

Selina Operation Magnetic Island Pty Ltd (In Liquidation)
ACN 661 436 237 ("the Company")

Update to Creditors

8 August 2025

We, Andrew McCabe and Christopher Johnson, refer to our appointment as Voluntary Administrators on 13 August 2024 and our subsequent appointment as Joint and Several Liquidators of the Company at the Second Meeting of Creditors on 17 September 2024.

This report is to be read in conjunction with our previous circulars to creditors, in particular, the Administrators' Report to Creditors pursuant to 75-225 of the *Insolvency Practice Rules (Corporations) 2016 (Cth)* dated 9 September 2024 and the Liquidators' Statutory Report to Creditors dated 17 December 2024, which are available at <https://wexted.com/creditors/selina-operation-magnetic-island-pty-ltd>.

The purpose of this report is to:

- provide you with an update on the progress of the liquidation;
- advise you of the likelihood of a dividend being paid in the liquidation; and
- seek creditors' approval for the Liquidators' remuneration for work undertaken in the liquidation.

Defined terms used in this report are consistent with those in previous reports.

1. Recent events

Since the Liquidators' Statutory Report to Creditors, we have undertaken various tasks including, but not limited to:

- Lodging an updated proof of debt in the Selina Group Creditors' Trust in the amount of \$1.3M, and receiving a dividend between 5 and 9 cents in the dollar;
- Reconciling pre and post appointment debtors and liaising with Dorado regarding the amount of pre appointment debtor to be transferred;
- Liaising with employees and FEG regarding verification of employee claims and adjudicating on priority creditor claims;
- Investigate status of the Company's asset accounts and potential unfair preference payments; and
- Liaising with the Landlord regarding their claim and their purported claim over the insurance settlement proceeds.

1.1. Inter-group loans

As outlined in HLB's Administrators' Report, the books and records of the Selina Group indicate that the Company loaned funds to Selina Holdings Australia Pty Ltd that have not been repaid or set off.

The Company director provided a detailed ledger of intercompany loans. We investigated and verified 30 transactions against the Company bank statements to confirm the intercompany loan.

Proofs of debt have been completed and lodged with supporting documentation to HLB, as the Trustees of the Selina Group Creditors' Trust. The proof of debt totalling \$1,265,903 comprised of:

- \$36.6K for a loan due from Selina Operation Australia Pty Ltd;
- ~\$1.1M for a loan due from Selina Holding Australia Pty Ltd;
- \$100.0K for a loan due to Selina Holding Australia Pty Ltd (negative liability); and
- \$3.8K in relation to pre-appointment debtor amounts paid to Selina Holding Australia Pty Ltd.



The Trustees adjudicated our claim and admitted it for \$1,257,736.

The Company is an unsecured creditor in the Selina Group Creditors Trust and as such, a Class B Trust Fund Creditor. As a result of the creditors trust, HLB estimate a return to Class B Trust Fund Creditors of between 5 and 9 cents in the dollar, subject to the adjudication of creditors' claims. The Company received a first and final distribution of \$62,886.30 on 30 July 2025.

As previously reported, the Company's cumulative net profit between 1 October 2022 to 30 June 2024 of \$286.6K was insufficient to fund these intercompany loans. The Company entered into an Incentive Deed with the Landlord on 8 September 2022, which in summary, the Landlord provided funding of \$1.75M (excluding GST) for:

- Conversion works payment of \$1.25M; and
- Glamping upgrade payment of \$0.5M.

Based on our review of the Company's bank statements from 26 October 2022 to 30 June 2024, we confirm the Company received \$687.5K from Dorado Property Pty Ltd on 3 November 2022 and \$687.5K from DHHT Magnetic Island Pty Ltd on 16 December 2022. These amounts total the conversion works payment of \$1.25M (excluding GST). There is no record of the Company receiving the Glamping upgrade payment of \$0.5M, and the Director advised us that it never proceeded.

On review of clause 3.2 of the Incentive Deed, the Company was required to undertake a number of steps including but not limited to:

- Submitting plans of the proposed works to the Landlord;
- Obtaining approval by the Landlord;
- Invoice the Landlord for Part 1 for \$625.0K;
- One month later invoice the Landlord Part 2 for \$625.0K;
- Landlord to pay invoices within 14 days of issue;
- Within 30 days of completion of works provide Landlord with copies of all invoices and a reconciliation; and
- If a reconciliation cannot be provided because the Works Cost of the portion of Works is less than the amount of the Company's Invoice, the Company must within 14 days pay the Landlord the difference.

The Director advised \$200K was paid to Selina Holding Australia Pty Ltd for technical fees and \$1.05M for renovations. We have sighted an invoice dated 1 November 2022 from the Company to DHHT Magnetic Island Pty Ltd for \$687.5K (including GST). We have sighted limited supporting documents to verify the use of these funds.

The Landlord's proof of debt claim dated 19 August 2024 of \$1.30M includes \$1.25M for the repayment of incentive payment on 12 August 2024. As mentioned above we have sighted receipt of \$687.5K on 3 November 2022 and \$687.5K on 16 December 2022.

The Landlord may be a creditor for the value of any Works Costs less Company invoices. Further, there may be a potential breach of directors' duties if funds advanced under the Incentive Deed were used to provide intercompany loans, where related parties did not complete the Conversion Works. If this is the case, there may be a claim for potential breaches of directors' duties.

