

Circular to Creditors

The Multiple Sclerosis Society of South Australia and Northern Territory Inc (Administrators Appointed)

ABN 85 662 359 859 (the "Association")

We refer to our appointment as Joint and Several Administrators of the Association and to our previous report to creditors.

A meeting to consider the financial affairs of the Association and to resolve the future direction of the administration is to be held on Tuesday, 28 October 2025 at 11:00am (ACDT).

We now enclose the following documents:

- Administrators' detailed report (**Annexure 1**) to creditors pursuant to IPR (Corporate) 75-225 which includes a remuneration report, a statement of receipts and payments and an opinion on each of the following matters:
 - Whether it would be in the creditors' interests for the Association to execute a Deed of Company Arrangement.
 - Whether it would be in the creditors' interests for the Administration to end.
 - Whether it would be in the creditors' interests for the Association to be wound up.
- Formal Notice of Meeting together with Formal Proof of Debt and Proxy (**Annexure 2**).
 - All creditors must have submitted a proof of debt or claim with us before the meeting in order to establish their right to vote. **If you have already submitted a Proof of Debt form you do not need to submit another.**
 - Proofs of Debt and Proxy forms may be returned to us by post to Heard Phillips Lieberenz, PO Box 3432, Rundle Mall, SA 5000, or emailed to wdarsow@hplca.com.au by no later than midday on Monday, 27 October 2025.

To streamline the conduct of the meeting, your assistance in voting on the resolutions where possible by **special proxy prior to the meeting** would be appreciated.

Should you have any queries concerning the attached information or the voluntary administration process, please do not hesitate to contact Will Darsow of this office.

Dated this 20th day of October 2025



Andrew Heard and Anthony Phillips
Joint and Several Administrators

Contact: Will Darsow
Email: wdarsow@hplca.com.au

Circular to Creditors

The Multiple Sclerosis Society of South Australia and Northern Territory Inc
(Administrators Appointed)
ABN 85 662 359 859

Annexure 1

Voluntary Administrators' Report to Creditors

The Multiple Sclerosis Society of South Australia and Northern Territory Inc
(Administrators Appointed)
A.B.N. 85 662 359 859

Heard Phillips Lieberenz Pty Ltd

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“A” Summary of Receipts & Payments

“B” Detailed Remuneration Report

Glossary of Terms

In this report the following terms have special meaning:

Term	Meaning
\$	Australian Dollars
A.B.N.	Australian Business Number
Act	Corporations Act 2001
AI Act	Associations Incorporation Act 1985
Administrators	Andrew Heard and Anthony Phillips
ARITA	Australian Restructuring Insolvency and Turnaround Association
ATO	Australian Taxation Office
Association	The Multiple Sclerosis Society of South Australia and Northern Territory Inc (Administrators Appointed)
CBS	Government of South Australia Consumer and Business Services
CEO	Shaun Kennedy, Chief Executive Officer
CFO	Jason Morrison, Chief Financial Officer
DES	Disability Employment Services
Directors	Kerry Sanders (Chair), Maureen Lawlor, Geoff Bowels, Rachel Allen, Antonio Russo, Jennifer Fereday
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities
DOCA	Deed of Company Arrangement
EBIT	Earnings Before Interest and Tax
FEG	Fair Entitlements Guarantee
First Meeting	Meeting of creditors called pursuant to Section 436E of the Act, held on 2 October 2025 at 11:00am
FLV	Forced Liquidation Value
FMV	Fair Market Value
ERV	Estimated Realisable Value
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations) 2016
JBWere	JBWere Ltd
MGS	Mason Gray Strange Auctioneers
NAB	National Australia Bank
NPBT	Net Profit Before Tax
PPSA	Personal Property Securities Act 2009
PPSR	Personal Property Securities Register
ROCAP	Report on Company Activities and Property
Second Meeting	Meeting of creditors called pursuant to Section 439A of the Act, to be held on Tuesday, 28 October 2025 at 11:00am
Westpac	Westpac Banking Corporation

1.0 Executive Summary

A summary of the key conclusions and recommendations drawn in this report are detailed below:

Matter	Conclusion or Recommendation	Report Reference
Purpose of Report	This report has been prepared for the benefit of the creditors of the Association to assist them decide on the future of the Association at the Second Meeting to be held on Tuesday, 28 October 2025 at 11:00am (ACDT).	Section 2
DIRRI	There has been no event or change that would warrant any amendments or update to the DIRRI disclosures previously made to creditors.	Section 3
Background	The Voluntary Administration was required primarily because of the concerns for the solvency of the Association following the loss of the Association's DES contracts.	Section 4
Financial Position	The Chair of the Board has provided us with a ROCAP summarising the financial position of the Association at appointment.	Section 5
Administration Outcomes	We have maintained the trading of the Association and have commenced advanced negotiations with a party that we believe has the capacity to ensure the Services provided by the Association continue to be provided	Section 6
Investigations	We consider that no significant recoveries would be available in a liquidation, if creditors were to resolve that the Association be wound up.	Section 7
Administration Outcomes	A DOCA has not been proposed with creditors. We believe it will be in the interest of creditors that the Association be wound up after a sale of the services business of the Association is completed.	Section 8
Estimated Dividend	We anticipate that in the liquidation scenario, priority employee creditors will receive payment of their eligible employment entitlements in full through the FEG scheme or from the Association's assets. We expect a small dividend could be paid to the Association's unsecured creditors subject to the sale of the Association's business assets and the final claims of priority creditors.	Section 5
Remuneration	We will seek creditor approval for the payment of the remuneration relating to the voluntary administration when creditors meet on 28 October 2025.	Section 9

2.0 Introduction

2.1 Purpose of this Report

This report is prepared to provide creditors with relevant information to attend and vote at a forthcoming meeting of creditors we have convened pursuant to Section 439A of the Act.

IPR 75-225(3) requires that we provide various statements to creditors so that you can make informed decisions when the meeting of creditors is held. In **Section 8** we have summarised our opinions on whether it is in the interest of creditors that:

- the Association execute a DOCA; or
- the Administration of the Association end; or
- the Association be wound up.

The report has been prepared relying on Association documents and financial statements provided to us, and the investigation and analysis of those documents.

2.2 Objective of Administration

The objective of the voluntary administration is to allow an independent person to administer the affairs of the association in a way that:

- maximises the chances of the association, or as much as possible of its business, to continue in existence; or
- if it is not possible for the association or its business to continue in existence – results in a better return to the creditors than would result from an immediate winding up of the association.

In this matter, the administration enabled opportunities for a sale of the Association's business to be explored, enabling the continuity of the business, including providing services to clients with MS.

Whilst an outcome of the voluntary administration process is sometimes the promotion of a DOCA with creditors, no DOCA has been proposed by the Directors or any other party.

2.3 Appointment of Administrators and First Meeting

On 22 September 2025, we were appointed as Administrators of the Association pursuant to Section 436A of the Act.

On 2 October 2025, the First Meeting was held as required by Section 436E of the Act. There were no nominations to appoint an alternative administrator and a Committee of Inspection was not formed at the meeting.

2.4 Second Meeting of Creditors

We are required to convene a Second Meeting within 5 business days before, or after, the end of the convening period, with the convening period usually being 20 business days from the day after the administration began.

The purpose of the Second Meeting is to vote on the future of the Association which may include liquidation, executing a DOCA or returning the control of the Association back to the Directors.

The Second Meeting is convened for Tuesday, 28 October 2025, and will be held via Microsoft Teams at 11:00am (ACDT). We note that it is possible for this meeting to be adjourned, but such adjournment cannot exceed 45 business days. It will be our recommendation that the Second Meeting will be adjourned to facilitate ongoing trading to a point that a sale of the services business currently in negotiation can be achieved in early November 2025.

Creditors wishing to attend the meeting should contact Will Darsow and Judith Miring'u by midday on Monday, 27 October 2025 to register and receive a link to attend the meeting.

To streamline the conduct of the meeting, creditors are encouraged, where possible, to provide their voting instructions by a special proxy to be lodged prior to the meeting.

A person is not entitled to vote at the meeting unless they have provided a Proof of Debt or particulars of their debt prior to the meeting. A Proof of Debt accompanies this report.

