

15 November 2024

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Isa Rodeo Limited (Administrators Appointed)
ACN 652 352 504
(the Company)

Administrators' Report to Creditors

**Pursuant to section 75-225 of the
Insolvency Practice Rules
(Corporations)**

Administrators

Michael Brennan

David Michael Stimpson

Appointed: 21 October 2024

Contact

Kendall Bronson

(07) 4720 0805

isarodeo@svp.com.au

SV Partners

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Glossary

Abbreviation	Meaning
ATO	Australian Taxation Office
Act	<i>Corporations Act 2001 (Cth)</i>
Administrators	Michael Brennan and David Michael Stimpson
AIIPAAP	All Present and After-acquired Property
ARITA	Australian Restructuring Insolvency & Turnaround Association
ASIC	Australian Securities and Investments Commission
The Board	The Board of Directors
Company	Isa Rodeo Limited
Directors	Rowena McNally, Garry Murray, Judy Boon, Matthew O’Neill and Karen Read
DIRRI	Declaration of Independence, Relevant Relationships & Indemnities
DOCA	Deed of Company Arrangement
FEG	Fair Entitlements Guarantee
FY	Financial Year - 1 October 20XX to 30 September 20XX
GSI	General Security Interest
IPR-C	<i>Insolvency Practice Rules (Corporations)</i>
IPS-C	<i>Insolvency Practice Schedule (Corporations)</i>
PILN	Payment in Lieu of Notice
PMSI	Purchase Money Security Interest
PPSA	<i>Personal Property Securities Act 2009 (Cth)</i>
PPSR	Personal Property Securities Register
Regulations	<i>Corporations Regulations 2001 (Cth)</i>
ROCAP	Report on Company Activities and Property
ROT	Retention of Title

Annexures

Annexure	Document Description
A	Notice of Meeting
B	Receipts and Payments Report
C	<u>Information Sheets:</u> Offences and Recoverable Transactions Creditors Rights in Voluntary Administrations
D	Proof of Debt form
E	Proxy Forms

The proxy forms at **Annexure E** must be submitted to our office on or before **4:00pm on Friday, 22 November 2024**. Contact details are listed below:

Contact Name:	Kendall Bronson
Phone Number:	(07) 4720 0805
Facsimile Number:	(07) 3229 7285
Email:	isarodeo@svp.com.au

1. Executive Summary

We are the Administrators of Isa Rodeo Limited (Administrators Appointed) (**Company**), having been appointed on 21 October 2024.

This is our report on the Company prepared pursuant to section 75-225 of the Insolvency Practice Rules (Corporations) 2016 (**IPR-C**). The report has been prepared to provide you with:

- notice of the second meeting of creditors to be held on **Monday, 25 November 2024** via Microsoft Teams **at 11:00 am (AEST)**;
- an update on the Company's current financial position;
- an update on our investigations to date;
- advice that we intend upon adjourning the second meeting of creditors to allow for the continuation of negotiations for a potential Deed of Company Arrangement proposal; and
- our recommendation as to what creditors should resolve at the second meeting of creditors.

Details of the meeting and how you may participate are set out in this report.

2. Scope of the Appointment

The object of section 435A of the Act is to enable the Company to be formally restructured in a way that can either:

- maximise the chances of the Company's business continuing; or
- if continuation is not possible, provide a better return to creditors and members than if an immediate liquidation occurred.

Since being appointed on 21 October 2024 we have assumed control of the Company's operations and assets, contacted key stakeholders to advise of the Administration and the potential outcomes and assessed the Company's profitability and continued viability.

As required, we have assessed the Company's business, property, affairs and financial circumstances which has also included our ongoing investigation into:

- potential voidable transactions;
- if there would be any potential insolvent trading claims if the company were to be placed into Liquidation;
- Any potential offences that must be reported to the ASIC if determined to have occurred; and
- Any other matters that may give rise to potential assets that could benefit creditors.

The first meeting of creditors was held on 31 October 2024 in accordance with section 436E of the Act. At the meeting, our appointment was ratified by creditors and a Committee of Inspection was formed. The minutes of the first meeting of creditors of the Company have been lodged with ASIC and will be provided to creditors upon request.

Pursuant to section 439A of the Act, we must convene a second meeting of creditors within twenty (20) business days after the appointment (provided no valid exceptions apply). The second meeting of creditors has been scheduled for **11:00am AEST on Monday, 25 November 2024** via **Microsoft Teams**. Attached at **Annexure A** is a formal notice.

The purpose of this report is to provide you with sufficient information on the Company's business, affairs and financial circumstances which will enable you to vote on whether:

- the Company executes a DOCA; or
- the Company is placed into Liquidation; or
- the Administration should end.

This report has been prepared in accordance with section 75-225 of the IPR-C for the purpose of assisting you in making that decision. We have relied upon Company records, statements from the Director(s) and key employees, information supplied by the Company's accountant and lawyer and from our own inquiries to date.

The scope of our investigation into the affairs of the Company has been limited by the time constraints imposed by the Act and the quality of records provided. Whilst we have no reason to doubt the information, except where stated, we reserve the right to alter any conclusions reached on the basis of any change in information.

2.1. Administrators' Prior Involvement & DIRRI

We have had no prior involvement with the Company, its Directors or any related party which would preclude us from accepting this appointment.

The DIRRI was included in our first report to creditors and we are not aware of any circumstances which have changed and would require us to amend the previously circulated DIRRI.

3. Second Meeting of Creditors

Pursuant to section 439A of the Act, we must convene a meeting of creditors within twenty (20) business days after our appointment (provided no valid exceptions apply). The second meeting of creditors has been scheduled for **11:00am AEST on Monday, 25 November 2024** by **Microsoft Teams**. Attached at **Annexure A** is a formal Notice of Meeting. Telephone conference facilities are available. Any creditor who wishes to participate in the meeting by telephone must advise our office (email: isarodeo@svp.com.au) prior to the upcoming meeting of creditors.

An appointment of proxy is attached at **Annexure E** to enable you to appoint another person to act on your behalf at the meeting. Your proxy form and proof of debt form should be returned to this office by no later than **4:00 PM AEST on Friday, 22 November 2024**.

Creditors who have already lodged a Proof of Debt form are not required to lodge another Proof of debt form unless they need to update their details or claim. **A new proxy form is required for each meeting of creditors.**

A creditor, or the creditor's proxy, is not entitled to vote at the meeting unless particulars of the debt or claim which is said to be due by the Company has been lodged with the presiding person of the meeting.

Creditors should note that the Act provides that a meeting convened under section 439A of the Act may be adjourned by the person presiding at the meeting.

3.1 Adjournment of meeting

Pursuant to section 75-140 of the IPR-C, we intend to adjourn the meeting.

An adjournment of the meeting will enable us to attend to the following matters:

- allow us to continue to conduct detailed investigations regarding the Company's history and financial position;
- further negotiate with key stakeholders to identify the possibility of presenting a Deed of Company Arrangement for creditors that would present a better return than if the Company were placed into Liquidation.

We believe these matters are critical to the Administration and the adjournment is in the best interest of creditors.

Please refer to **Annexure A** for the requirements to allow you to participate in the meeting. In particular, please note you should send your completed Proof of Debt and Proxy forms to us by no later than **4:00 PM AEST on Friday, 22 November 2024**.

4. Company's History, Nature of the Business and Reason for Financial Difficulty

The Company was incorporated on 28 July 2021 and Rowena McNally, Garry Murray, Judy Boon, Matthew O'Neill and Karen Read (**Directors**) are the Directors of the Company as at the date of our appointment.