Based on our review of the bank statements, the receipts of \$687.5K from Dorado Property Pty Ltd on 3 November 2022 and \$687.5K from DHHT Magnetic Island Pty Ltd on 16 December 2022 may have allowed the Company to make intercompany loan payments to the Selina Holding Australia Pty Ltd ACN 637 166 824 (Administrators Appointed) (Receivers and Managers Appointed), the Parent Company.

We are currently unfunded in the administration, and no creditor has approached us to provide funding. As such, we do not have sufficient funds to pursue any such claims.



1.2. Trade and other receivables

The management accounts at the date of our appointment indicated trade and other receivables of \$472.4K, as summarised below:

- Guest Ledger (\$13.3K);
- Accounts receivable tenants \$201.3K;
- Accounts receivable other \$53.9K; and
- Accounts receivable clearing \$230.5K.

To date, we have not been provided with a detailed breakdown of this account from the Parent Company or other related entities.

Due to the lack of Company records available and information retained by debtors, we have been unable to reconcile pre-appointment debtor receipts against the debtor book value of \$63.3K. We understand that bookings are paid through intermediaries and then these funds are reconciled and paid to the Company, in the weeks following the completion of the booking.

We requested and obtained updated bank statements from Bank of Melbourne, reviewed the Company's bank statements in further detail and provide the following information.

The below table outlines the pre-appointment debtors as per the Company's books and records and recoveries made to date.

Debtor Name	Outstanding as at DOA (\$)	Received after DOA (\$)	Notes
Hero	39,118.29	1,359.55	
Ultimate Adventure Travel (Pty) Ltd	3,850.00	2,140.00	
Travello Pty Ltd	3,797.00	6,925.06	\$3,128.06 may be post-appointment amounts.
Booking.com Collect	2,701.75		
Mates Rates	2,442.00		
Contiki Holidays Operations Australia	1,485.00		
Intrepid Travel	1,320.00		
Stray Adventure	954.80	954.80	Received in Administrators' bank account
Extensions	929.43		
ResidencySales	817.63		
Online Booking - Web site	792.00		
B2B Location Direct Individual	714.34		
Flight Centre Travel Group	692.99		
CTRIP	691.92		
Location Direct Individual	654.08		
ResidencyMarketing	575.85		
Another 12 debtors	1,761.33	156.15	
Total Debtors	63,298.41	11,535.56	

Note: The Company's date of appointment was 13 August 2024 at 6pm.

The balance of the pre-appointment book value of debtors that is outstanding or unreconciled is \$54,890.91.

We note that to date we have received a total of \$101,603.02 from Bank of Melbourne, including the cash at bank balance as at the date of appointment (**DOA**). The table below outlines receipts from the Company's pre-appointment accounts and debtor recoveries to date.



Reconciliation summary		\$
Bank of Melbourne (accounts xx3026 and xx0309) – receipts from 13 August 2024 to 2 June 2025		101,603.02
Less: cash at bank as at 13 August 2024		(32,081.86)
Less: Pre-appointment debtors in administrators' account		(954.80)
Less: identified and reconciled pre-appointment debtors in Bank of Melbourne account (xx0309) to date		(7,452.70)
Unreconciled receipts in Bank of Melbourne Account		\$61,113.66

We understand some debtors may have paid amounts into a bank account ending in xx4812. We note that the Company's Bank of Melbourne accounts ended in xx0309 and xx3026 and the Company's liquidation account ends in xx8408. We understand the account name for the bank account ending in xx4812 is Selina Operations Australia Pty Ltd and it was a Bank of Melbourne account. We understand this may be an account which the Deed Administrators have access to, and have advised Dorado accordingly, in relation to same.

Notwithstanding our multiple requests to booking agents and to Dorado requesting assistance to identify any post-appointment debtor receipts, no to limited responses were received, until 9 April 2025.

On 9 April 2025, Dorado requested payment of all receipts from Rezdy Bookings totalling \$63.5K and from Hero totalling \$8.4K.

On 11 April 2025, we emailed to Dorado and again outlined that we had insufficient information to determine whether the funds received relate to pre-appointment or post-appointment debtors, and requested further particulars.

We are without funding in the external administration, and no proposed funding was offered by Dorado to undertake the reconciliation task of pre-appointment debtors (\$63.3K) to Dorado's claim for post-appointment debtor receipts of \$71.9K (being Rezdy \$63.5K plus Hero \$8.4K), we proposed a Deed of Release to settle all potential claims. Dorado was not prepared to provide a full release, and sought to reserve their rights to raise further claims should additional eligible funds be identified.

We confirm that payments from RezdyPay were received in the Company's pre-appointment account from 13 August 2024, the Administrators' DOA, totalling \$54,812.74.

As outlined above, Travello Pty Ltd was recorded as a pre-appointment debtor. We have received funds from Travello, although unable based on currently available information able to reconcile the post-appointment debtor receipts. We have made numerous requests for information from Travello, including issuing a section 530B notice. Travello has provided invoice statements and confirmed the bank account details to which payments were made. However, there is insufficient information to determine which period the services relate to.

Given the limited information available to reconcile the Company's debtors, we have remitted to Dorado all receipts received from 26 September 2024 to 25 April 2025, totalling \$50,106.41, which includes the amount of \$2,140.00 paid by Ultimate Adventure on 10 March 2025. We have not received any further correspondence from Dorado regarding the balance of funds received since the DOA and as such, have concluded they are likely to relate to pre-appointment debtors.

We are currently unfunded in the administration, and no creditor has approached us to provide funding. To minimise the time and cost of our team in undertaking and liaising with debtors to reconcile pre and post appointment debtors, we have made the decision to close the Bank of Melbourne bank account, notwithstanding the debtor ledger has outstanding debtors.