2.5 Business continuity

As announced at the commencement of the Administration, it was the intention of the Voluntary Administrators to attempt to facilitate the continuity of the Association's services to members of the community with MS.

At the time of writing this report, we are in advanced negotiations with a party capable of achieving that objective. A contract for sale has not been signed yet and the prospective date of settlement is in early November 2025 if we can agree terms of sale.

Throughout the administration, we have continued to perform the Association's commitments to Government contracts (DES and the public health network in particular) to ensure that losses and damages were minimised.

3.0 Declaration of Independence, Relevant Relationships and Indemnities

In accordance with Section 436DA of the Act and the ARITA Code of Professional Practice, a voluntary administrator is to disclose relevant details of all relationships and indemnities with parties that may impact on the administrator's independence.

We considered the question of independence at the time of our appointment as Administrators and we prepared and distributed our DIRRI with the notice of the first meeting of creditors. This declaration was tabled again at the First Meeting held on Thursday, 2 October 2025 and there has been no event or change that would warrant any amendment or update to that disclosure.

4.0 Background Information

4.1. Business Operations and History

The Association was incorporated on 31 December 1963 and provided information, education, care and support to over 2,900 clients living with multiple sclerosis in South Australia and the Northern Territory.

The Association, through Multiple Solutions, also provided DES in South Australia offering services to assist people living with disability, illness or injury to find and maintain employment.

The Association operated from leased premises at 9 locations in South Australia, including its head office located at 10-14 Regency Road, Kilkenny, South Australia.

In July 2025, the Association was advised by Inclusive Employment Australia that 6 of their 9 DES contracts would not be renewed. After our appointment we were advised that we could not assign the remaining 3 contracts, meaning all contracts would conclude on 31 October 2025.

4.2. Reasons for Appointment

The Association's Directors have advised that the business experienced financial difficulties from July 2025 which resulted from:

- Changes to the NDIS scheme, including:
 - An 18% decrease in charge rates applicable to physiotherapy services provided to MS clients; and
 - A 50% decrease in allowable travel claim charges for occupational therapists and physiotherapists.
- The outcome of the Inclusive Employment Australia tender process resulting in the cessation of two of the Association's three DES contract zones from 31 October 2025 together with a change in the funding model. This change necessitated the closure of 6 of the Association's 9 operating DES sites resulting in significant claims by landlords for outstanding rental obligations and make-good claims.
- The lack of time to facilitate growth of the DES Southern region to facilitate sustainable revenues and costs to compensate for the loss of the Central and Northern DES contract zones.
- The underperformance of fundraising efforts of the Association over a number of recent campaigns casting doubt over the reliability of fundraising campaigns as a revenue source.
- The inability to obtain restructuring funding to sustain the Association's financial requirements whilst the business transitioned as a consequence of the loss of the DES contracts.

The Directors determined that with the closure of the DES business from 31 October 2025, the Association was likely to become insolvent and they resolved to place the Association into voluntary administration on 22 September 2025.

Based on our discussions with the Directors and Executive Staff, in conjunction with our independent review of the Association's financial and non-financial records, we agree with the above assessment made by the Directors.

4.3. Association Officers, Executive Staff and Registered Security Interests

The records of CBS and the PPSR reveal the following information concerning the officers and executive staff of the Association at the date of our appointment, together with all security interests registered against the Association.

4.3.1. Officers

At the date of our appointment, the Board comprised of the following members:

Name	Role
Kerry Sanders	Chair of Board
Maureen Lawlor	Board member
Geoff Bowels	Board member

Rachel Allen	Board member
Antonio Russo	Board member
Jennifer Fereday	Board member

4.3.2. Executive staff

The Association also had the following executive staff members:

Name	Role
Shaun Kennedy	Chief Executive Officer
Jason Morrison	Chief Financial Officer
Sarah Fitzharris	Chief Marketing Officer
Karin Ridgeway	General Manager
Helen Whitworth	Manager Client Operations
Prithiviraj Govindaraj	Strategic Projects Manager

4.3.3. Registered Security Interests

Detailed below is information regarding the Association obtained from a search of the PPSR as at the date of our appointment:

Secured party	Date created	PPS registration number	Collateral class
3E Advantage Pty Ltd	3 December 2021	202112030031275	Commercial property
3E Advantage Pty Ltd	3 December 2021	202112030031281	Commercial property
3E Advantage Pty Ltd	31 May 2024	202405310056432	Commercial property
3E Advantage Pty Ltd	31 May 2024	202405310056445	Commercial property
JB Hi-Fi Group Pty Ltd	15 August 2022	202208150011062	Commercial property
Lavazza Australia Pty Limited	8 September 2025	202509080027201	Commercial property

We provide the following comments in relation to these securities:

- JB Hi-Fi Group Pty Ltd advised on 23 September 2025 that no funds were outstanding and their PPS registration has been discharged.
- Lavazza Australia Pty Limited held a security interest over coffee equipment supplied to the Association. We have reviewed the security agreement and on 2 October 2025, we provided a formal notice of intention not to exercise property rights to Lavazza Australia Pty Limited. The coffee equipment was collected from the Kilkenny site on 10 October 2025.
- 3E Advantage Pty Ltd held 4 registrations with the Association for the finance for a number of Konica Minolta printers. 3E Advantage's representative has provided security documents in relation to the finance agreement. It is our intention as Administrators to disclaim the security interests in the near future.

4.4. Recent Financial Results

We have been provided with the Association's Annual Report including the financial statements for the years ended 30 June 2023 to 30 June 2024. We have also been provided with the Association's Directors pack including draft financial statements for the year ended 30 June 2025.

A summary of the profit and loss statements and balance sheets for the Association together with our observations on the accounts are set out below.

4.4.1. Profit and Loss Statements

We have summarised the Association's profit and loss statements as follows:

	FY2023 (\$)	FY2024 (\$)	Draft FY2025 (\$)
Revenue			
Fundraising activities	8,906,342	5,715,791	2,540,357
Employment Assistance Funding	8,761,817	8,506,378	7,655,217
Client Services Revenue	1,013,573	923,050	758,130
Donations and bequests	683,530	919,690	762,482
Interest	243,062	245,891	399,674
Government Grants	41,151	43,213	44,717
Total revenue	19,649,475	16,354,013	12,160,576
Expenses			
Employee Benefits	9,495,698	10,182,203	8,693,730
Depreciation and Amortisation	727,338	786,600	875,467
Fundraising activities	5,631,279	3,819,086	1,793,707
Other expenses	2,331,670	2,389,951	2,085,818
Finance expenses	35,564	40,799	54,112
Contribution to MS research	584,841	781,753	21,712
Total expenses	18,806,390	18,000,392	13,524,546
Profits from operations	843,085	(1,646,379)	(1,363,970)

We make the following comments regarding the profit and loss statements:

- There is a noticeable trend in revenue decline from FY2023 to FY2025 with fundraising income showing the greatest decline.
- The draft FY2025 show a decline in total expenses with employee and fundraising costs the most significant contributor.
- The contribution to MS Research fell away with the recent decline in profitability.
- The inability to address the revenue decline trend to maintain financial stability is evident in these accounts.

- The persistent lack of profit in the FY2024 and FY2025 financial years indicates that the operations of the Association were becoming unviable.

4.4.2. Balance Sheets

We have summarised the Association's balance sheets below:

	FY2023 (\$)	FY2024 (\$)	Draft FY2025 (\$)
Current Assets			
Cash and cash equivalents	3,536,391	903,912	600,181
Trade and other receivables	382,171	335,104	321,913
Other assets	42,080	49,260	66,355
Financial assets	263,306	273,839	260,000
Total current assets	4,223,948	1,562,115	1,248,449
Non-current assets			
Property, plant and equipment	983,823	3,089,150	2,552,021
Financial assets	6,183,190	3,774,266	2,404,560
Total non-current assets	7,167,013	6,863,416	4,956,581
TOTAL ASSETS	11,390,961	8,425,531	6,205,030
Current liabilities			
Trade and other payables	1,564,125	1,425,186	474,632
Provisions	913,913	959,216	1,070,837
Financial liabilities	2,158,277	355,290	505,208
Total current liabilities	4,636,315	2,739,692	2,050,677
Non-current liabilities			
Provisions	101,950	154,426	71,654
Financial liabilities	215,376	508,936	418,348
Total non-current liabilities	317,326	663,362	490,002
TOTAL LIABILITIES	4,953,641	3,403,054	2,540,679
NET ASSETS	6,437,320	5,022,477	3,664,351

We make the following comments regarding the balance sheets:

- The reported net assets of the Association declined over the period FY2023 to FY2025 in line with the deteriorating net profit of the Association.
- In FY2024 and FY2025 financial assets (cash and investments) were redeemed to meet the costs of the move to and redevelopment of the Kilkenny site.