Detailed below is a summary of the Company's officers, shareholders and related parties:

Company Details		
Commencement Date	28 July 2021	
Registered Office	24 Marian Street, the Gap, QLD	
Trading Premises	24 Marian Street, the Gap, QLD	
Registered Officers	Commencement Date	Date of Cessation
Rowena Catherine McNally	28/07/2021	Current
Garry Murray	27/09/2021	Current
Judy Boon	27/09/2021	Current
Matthew John O'Neill	01/02/2024	Current
Karen Ann Read	27/10/2022	Current
Natalie Flecker (Company Secretary)	28/07/2021	21/10/2024
John Drummond Montgomery	05/12/2023	10/09/2024
Darren James Campi	28/07/2021	11/08/2024
Julianne Parry	27/09/2021	01/02/2024
Alison Dowling	27/09/2021	05/12/2023
Peter James Matthew Tuppurainen	28/07/2021	27/10/2022

4.1. History of the Mount Isa Rodeo and the role of the Company

The first Mount Isa Rodeo was held in 1959. For 65 years the Mount Isa Rodeo has been a mainstay of the social fabric of the City of Mount Isa and has become synonymous with the City. As an event, the Mount Isa Rodeo has evolved from an informal competition to a World Class Event and is the largest Rodeo in the Southern Hemisphere.

Until 2019, the stewardship of the legacy of the Mount Isa Rodeo was in effect owned and managed by an incorporated association, the Mount Isa Rotary Rodeo Inc. (MIRRI). On 8 March 2019, the members of MIRRI approved a resolution to convert MIRRI from an incorporated association to a

company limited by guarantee pursuant to Part 5B.1 of the Act. As part of the conversion, the newly converted company limited by guarantee would be registered with the name "Isa Rodeo Limited". The effect of this conversion resulted in all of the rights and ownership associated with MIRRI vesting in the Company. The conversion from MIRRI to Isa Rodeo Limited was meant to take place on 15 April 2019, due to administrative issues, this did not take place until 2021.

The Mount Isa Rodeo has, since 2021 been delivered on behalf of the Community by the Company.

In addition to being the current custodian of the 65-year legacy of the Mount Isa Rodeo, the Company continues to retain the rights title and ownership of multiple items of intellectual property relating to the Mount Isa Rodeo. Whilst this has been a point of some contention with some commentators, the ability to continue to deliver the Mount Isa Rodeo is the sole right of the Company.

Whilst there are many rodeo events in Queensland and throughout the World, there is only one Mount Isa Rodeo. It stands alone amongst its peers and its legacy and status is second to none.

Any attempt to circumvent the legal rights associated with the Mount Isa Rodeo and the rights held by the Company would result in the diminishment of the assets of the Company and ultimately negatively impact upon the ability of the creditors to recover the money that they are currently owed. The Administrators have taken advice on the obligation to protect the assets of the Company on behalf of the creditors.

4.2. Community Benefit of the Mount Isa Rodeo

It is impossible to completely articulate the social benefit that the Mount Isa Rodeo provides to not just the Local Government Area of the City of Mount Isa but the broader Northwest Region of Queensland. The Mount Isa Rodeo is as synonymous with the city, as the mine that dominates the economy and city skyline.

The Mount Isa Rodeo was accredited as a Major Tourism Event by Tourism and Events Qld in 2016 which was recognition of the impact that the event has on the State and the local community. That opened additional funding and support for the rodeo.

The shift from MIRRI to the Company changed both the operating structure and the manner in which the financial benefit was distributed back into the community. With the assistance and guidance of Rotary, funds raised by the Mount Isa Rodeo were donated to the community via a variety of direct contributions and donations. It also facilitated the Mount Isa Rodeo Queen Quest that was instrumental in Quest entrants raising hundreds of thousands of dollars for charities.

The cessation of the direct link to a specific service club in 2021 has not diminished the focus on community benefit. The nature of how the community benefits from the Mount Isa Rodeo has evolved but remains equally as important as the halcyon days of Rotary

The historical strength of the Mount Isa Rodeo has been the level of attendees and the economic flow on from this level of attendance.

Attendance Numbers

2014	2015	2016	2017	2018	2019	2021	2022	2023	2024
18,698	22,006	23,943	22,488	31,293	31,433	22,925	34,574	34,102	17,978

Highest Attendance	34,574	Year – 2022
Lowest Attendance	17,978	Year – 2024
Average Attendance	25,974	*excludes 2020

The table above highlights that despite the poor financial performance discussed further in this report, there has been a consistently significant level of support by attendees. There are a number of management performance observations that we have drawn from the analysis of the results and the historical attendance levels. Again, they are discussed later in this report.

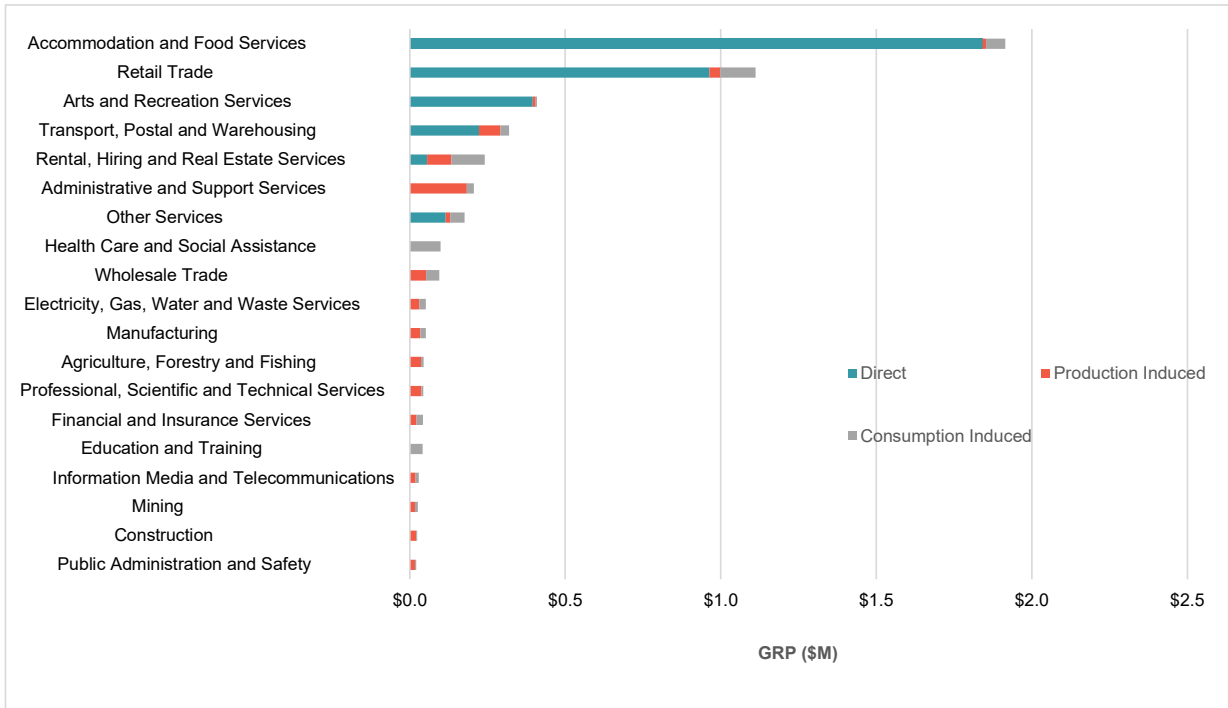
The Mount Isa Rodeo as an event and as a business proposition is somewhat unique. Despite the recent history of poor financial performance, there has been a year-on-year return in the investment made to the broader community. It is difficult to directly correlate the benefit created, to the parties that have underwritten the commercial risk of the event. There is no direct correlation between the economic benefit created and the Company. It is the exact opposite as is demonstrated by the financial position of the Company. The Company was ultimately drained of its resources despite continuing to return back to the community.

The table below summarises the direct and indirect benefit the Mount Isa Rodeo provides to the City of Mount Isa and the broader Queensland economy.

Economic Impact of Mount Isa Rodeo in \$Million									
	2016	2017	2018	2019	2021	2022	2023	2024	Total
City of Mount Isa	\$ 8.1	\$ 9.2	\$ 10.9	\$ 11.3	\$ 7.7	\$ 10.0	\$ 8.1	\$ 8.0	\$ 73.3
Qld	\$ 7.6	\$ 7.1	\$ 8.4	\$ 8.9	\$ 6.6	\$ 6.7	\$ 18.1	\$ 10.6	\$ 74.1

The table above provides an important piece of context when reviewing the recent financial trading performance.