Any creditor with any claim against debtor receipts or the voluntary administrators or liquidators, is required to provide supporting documents of their claim to our office by **Friday, 15 August 2025 at 5:00pm (AEST)**. This will allow us to proceed with paying a priority creditor distribution and finalising the matter in the next few weeks.



1.3. Employee entitlements

We have written to employees on multiple occasions to (a) notify them of our appointment, (b) the FEG scheme, (c) confirm their employment / resignation status, (d) request details on their new employment at the Property, (e) provide employee entitlement calculations based on Company books and records, and (f) request proofs of debt and supporting documents for a priority dividend. Limited information or assistance in (c), (d) or (f) has been provided by priority creditors to date.

Based on proofs of debt submitted to date and our employee entitlement calculations, we estimate the outstanding liability is as follows:

Number of Employees (#)	Unpaid Wages (\$)	Leave Entitlements (\$)	PILN & Redundancy (\$)	Super / SGC (\$)	Total (\$)
33	2,043	22,235	16,945	19,331	60,554

There are 12 employees with outstanding wages owed. We request these employees submit a proof of debt form with any supporting documentation to our office by **Friday, 15 August 2025 at 5:00pm (AEST)**.

Employee Name	Unpaid Wages (\$)
Charlotte Pearce	174.86
Gonzalo Moschini	118.66
Martin Cassani	149.88
Micaela Muniz	143.64
Michael Ball	254.93
Nabila Moro Macoritto	162.37
Phil Fournier	109.65
Remi Watson	149.88
Sophie Long	238.18
Tami Freers	210.15
Tommaso Tiozzo Bastianello	149.88
Total	2,043.18

We are awaiting a POD from the ATO for outstanding superannuation amounts owed. If no priority creditors submit a formal proof of debt form or provide bank account details for payment of the dividend to them, then the distribution may eventually be remitted to ASIC unclaimed monies.

Priority creditors should note that in accordance with Section 556 of the Act, employee entitlements have priority over unsecured creditor claims in a liquidation. This means that available funds are first applied to outstanding employee wages and superannuation, followed by leave entitlements and then any retrenchment pay. If insufficient funds exist to pay these entitlements in full, distributions within each class are made on a pro-rata basis. Only once these priority claims are satisfied will any surplus be available for distribution to ordinary unsecured creditors.

Please refer to Section 5 for further details on the estimated return under each class.



We note the Parent Company is under external administration, and the Landlord has submitted a claim against the Company for ~\$1.3M. The benefit to creditors in restating the financial accounts and recovering net profits / distributions from the Parent Company and the Landlord, may not be commercial to pursue.

As previously advised, we are currently unfunded in the administration and do not have sufficient funds to further investigate these claims, potential breaches of director duties, any breaches of employment law and the commercial benefit to creditors in pursuing any of these claims.

1.4. Statutory creditors

As previously reported, we have received a POD from the QRO for ~\$2.9K. We have lodged an SGC statement with the ATO for total superannuation guarantee shortfalls of \$19,331.26. We have not received a POD from the ATO yet. We continue to follow-up the ATO to obtain a POD prior to **Friday, 15 August 2025 at 5:00pm (AEST)** to be able to pay a priority dividend to the ATO.

We note that amounts owing to statutory authorities are unsecured debts that do not receive any priority over other ordinary unsecured creditors (excluding SGC).

1.5. Inventories and property, plant and equipment

Management accounts indicate inventory value of \$22.7K and PPE of \$175.9K on appointment.

Following the issue of the Breach Notice, the Landlord re-entered the Property and MIO assumed operation of the Company's business on 12 August 2024, including taking possession of all inventories and physical assets (including the PPE) located at the Property, in accordance with the terms of the Lease Agreement.

If the Breach Notice is determined to be invalid, there may be a claim against the Landlord for the value of the inventory and a liquidator may have a right to repossess or claim the market value of the PPE from the Landlord. We note the Landlord's claim against the Company, and potential set-off to the market value of the inventory and PPE.

We understand the Landlord is using the PPE to continue business operations.

As previously advised, we are currently unfunded in the administration and do not have sufficient funds to investigate the validity of the Breach Notice. As such, there is no recovery expected from this asset in the administration.

1.6. Cash and cash equivalent

Further to the Liquidators' Statutory Report to Creditors, we have received \$23.3K on 28 April 2025 from Bank of Melbourne in the Company's administration account. We have since closed the Bank of Melbourne account to minimise efforts into reconciling post-appointment debtors. Further details provided at section 1.2.2.

We have also identified a Queensland Country Bank account that was opened in the Director's name on behalf of the Company. The Director has advised the account was used by the General Manager and Operations Manager to deposit funds received from cash sales and pay for any expenses related to the Property. We have sighted a letter and email confirmation from Queensland Country Bank that the bank account was closed on 6 June 2023.

We are not aware of any other pre-appointment bank accounts and have not received any further pre-appointment funds.



1.7. Employee loans

Management accounts indicate employee loans of \$10.3K.

The Director advised these amounts were not a loan but relate to expense reimbursements made to employees. The loan account should have been cleared from the Company balance sheet, as all amounts have been reimbursed. No further action required.

1.8. Security deposits

We have not been provided with a detailed breakdown of the \$8.1K security deposit in the management accounts. The Director and the Company's finance manager do not have access to the Company's systems to confirm the description or purpose. However, the Director has advised \$2.2K of this amount related to staff housing.

