the COI	Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
		<ul style="list-style-type: none"> - Forward notice of meeting to all known creditors - Prepare of meeting file, including agenda, certificate of postage, attendance register, list of creditors, advertisement of meeting and draft minutes of meeting - Prepare and lodge minutes of meetings with ASIC - Respond to stakeholder queries and questions immediately following meeting 	<ul style="list-style-type: none"> - Forward notice of meeting to all known creditors - Prepare registration form for the second meeting of creditors 	<ul style="list-style-type: none"> attendance register, list of creditors, advertisement of meeting and draft minutes of meeting - Review proxy forms and votes submitted by creditors in relation to the second meeting of creditors - Review and update creditor details and POD claims in preparation for the second meeting of creditors - Conduct second meeting of creditors 	<ul style="list-style-type: none"> immediately following meeting - Prepare and lodge minutes of second meeting of creditors with ASIC
	Committee of Inspection	<ul style="list-style-type: none"> - Prepare letter to COI members containing an overview of the role and information sheet - COI member correspondence regarding nomination forms, and role in the administration - Conduct first COI meeting - Prepare meeting minutes for the first COI Meeting - Hold informal COI update to inform the COI on the progress of the sale campaign 	<ul style="list-style-type: none"> - Finalise second update report and remuneration report to be provided to the COI - Prepare proxy form for the second COI meeting - Conduct second COI meeting - Prepare meeting minutes for the second COI Meeting 		<ul style="list-style-type: none"> - Deal with tasks associated with committee of creditors, if one appointed, as part of the second meeting of creditors of BPD

		Tasks				
		Voluntary Administration - Work done relating to remuneration previously approved by the COI		Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
		<ul style="list-style-type: none"> - Prepare two update reports to COI members - Prepare two remuneration reports for approval by the COI members 				
Employees		146.5 hours \$94,039.00	108.2 hours \$71,598.00	167.3 hours \$104,105.00	14.7 hours \$10,000.00	34.2 hours \$24,000.00
	Employee enquiries	<ul style="list-style-type: none"> - Receive and follow up employee enquiries via telephone or email - Manage employee mailbox - Prepare updates to employees regarding status and progress of the administration - Review and prepare circular to employees notifying of our appointment - Prepare letters to all employees setting out estimated pre appointment entitlements 		<ul style="list-style-type: none"> - Receive and follow up employee enquiries via telephone or email - Manage employee mailbox - Prepare termination letters to employees advising of their entitlements and options available following the decision to wind down the company's operations 	<ul style="list-style-type: none"> - Receive and follow up employee enquiries via telephone or email - Manage employee mailbox - Prepare termination letters to employees advising of their entitlements and options available, as required 	<ul style="list-style-type: none"> - Receive and follow up employee enquiries via telephone or email - Manage employee mailbox - Issue final termination letters to remaining staff - Respond to employee queries regarding the administration process and options available to them once in liquidation
	Fair Entitlements Guarantee (FEG)	<ul style="list-style-type: none"> - Correspondence with FEG to notify of Administrators appointment - Provide update to FEG following the decision to wind down the company's operations and proceed to an asset sale 				<ul style="list-style-type: none"> - Correspond with FEG as required following liquidation

		Tasks			
		Voluntary Administration - Work done relating to remuneration previously approved by the COI	Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
	Calculation of entitlements	<ul style="list-style-type: none"> - Calculate employee entitlements - Review employee files and company's books and records - Review awards - Review payroll calculations prepared by payroll staff - Liaise with solicitors regarding entitlements and contractual arrangements for specific employees - Review and consider employee contracts 	<ul style="list-style-type: none"> - Update calculations for employee entitlements - Prepare calculation of employee redundancy entitlements and PILN - Review payroll calculations prepared by payroll staff - Review and consider employee contracts 	<ul style="list-style-type: none"> - Calculate employee entitlements - Calculate employee redundancy entitlements and PILN - Review payroll calculations prepared by payroll staff - Review and consider employee contracts 	<ul style="list-style-type: none"> - Issue final employee entitlements calculations to staff, including redundancy and PILN entitlements
	Employee dividend distribution				<ul style="list-style-type: none"> - Correspond with employees regarding timing for employee priority dividend (once confirmed) - Correspond with ATO regarding SGC POD - Calculate employee priority dividend - Prepare employee dividend file - Advertise employee priority dividend - Prepare for employee distribution - Receipt PODs - Adjudicate PODs

Tasks					
		Voluntary Administration - Work done relating to remuneration previously approved by the COI	Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
					<ul style="list-style-type: none"> - Ensuring PAYG relating to employee dividend is remitted to the ATO
	Workers compensation	<ul style="list-style-type: none"> - Liaise with ReturnToWorkSA regarding Administrators' account setup - Liaise with ReturnToWorkSA regarding amended work cover figures - Liaise with BPD representative regarding work cover issues for employee 	<ul style="list-style-type: none"> - Receipt of claim - Liaising with Beston HR and Payroll to gather documentation in relation to claim - Review documentation relating to work cover claim 		<ul style="list-style-type: none"> - Respond to information request received in relation to claim received from former employee - Finalise ReturnToWorkSA registration and prepare finalise reconciliation following employee terminations
	Other employee issues	<ul style="list-style-type: none"> - Prepare, review and approve weekly and monthly payroll. - Liaise with superannuation funds regarding contributions, termination of employees' employment - Correspond with Child Support authorities - Correspond with Department of Human Services regarding paid parental leave - Consider payroll tax issues - Prepare update to employees on the status of the business - Hold employee town hall to notify employees of the decision to wind down the companies 	<ul style="list-style-type: none"> - Prepare, review and approve weekly and monthly payroll. - Liaise with superannuation funds regarding contributions, termination of employees' employment - Consider matters relating to payroll tax - Consider reimbursement claims from employees - Internal meetings to discuss approach to redundancies 	<ul style="list-style-type: none"> - Prepare, review and approve weekly payroll. - Liaise with superannuation funds regarding contributions, termination of employees' employment - Consider reimbursement claims from employees 	<ul style="list-style-type: none"> - Continue to prepare and review employee payroll while employees are still assisting with the wind down of the business and final stock realisation - Finalise relevant employment registrations once final payroll and final employee dividend completed