Based upon the above information, the GRP from the Mount Isa Rodeo flows through to the following sectors.



5. Reason for financial difficulty

5.1. Executive summary

Poor expense management

Over the period from 2019 to 2024 the Company made several decisions that lead to the deterioration of its financial position. There is no evidence that management acted in anyway other than in reliance upon appropriate business judgement. Regardless, these decisions, coupled with external pressures, lead to the current financial position of the Company. We have identified the following key failures:

- The amount invested in entertainment expenses each year did not align to an increase in revenue.
- An over reliance upon variable ticket sales in budgeting when very high fixed expenses were already locked in. A repeated “build it and they will come” survival strategy failed to increase profitability year on year and resulted in accumulated cash losses.
- The decision to commence the “Road to Rodeo” series as a means of increasing the exposure of the Mount Isa Rodeo for long term return was unsuccessful. Significant losses were incurred as a result of a weather event that effectively washed out the inaugural event.
- The Company’s expenses continued to increase materially year on year without a commensurate or tangible return on investment.
 - The Company employed extra staff in 2021.
 - Increased marketing and administrative expenses each year.
 - Material increases in the expenses of running the Rodeo that have been classified in the account towards Arena and Grounds expenses.

External pressures

- The COVID-19 pandemic affected both the 2020 and 2021 Mount Isa Rodeos. In 2020 the Company held a virtual rodeo. Not holding a Rodeo affected the income streams of the Company.

The 2021 Mount Isa Rodeo was affected by lockdowns in southern states and a lockdown in South East Queensland which commenced only 8 days prior to the Mount Isa Rodeo which affected attendance. The Company was also required to pay refunds to people in South East Queensland who had purchased tickets but were no longer able to attend the Rodeo.

- Cost of living pressure has affected many large-scale entertainment events recently with the increasing costs of suppliers to run the events and the lack of funds available to members of the public to attend these events has caused cancellation to many large-scale events including:
 - The final Bluesfest will be in 2025
 - The Big Red Bash taking a “breather” in 2025
 - The 2024 Splendour in the Grass being cancelled
 - Groovin the Moo festival was cancelled in 2024
 - Dark Mofo festival in Tasmania was not held in 2024

Lack of community support

Due to multiple factors, at the time of our appointment it was apparent that the Board and management no longer had the support of the Mount Isa community who are major stakeholders in the running and potential success of the Mount Isa Rodeo.

Many commentators have expressed their own opinion on this issue and we do not believe it appropriate to weigh into this issue other than to comment on the decision to increase ticket prices in 2024.

The Company chose prior to the 2024 event to significantly increase ticket prices. This was done in an environment under costs of living pressure, discretionary spending was constricting, and the confidence of the Mt Isa Community was suffering after announcement by Glencore of its intention to close the Mount Isa Mine. The prices increase was based upon a lack of ticket price increases for a number of years.

Ticket Prices					
Ticket Type	2024	2023	2022	2021	2019
General Admission - 4 Day Pass	\$260.00	\$165.00	\$149.00	\$149.00	\$110.00
General Admission - Friday Pass	\$99.00	\$65.00	\$65.00	\$65.00	\$45.00
General Admission - Saturday Pass	\$99.00	\$65.00	\$65.00	\$65.00	\$50.00
General Admission - Sunday Pass	\$79.00	\$50.00	\$50.00	\$50.00	\$45.00
Indigenous Rodeo - Thursday Night	\$25.00	\$20.00	\$20.00		

Ticket price increase		
Ticket Type	2023 to 2024 increase	2022 to 2023 increase
General Admission - 4 Day Pass	58%	11%
General Admission - Friday Pass	52%	0%
General Admission - Saturday Pass	52%	0%
General Admission - Sunday Pass	58%	0%
Indigenous Rodeo - Thursday Night	25%	0%

The decision to increase prices appears to have been done to try to stem the negative cashflow of the Company, however strategically it was unsuccessful as attendance numbers were down and was one of the catalyst that led to the appointment of the Administrators.

5.2. Summary of Events

The following table provides a short timeline summary of the recent trading history of the Company and issues that contributed to its financial difficulties over the previous years:

Date (Approximate)	Events
2018	<ul style="list-style-type: none">The Rodeo expanded to include a large-scale concert on the Sunday night.