As previously advised, we are currently unfunded in the administration and have determined this asset is uncommercial to pursue. As such, there is no recovery expected from this asset in the administration.

2. Investigations and possible recovery actions

2.1. Insolvent trading

As previously reported, we have formed the preliminary view that the Company may have been insolvent from on or around 12 August 2024, when the Landlord re-entered the Property and its related entity assumed operations. That said, there are indicators that the Company may have been insolvent from as early as:

- 8 August 2024, being the date the Secured Creditor to the Australian Parent Company appointed external administrators to the other Selina Australian entities impacting on the recoverability of intercompany loans; or
- Under the presumption of insolvency for failing to maintain adequate books and records at the date of incorporation (3 August 2022).

We note there are a number of defences available to insolvent trading claims, and they are generally costly and time consuming to pursue such claims.

As previously advised, we are currently unfunded in the administration and do not have sufficient funds to pursue any such claims. No creditor has expressed any interest in providing funding to pursue any further claims.

2.2. Unfair preference payments

As previously reported, in addition to the intercompany transactions, most of which are large round sum payments, we have identified four payments totalling \$52K between 1 December 2022 and 31 July 2024. The bank statements do not provide sufficient detail to determine the recipient of these payments.

However, the Director has advised that the two payments of \$15K (totalling \$30K) on 1 December 2022 and 2 December 2022 were related to renovation work on the Property as part of the \$1.25M capital investment. We have also been advised the \$10K payment on 22 December 2022 relates to funds transferred to the Company debit card to allow the General Manager to pay Company expenses. The Director has advised the \$12K payment on 31 July 2024 was likely made to a contractor, who was previously an employee of the Company.

We have also identified one round sum payment of \$10K to Mr Hassin on 22 December 2022. Mr Hassin has advised, and we have verified against bank statements, this amount was deposited into a Queensland Country Bank account that was opened in the Director's name on behalf of the Company. The Director has advised the account was used by the General Manager and Operations Manager to deposit funds received from cash sales and pay for any expenses related to the Property.



We have reviewed the books and records of the Company available to us and have not identified any other unfair preference payments.

2.3. Breach Notice

The Company received a Breach Notice on 12 August 2024 from the Landlord on the basis that the Company had failed to comply with the provisions and requirements of the *Fair Work Act 2009* (Cth) and the *Workers' Compensation and Rehabilitation Act 2003* (Qld) which regulate the trade, business and activities. The Landlord stated this breach is not reasonably capable of remedy. As such, the Landlord re-entered the Property and assumed operations of the business on 12 August 2024.

The Company's directors questioned the validity of the Breach Notice issued by the Landlord. The Landlord disputed any query over the validity of the Breach Notice and advised any challenge to the validity of the Breach Notice would be vigorously defended.

As creditors are aware, the Landlord submitted a claim for ~\$1.3M in the administration comprised of amounts outstanding due to alleged breaches of the Lease. Prior to the second meeting of creditors, we adjudicated on the Landlord's claim for the voting purposes as outlined in Section 1.2.16.

As previously advised, we are currently unfunded in the administration and do not have sufficient funds to investigate the validity of the Breach Notice.

3. General liquidation progress

In addition to the above, we have been attending to ongoing general liquidation matters including:

- Liaising with the Trustees (previously Deed Administrators) and Receivers and Managers;
- Liaising with the Landlord regarding their claim and their purported claim over the insurance settlement proceeds;
- Lodging an updated proof of debt in the Selina Group Creditors' Trust in the amount of \$1.3M, and liaising with HLB regarding a dividend between 5 and 9 cents in the dollar;
- Following up and receiving dividend from HLB;
- Submitting necessary supporting documentation for the proof of debt lodged in the Selina Group Creditors Trust;
- Continuing to liaise with HLB on the timing of the dividend and adjudication of our claim;
- Continuing investigations into the Company's affairs and debtors;
- Reconciling pre and post appointment debtors;
- Liaising with Dorado regarding the amount of pre appointment debtor to be transferred;
- Liaising with employees and FEG regarding verification of employee claims;
- Adjudicating on priority creditor claims;
- Responding to general creditor and employee queries;
- Attending to ASIC reporting and lodgements;
- Attending to banking and administrative matters;
- Management of Company books and records and file management; and
- Preparing this update to creditors.

4. Summary of receipts and payments

We provide a summary of our receipts and payments, on a cash basis, during this liquidation period up to 7 August 2025 in **Appendix A**.



5. Likelihood of a dividend

Subject to any future claim from creditors on the administration assets or against external administrators received by 15 August 2025, and creditor approval of fees by circular resolution, there is an estimated dividend to priority creditors for wages, superannuation contributions and superannuation guarantee charge payable for 98.65 cents in the dollar.

Estimated Return	(\$)
Cash at Bank as at 6 August 2025	66,484
Add: Expected GST Refund	101
Less: Liquidators' Fees	45,500
Balance Available for Distribution to Priority Creditors	21,085
Estimated Unpaid Wages and Superannuation	21,374
Estimated Return to Priority Creditors (cents/\$)	98.65
Other Estimated Outstanding Employee Claims	39,180
Estimated Return to Priority Creditors (cents/\$)	Nil
Estimated Return to Unsecured Creditors (cents/\$)	Nil

The likelihood of a dividend being paid to any other class of creditors is unlikely, and highly contingent on the successful recovery of voidable transactions, including any insolvent trading claims. No creditor has expressed any interest to fund further investigations.

In the event the likelihood of a dividend changes, any creditor whose claim has not yet been admitted will be contacted and asked to submit proof of debt.