		Tasks				
		Voluntary Administration - Work done relating to remuneration previously approved by the COI		Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
Trade on		909.5 hours \$605,151.50	891.2 hours \$567,126.50	614.3 hours \$384,010.00	153.0 hours \$100,000.00	108.1 hours \$72,000.00
	Trade on management	<ul style="list-style-type: none"> - Write to all farmers, suppliers, regulatory bodies and other key stakeholders on appointment - Discussions with individual farmers who supply Beston, providing an overview of the approach during the VA and discussing milk supply and commercial terms - Liaise with suppliers to address ongoing trading issues and retain normal credit terms, including reviewing contracts, entering into new arrangements where necessary, drafting and reviewing letters of undertaking arrangements - Liaise with management and staff on site, including discussion of production and operational issues with site and production managers - Attend on site, including attendance and note taking at operations, sales and production meetings - Attend at WHS meetings, putting in place process to mitigate any threats - Review of production plans and issues with Beston management, and planning for trade and production 		<ul style="list-style-type: none"> - Continue to communicate with all farmers, suppliers, regulatory bodies and other key stakeholders - Arrange final payments to farmers and liaise with the same regarding final timing for milk collections - Complete post-trading reconciliation of milk collections with Beston staff - Continue to liaise with suppliers regarding purchase orders and payments, entering into any arrangements where necessary and corresponding with suppliers regarding the cancellation of open purchase orders - Continue to liaise with remaining Beston staff - Attend on site, including attending at operations, sales and production meetings once the wind down has commenced - Oversee management through the wind down process of each site, including environmental, 	<ul style="list-style-type: none"> - Continue to liaise with suppliers, customers and staff to manage the wind down of the business to a point where the business is fully wound down - Agree final inventory sales for final inventory on hand - Agree shut down of certain services as production shuts down and equipment is no longer required - Oversee care and maintenance of Murray Bridge and Jervois facilities - Oversee the wind down process of each site, including laboratories and plant and equipment maintenance - Oversee and consideration of environmental matters regarding wind down, 	<ul style="list-style-type: none"> - Continue to liaise with suppliers, customers and staff to manage the wind down of the business to a point where the business is fully wound down - Maintain functional mailbox for all supplier correspondence. - Authorise purchase orders - Maintain purchase order register - Prepare and authorise payment requisitions - Collect final debtor amounts - Pay final accounts - Oversee care and maintenance of Murray Bridge and Jervois

		Tasks			
		Voluntary Administration - Work done relating to remuneration previously approved by the COI	Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
		<ul style="list-style-type: none"> - Conduct bi-weekly sales meetings to agree and authorise sales - Oversee weekly post-appointment debtor collection meetings to ensure timely payments from customers - Maintain a functional mailbox for all supplier correspondence, adding invoices to the tracker and following up on necessary actions - Authorise purchase orders as per Cost Control Tower meeting and production schedule - Maintain purchase order register and invoice tracker with invoices and purchase orders received from the Administrators, Beston staff, or the Beston functional mailbox. This includes adding invoice information such as invoice date, amount, and credit terms for cash flow purposes - Manage invoices received in relation to post appointment trading arrangements and update the invoice tracking spreadsheet - Liaise with RevenueSA regarding payroll tax issues - Contingency planning for business wind down, including redundancy phasing, and planning sessions with various Beston team members 	<ul style="list-style-type: none"> WHS, quality control, record keeping, laboratories and plant and equipment maintenance - Agree security arrangements once wind down announced - Maintain functional mailbox for all supplier correspondence. - Authorise purchase orders - Maintain purchase order register - Prepare and authorise payment requisitions - Attend to various additional actions in relation to progressing the wind down of the business, including planning for shut down of production - Evaluate and assess required purchase orders for production post wind down announcement - Oversee the end-of-production inventory stock takes - Oversee the end-of-production return of excess inventory ordered but not required - Liaise with relevant regulatory bodies post wind down announcement - Liaise with leased equipment providers regarding return of 	<ul style="list-style-type: none"> including chemical removal and waste water - Liaise with regulatory bodies regarding wind down of operations including environmental, production license and export license - Prepare supplier letter requesting final accounts and issue - Maintain functional mailbox for all supplier correspondence. - Authorise purchase order - Maintain purchase order register - Prepare and authorise payment requisitions - Continue to chase final post-appointment debtors for payment 	

Tasks					
		Voluntary Administration - Work done relating to remuneration previously approved by the COI	Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
		<ul style="list-style-type: none"> - Notify key suppliers of business wind down and corresponding with suppliers regarding the cancellation of open purchase orders - Assess and manage environmental matters including wastewater, whey disposal and water supply at Jervois and Murray Bridge plants 	<ul style="list-style-type: none"> - equipment post wind down announcement 		
	Processing receipts and payments	<ul style="list-style-type: none"> - Enter receipts and payments into accounting system - Undertake various tasks associated with daily and weekly payment runs for critical suppliers and farmers - Prepare payment vouchers for various suppliers - Review of payments and process of payment requisitions - Review of invoices, and match to purchase orders 	<ul style="list-style-type: none"> - Enter receipts and payments into accounting system - Undertake various tasks associated with daily and weekly payment runs for critical suppliers and farmers - Prepare payment vouchers for various suppliers - Review of payments and process of payment requisitions - Review of invoices, and match to purchase orders 	<ul style="list-style-type: none"> - Enter receipts and payments into accounting system - Undertake various tasks associated with daily and weekly payment runs for critical suppliers and farmers - Prepare payment vouchers for various suppliers - Review of payments and process of payment requisitions - Review of invoices, and match to purchase orders 	<ul style="list-style-type: none"> - Enter receipts and payments into accounting system - Undertake various tasks associated with daily and weekly payment runs for critical suppliers and farmers - Prepare payment vouchers for various suppliers - Review of payments and process of payment requisitions - Review of invoices, and match to purchase orders
	Insurance & WHS	<ul style="list-style-type: none"> - Notify insurance broker of administrator appointment - Provide requested information to insurance broker to evaluate risk 	<ul style="list-style-type: none"> - Provide requested information to insurance broker for policy placements - Engage with WHS specialists to resolve remaining WHS issues 	<ul style="list-style-type: none"> - Continue to liaise with insurance broker for the extension and renewal of insurance policies 	<ul style="list-style-type: none"> - Notify insurance broker of liquidation appointment - Provide requested information to