	<ul style="list-style-type: none"> The concert held on the Sunday night was considered a success and the decision was made to hold a Sunday night concert as a prelude for the following year's 60th anniversary of the Mount Isa Rodeo. The business recorded a profit of \$165k for the financial year ending 30 September 2018. 																								
2019	<ul style="list-style-type: none"> The Company celebrated 60 years of the Mt Isa Rodeo. Significant funds were invested into upgrading the staging area for the Sunday night concert, however, the Sunday night concert did not reach attendance level of the previous year, with gate takings and bar takings (included in Rodeo income in the Profit and Loss Statement) being less than the 2018 Rodeo event. Expenses coded to Entertainment increased by over \$300k from the previous year (from \$376k to over \$683k). The business recorded a loss of \$300k for the financial year ending 30 September 2019. We have been advised that the Board made the decision not to host a Sunday night concert of this scale in the following years given the significant loss incurred from the investment. 																								
2020	<ul style="list-style-type: none"> The live rodeo event was cancelled in April 2020 due to COVID-19 restrictions. Accordingly, no gate takings or bar takings were received in this financial year. Many non-refundable deposits to suppliers had been paid prior to the cancellation of the rodeo event; The business was able to raise sponsorship funds to hold a virtual rodeo in an effort to re-coup some of its losses; We have been advised by the Company's management that the business was not eligible for many financial support packages provided by the State or Federal governments during the COVIC pandemic as the event was a Rodeo and therefore not eligible for the Arts packages provided. The business recorded a loss of \$300k for the financial year ending 30 September 2020. 																								
2021	<ul style="list-style-type: none"> The business was incorporated as Isa Rodeo Limited The Company hosted an in-person rodeo. Due to COVID-19 related lockdown restriction that were imposed in Southeast QLD 8 days prior to the rodeo event, the Company was required to pay refunds to those effected by the lockdown restrictions and unable to attend the Rodeo. The payroll expenditure increased from 169k in 2019 to 289k in 2021 as new staff members were added. The Company recorded a loss \$210k for the financial year ending 30 September 2021. 																								
2022	<p>The below table shows the Company's profit and loss per event held:</p> <table border="1"> <thead> <tr> <th>Account</th> <th>Indigenous</th> <th>Isa Rodeo</th> <th>Road to Rodeo</th> <th>Overhead</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Total Trading Income</td> <td>336,280</td> <td>2,992,931</td> <td>291,177</td> <td>31,427</td> <td>3,651,815</td> </tr> <tr> <td>Total Operating Expenses</td> <td>284,128</td> <td>2,416,334</td> <td>592,937</td> <td>613,911</td> <td>3,907,310</td> </tr> <tr> <td>Net Profit</td> <td>52,152</td> <td>576,597</td> <td>(301,760)</td> <td>(582,484)</td> <td>(255,495)</td> </tr> </tbody> </table> <ul style="list-style-type: none"> After recording losses in previous years, the Board decided to expand its offerings. The Board established the "Road to Rodeo". A stand-alone rodeo event was held in Longreach in May and the Company introduced the Indigenous Rodeo Championships as part of the Mount Isa Rodeo. We have been advised that Longreach received approximately 200mm of rainfall shortly prior to the event, effecting people's ability to attend the event. We note that the Company did not try and return to Longreach for the Road to Rodeo in the future. Without further years for comparison, we are unable to establish what the profitability of the event would have been if not for the rain. However, from our 	Account	Indigenous	Isa Rodeo	Road to Rodeo	Overhead	Total	Total Trading Income	336,280	2,992,931	291,177	31,427	3,651,815	Total Operating Expenses	284,128	2,416,334	592,937	613,911	3,907,310	Net Profit	52,152	576,597	(301,760)	(582,484)	(255,495)
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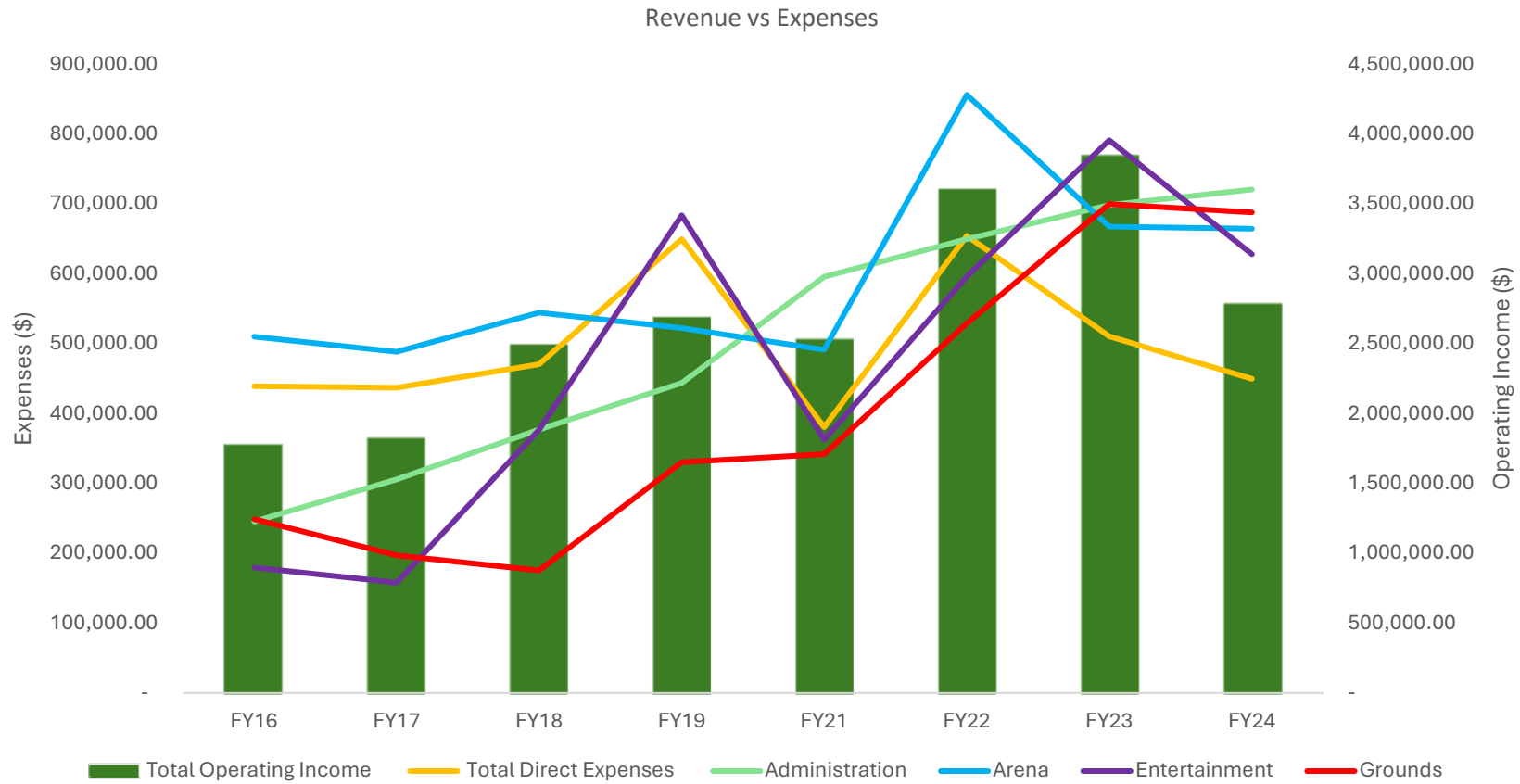
	<p>initial investigations it would appear as if this event would not have been profitable even if the rain had not occurred.</p> <ul style="list-style-type: none"> As depicted in the above table, the Road to Rodeo event was the only loss-making event in 2022 financial year, with the Company making a loss of approximately \$300k from the event. The Company recorded a loss of approximately \$255k for the financial year ending 30 September 2021. 																								
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Total Trading Income	482,828	2,266,326	20,000	22,571	2,791,724																				
Total Operating Expenses	496,494	2,664,710	32,217	557,174	3,750,594																				
Net Profit	(13,666)	(398,384)	(12,217)	(534,603)	(958,870)																				

5.3. Historical Financial Performance

A summary of the Company's profit and loss for the financial years ending 30 September 2016 to 30 September 2024 is below:

	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
	Xero	Xero	Xero	Xero	Xero	Xero	Xero	Xero	Xero
Revenue									
Grant Funding	131,381	117,000	220,000	155,000	30,569	249,245	380,000	340,566	327,934
Rodeo	908,116	929,329	1,329,383	1,156,370	9,796	1,284,872	1,745,940	2,026,274	1,460,969
Sponsorship	373,700	385,273	463,000	586,267	202,491	484,945	713,779	961,500	672,682
Other Income	391,634	412,057	482,849	806,178	320,777	563,609	812,096	516,428	330,139
Total Revenue	1,804,831	1,843,659	2,495,232	2,703,815	563,634	2,582,672	3,651,815	3,844,767	2,791,724
Expenses									
Administration	245,515	305,626	377,052	443,833	369,426	595,664	649,466	698,247	720,891
Arena	509,861	488,581	544,369	522,276	77,376	491,111	856,148	667,269	664,543
Entertainment	179,690	158,175	376,582	683,619	79,065	362,570	596,162	791,187	628,067
Grounds	248,598	196,763	175,309	330,184	-	341,587	528,823	699,728	688,031
Volunteers	-	-	82,910	78,290	73,525	67,450	133,657	72,519	148,960
Other Expenses	657,020	661,161	773,673	946,329	264,461	935,079	1,143,054	904,378	900,102
Total Expenses	1,840,684	1,810,305	2,329,894	3,004,530	863,853	2,793,460	3,907,310	3,833,328	3,750,594
Net Profit / (Loss)	(35,853)	33,354	165,338	(300,715)	(300,220)	(210,788)	(255,495)	11,440	(958,870)

The below graph depicts the financial performance of the Company between financial year ending 30 September 2016 to financial year ending 30 September 2024:



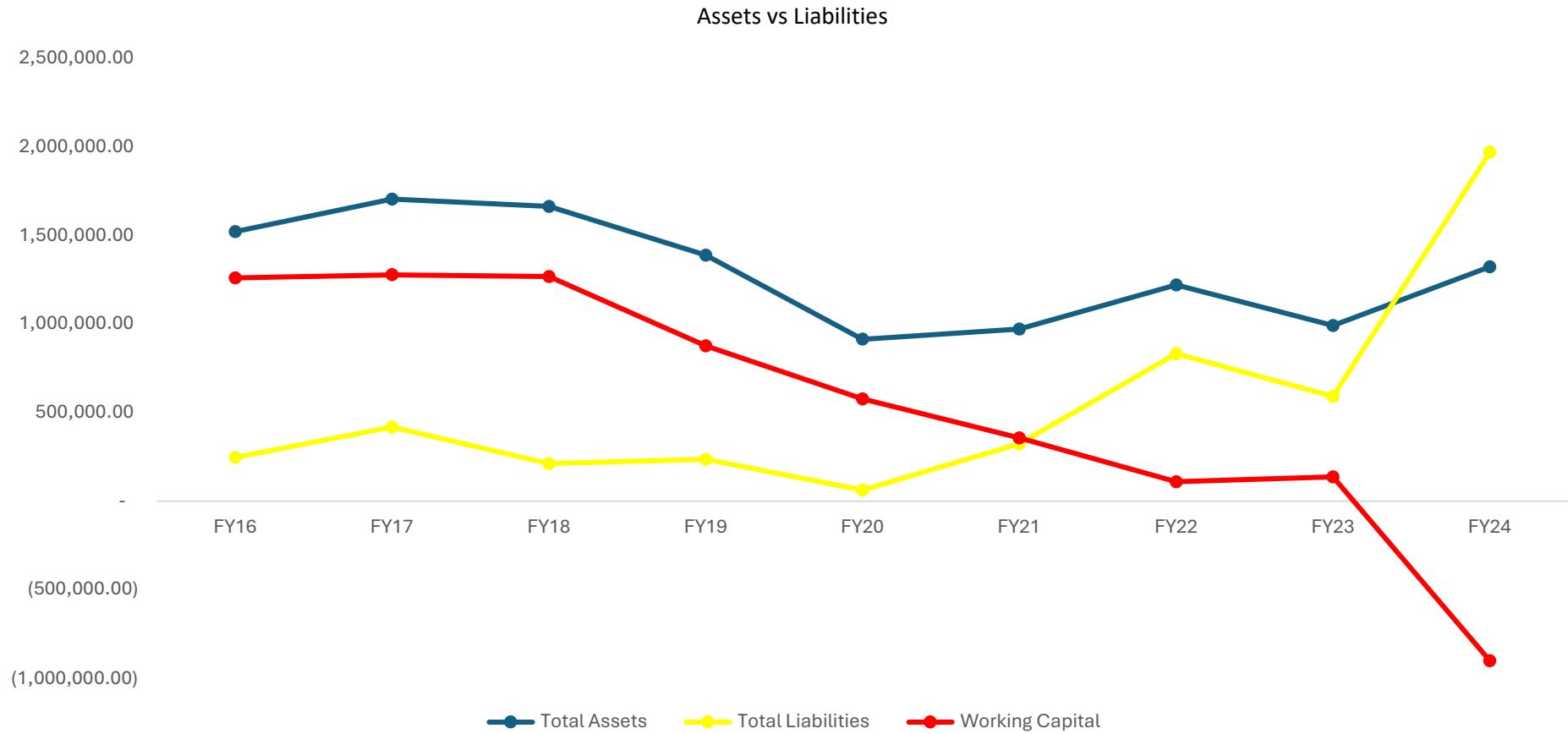
^ As the Rodeo was only run in a virtual capacity in FY20 it has been removed from the above graph showing the growth in revenue and expenditure.

5.4. Historical balance sheet position

A summary of the Company's balance sheet for the financial years ending 30 September 2016 to 30 September 2024 and up to the date of our appointment is summarised below:

	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25 (21 Oct 24)
	Xero	Xero	Xero	Xero	Xero	Xero	Xero	Xero	Xero	Xero
Current Assets	1,507,171	1,695,970	1,476,788	1,108,557	634,740	675,158	930,182	715,621	1,047,599	1,041,103
Non-current Assets	14,225	9,662	187,846	279,659	279,659	296,773	291,102	275,237	275,237	275,237
Total Assets	1,521,397	1,705,632	1,664,634	1,388,217	914,399	971,931	1,221,284	990,858	1,322,836	1,316,340
Current Liabilities	246,915	417,797	209,128	231,443	57,381	317,731	820,649	578,622	1,949,869	1,959,512
Non-current liabilities	-	-	2,332	4,315	4,779	4,779	11,176	11,337	20,791	20,604
Total Liabilities	246,915	417,797	211,460	235,758	62,160	322,510	831,826	589,960	1,970,661	1,980,117
Net Assets Surplus / (Deficiency)	1,274,481	1,287,835	1,453,173	1,152,458	852,239	649,420	389,458	400,898	(647,825)	(663,776)
Working Capital	1,260,255	1,278,172	1,267,659	877,114	577,358	357,426	109,532	136,998	(902,270)	(918,409)
Liquidity Ratio	6.10	4.06	7.06	4.79	11.06	2.12	1.13	1.24	0.54	0.53

The below graph depicts the Company's financial position over time between the period 30 September 2016 to 30 September 2024:



Our comments in relation to the historical financials of the Company are:

- The Company has experienced continuing trading losses from the financial year ending 30 September 2019 and every subsequent period, with the exception of the financial year ending 30 September 2023 which reported a minor profit;
- The Company's administration costs have significantly increased each year since at least the financial year ending 30 September 2016 with the exception of FY20 which was affected by COVID-19.;
- There was a significant decline in revenue in the financial year ending 30 September 2024. This is a direct result of the decline in revenue received from the rodeo event held in August 2024 and reduced sponsorship income received in comparison to previous years;
- Although direct expenses and entertainment expenses decreased in FY24 in line with the revenue, "Arena" (Arena team accommodation and travel, prize money, contract stock, judges' fees etc) and "Grounds" costs (contract workers, equipment, security etc) remained high as some of these fixed costs could not be decreased in line with reduced attendance;
- The Company's liquidity ratio declined significantly between 30 September 2023 and 30 September 2024. This is primarily a result of the significant decline in revenue in the period between 1 October 2023 and 30 September 2024 as discussed above;
- The working capital continuously declined from the financial year 2019 and for most subsequent periods, with the working capital falling below zero in the financial year ending 30 September 2024; and
- The Company appeared to have sufficient current assets with which to pay all of the Company's current liabilities in all periods prior to the financial year ending 30 September 2024. It appears that the Company had sufficient cash reserves to sustain the continuing losses described in sections 5.2 and 5.3 in all periods prior to 30 September 2024.

6. Administration Process

Since being appointed we have:

- Written to all banks and financial institutions seeking details of any bank accounts operated by the Company and obtained copies of bank account statements;
- Held extensive discussions with the directors and key personnel to understand the Company's business and operations;
- Requested searches to identify any potential assets of the Company, including any undisclosed assets;
- Sought legal advice on a number of matters;
- Investigated the security interest registered against the Company on the PPSR;
- Corresponded with various parties about the appointment, including local, state and federal government officials about a potential DOCA proposal;
- Held the first meeting of creditors and lodged the minutes of the meeting with ASIC;
- Conducted extensive investigations into the Company's affairs as outlined by this report;
- Liaised with key personnel to obtain the Company's books and records;
- Undertaken an assessment of the employee entitlements;
- Engaged with creditors and answered questions relating to the Administration;
- Engaged with Sponsors and members of the Mount Isa community to collect information relevant to the Administration and potential DOCA;
- Engaged forensic information technology personnel to retrieve, preserve and secure the Company's data;
- Conducted an expressions of interest campaign in order to sell the Company's business as outlined by this report;
- Obtained the relevant insurances to minimise risk and protect the realisable assets of the Company;
- Performed additional duties as required by statute; and
- Prepared prior and this report to creditors.

Annexure B provides a copy of the Administration receipts and payments for the period 21 October 2024 to 15 November 2024.

7. Deed of Company Arrangement Proposal

Having had the benefit of examining the financial position and trading history of the Company, it is our strongly held belief that the Mount Isa Rodeo, as an event is an outlier when compared to many of the other events around the country that have failed.

The Mount Isa Rodeo is a strong asset in its own right but has experienced a period of negative financial events in the manner in which that asset has been delivered. We believe that there is a very strong underlying business case to turn around the business of the Company and allow the Mount Isa Rodeo to be delivered profitably without diminishing its underlying economic benefit to the community.

The Voluntary Administration process provides a vehicle for this turnaround and can achieve two key outcomes.

1. Provide a better return to creditors than placing the Company in liquidation;
2. Protecting and enhancing the legacy of the Mount Isa Rodeo whilst continuing to be a vehicle for economic activation in the Region.

The overarching strategy being pursued involves three elements:

1. Reengagement with the Mount Isa Community via Board and Membership renewal;
2. Adding additional subject matter expertise to enhance capability and capacity in a specialised event delivery environment; and
3. The negotiation of an external support package that will provide resources to a pool to meet some or all eligible historical debts whilst allowing sufficient cashflow for future events.

The Administration has invested considerable time and resources into engaging with the local business and rodeo community in Mt Isa to ascertain how best to regain trust in the Mount Isa Rodeo brand. That community and stakeholder feedback has driven the suggested Board and Membership renewal program.

It must be acknowledged that the past operating environment for major events has been incredibly testing and requires very specialised and discreet skills that many other businesses do not need. We have been in discussions with the Department of Environment, Tourism, Science and Innovation, Tourism and Events Queensland and Events Management Queensland amongst other parties to secure ongoing assistance for a future Board of the Company to derisk the financial issues associated with holding the Mount Isa Rodeo.