Please refer to **Appendix B** for a summary of creditors' claims.

6. Remuneration

The Act sets the order for payment of claims against the Company, and it provides for remuneration of the external administrators to be paid in priority to other claims.

At the second meeting of creditors on 17 September 2024, creditors approved the remuneration of the Joint and Several Administrators and Joint and Several Liquidators.

In addition, we now seek creditor approval for our outstanding remuneration of \$45,500 (exclusive of GST) incurred during the liquidation period from 1 March 2025 to 7 August 2025. As outlined in the receipts and payments, we currently hold \$66,484.19 in the Company liquidation account.

We note to finalise the liquidation it will likely cost us \$12,500 (exclusive of GST), however we propose to discount our future fees and write-off all future time incurred to process the dividend to priority creditors and finalise the Liquidation. In the event court approval is required for our fees, we reserve the right to seek further fee approval.

Details of the work undertaken and further work expected to be undertaken are outlined in our Remuneration Approval Report enclosed in **Appendix C**. We are seeking creditors' approval of our remuneration by a proposal without a meeting (discussed below).

7. Proposal without a meeting

7.1. Cost of the liquidation

Attached at **Appendix C** is a detailed report on our remuneration, called a Remuneration Approval Report. We are unable to pay our remuneration without the approval of creditors or the court.



We are seeking creditor approval of our remuneration by proposals without a meeting.

In the event creditor approval is not obtained, and court approval is required, or we receive any substantial claim from third parties against the funds held on or before 19 September 2025, being the priority dividend declaration date, this may impact the dividend to priority creditors.

In accordance with the Liquidators' enclosed Remuneration Approval Report, the estimated total remuneration for the external remuneration is total remuneration to \$325,304, exclusive of GST. The Liquidators' remuneration can only be paid from available funds in the Liquidation or from third party funding.

7.2. Voting on the proposals

To participate in the proposals, please complete and return the following by no later than **4.00pm AEST on 29 August 2025**:

- The "proposal without a meeting" forms included at **Appendix D**.
- The "proof of debt" form included at **Appendix E** which provides information about what the Company owes you, along with supporting documents for your claim (if not returned previously).

Creditors are referred to **Appendix B** for a list of known creditors and claims of the Company. Should any other parties purport to have claims against the Company, please submit the Formal Proof of Debt Form, attached in **Appendix E** to this office.

The documents can be scanned and emailed to nbanka@wexted.com or returned via post to our firm's address, attention Nisha Banka. If you choose to return these documents via post, please ensure that you allow sufficient time (at least eight business days) for us to receive them by the due date.

An information sheet on "proposals without a meeting" is included at **Appendix F**.

8. What happens next?

We will proceed with the liquidation, including:

- Adjudicating on and distribute a dividend to priority creditors;
- Continuing to respond to creditor and employee queries;
- Lodging statutory returns and forms with the ATO and ASIC;
- Attending to administrative tasks in the liquidation; and
- Finalising the Liquidation of the Company.

9. Where can you get more information?

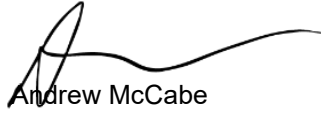
You can access information which may assist you on the following websites:

- ARITA at www.arita.com.au/creditors
- ASIC at www.asic.gov.au (search for "insolvency information sheets").



Should creditors have any further information that may assist us in our investigation or require further information in regard to this matter, please contact our office on (02) 9210 1700 or by email at nbank@wexted.com.

Selina Operation Magnetic Island Pty Ltd (In Liquidation)



Andrew McCabe
Joint and Several Liquidator

Attachments:

- Appendix A – Summary of Receipts and Payments
- Appendix B – Summary of Creditors' Claims
- Appendix C – Remuneration Approval Report
- Appendix D – Notice of Proposal without a Meeting
- Appendix E – Proof of Debt Form (Form 535)
- Appendix F – Information Sheet on Proposals without a Meeting



Appendix A – Summary of Receipts and Payments up to 7 August 2025

Summary of Receipts and Payments from 17 September 2024 to 7 August 2025	\$ (incl. GST)
Credit Balance Transferred from VA Account	170,558.78
Insurance Settlement	114,708.00
GST Refund	28,839.89
Contribution from DEWR	10,752.50
Sale of Motor Vehicle	1.00
Dividend Distribution from Selina Group Creditors Trust	62,886.30
Other Receivables	57,869.95
Total Receipts (incl. GST)	445,616.42
Voluntary Administrators Remuneration	170,284.40
Liquidators Remuneration	137,500.00
FEG Verification Services	10,752.50
Legal Fees	9,938.92
Mercantile Agent Fees	550.00
Post-Appointment Debtor Amounts	50,106.41
Total Payments (incl. GST)	378,021.23
Cash At Bank as at 7 August 2025	66,484.19

Appendix B – Summary of Creditors' Claims

Creditor Type	Number	Value (\$)
Secured Creditors	4	47,629
Priority Creditors	34	60,554
Unsecured Creditors	38	1,442,272
Total Creditors Claims	76	1,550,455



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**Remuneration Approval Report
8 August 2025**

**Selina Operation Magnetic Island Pty Ltd (In Liquidation)
ACN 661 436 237**



1. Summary

This remuneration approval report provides you with information to assist you in making an informed decision regarding the approval of our proposed remuneration for undertaking the Liquidations of the Company.

We are asking creditors to approve our remuneration of \$45,500 (exclusive of GST). Details of remuneration can be found in sections 3 and 4 of this report.