		Tasks			
		Voluntary Administration - Work done relating to remuneration previously approved by the COI	Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
		<ul style="list-style-type: none"> - Engage WHS experts to complete review of Murray Bridge and Jervois facilities - Identify key issues requiring attention of insurance and WHS specialists - Review existing insurance policy documentation - Review valuations and correspond with insurance broker to determine appropriate insurance policy values - Review past WHS incidents and reports - Review licences and internal policies to ensure ongoing compliance - Review of various EPA issues and discussions with industry and WHS specialists on same - Correspond with previous insurance brokers regarding existing policies - Undertake assessment of assets and operations to determine appropriate insurance renewals - Correspond with specialist Food and Production insurance team for placement of select policies - Provide requested information to insurance broker for the placement of various policies, including Industrial Special Risks, Product Recall, and Machinery Breakdown 	<ul style="list-style-type: none"> - Continue to liaise with insurance broker for the extension and renewal of insurance policies - Continue to liaise with specialist Food and Production team for Industrial Special Risks policy placement - Direct staff to resolve remaining WHS issues identified in WHS review - Monitor completion and status of WHS issues 	<ul style="list-style-type: none"> - Provide requested information to insurance broker for ongoing policy placements - Direct staff to resolve remaining WHS issues identified in WHS review - Monitor completion and status of WHS issues 	<ul style="list-style-type: none"> insurance broker for policy placements - Continue to liaise with insurance broker for the extension and renewal of insurance policies - Direct staff to resolve remaining WHS issues (if any) - Finalise completion and status of WHS issues - Finalise insurance policy placements, including the cancellation of policies and return of funding (where applicable)

		Tasks			
		Voluntary Administration - Work done relating to remuneration previously approved by the COI	Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
		<ul style="list-style-type: none"> - Discuss WHS issues arising from WHS review with WHS Manager and relevant Beston staff to resolve - Attend and arrange safety meetings with relevant staff to monitor WHS compliance and resolution of WHS issues - Correspond with insurer regarding initial and ongoing insurance requirements and coverage - Liaise with industry experts for the preparation of various reports, including Risk Engineering Report for placement of various policies - Direct staff to action WHS solutions to issue raised in WHS report - Monitor completion and status of WHS issues - Correspond with WHS specialists for expert opinion on certain WHS issues 			
	Budgeting and financial reporting	<ul style="list-style-type: none"> - Reviewing company's budgets and financial statements following appointment - Prepare detailed initial daily short term cashflow forecast for the initial period of the administration; subsequently prepare weekly cash flow forecast – update forecasts on a daily basis in the initial phase of the administration - Review cash flow forecast with management 	<ul style="list-style-type: none"> - Continue to update weekly wind down cash flow forecast - Update cash flow forecast regularly to allow for changes to key assumptions 	<ul style="list-style-type: none"> - Continue to monitor and update weekly wind down cash flow forecast - Update cash flow forecast regularly to allow for changes to key assumptions 	<ul style="list-style-type: none"> - Continue to monitor and update weekly wind down cash flow forecast - Update cash flow forecast regularly to allow for changes to key assumptions - Assess the available cash flows in order to estimate timing for

				Tasks		
		Voluntary Administration - Work done relating to remuneration previously approved by the COI		Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
		<ul style="list-style-type: none"> - Update cash flow forecast to allow for changes to assumptions - Meetings to discuss trading position with Administrators - Prepare updated cash flow forecast on a weekly basis for the Administrators - Amend cash flow forecast to a wind down forecast following the decision to wind down operations; extend forecast out for asset sale program into June 2025 				returns to creditors, including secured creditors and employee creditors
Investigation		10.5 hours \$7,526.00	15.5 hours \$11,299.50	105.2 hours \$77,107.00	15.0 hours \$10,000.00	271.4 hours \$192,000.00
	Conducting investigation	<ul style="list-style-type: none"> - Collect books and records - Initial review of books and records to consider whether sufficient to explain the company's transactions and events leading up to the appointment - Engage forensics expert to recover all data from company electronic devices (server and computers) - Review and prepare detail regarding company history and background to the appointment - Prepare investigation file - Review bank account transactions - Consolidate creditor ageing reports, review consolidated creditor ageing reports 		<ul style="list-style-type: none"> - Update investigation file - Continue to conduct preliminary investigations for the purposes of reporting matters to creditors within the Voluntary Administrators' report - Conduct review email correspondence sent and received by key management personnel regarding matters including, creditor payment arrangements, safe harbour advice, creditor payment demands - Conduct review of board meeting minutes during the 12 month period prior to the 	<ul style="list-style-type: none"> - Closing out preliminary investigations for the purposes of reporting to creditors in the Voluntary Administrators' report to creditors 	<ul style="list-style-type: none"> - Update analysis into the affairs of the company and continue to investigate matters identified in the Voluntary Administrators' Report to creditors - Continue investigations into the affairs of the company - Engage forensics expert to retrieve documents and undertake detailed searches of files and emails of the company;

		Tasks				
		Voluntary Administration - Work done relating to remuneration previously approved by the COI		Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
		<ul style="list-style-type: none"> - Prepare preliminary analysis of investigations into the company for the purposes of reporting matters to creditors within the Voluntary Administrators' report, including voidable transactions, estimated date of insolvency, director and related party transactions - Review emails, letters and other documents from creditors and management regarding various transactions and events in the lead up to the administration 		<ul style="list-style-type: none"> - appointment of Voluntary Administrators - Prepare financial analysis with respect to key indicators of insolvency - Conduct initial investigations of potential preference payments made to suppliers during the relation back period - Conduct initial investigations relating to director and related party transactions - Tasks associated with determining a preliminary date of insolvency, and preliminary analysis of potential claims and defences that may be available 		<ul style="list-style-type: none"> - subsequently review the same - Continue to update investigation file - Liaise with solicitors regarding potential actions that may be available and advancing our investigations in order to identify further steps that may need to be undertaken
Dividend		0 hours \$0.00	0 hours \$0.00	0 hours \$0.00	0 hours \$0.00	0.0 hours \$0.00
No relevant tasks during the proposed remuneration periods						
Administration		127.6 hours \$84,019.00	51.6 hours \$31,825.00	43.6 hours \$21,491.00	16.3 hours \$10,000.00	75.2 hours \$48,000.00
	Correspondence	<ul style="list-style-type: none"> - General correspondence with stakeholders and parties not otherwise captured in this report 		<ul style="list-style-type: none"> - General correspondence with stakeholders and parties not otherwise captured in this report 	<ul style="list-style-type: none"> - General correspondence with stakeholders and 	<ul style="list-style-type: none"> - General correspondence with stakeholders and