We have also had multiple engagements with various parts of the new Crisafulli State Government to seek its assistance in building an appropriate support mechanism to deal with the financial legacy of the pre-appointment issues.

To date, all of the above engagements have been very encouraging and the Administrators thank the Government for the priority it has shown at a time of transition and the enormous time pressures a change in Government brings.

Given the very short timeframe that the Administration has had and the change of Government constraints, the above negotiations are still ongoing. As such the Administrators intend on adjourning the meeting of creditors to be held on 25 November 2024.

8. Current Financial Position of the Company

8.1. Position as at the Appointment of Administrators

The information below has been obtained from a review of the books and records of the Company, externally prepared financial statements, a ROCAP provided by the Director and our investigations and enquires. The summary details the book value (BV) of the assets and liabilities, the Director'(s') estimated values as detailed in the ROCAP and our estimate of the realisable values (ERV).

	Notes	BV (\$)	ROCAP (\$)	ERV (\$)
Assets				
Cash at Bank	1	1,022,924.68		1,022,924.68
Trade Debtors	2	53,075.24		Nil
Motor Vehicles / Plant and Equipment	3	7,450.82		Nil

Intellectual Property Rights / Goodwill	4	Withheld		Withheld
Other Assets	5	284,033.96		Nil
Total Assets		\$1,316,140.62	\$	\$1,023,045.60
Liabilities				
Secured Creditors	6	119,392		119,392
Employee Entitlements	7	67,908.61		Withheld
Unsecured Creditors	8	1,741,133.24		1,805,367.54
Total Liabilities		\$1,928,433.85	\$	\$2,027,668.15
Estimated Surplus/(Deficiency)		(\$612,293.23)	\$	(\$1,004,622.55)

Notes

1. Cash at Bank

The Company held three bank accounts with Westpac which held a combined balance of \$1,022,924.68 on appointment. Westpac has an AllPAAP security registered on the Personal Property and Securities Register (see section 5.7 for further details), therefore, we secured a total of \$900,000 into an account set up for the Voluntary Administration. The remaining funds of \$122,924.68 remains in the Westpac account until we determine Westpac's security position over the funds owed to Westpac for the remaining accounts.

All other banking institutions were notified of our appointment. We are not aware of any other accounts in the Company's name.

2. Trade Debtors

The books and records show one pre-appointment trade debtor with an outstanding debt of \$1,610.24 owing to the Company. This amount represents the balance of a partially paid invoice. The recoverability of this amount is still to be determined.

The Company also had a BAS refund of \$51,465.00 owing from the ATO which was received shortly after our appointment.

3. Motor Vehicles / Plant and Equipment

The books and records do not indicate that there are any motor vehicles owned by the Company. Our searches with the Queensland Department of Transport and Main Roads confirms this position.

The books and records indicate that the Company's plant and equipment consists of small items such as computers, iPads and storage containers.

Our investigations remain ongoing with respect to the estimated realisable value of the above-mentioned assets, however we do not expect there to be significant realisable amounts from these assets.

4. Intellectual Property Rights / Goodwill

The Company holds various Intellectual Property rights associate with the Mount Isa Rodeo and the Indigenous Rodeo Championships. These rights and Goodwill form the intrinsic value of the Company.

This intrinsic value and the ability to take over an event with the historical significance of the Mount Isa Rodeo is being assessed by the interested parties who have reached out to the administrators during the EOI campaign.

As the value of the Intellectual Property and Goodwill is being assessed by the interested parties we have withheld the value of same.

5. Other Assets

The Company owns “Hall of Fame” assets which are items that have been donated to the Hall of Fame, located at the visitor centre in Mt Isa. The Company also has shipping containers located at Buchanan Park which contains items used during the rodeo, such as chairs and flagpoles etc.

These items do not have any realisable value.

The books and records also record an asset totalling approximately \$16k for pre-paid expenses relating to insurance coverage. My investigations remain ongoing with respect to the recoverability of same.

The Company has an outstanding claim for advice previously received during the transition from MIRRI to Isa Rodeo Limited. My investigations remain ongoing with respect to the commerciality of continuing to recover this claim.

6. Secured Creditors

A search undertaken of the PPSR discloses the following creditors as holding registered security interests over the Company’s property at the date of our appointment:

Secured Creditor	Amount Owed (\$)	Type of Security*	Date of Registration	Notes
Westpac	119,392	All Pap No Except	21/02/2022	(a)
Aggreko Generator Rentals Pty Limited	Unknown	PMSI	14/11/2022	(b)
Ocwen Energy Pty Ltd	Unknown	PMSI	16/08/2024	(c)

*An AllPAAP usually applies to circulating and non-circulating security interests over substantially all of the Company’s assets and a PMSI usually applies to a security interest over specific Company assets – commonly non-circulating assets (e.g: motor vehicles) and circulating assets (e.g: inventory).

Notes

- a) This secured creditor has responded to our enquiries and provided us with documents in relation to their securities. We are in the process of reviewing the secured creditor’s position in detail and will request further supporting documents where required.
- b) This secured creditor advised that they have discharged their PPSR registration.
- c) We issued correspondence to the secured creditor requesting further details corresponding to their registered security interests, however, to date we are yet to receive particulars regarding the particulars of the security interest.

7. Employee Entitlements

Upon our appointment, the Company employed 2 full time staff. One employee resigned and has since received their unpaid entitlements.

The CEO, was made redundant on Thursday, 31 October 2024 and is currently working out her notice period in line with her employment contract.

We are still finalising our investigation in relation to the outstanding entitlements of the CEO which will be required to be paid out in line with her employment contract and the Act.

Pursuant to the provisions of sections 556(1) and 561 of the Act, employee claims are paid in priority to circulating security interests from the realisation of the circulating assets, but subject to the costs of the Administration.

Priority claims of the Directors and any related party of the Directors are capped pursuant to sections 556(1) of the Act, being \$2,000 for superannuation and wages and \$1,500 for leave entitlements. The remainder of related party employee entitlements rank as unsecured claims against the Company.

8. Unsecured Creditors

The Company records show 83 ordinary unsecured creditors are owed \$1,805,6367.54.

At the date of this report, not all creditors have submitted a proof of debt and as such the above amounts may change.

9. Books and Records

We have provided a detailed account of the Company's financials for financial years ending 30 September 2016 to 30 September 2024. This information has been sourced from the Company's internal management accounts. The internal financial statements have been audited up to and including the financial year ending 30 September 2023.

10. Offences

As part of our statutory responsibilities, we are required to investigate the circumstances surrounding the Company's failure and also the conduct of the officeholders.

Under the Act, officeholders have certain duties and responsibilities and the Act itself provides for criminal and civil penalties for breaches of duties. Recovery action may be available to a Liquidator to the extent of any loss or damage suffered by the Company or benefit gained by the relevant person or others. In considering any action, a Liquidator would consider the commerciality of any proceedings, the extent and nature of proof required, likely defences (statutory or otherwise) and the financial resources of any party from whom compensation may be sought.

When an Administrator forms the view that a past or present officer of a Company may have committed an offence in relation to a Company, the Administrator is required, pursuant to section 438D of the Act, to complete and lodge a report on those potential offences with ASIC. During our investigations we have considered the following:

10.1 Insolvent Trading

Section 588G of the Act provides that a Director is obliged to prevent a Company from incurring debts whilst it is insolvent. There are three key elements for there to be a successful claim under this section.

1. The Company must be in liquidation;
2. Identifying and proving the date of insolvency; and
3. Identifying debts incurred by the Company after the date of insolvency.

Section 588H of the Act provides several defences to a Director including that at the time when the debt was incurred there were reasonable grounds to expect that the Company was solvent and would remain solvent.

If a contravention of section 588G of the Act can be established, then section 588M of the Act empowers a Liquidator (or a creditor under certain circumstances) to recover compensation from a Director for any loss or damage suffered. Where a Company is a subsidiary, a Liquidator, under certain circumstances, can recover compensation from the holding Company pursuant to section 588W of the Act.