We are asking creditors to approve our remuneration via a proposal without a meeting.

Creditors have previously approved our remuneration (exclusive of GST) tabled below:

	Remuneration
Voluntary Administration for the period from 13 August 2024 to 6 September 2024	\$119,804
Voluntary Administration for the period from 7 September 2024 to 17 September 2024	\$35,000
Liquidation for the period from 17 September 2024 to the finalisation of the Liquidation	\$125,000

We estimate the total fees for the voluntary administration and liquidation of the Company will be \$325,304, exclusive of GST.

This is our final remuneration approval request. However, if unforeseeable matters arise and additional costs are incurred, we may write to creditors again to seek further fee approvals.

2. Declaration

We, Andrew McCabe and Christopher Johnson have undertaken a proper assessment of this remuneration claim for our appointment as Joint and Several Liquidators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the liquidation.

3. Remuneration approval sought

We have approval to draw \$154,804 (exclusive of GST) for the voluntary administration from 13 August 2024 to 17 September 2024 and have drawn the full amount to date. All amounts rounded to the nearest dollar and exclusive of GST.

We have approval to draw \$125,000 for the liquidation period and have drawn the full amount for the ~11 month period from 17 September 2024 to 7 August 2025.

We now seek creditors' approval for our outstanding remuneration of \$45,500 (exclusive of GST) incurred during the liquidation period, as detailed below.

We note to finalise the liquidation it will likely cost us \$12,500 (exclusive of GST), however we propose to discount our future fees and write-off all future time incurred to process the dividend to priority creditors and finalise the Liquidation. In the event court approval is required for our fees, we reserve the right to seek further fee approval.

This will bring the total remuneration for the liquidation period to \$170.5K (exclusive of GST). The Liquidators' remuneration for which we are seeking approval is summarised in the following table. This remuneration approval report details the approvals sought for the following fees.



Current remuneration approval sought:	Reference	Total amount (excl. GST)
Resolution 1 <i>"That the outstanding remuneration of the Joint and Several Liquidators for the period from 1 March 2025 to 7 August 2025, calculated on hours spent by the Joint and Several Liquidators, their partners and their staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in a capped amount of \$45,500 (exclusive of GST) and that the Joint and Several Liquidators can draw the remuneration on a monthly basis or as required."</i>	4.1	\$45,500
Total Retrospective Remuneration Approval Sought:		\$45,500
Total – Liquidators' remuneration		\$45,500

Please refer to the report section references detailed in the above table for full details of the remuneration approval sought.

4. Description of work completed / to be completed

4.1 Resolution 1 – Voluntary administrators' retrospective remuneration

"That the outstanding remuneration of the Joint and Several Liquidators for the period from 1 March 2025 to 7 August 2025, calculated on hours spent by the Joint and Several Liquidators, their partners and their staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in a capped amount of \$45,500 (exclusive of GST) and that the Joint and Several Liquidators can draw the remuneration on a monthly basis or as required."

Company: Selina Operation Magnetic Island Pty Ltd (In Liquidation)
Period from: 1 March 2025
Period to: 7 August 2025
Practitioner(s): Andrew McCabe and Christopher Johnson
Administration Type: Liquidation
Firm: Wexted Advisors

The below table sets out the time incurred but not billed, charged to each major task area by staff members working on the Liquidation, for the period from 1 March 2025 to 7 August 2025, which is the basis of Resolution 1.

Selina Operation Magnetic Island Pty Ltd (In Liquidation) - Liquidators Remuneration for the period 1 March 2025 to 7 August 2025																												
Employee	Position	\$ /hour (exc GST)	Total actual hours	Total (\$)	Task area																							
					Assets		Creditors		Employee		Dividend		Investigations		Administration													
					hrs	\$	hrs	\$	hrs	\$	hrs	\$	hrs	\$	hrs	\$												
Andrew McCabe	Partner	750	14.0	10,533.00	7.5	5,625.00	2.8	2,133.00	1.40	1,050.00	-	-	-	-	2.3	1,725.00												
Christopher Johnson	Partner	750	1.3	975.00	1.3	975.00	-	-	-	-	-	-	-	-	-	-												
Jessie Wang	Director	650	4.0	2,600.00	1.3	845.00	0.3	195.00	-	-	0.30	195.00	1.2	780.00	0.9	585.00												
Jessie Wang	Senior Manager	550	3.4	1,870.00	1.3	715.00	0.6	330.00	0.10	55.00	-	-	0.2	110.00	1.2	660.00												
Nisha Banka	Assistant Manager	450	63.9	28,739.00	21.5	9,659.00	30.8	13,860.00	6.00	2,700.00	3.20	1,440.00	0.2	90.00	2.2	990.00												
Finnbar Stenmark	Analyst	290	0.5	145.00	-	-	-	-	-	-	-	-	-	-	0.5	145.00												
Tristan Kelleher	Analyst	290	2.2	638.00	-	-	-	-	-	-	-	-	-	-	2.2	638.00												
Subtotal (exc GST)			89.3	45,500.00	32.9		17,819.00		34.5		16,518.00		7.5		3,805.00		3.5		1,635.00		1.6		980.00		9.3		4,743.00	
GST					4,550.00																							
Total remuneration (inc GST)					50,050.00																							
Average hourly rate (exc GST)				509		542		478		507		467		613		510												

Detailed descriptions of the tasks performed within each task area are contained below.