Tasks					
		Voluntary Administration - Work done relating to remuneration previously approved by the COI	Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
				parties not otherwise captured in this report	parties not otherwise captured in this report
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> - Prepare reviews throughout the period of the administration - File documents - Update checklists for tasks and responsibilities 	<ul style="list-style-type: none"> - Prepare reviews throughout the period of the administration - File documents - Update checklists for tasks and responsibilities 	<ul style="list-style-type: none"> - File documents - Update checklists for tasks and responsibilities 	<ul style="list-style-type: none"> - Prepare reviews throughout the period of the administration - File documents - Update checklists for tasks and responsibilities
	Bank account administration	<ul style="list-style-type: none"> - Preparing correspondence opening and closing accounts - Open US Dollar bank account to be used for export customers - Prepare Circular to Banks to freeze accounts - Requesting bank statements - Bank account reconciliations - Liaising with bank regarding overdraft facilities 	<ul style="list-style-type: none"> - Bank account reconciliations - Generate EFT remittance advices for payments made 	<ul style="list-style-type: none"> - Bank account reconciliations - Generate EFT remittance advices for payments made 	<ul style="list-style-type: none"> - Bank account reconciliations - Generate EFT remittance advices for payments made
	ASIC forms and lodgements	<ul style="list-style-type: none"> - Prepare and lodge ASIC 505 form upon our appointment - Prepare and lodge notice of first meeting of creditors with ASIC - Prepare and lodge director ROCAP to ASIC - Correspondence with company directors regarding their respective ROCAP's 	<ul style="list-style-type: none"> - Preparing and lodging ASIC form 484 for the director resignations - Lodge ASIC Notice for second meeting of COI - Lodge meeting minutes for the second COI meeting with ASIC 	<ul style="list-style-type: none"> - Preparing and lodging ASIC forms where required - Lodge ASIC Notice for second meeting creditors - Lodge meeting minutes for the second meeting of creditors with ASIC 	<ul style="list-style-type: none"> - Preparing and lodging ASIC forms where required (including notifications relating to closure of administration and entry into liquidation) - Lodge meeting minutes for the second meeting of creditors with ASIC

Tasks					
		Voluntary Administration - Work done relating to remuneration previously approved by the COI	Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
		<ul style="list-style-type: none"> - Lodge ASIC Notice of first meeting of COI - Lodge meeting minutes for the first COI meeting with ASIC 			<ul style="list-style-type: none"> - Correspondence with ASIC where necessary
	ATO and other statutory reporting	<ul style="list-style-type: none"> - Notify ATO of appointment via lodgement of ATO form - Liaise with the ATO regarding several matters including BAS and PAYG registration and outstanding pre-appointment lodgements - Correspondence with the ATO regarding access to the ATO portal - Lodge complaint with the ATO due to delayed processing of day 1 notification - Complete BAS and STP reporting obligations 	<ul style="list-style-type: none"> - Correspondence with the ATO regarding access to the ATO portal - Lodge complaint with the ATO due to delayed processing of day 1 notification - Completion of BAS and STP reporting obligations 	<ul style="list-style-type: none"> - Lodge BAS and advise ATO of PAYG withheld, as required - Arrange payment of PAYG withheld to ATO and collect receipt of BAS refunds 	<ul style="list-style-type: none"> - Notify ATO of appointment as liquidator and cessation of Administrators via lodgement of ATO form - General correspondence with the ATO when necessary - Complete BAS and STP reporting obligations - Notify and arrange payment of PAYG withheld
	Planning / Review	<ul style="list-style-type: none"> - Various internal discussions regarding status of and strategy for the administration - Attend various team meetings to discuss ongoing critical issues 	<ul style="list-style-type: none"> - Various internal discussions regarding status of and strategy for the administration - Attend various team meetings to discuss ongoing critical issues 	<ul style="list-style-type: none"> - Various internal discussions regarding status of and strategy for the administration - Attend various team meetings to discuss ongoing critical issues 	<ul style="list-style-type: none"> - Various internal discussions regarding status of and strategy for the administration - Attend various team meetings to discuss ongoing critical issues
	Books and records / storage	<ul style="list-style-type: none"> - Obtain digital books and records from Beston management 	<ul style="list-style-type: none"> - List records at the head office and arrange for records to be sent to storage 	<ul style="list-style-type: none"> - Deal with records in storage, as required 	<ul style="list-style-type: none"> - Deal with records in storage, as required

Tasks					
		Voluntary Administration - Work done relating to remuneration previously approved by the COI	Voluntary Administration - Work already done	Voluntary Administration Future work to meeting date	Liquidation - If company is placed into Liquidation
		- Several information requests for further books and records.		- Send job files to storage, as required	- Send job files to storage, as required

Schedule B: Time spent by staff on each major task already completed

BGFC

The below table sets out the time charged to each major task area performed by the Administrators and their staff for the period 20 September 2024 to 7 February 2025, which is the basis of the Resolution 1 claim referred to in **Schedule C**. Please refer to **Schedule A** for further details.

Beston Global Food Company 20 September 2024 to 7 February 2025																
Phase	Charge	Total	Assets		Creditors		Employee		Trade		Investigation		Admin			
Staff Name	Staff Classification	Rate (\$/hr)	hrs	\$	hrs	\$	hrs	\$	hrs	\$	hrs	\$	hrs	\$		
Tim Mablesen	Partner	960.00	24.30	23,328.00	0.10	96.00	13.30	12,768.00	3.70	3,552.00	-	-	4.70	4,512.00	2.50	2,400.00
David Kidman	Partner	960.00	4.90	4,704.00	-	-	2.10	2,016.00	-	-	-	-	2.80	2,688.00		
Peter Gothard	Partner	960.00	0.50	480.00	0.50	480.00	-	-	-	-	-	-	-	-		
Gayle Dickerson	Partner	960.00	5.60	4,704.00	1.40	1,344.00	-	-	-	-	-	-	3.50	3,360.00		
Ned Swifte	Director	850.00	30.30	25,755.00	2.60	2,210.00	19.80	16,830.00	1.20	1,020.00	-	-	6.10	5,185.00	0.60	510.00
George Choimes	Associate Director	730.00	3.90	2,847.00	1.80	1,314.00	2.10	1,533.00	-	-	-	-	-	-		
James Crabtree-Morton	Associate Director	730.00	68.90	50,297.00	-	-	47.60	34,748.00	-	-	2.60	1,898.00	10.10	7,373.00	8.60	6,278.00
Elesa Frangieh-Nencioni	Manager	670.00	14.00	9,380.00	-	-	-	-	14.00	9,380.00	-	-	-	-	-	-
Olly Collison	Manager	670.00	34.40	23,048.00	-	-	5.00	3,350.00	-	-	21.50	14,405.00	-	-	7.90	5,293.00
Rajat Porwal	Manager	670.00	2.70	1,809.00	-	-	-	-	2.70	1,809.00	-	-	-	-	-	-
Harrison Klenk	Executive	565.00	7.70	4,350.50	1.10	621.50	2.00	1,130.00	-	-	4.60	2,599.00	-	-	-	-
Harrison Klenk	Analyst	475.00	4.60	2,185.00	1.60	760.00	0.50	237.50	0.20	95.00	2.30	1,092.50	-	-	-	-
Ethan Snaidero	Analyst	475.00	8.60	4,085.00	-	-	0.50	237.50	6.40	3,040.00	1.70	807.50	-	-	-	-
Jesse Fienemann	Analyst	475.00	2.40	1,140.00	-	-	-	-	-	-	1.80	855.00	-	-	0.60	285.00
Joshua Mitchell	Analyst	475.00	77.10	36,337.50	-	-	55.70	26,457.50	-	-	10.60	5,035.00	5.10	2,422.50	5.10	2,422.50
Grace Talty	Analyst	475.00	0.50	237.50	-	-	-	-	0.50	237.50	-	-	-	-	-	-
El Obbietto	Analyst	475.00	26.60	12,635.00	-	-	-	-	-	-	0.50	237.50	-	-	26.10	12,397.50
Luca Callisto	Analyst	475.00	7.60	2,517.50	-	-	-	-	0.20	95.00	-	-	-	-	5.10	2,422.50
Amelia King	Analyst	475.00	1.00	475.00	-	-	-	-	1.00	475.00	-	-	-	-	-	-
Astra Delaguiado	Senior Treasury	350.00	0.30	105.00	-	-	-	-	-	-	0.20	70.00	-	-	0.10	35.00
Zin Thaya Khin	Senior Treasury	350.00	4.40	1,540.00	-	-	-	-	0.10	35.00	2.40	840.00	-	-	1.90	665.00
Lisa Brandt	Treasury	330.00	0.60	198.00	-	-	-	-	-	-	0.50	165.00	-	-	0.10	33.00
Subtotal			330.90	212,158.00	9.10	6,825.50	148.60	99,307.50	30.00	19,738.50	48.70	28,004.50	26.00	19,492.50	64.90	38,789.50
Total (excl. GST)			330.90	212,158.00	-	6,825.50	148.60	99,307.50	30.00	19,738.50	48.70	28,004.50	26.00	19,492.50	64.90	38,789.50
GST				21,215.80		682.55		9,930.75		1,973.85		2,800.45		1,949.25		3,878.95
Total (incl. GST)				233,373.80		7,508.05		109,238.25		21,712.35		30,804.95		21,441.75		42,668.45
Average Hourly Rate				641.15		750.05		668.29		657.95		575.04		749.71		597.68