Establishing insolvency is a complex matter due in part to the complexity of corporate financial transactions and the lack of prescriptive legal authority of the indications of insolvency. There are two primary tests used in determining a Company's solvency at a particular date, namely the cash flow test and the balance sheet test.

Cash Flow Test

Section 95A of the Act embodies a cash flow test prescribing in section 95A(1) “a person is solvent if, and only if, the person is able to pay all the person’s debts as and when they become due and payable” and that under section 95A(2) “a person who is not solvent is insolvent”.

Balance Sheet Test

A strict application of the cash flow test is not the sole determinant of solvency. Determining solvency derives from a proper consideration of a Company’s financial position in its entirety, taking into consideration the ability of a Company to obtain funding.

Our investigations reveal the estimated date of insolvency is 20 August 2024 as the Company:

- received the final financial data and receipt of funds from the August 2024 rodeo event on or around this date;
- received insufficient revenue from the August 2024 rodeo event and held insufficient cash reserves to meet all creditors’ payment terms;
- was balance sheet insolvent from this time; and
- experienced continuing trading losses from financial year ending 30 September 2020 and most subsequent periods.

Our investigations regarding the quantum of the total debts incurred from this date onwards remain ongoing. However, we anticipate that the quantum of the debts incurred after the date of insolvency to be minimal.

Defences

Section 588H of the Act provides several defences to a director, including:

- there were reasonable grounds to expect the Company was solvent;
- that the director did not participate in the management of the Company; or
- there were reasonable steps taken to prevent the debt from being incurred.

10.2 Section 180 – Care and Due Diligence

Section 180 of the Act provides that Directors and officers must effectively exercise their powers and discharge their duties with the degree of care and diligence that a reasonable person would exercise. If a relevant person makes a business judgement in good faith, without material personal interest, is reasonably informed of the judgement and rationally believes the judgement is in the best interest of a Company, then that person is taken to have met the requirements of this section.

Our investigations are ongoing with respect to what (if any) offences have occurred.

10.3 10.3 Section 181 – Good Faith

Section 181 of the Act provides that a Director and/or officer must exercise their powers and discharge their duties in good faith, in the best interests of the Company and for the proper purpose.

10.4 Section 182 – Use of Position

Section 182 of the Act provides that a Director, officer or employee of the Company must not improperly use their position to gain advantage for themselves or someone else or cause detriment to the Company.

10.5 Section 183 – Use of Information

Section 183 of the Act provides that a Director, officer or employees of a Company must not improperly use information to gain an advantage for themselves or someone else or cause detriment to the Company.

11. Voidable Transactions

If the Company is placed into liquidation, the Liquidator can seek to:

- void preferential payments made by the Company to a creditor prior to being placed into Administration pursuant to section 588FA;
- void transactions that are uncommercial on the basis that a reasonable person in the Company's circumstance would not have entered into the transaction having regard to the benefits and detriments to the Company and the other party pursuant to section 588FB;
- overturn any unfair loans where the terms are considered extortionate pursuant to section 588FD;
- void any unreasonable Director-related transactions between the Company and a related party to the Company that are considered unreasonable, known as unreasonable Director-related transactions pursuant to section 588FDA.

Preference payments, uncommercial transactions and unfair loans must have:

- occurred prior to the appointment of an Administrator;
- occurred within the relation-back periods specified in section 588FE of the Act; and
- occurred whilst the Company was insolvent or *caused* the Company to become insolvent as a result of entering into the transaction.

In such instances, a Liquidator appointed to the Company can commence recovery action pursuant to section 588FF of the Act. The requirement to prove insolvency at the time or as a result of entering into the transaction is not a requirement for unreasonable Director-related transactions.

11.1. Unfair Preference Transactions

My preliminary investigations have identified that 5 transactions were paid to one creditor totalling approximately \$176k after the estimated date of insolvency (and within the six-month relation back period) that may be considered an unfair preference should a Liquidator be appointed.

I anticipate that the above-mentioned creditor may have sufficient defences with which to dispute any unfair preference claim (if any).

While the payments identified above appear to meet the criteria of unfair preference payments, a final determination will need to be conducted by a Liquidator. If any payments were to constitute a preference, the extent of any claim by a Liquidator will depend on a number of factors, including the various defences a creditor has available to them pursuant to section 588FA of the Act and the commerciality of pursuing such an action.

11.2. Uncommercial Transactions/Unreasonable Director-Related Transactions

A Liquidator can recover funds from parties that have received the benefit (to the detriment of creditors) of certain uncommercial transactions or unreasonable Director-related transactions.

Our preliminary investigations have not identified any uncommercial or unreasonable director related transactions.

12. Administrators' Opinion

We intend to adjourn the meeting of creditors for a short period of time while we finalise negotiations as discussed above.

Notwithstanding the intention to adjourn the meeting, pursuant to section 75-225(3) of the IPR-C, we are required to provide our opinion on each of the following options available under section 439C of the Act.

12.1 Deed of Company Arrangement (DOCA)

At the date of issuing this report, a DOCA has not been proposed by the Company, a third party or the Directors, and therefore this option will not be available to creditors at this meeting.

12.2 Liquidation

At the upcoming meeting, we consider it is in the interests of creditors that the second Meeting of Creditors be adjourned for a period of up to 45 business days to allow us to canvass possibilities for a DOCA. We believe that this will allow us to achieve the best possible result for creditors.

If the meeting were not to be adjourned, we recommend that creditors resolve that the Company be wound up. The basis for this recommendation is as follows:

- (i) no DOCA has currently been proposed; and
- (ii) We do not consider that the Administration should end for the reasons expressed below.

We intend to provide a supplementary report to creditors in the near future which will provide details of the reconvened meeting of creditors and an update on a Deed of Company Arrangement Proposal if one is able to be finalised. This will include the administrators' further opinion on the options available to creditors.

12.3 Administration to End

To end the Administration would return the Company to the control of the Directors. In our opinion a resolution that the Administration end would not be in the best interests of creditors. The Directors placed the Company in Administration to deal with the financial difficulties it is experiencing, and we do not believe this position has been rectified.

As mentioned elsewhere in report, our investigations into the Company's financial circumstances are ongoing. The above opinions do not preclude for us to make a recommendation as to the Company's future at a re-convened meeting of creditors

13. Remuneration

We are entitled to receive remuneration for necessary work, properly performed in relation to the Administration of the Company. Pursuant to section 60-10 of the IPS-C, remuneration can be approved by creditors, a committee of inspection or through the court.

At this time, we are not seeking approval for remuneration. This will be detailed in our supplementary report and approval sought from Creditors at the reconvened Second Meeting.

14. Disclaimer

We have conducted sufficient preliminary investigations given the statutory timeframe provided pursuant to the Act. However, if other matters emerge prior to the upcoming meeting of creditors which are materially relevant to creditors and which have not been dealt with in this report we will take steps to:

- (iii) issue a further supplementary report before the forthcoming meeting; or
- (iv) request an adjournment of the meeting to enable a supplementary report to be issued.

This report has been prepared on the basis of information provided by the Director(s), the accountant, the solicitor, information disclosed in books and records, together with our own enquiries and investigations into the affairs of the Company.

Whilst we have no reason to doubt the information contained in this report, we reserve the right to alter any conclusions reached on the basis of any changed or additional information that may subsequently become available.

If you have any queries or require further information, please contact Kendall Bronson of this office on (07) 4720 0805 or isarodeo@svp.com.au.

Dated this 15th Day of November 2024

DAVID MICHAEL STIMPSON
MICHAEL BRENNAN
JOINT AND SEVERAL ADMINISTRATORS



ANNEXURE A

Corporations Act 2001 (Cth)
Insolvency Practice Rules (Corporations)

**NOTICE OF SECOND MEETING OF CREDITORS OF COMPANY UNDER ADMINISTRATION
ISA RODEO LIMITED (ADMINISTRATORS APPOINTED)
ACN 652 352 504
(the Company)**

Michael Brennan and David Michael Stimpson were appointed Administrators of Isa Rodeo Limited on 21 October 2024 pursuant to a resolution of the Company's Directors in accordance with section 436A(1) of the *Corporations Act 2001 (Cth)* (the Act).