- The balance sheets show that reported liabilities (trade payables and financial liabilities) reduced over the reporting period as financial assets were used to keep debts paid in terms.
- The liabilities not recorded in the balance sheet that were in the background ("off balance sheet liabilities") was the obligation owed to staff and landlords that would become owing arising from a change in business due to the loss of a significant portion of the Association's trading business.
- Overall, the balance sheets show:
 - The Association was trying to reposition itself with an investment in property and reduction in liabilities.
 - The lack of profit and reduced cashflow from trading resulted in the need to rely on financial assets to manage debts.
 - The loss of the DES business resulted in the off balance sheet liabilities crystallising and the need to liquidate all assets to meet them.

5.0 Financial Position

5.1. Report on Company Activities and Property

The Directors of the Association were required to submit to us within 5 business days of our appointment as Administrators a statement that sets out the Association's business, property affairs and financial circumstances. This statement has been received and is summarised below together with our assessment of the values of the assets and liabilities:

The Multiple Sclerosis Society of South Australia and Northern Territory Inc (Administrators Appointed)	ROCAP 22 September 2025 (\$)	Administrators' ERV (\$)	Report Reference
Assets			
Cash at Bank – NAB and Westpac	422,437	178,138	5.2.1
Term Deposit – NAB	191,866	202,768	5.2.2
Investment portfolio	1,933,824	1,946,305	5.2.3
Cash on hand	450	450	5.2.4
Office equipment and IT assets	20,000	Not disclosed	5.2.5
Trade debtors	25,983	25,983	5.2.6
DES reimbursements	19,546	19,546	5.2.7
Recovery of prepayments	-	-	5.2.8
Bonds held by landlords	-	-	5.2.9
Total Assets	2,614,106	Not disclosed	
Liabilities			
Priority employee entitlements	2,145,138	833,889	5.3.1
Creditors with registered security interests	-	-	5.3.2
Unsecured creditors	485,583	489,300	5.3.3
Total Liabilities	2,630,721	TBA	
Net surplus / Deficiency	(16,615)	Not disclosed	

We comment on the Association's assets and liabilities in greater detail as follows:

5.2. Assets

5.2.1. Cash at Bank – NAB and Westpac

The Association operated several bank accounts with the NAB and Westpac.

Upon appointment the NAB bank accounts were frozen and credit funds totalling \$156,752 were transferred into the Association's administration bank account.

Credit funds from the Westpac accounts totalling \$21,385 were also transferred to the Administration account.

5.2.2. Term Deposit – NAB

The Association holds a term deposit with NAB in the sum of \$260,000. NAB has the capacity to deduct from this balance amounts owed by the Association in respect of a credit card which had a balance of \$4,133 upon appointment, as well as bank guarantees which the Association provided to 3 landlords prior to the appointment which totalled \$53,099.

It is our expectation that these bank guarantees will be called upon by the landlords in respect of damages and make good costs under the terms of respective leases between the Association and each landlord. On this basis, we expect to receive up to \$202,768 in respect of the term deposit from NAB in the future.

5.2.3. Investment Portfolio

The Association holds a share portfolio which is managed by JBWere. Following our appointment, we instructed JB Were to realise the Association's portfolio which included various ASX listed shares and managed funds. The portfolio had a balance of \$1,933,824 upon appointment.

At the date of writing this report, JBWere has realised shares in the sum of \$1,834,305 and these funds have been receipted into the Association's administration bank account. Investment realisations are still progressing, and we expect that total proceeds will be \$1,946,305.

5.2.4. Cash on Hand

Cash on hand upon appointment was \$450. This petty cash is being used to purchase office consumables at the Kilkenny head office during the trade on period.