BPD

The below table sets out the time charged to each major task area performed by the Administrators and their staff for the period 30 November 2024 to 7 February 2025, which is the basis of the Resolution 3 claim referred to in **Schedule C**. Please refer to **Schedule A** for further details.

Beston Pure Dairies 30 November 2024 to 7 February 2025																
Phase	Charge	Total	Assets		Creditors		Employee		Trade		Investigation		Admin			
Staff Name	Staff Classification	Rate (\$/hr)	hrs	\$	hrs	\$	hrs	\$	hrs	\$	hrs	\$	hrs	\$		
Tim Mablesen	Partner	960.00	86.40	82,944.00	22.60	21,696.00	30.10	28,896.00	0.20	192.00	6.70	6,432.00	25.90	24,864.00	0.90	864.00
James Dampney	Partner	960.00	69.20	66,432.00	6.90	6,624.00	0.60	576.00	2.80	2,688.00	58.90	56,544.00	-	-	-	-
David Kidman	Partner	960.00	23.20	22,272.00	23.20	22,272.00	-	-	-	-	-	-	-	-	-	-
Ned Swifte	Director	850.00	171.40	145,690.00	66.80	56,780.00	13.70	11,645.00	4.00	3,400.00	62.60	53,210.00	21.50	18,275.00	2.80	2,380.00
Jackson Adcock	Associate Director	730.00	13.40	9,782.00	2.10	1,533.00	11.30	8,249.00	-	-	-	-	-	-	-	-
James Crabtree-Morton	Associate Director	730.00	53.50	39,055.00	-	-	27.80	20,294.00	0.30	219.00	-	-	25.40	18,542.00	-	-
Veronica Del Borrello	Manager	670.00	163.90	109,411.00	-	-	13.20	8,844.00	-	-	147.50	98,825.00	-	-	2.60	1,742.00
Elesa Frangieh-Nencioni	Manager	670.00	107.50	72,025.00	-	-	0.50	335.00	107.00	71,690.00	-	-	-	-	-	-
Colm Mckean	Manager	670.00	159.90	107,133.00	81.00	54,270.00	18.70	12,529.00	3.80	2,546.00	54.80	36,716.00	-	-	1.60	1,072.00
Harrison Klenk	Executive	565.00	55.40	31,301.00	12.20	6,893.00	16.20	9,153.00	-	-	26.60	15,029.00	0.40	226.00	-	-
Eleanor Dickmann	Analyst	475.00	3.40	1,615.00	1.50	712.50	-	-	-	-	1.00	475.00	-	-	0.90	427.50
Harrison Klenk	Analyst	475.00	47.50	22,562.50	10.20	4,845.00	3.70	1,757.50	0.30	142.50	33.00	15,675.00	0.30	142.50	-	-
Ethan Snaidero	Analyst	475.00	15.70	7,457.50	-	-	-	-	7.80	3,705.00	7.90	3,752.50	-	-	-	-
Jesse Fienemann	Analyst	475.00	160.80	75,097.50	-	-	-	-	0.40	190.00	138.30	65,692.50	-	-	19.40	9,215.00
Samyak Jain	Analyst	475.00	16.80	7,980.00	-	-	-	-	15.20	7,220.00	1.60	760.00	-	-	-	-
Joshua Mitchell	Analyst	475.00	82.90	39,377.50	0.70	332.50	36.30	17,242.50	0.20	95.00	11.20	5,320.00	31.70	15,057.50	2.80	1,330.00
Grace Talty	Analyst	475.00	4.20	1,045.00	-	-	-	-	4.20	1,045.00	-	-	-	-	-	-
El Obbiettivo	Analyst	475.00	7.30	2,517.50	0.50	237.50	-	-	-	-	4.30	2,042.50	-	-	0.50	237.50
Luca Callisto	Analyst	475.00	42.80	20,045.00	-	-	-	-	21.10	10,022.50	21.10	10,022.50	-	-	-	-
Astra Delaguado	Senior Treasury	350.00	2.80	980.00	-	-	-	-	-	-	2.70	945.00	-	-	0.10	35.00
Zin Thaya Khin	Senior Treasury	350.00	44.20	15,470.00	-	-	-	-	-	-	32.80	11,480.00	-	-	11.40	3,990.00
Lisa Brandt	Treasury	330.00	3.90	1,287.00	-	-	-	-	-	-	3.30	1,089.00	-	-	0.60	198.00
Subtotal			1,336.10	882,429.50	227.70	176,195.50	172.10	119,521.00	167.30	104,105.00	614.30	384,010.00	105.20	77,107.00	43.60	21,491.00
Total (excl. GST)			1,336.10	882,429.50		176,195.50		119,521.00		104,105.00		384,010.00		77,107.00		21,491.00
GST				88,242.95		17,619.55		11,952.10		10,410.50		38,401.00		7,710.70		2,149.10
Total (incl. GST)				970,672.45		193,815.05		131,473.10		114,515.50		422,411.00		84,817.70		23,640.10
Average Hourly Rate				660.45		773.81		694.49		622.27		625.12		732.96		492.91