Notice is given that a meeting of creditors of the Company will be held by **Microsoft Teams on Monday, 25 November 2024 at 11:00am AEST.**

AGENDA

1. To review the Administrators' report concerning the Company's business, property, affairs and financial circumstances.
2. For creditors to consider the options available and to resolve either:
 - a. the Company executes a deed of company arrangement;
 - b. the Administration end; or
 - c. the Company be wound up.

At the meeting, creditors may also, by resolution adjourn the meeting for a period that must not exceed 45 business days.

3. To consider any other business which may be brought before the meeting.

ENTITLEMENT TO VOTE

Pursuant to section 75-85 *Insolvency Practice Rules (Corporations)* (IPR-C), only creditors (or their appointed proxy or attorney are entitled to vote at the meeting. As a creditor, you are entitled to exercise your vote provided that prior to the meeting:

- you have submitted a Form 535 Proof of Debt (POD), complete with particulars evidencing your claim. This is required to enable the person presiding at the meeting to admit your claim for voting purposes; and
- when completing your POD, take notice that you are unable to vote in respect of:
 - any unliquidated or contingent debt; or
 - any unliquidated or contingent claim; or
 - in circumstances where the value of the debt is unable to be established; or

- where security is held and the secured creditor is solvent, a secured creditor can elect to deduct an estimate of the value of their security from the claim. This value will be admitted for voting (and not dividend) purposes only; and
- sections 75-86 of the IPR-C and section 560 of the Act extends the entitlement to vote where a person has advanced money to the Company.
- where the creditor is a corporate entity a representative must be appointed to vote. If a creditor elects to be represented by an attorney, the power of attorney must be provided prior to the meeting in accordance with section 75-25 of the IPR-C. Where a proxy or attorney is assigned to vote, this must also be provided prior to the meeting. Due to our requirements to determine your entitlement to vote, POD and proxy forms received on the meeting day will not be accepted.

Microsoft Teams will be used to run the meeting. In accordance with section 75-35 IPR-C you need to provide Kendall Bronson our office on (07) 4720 0805 or by email on isarodeo@svp.com.au with a completed Proxy Form by **4:00pm AEST on Friday, 22 November 2024**. Please note that details of joining the meeting will be provided upon receipt of a completed Proxy Form.

Should you have any queries or wish to discuss this further please contact Kendall Bronson of our office on (07) 4720 0805 or by email on isarodeo@svp.com.au.

Dated this 15th day of November 2024

DAVID MICHAEL STIMPSON
MICHAEL BRENNAN
JOINT & SEVERAL ADMINISTRATORS



ANNEXURE B

Isa Rodeo Limited (Administrators Appointed)
ACN 652 352 504

Receipts and Payments for the period 21 October 2024 to 15 November 2024

Details	Amount \$
Receipts	
Pre-appointment Cash at Bank	900,000
Total Receipts	\$900,000
Payments	
Consultancy Fees	20,344.65
Employee wages	32,593.77
Total Payments	\$52,938.42
Cash at Bank as at 15 November 2024	\$847,061.58



ANNEXURE C

Creditor Rights in Voluntary Administrations

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



Right to request information

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

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

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

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

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

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

Requests must be reasonable.

They are not reasonable if:

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

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

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

Right to give directions to voluntary administrator

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

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

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

Right to appoint a reviewing liquidator

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

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

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

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

Right to replace voluntary administrator

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

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

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

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

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

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

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

Voluntary Administration Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading



Offences

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

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to the administrator.
588G	Incurring liabilities while insolvent
588GAB	Officer's duty to prevent creditor-defeating disposition
588GAC	A person must not procure a company to make a creditor-defeating disposition
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.
596AB	Entering into an agreement or transaction to avoid employee entitlements.

Recoverable Transactions

Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

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

Creditor-defeating disposition

Creditor-defeating dispositions are the transfer of company assets for less than market value (or the best price reasonably obtainable) that prevents, hinders or significantly delay creditors' access to the company's assets in liquidation. Creditor-defeating dispositions are voidable by a liquidator.

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to the benefit or detriment to the company; the respective benefits to other parties; and any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Unfair Loan

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

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person or from members of a corporate group (Contribution Order).

Unreasonable payments to directors

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

Voidable charges

Certain charges over company property are voidable by a liquidator:

- circulating security interest created within six months of the liquidation, unless it secures a subsequent advance;
- unregistered security interests;
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

Insolvent trading

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

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

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

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

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

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

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

Queries about the voluntary administration should be directed to the administrator's office.



ANNEXURE D

FORM 535

Subregulation

5.6.49(2)

Corporations Act 2001 (Cth)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)
ISA RODEO LIMITED (ADMINISTRATORS APPOINTED)
ACN 652 352 504 (THE COMPANY)

To the Administrators

1. This is to state that the Company was on 21 October 2024, and still is, justly and truly indebted to:

Table with 2 columns: Field Name, Value. Fields include Creditor Name, Creditor Postal Address, Telephone, Email, ABN, and FOR \$Amount owing (Dollars & Cents).

Particulars of the debt are:

Table with 3 columns: Date, Consideration (state how the debt arose and attach supporting documentation), Amount (\$).

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

Table with 5 columns: Date, Drawer, Acceptor, Amount (\$), Due Date.

3. Signed by (select option):

- I am the creditor personally.
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, remains unpaid and unsatisfied.
I am the creditor's agent authorised in writing to make this statement in writing. I know the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

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

- a) Is the debt you are claiming assigned to you (i.e. a transfer of debt)?
b) If yes, attach written evidence of the debt, the assignment and consideration given.
c) If yes, what value of consideration did you give for the assignment (eg, what amount did you pay for the debt?)
d) If yes, are you a related party creditor of the Company?

Signature: _____ Dated: _____

Name: _____ Occupation: _____

RECEIVE REPORTS BY EMAIL
Do you wish to receive all future reports and correspondence from our office via email?
Email:.....



ANNEXURE E

Corporations Act 2001 (Cth)

**APPOINTMENT OF PROXY
ISA RODEO LIMITED (ADMINISTRATORS APPOINTED)
ACN 652 352 504 (the Company)**

Name of company or individual:	Date:
Address:	
Email:	Telephone:

APPOINTMENT OF PROXY:

The Presiding Person of the meeting

OR, if you are not appointing the Presiding Person of the meeting as your proxy, please write the name of the person you are appointing as your proxy

--

as my/our **general proxy/special proxy** (please cross off whichever does not apply), and to vote for me/us on my/our behalf at the meeting of Creditors to be held by **Microsoft Teams** on **Monday, 25 November 2024 at 11:00am AEST**, or at any adjournment of that meeting. For a **special proxy** tick either For, Against or Abstain for each resolution detailed below.

VOTING DIRECTIONS (if appointing a special proxy):

Resolution	For	Against	Abstain
"That the Company execute a Deed of Company Arrangement in accordance with the proposal attached and marked Annexure A within the statutory timeframe, and that Michael Brennan and David Michael Stimpson become the Deed Administrators."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
"That the Administration end."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
"That the Company be wound up and that Michael Brennan and David Michael Stimpson be duly appointed joint and several Liquidators of the Company."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGNATURE OF CREDITOR/S:

Individual/agent	Individual/agent
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INSTRUCTIONS FOR COMPLETING THIS FORM:

APPOINTMENT OF PROXY: A proxy may be an individual or a corporate body representative. The proxy does not need to be a creditor of the company.

If a corporate body is sending a representative, a 'Certificate of Appointment of Corporate Representative', in accordance with the company's register, will be required. The certificate will need to be produced prior to the meeting or in accordance with the notice of the meeting.

SIGNATURE: This form must be signed by the creditor or the creditor's attorney. If the latter is signing, a certified copy of the power of attorney must be attached unless it has previously been lodged.

Where the creditor is a company, this form must be completed under the company's Common Seal, or signed by officers authorised under the Seal of the Company. Two officers must sign, except in the case of a sole director who is also the secretary or where there is a sole director and there is no company secretary.

Where the creditor is a joint holding, either one of the creditors may sign.