Task Area	General Description	Includes
Assets 32.9 Hours \$17,819	Debtors	Correspondence with debtors Reviewing and assessing debtors' ledgers Reconciling pre and post appointment debtor amounts Liaising with Dorado regarding the amount of pre appointment debtor to be transferred
	Other Assets	Lodging an updated POD in the Selina Group Creditors' Trust in the amount of \$1.3M, and liaising with HLB regarding a dividend between 5 and 9 cents in the dollar Submitting necessary supporting documentation for the proof of debt lodged in the Selina Group Creditors Trust Continuing to liaise with HLB on the timing of the dividend and adjudication of our claim
Creditors 34.5 Hours \$16,518	Creditor enquiries, requests & directions	Receiving and responding to creditor enquiries via telephone and email Review and prepare correspondence to creditors and their representatives
	Creditor reports	Preparing update report to creditors Preparing and issuing remuneration approval reports to creditors
	Dealing with proofs of debt	Receiving and filing PODs when not related to a dividend Requesting further information from claimants Corresponding with SRO and ATO regarding POD's when not related to a dividend Adjudicating of proofs of debt for voting purposes
	Proposals to Creditors	Preparing proposal notices and voting forms Forward notice of proposal to all known creditors
Employee 7.5 Hours \$3,805	Employees enquiries	Receive and follow up employee enquiries via telephone Review and prepare correspondence to creditors and their representatives



Task Area	General Description	Includes
	Calculation of entitlements	Calculating employee entitlements Reviewing employee files and Company's books and records Reconciling superannuation accounts Reviewing awards
	Employee dividend	Correspondence with employees regarding dividend Correspondence with ATO regarding SGC POD Receipting POD Maintaining POD register Requesting further information from claimants regarding POD Adjudicating POD Calculating dividend rate
Dividend 3.5 Hours \$1,635	Processing proofs of debt (POD)	Receipt of POD Maintain POD register Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication
Investigations 1.6 Hours \$980	Conducting investigations	Reviewing Company's books and records Review of specific transactions and liaising with directors regarding certain transactions Preparation of investigation file
Administration 9.3 Hours \$4,743	Correspondence	Correspondence with various parties and maintaining file notes
	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists



Task Area	General Description	Includes
	Bank account administration	Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ATO and other statutory reporting	Preparing BAS
	Planning / Review	Discussions regarding status of administration
Total: 89.3 Hours, \$45,500 (excl. GST)		

5. Likely impact on dividends

The Liquidators are seeking to have their remuneration approved by creditors under section 60-10 of the Insolvency Practice Schedule (Corporations). The proposed resolutions outline the terms for that approval. This Remuneration Report provides detail of the Liquidators proposed remuneration.

Liquidators' remuneration is paid in priority to unsecured creditors in accordance with the priorities provided by section 556 of the Corporations Act. If the proposed resolutions are passed it will allow the Liquidators to draw their fees from the funds either presently held or funds recovered in the future. This may reduce the pool of funds available for distribution to unsecured creditors.

The passing of the proposed resolutions will also allow for further work to be performed in the external administration, possibly resulting in further recoveries to be made or identified for the benefit of creditors.

6. Statement of remuneration claims

Resolution 1

"That the outstanding remuneration of the Joint and Several Liquidators for the period from 1 March 2025 to 7 August 2025, calculated on hours spent by the Joint and Several Liquidators, their partners and their staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in a capped amount of \$45,500 (exclusive of GST) and that the Joint and Several Liquidators can draw the remuneration on a monthly basis or as required."

7. Remuneration recoverable from external sources

As outlined in our DIRRI, we have been provided with an upfront payment of \$125,000 for the purpose of meeting our voluntary administration fees and expenses. On 13 August 2024, the Directors paid an upfront payment contribution of \$125,000 prior to the appointment of the Administrators as outlined in our DIRRI.

8. Report on progress of the administration

Please refer to the Update to Creditors dated 8 August 2025, which should be read in conjunction with our previous reports to creditors, which are available at <https://wexted.com/creditors/selina-operation-magnetic-island-pty-ltd>.

9. Summary of receipts and payments

Please refer to the Update to Creditors dated 8 August 2025.



10. Queries

Creditors have the right to request further information from the external administrator if they wish to do so. Please contact this office on (02) 9210 1700 or at nbanka@wexted.com.

11. Information sheet

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)

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

Dated this 8th day of August 2025

Selina Operation Magnetic Island Pty Ltd (In Liquidation)



Andrew McCabe
Joint and Several Liquidator

Appendix D

NOTICE OF PROPOSAL TO CREDITORS

Selina Operation Magnetic Island Pty Ltd (In Liquidation)
ACN 661 436 237 (the Company')

Resolution No.1 for creditor approval – Retrospective fees

“That the outstanding remuneration of the Joint and Several Liquidators for the period from 1 March 2025 to 7 August 2025, calculated on hours spent by the Joint and Several Liquidators, their partners and their staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in a capped amount of \$45,500 (exclusive of GST) and that the Joint and Several Liquidators can draw the remuneration on a monthly basis or as required.”

Reasons for the proposal and the likely impact it will have on creditors if it is passed

I am entitled to be remunerated for the work undertaken by me, my partners and my staff. I consider that the method of this approval by a proposal, rather than incurring the costs of convening a meeting of creditors, will achieve the dual aims of:

- allowing creditors to properly consider detailed information regarding the remuneration that we request they approve; and
- minimising the costs of the consideration and approval process, with the aim of maximising the potential return to creditors from the liquidation.

If the resolution is passed, I will rely on the resolution to pay the approved remuneration (or a lesser amount if there are insufficient funds available) from the Company's liquidation bank account.