Schedule C – Resolutions

Remuneration – Beston Global Food Company Limited

Resolution 1 – for work already completed:

*"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 13 February 2025, for the period from 20 September 2024 to 7 February 2025 in relation to **BGFC**, be fixed in the amount of \$212,158.00 plus any applicable GST, and may be paid."*

Resolution 2 – for work to be completed up to the date of the meeting:

*"That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 13 February 2025, for the period from 8 February 2025 to 21 February 2025 in relation to **BGFC**, be fixed in the amount of \$20,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

Resolution 11 – for work to be completed from the date of the meeting to the finalisation of the liquidation (if applicable):

*"That the future remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 13 February 2025, for the period from 21 February 2025 to 30 June 2025 in relation to **BGFC**, be fixed in the amount of \$25,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

Remuneration – Beston Pure Dairies Pty Ltd

Resolution 3 – for work already completed:

*"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 13 February 2025, for the period from 30 November 2024 to 7 February 2025 in relation to **BPD**, be fixed in the amount of \$882,429.50, plus any applicable GST, and may be paid."*

Resolution 4 – for work to be completed up to the date of the meeting:

*"That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 13 February 2025, for the period from 8 February 2025 to 21 February 2025 in relation to **BPD**, be fixed in the amount of \$220,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

Resolution 12 – for work to be completed from the date of the meeting to the finalisation of the liquidation (if applicable):

*"That the future remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 13 February 2025, for the period from 21 February 2025 to 30 June 2025 in relation to **BPD**, be fixed in the amount of \$480,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

E – ARITA creditor information sheet

Creditor Information Sheet

Offences, Recoverable transactions and Insolvent Trading



Offences

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

Section	Offence
180	Failure by officer to exercise a reasonable degree of care and diligence in the exercise of his powers and the discharge of his duties.
181	Failure to act in good faith.
182	Making improper use of position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of his position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for proper purpose. Use of position or information dishonestly to gain advantage or cause detriment.
206A	Contravening an order against taking part in management of a corporation.
206A, B	Taking part in management of corporation while being an insolvent under an administration.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of auditor.
314-7	Failure to comply with requirements for financial statement preparation.
437C	Performing or exercising a function or power as officer while a company is under administration.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to administrator.
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.

Voidable Transactions

Preferences

A preference is a transaction such as a payment between the company and one or more of its creditors, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant time period is six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent as a result of the transaction.

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

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into having regard to:

- the benefit or detriment to the company;
- the respective benefits to other parties; and
- any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation.

However, if a related entity is a party to the transaction, the time period is four years and if the intention of the transaction is to defeat creditors, the time period is ten years.

ARITA
ACN 002 472 362

Level 5, 33 Erskine Street, Sydney NSW 2000 Australia | GPO Box 9985, Sydney NSW 2001
t +61 2 9290 5700 | f +61 2 9290 2820 | e admin@arita.com.au | arita.com.au

AUSTRALIAN RESTRUCTURING INSOLVENCY & TURNAROUND ASSOCIATION

The company must have been insolvent at the time of the transaction, or become insolvent as a result of the transaction.

Unfair Loan

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

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person. It will only be necessary to satisfy the court that there was a breach on the balance of probabilities. There is no time limit on when the transaction occurred.

Unreasonable payments to directors

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

Voidable charges

Certain charges are voidable by a liquidator:

- Circulating security interest created within six months of the liquidation unless it secures a subsequent advance;
- Unregistered charges; and
- Charges in favour of related parties who attempt to enforce the charge within 6 months of its creation.

Insolvent Trading

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

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

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

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

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

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

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

F – Short guide to the Creditors' Portal

We are using the Creditors' Portal as the primary tool for communicating with creditors and managing claims.

We have prepared this short guide to assist you as a creditor to understand the process that you must undertake to ensure you are appropriately registered as a creditor of the Company.

Please note, the email registered on the Creditors' Portal will receive all notifications including circulars and reports issued by the Administrators.

Please refer to the following link for further guidance on how to register, submit and manage a claim:

<https://creditors.accountants/Help>

Step 1: Register



- Register as a user at the following link: <https://creditors.accountants/> (use chrome, edge or firefox).
- You will receive a confirmation email to verify your account (verify your email address within 24 hours of registering as a user).
- Once verified, you will be redirected to the Portal.
- If you are already a registered user, please skip to "Login" below.

Step 2: Log in



- Log into the Portal using your username and password.
- You will be redirected to a screen where you need to input the following details:
 - Company creditor – an ABN; or
 - Individual creditor – first and last name.
- You will be prompted to make a declaration to confirm that you are authorised to act on behalf of the company or individual and agree on how you wish to receive future correspondence.

Step 3: Link creditor



- Once you have completed your declaration, you will be redirected to the Portal landing page where you can view the Company under "*Recent Interactions*".
- If you cannot view the Company listed on the landing page you may need a creditor code to link your profile to the Company.
- Please contact beston@kpmg.com.au for a unique code to register your claim.
- Once you receive your creditor code, log in and click on your username in the top right hand side and click on "*Creditor Admin*" and input your code and click "*Link*".
- There will be an option to provide an ABN (if relevant) for company creditors, click "*I do not have an ABN*" (individuals) and then click "continue".
- Follow the prompts and confirm you are authorised to act on behalf of the creditor.

Step 4: View company and documents



- You will be able to view the Company on the landing page or under the “*Debtors*” tab and click “*My debtors*” or “*My claims*”. Click on “*Details*” to be directed to the Company.
- You will be able to view any documents uploaded under the “*Documents*” tab that relate to the Company.
- There are additional resources that you can also access under the “*Resources*” tab.

Step 5: Submit a Formal Proof of Debt Form (POD)



- You will be able to view the Company on the landing page or under the “*Debtors*” tab and click “*My debtors*” or “*My claims*”. Click on “*Details*” to be directed to the Company.
- Click on the “*Proof of Debt*” tab.
- Click on the “Submit” button and start completing the POD form.
- Tick “No” to the question “*Is your proof of debt informal*”. If you are an employee creditor, this will not be an option.
- Upload any supporting documentation for consideration.
- Press “*Next*” and “*Submit*”

Step 6: Appoint a proxy (required for company creditors, optional for individuals)



- If you are a company creditor or individual that is appointing the Chairperson or an alternative person to vote (alternate email to the email registered initially) please complete a proxy form attached to the report to creditors and submit **via email** to beston@kpmg.com.au.

Step 7: Voting at the online meeting



- You may lodge your votes in advance of the meeting by submitting a completed proxy form.
- You may also cast your votes if you are in attendance during the meeting and a poll is called for by the Chairperson.
- During the meeting, the Chairperson will read the resolutions and allow you to vote prior to locking the resolutions.

G – Forms to be completed

Creditors should review the contents of this report and complete the following forms by **4:00pm** on 20 February 2025.

Form/ voting	Where to submit
Appointment of proxy -(form 532) (Annexure G1)	Email: beston@kpmg.com.au
COI nomination form (Annexure G2)	Post: GPO Box 2499, ADELAIDE SA 5001
Proof of debt - (form 535)	Via Creditors' Portal https://creditors.accountants/
Attending the Second Meeting of creditors	Should you wish to attend the Second Meeting, please click on the following link to register to attend – Registration Form - Beston Second Meeting of Creditors. Once you have registered, we will receive notification of your interest to attend the meeting, and you will be emailed the meeting access link by 9:00am (ACDT) on 21 February 2025.
Voting at the Second Meeting of creditors	Please complete appointment of proxy – form 532 (Annexure G1)

G1 – Appointment of proxy

Form 532 - Appointment of Proxy
Insolvency Practice Rules (Corporations) 2016, Section 75-25

Return no later than 4:00pm (ACDT), 20 February 2025 to:
KPMG GPO Box 2499, ADELAIDE SA 5001
Tel: +61 8 8236 3111
Fax: +61 8 8236 3299
Email: beston@kpmg.com.au

Select Indebted Company:

- ☐ **Beston Global Food Company Limited (Administrators Appointed) ACN 603 023 383**
- ☐ **Beston Pure Dairies Pty Ltd (Administrators Appointed) ACN 606 417 994**

Date of Appointment: 20/09/2024

A. Name and Contact Details of Person or Entity Entitled to Attend Meeting

¹

(if entitled in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)

² of

(address)

³ Tel:

⁴ Email:

B. Appointment of Person to Act as Proxy

Note: You may nominate "the Chairperson of the meeting" as your proxy (or your alternate proxy in the event that the first-named proxy is not in attendance).

¹ I/We, as named in Section A above, a creditor/employee/contributory/member of the Company, appoint

²

(name of person appointed as proxy)

³

⁴ or in his / her absence

(address of person appointed as proxy)

⁵

(name of person appointed as alternate proxy)

⁶

⁷ as *my / *our proxy

(address of person appointed as alternate proxy)

to vote at the meeting of creditors to be held on 21 February 2025 at 11:30am (ACDT), or at any adjournment of that meeting in accordance with the instructions in Section C below.

C. Voting Instructions

¹ *My / *Our proxy, as named in Section B above, is entitled to act as *my / *our :

☐

² **general proxy**, to vote on *my / *our behalf **and / or**

☐

³ **special proxy**, to vote on *my / *our behalf specifically as follows:

D. Signature

¹ Dated:

² Signature:

³ Name / Capacity:

Please note the following in relation to completing your special proxy nomination

- You **must** complete sections A to D of the proxy form
- You may only vote for resolutions relating to an entity of which you are a creditor
- For example, if you are a creditor of Beston Pure Dairies Pty Ltd, you may only vote for resolutions 3, 4, 8, 9, 10, 12, 14, and 16.
- In circumstances where you are a creditor of more than one entity, please vote on the relevant entity resolutions.

Entity Name	Relevant Resolutions
Beston Global Food Company Limited (BGFC)	1, 2, 5, 6, 7, 11, 13, 15
Beston Pure Dairies Pty Ltd (BPD)	3, 4, 8, 9, 10, 12, 14, 16

Resolutions applicable for creditors of:

**Beston Global Food Company Limited (Administrators Appointed) (BGFC) and
Beston Pure Daries Pty Ltd (Administrators Appointed) (BPD)**

Resolution	For	Against	Abstain
1. That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 13 February 2025, for the period from 20 September 2024 to 7 February 2025 in relation to BGFC , be fixed in the amount of \$212,158.00, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 13 February 2025, for the period from 8 February 2025 to 21 February 2025 in relation to BGFC , be fixed in the amount of \$20,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 13 February 2025, for the period from 30 November 2024 to 7 February 2025 in relation to BPD , be fixed in the amount of \$882,429.50, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 13 February 2025, for the period from 8 February 2025 to 21 February 2025 in relation to BPD , be fixed in the amount of \$220,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. That the Administration of BGFC should end.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. That BGFC be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. If BGFC is wound up and an alternate Liquidator is proposed, a resolution will be put to the meeting to consider any alternative appointee (if applicable).	To be voted on at the meeting	To be voted on at the meeting	To be voted on at the meeting
8. That the Administration of BPD should end.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. That BPD be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. If BPD is wound up and an alternate Liquidator is proposed, a resolution will be put to the meeting to consider any alternative appointee (if applicable).	To be voted on at the meeting	To be voted on at the meeting	To be voted on at the meeting
11. That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 13 February 2025, for the period from 21 February 2025 to 30 June 2025 in relation to BGFC , be fixed in the amount of \$25,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors, or the Committee of Inspection should one be appointed, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 13 February 2025, for the period from 21 February 2025 to 30 June 2025 in relation to BPD , be fixed in the amount of \$480,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors, or the Committee of Inspection should one be appointed, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. If BGFC is wound up, that a Committee of Inspection be appointed, the members of which are to be determined by the meeting.	To be voted on at the meeting	To be voted on at the meeting	To be voted on at the meeting

Resolutions applicable for creditors of: Beston Global Food Company Limited (Administrators Appointed) (BGFC) and Beston Pure Daries Pty Ltd (Administrators Appointed) (BPD)				
Resolution	For	Against	Abstain	
14. If BPD is wound up, that a Committee of Inspection be appointed, the members of which are to be determined by the meeting.	To be voted on at the meeting	To be voted on at the meeting	To be voted on at the meeting	
15. That, pursuant to Section 477(2B) of the Corporations Act 2001, creditors authorise the Liquidators of BGFC to enter into any agreement on BGFC's behalf where:				
a) the term of the agreement may end; or	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
b) obligations of a party to the agreement may, according to the terms of the agreement, be discharged by performance; more than three months after the agreement is entered into.				
16. That, pursuant to Section 477(2B) of the Corporations Act 2001, creditors authorise the Liquidators of BPD to enter into any agreement on BGFC's behalf where:				
a) the term of the agreement may end; or	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
b) obligations of a party to the agreement may, according to the terms of the agreement, be discharged by performance; more than three months after the agreement is entered into.				