Vote on resolution No.1

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. If more than 25% of responding creditors object to the proposal being resolved without a meeting of creditors, a meeting of creditors would be required to be convened to pass the resolution.

Please select the appropriate Yes, No or Object box referred to below:

- | | | |
|--------|--------------------------|--|
| Yes | <input type="checkbox"/> | I approve the proposal |
| No | <input type="checkbox"/> | I do not approve the proposal |
| Object | <input type="checkbox"/> | I object to the proposal being resolved without a meeting of creditors |

Your claim against the Company must be admitted for the purposes of voting by the Liquidators for your vote to count. Please select the option that applies:

- ☐ I have previously submitted a proof of debt form and supporting documents
- ☐ I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: _____ ACN / ABN (if applicable): _____

- ☐ I am not a related creditor of the Company.
- ☐ I am a related creditor of the Company, relationship: _____

Address: _____

Name of creditor / authorised person: _____

Signature: _____ Date: _____

- Return those forms by post, scanned and emailed:
- The forms must be received by the liquidator by **4.00pm AEST on 29 August 2025** for your vote to count.
- Submission options:
 - By email: nbanka@wexted.com
 - By mail: C/- Wexted Advisors, Level 17, 68 Pitt Street, Sydney NSW 2000
- If you choose to use post, allow enough time for your letter to be delivered (up to eight days).

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Joint and Several Liquidators of:
Selina Operation Magnetic Island Pty Ltd (In Liquidation)
ACN 661 436 237 (the Company)

1. This is to state the Company was, on 13 August 2024⁽¹⁾ and still is, justly and truly indebted to⁽²⁾:

.....
 ('Creditor')(full name)

.....
 of (full address)

for \$.....dollars and cents.

Particulars of the debt are:

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

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

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

Date	Drawer	Acceptor	Amount \$ c	Due Date

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

☐ I am a related creditor of the Company ⁽⁵⁾

relationship:

If the form is being used for the purpose of voting at a meeting:

Is the debt you are claiming assigned to you?

No ☐ Yes ☐

If yes, attach written evidence of the debt, the assignment and consideration given.

☐ Attached

If yes, what value of consideration did you give for the assignment (eg, what amount did you pay for the debt?) \$

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

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

DATED this day of 2025

Signature of Signatory.....

NAME IN BLOCK LETTERS.....

Occupation

Address.....

Email.....

Mobile/Telephone.....

Proof of Debt Form Directions

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

Annexures

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

Information sheet: Proposals without meetings

You may be a creditor in a liquidation, voluntary administration or deed of company arrangement (collectively referred to as an external administration).

You have been asked by the liquidator, voluntary administrator or deed administrator (collectively referred to as an external administrator) to consider passing a proposal without a meeting.

This information sheet is to assist you with understanding what a proposal without a meeting is and what your rights as a creditor are.

What is a proposal without a meeting?

Meetings of creditors were previously the only way that external administrators could obtain the views of the body of creditors. However, meetings can be very expensive to hold.

A proposal without a meeting is a cost effective way for the external administrator to obtain the consent of creditors to a particular course of action.

What types of proposals can be put to creditors?

The external administrator is able to put a range of proposals to creditors by giving notice in writing to the creditors. There is a restriction under the law that each notice can only contain a single proposal. However, the external administrator can send more than one notice at any single time.

What information must the notice contain?

The notice must:

- include a statement of the reasons for the proposal and the likely impact it will have on creditors if it is passed
- invite the creditor to either:
 - vote yes or no to the proposal, or
 - object to the proposal being resolved without a meeting, and
- specify a period of at least 15 business days for replies to be received by the external administrator.

If you wish to vote or object, you will also need to lodge a Proof of Debt (POD) to substantiate your claim in the external administration. The external administrator will provide you with a POD to complete. You should ensure that you also provide documentation to support your claim.

If you have already lodged a POD in this external administration, you do not need to lodge another one.

The external administrator must also provide you with enough information for you to be able to make an informed decision on how to cast your vote on the proposal. With some types of proposals, the law or ARITA's Code of Professional Practice sets requirements for the information that you must be provided.

For example, if the external administrator is asking you to approve remuneration, you will be provided with a Remuneration Approval Report, which will provide you with detailed information about how the external administrator's remuneration for undertaking the external administration has been calculated.

What are your options if you are asked to vote on a proposal without a meeting?

You can choose to vote yes, no or object to the proposal being resolved without a meeting.

How is a resolution passed?

A resolution will be passed if more than 50% in number and 50% in value (of those creditors who did vote) voted in favour of the proposal, but only so long as not more than 25% in value objected to the proposal being resolved without a meeting.

What happens if the proposal doesn't pass?

If the proposal doesn't pass and an objection is not received, the external administrator can choose to amend the proposal and ask creditors to consider it again or the external administrator can choose to hold a meeting of creditors to consider the proposal.

The external administrator may also be able to go to Court to seek approval.

What happens if I object to the proposal being resolved without a meeting?

If more than 25% in value of creditors responding to the proposal object to the proposal being resolved without a meeting, the proposal will not pass even if the required majority vote yes. The external administrator will also be unable to put the proposal to creditors again without a meeting.

You should be aware that if you choose to object, there will be additional costs associated with convening a meeting of creditors or the external administrator seeking the approval of the Court. This cost will normally be paid from the available assets in the external administration.

This is an important power and you should ensure that it is used appropriately.

Where can I get more information?

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding external administrations and insolvency.

This information is available from ARITA's website at artia.com.au/creditors.

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

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