Creditor Assistance Sheet: Completing a Proxy Form

Section A – Name and Contact Details of Person or Entity Entitled to Attend Meeting

1. Insert the full name of the employee, individual, sole trader, partnership or company that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or company that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or company that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or company that the debt is owed to.

Section B – Appointment of Person to Act as Proxy

1. Cross out any wording that is **not** applicable. For example, if the employee/individual/sole trader/partnership/company is a creditor, cross out ‘*eligible employee creditor’, ‘*contributory’, ‘*debenture holder’ and ‘*member’.
2. Insert the name of the person who will be exercising the creditor’s vote at the meeting. If someone is attending the meeting in person, that person’s name should be inserted. Alternatively, if someone is unable to attend, but you still want to cast a vote at the meeting, then you can appoint the Chairperson of the meeting to vote on your behalf by inserting the words ‘the Chairperson’ here.
3. Insert the address of the person nominated at (2) that will be attending the meeting as proxy. If you have elected ‘the Chairperson’ because no one is attending in person, leave this row blank.
4. Cross out any wording that is **not** applicable.
5. If the person you have elected to attend is unavailable on the day, you may nominate a second person to attend in their absence. Alternatively, you can appoint the Chairperson of the meeting to vote on your behalf by inserting ‘the Chairperson’.
6. Insert the address of the second person here. If you have elected ‘the Chairperson’, leave this row blank.
7. Cross out any wording that is not applicable.

Section C – Voting Instructions

1. Cross out any wording that is not applicable.
2. Insert an ‘X’ in this box if you want the person who is attending the meeting to vote as they see fit on each of the resolutions in the ‘Resolution’ table. If you select this option, proceed to Section D, **unless** you wish to vote specifically on certain resolutions, in which case you also insert an ‘X’ in the special proxy box and select ‘For’, ‘Against’ or ‘Abstain’ on the resolutions. The person voting at the meeting will have discretion to vote as they see fit on any resolutions where you have **not** selected ‘For’, ‘Against’ or ‘Abstain’.
3. Insert an ‘X’ in this box if you want the person who is attending the meeting, to vote exactly in accordance with your instructions. If you select this option, you must select ‘For’, ‘Against’ or ‘Abstain’ for each of the resolutions in the ‘Resolution’ table. Do not tick more than one box for each resolution.

Section D – Signature Instructions

1. Insert the date that the proxy form is being signed.
2. The form should be signed by **one** of the following persons:
 - If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
 - If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
 - If the debt is owed to a partnership, then one of the partners of the partnership; or
 - If the debt is owed to a company, then a duly authorised office of the company (normally a director or secretary of the company).
3. Insert the name of the person signing the form, and note their capacity (that is, their role):
 - If the debt is owed to a sole trader, note their capacity as proprietor, eg: “[Full name], proprietor”; or
 - If the debt is owed to a partnership, note their capacity as partner, eg: “[Full name], partner of the firm named in Section A above”; or
 - If the debt is owed to a company, note their capacity as director or secretary, eg: “[Full name], director/secretary of the company named in Section A above”]

G2 – Nomination Form – COI

Nomination Form – Committee of Inspection Section 80-55 of Schedule to the Corporations Act 2001

Creditors please note – only to be completed if you wish to nominate a member to the COI

Return no later than 4:00pm (ACDT), 20 February 2025 to:
KPMG GPO Box 2499, ADELAIDE SA 5001

Tel: +61 8 8236 3111
Fax: +61 8 8236 3299
Email: beston@kpmg.com.au

Select Indebted Company:

- ☐ Beston Global Food Company Limited (Administrators Appointed) ACN 603 023 383
☐ Beston Pure Dairies Pty Ltd (Administrators Appointed) ACN 606 417 994

Date of Appointment: 20/09/2024

A. Name and Contact Details of Person or Entity Entitled to Attend Meeting

1

(if entitled in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)

2 of

(address)

3 Tel:

4 Email:

B. Nomination of Person as Member of Committee of Inspection, if one is appointed

I/We, as named in Section A above, nominate

1

(name of person nominated as member of Committee of Inspection, if one is appointed)

2

(address of person nominated as member of Committee of Inspection, if one is appointed)

3

(email address of person nominated as member of Committee of Inspection, if one is appointed)

C. Declaration in relation to Transactions with the Indebted Company

During the external administration, I/We, as named in Section A above, contemplate entering into the following transactions with the Indebted Company during the external administration¹:

☐

continuance of service and/or supply agreements as detailed below:

.....
.....
.....
.....

☐

potential acquisition of the business and/or assets of the Indebted Company

☐

other – please provide details below:

.....
.....
.....

D. Signature

¹ Dated:

² Signature:

³ Name / Capacity:

Creditor Assistance Sheet: Completing a Committee of Inspection Nomination Form

Section A – Name and Contact Details of Person or Entity Entitled to Attend Meeting

1. Insert the full name of the employee, individual, sole trader, partnership or company that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or company that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or company that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or company that the debt is owed to.

Section B – Nomination of Person as Member of Committee of Inspection, if one is appointed

1. Insert the name of the person who is being nominated by the creditor as the member of the Committee of Inspection.
2. Insert the address of the person nominated at (1).
3. Insert the email address of the person nominated at (1).

Section C – Declaration in relation to Transactions with the Indebted Company

1. Indicate the type of transactions contemplated between the person/entity named in Section A and the Indebted Company during the course of the external administration.

Section D – Signature Instructions

1. Insert the date that the nomination form is being signed.
2. The form should be signed by **one** of the following persons:
 - If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
 - If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
 - If the debt is owed to a partnership, then one of the partners of the partnership; or
 - If the debt is owed to a company, then a duly authorised office of the company (normally a director or secretary of the company).
3. Insert the name of the person signing the form, and note their capacity (that is, their role):
 - If the debt is owed to a sole trader, note their capacity as proprietor, eg: “[Full name], proprietor”; or
 - If the debt is owed to a partnership, note their capacity as partner, eg: “[Full name], partner of the firm named in Section A above”; or
 - If the debt is owed to a company, note their capacity as director or secretary, eg: “[Full name], director/secretary of the company named in Section A above”]