5.2.5. Office Equipment and IT assets

The majority of the Association's Office Equipment and IT assets ("office assets") were located at its head office premises being units 2 and 3, 10-14 Regency Road, Kilkenny SA 5009. A small quantity of office assets were located at various other leased offices around the Adelaide metropolitan area.

We engaged MGS to provide us with an asset listing and valuation on the office assets, which comprised laptops, TV's, other IT assets, office furniture, gym equipment, physiotherapy tables and other health consulting assets. The office assets have been secured at the Kilkenny premises.

We are in advanced negotiations with an interested party who is seeking to purchase all of the assets related to the services business and a sizeable selection of the Associations administrative assets. Once negotiations have been finalised it is anticipated there will be further assets to be sold at public auction.

5.2.6. Trade Debtors

Upon appointment, the Association had 3 debtors with a book value of \$35,540 and estimated realisable value of \$25,983.

Systems are in place to capture receipt of trade debtors into the Association's NAB bank account. Debtor realisations are therefore still ongoing.

5.2.7. DES Reimbursements

The Association's records disclose there being \$19,546 in reimbursements owed to the Association. We are discussing the collection strategy of these reimbursements with the CFO, and will make efforts to recover these reimbursements.

5.2.8. Recovery of Prepayments

The Association had prepaid various IT and other subscription services to several organisations upon appointment in the sum of \$70,224. Having discussed the nature of the prepayments with the CFO, we form the view that it is unlikely that the Association will be able to recoup the benefit of the prepayments however our efforts to do so are continuing.

5.2.9. Bonds held by Landlords

We advise that two landlords are holding bonds which total \$7,114. It is our expectation that the landlords will cash in these bonds as compensation for the Association not meeting required terms under the leases. On this basis, we expect there to be no source of realisation for the Association.

5.3. Liabilities

5.3.1. Priority employee claims

At the date of our appointment there were 79 employees of the Association.

The Act affords employees a priority over non-preferred unsecured creditors in respect of their unpaid employee entitlements. We have reviewed the employee records and the relevant industrial agreement under which the staff were employed and have calculated the employee entitlements at the date of appointment as follows:

Employee Entitlements as at 22 September 2025	No. of Claims	Priority Claim (\$)
Wages (including time off in lieu)	6	1,393
Superannuation	90	67,819
Annual Leave (including leave loading)	75	394,086
Long Service Leave	24	370,591
Total		833,889

The total priority claims are estimated at \$833,889 upon appointment, however this figure will increase significantly with redundancies occurring during the Administration period.

A complicating issue with these priority entitlements is that a claim has been made by a number of fixed term employees to be paid Payment in Lieu of Notice and Redundancy as if they were permanent employees. Prior to Voluntary Administration a number of former employees had commenced proceedings against the Association that have now been stayed, and if these claims and the claims of other employees who have been terminated or resigned during the administration period are made out, the cost of employee entitlements could increase significantly and eliminate surpluses that could be available for unsecured non priority creditors.

The Federal Government's FEG scheme will respond to and pay eligible employee claims once the Association is in liquidation.

5.3.2. Creditors with Registered Security Interests

Our comments in relation to creditors with registered security interests are noted at section 4.3.3 of this report.

5.3.3. Unsecured creditors

At the date of this report, known unsecured creditor claims total \$489,300. These claims will increase with landlord claims for damages following lease terminations.

In addition to the unsecured creditors reported above, there is the potential for an approximate 12,800 more unsecured creditors with claims totalling in excess of \$450,000 accruing as a liability should the two (2) lotteries associated with the Association fail to be drawn. We have arranged for an extension of the lottery draw dates and are currently working with a party who has expressed an interest in taking over the lotteries, thus reducing this potential exposure to creditor claims in the liquidation.

5.4. Limitations

The above analysis required us to make forecasts of asset realisations and estimate the ultimate quantum of creditor claims against the Association. These forecasts and estimates will change as our assessment of potential asset realisations progress and as creditor claims are made and adjudicated upon. Whilst the forecasts and estimates are the Administrators' best assessment in the circumstances, creditors should note that the ultimate deficiency and so the outcome for creditors could differ from the information provided above.

5.5. Outstanding winding up applications

There were no winding up applications against the Association as at the date of our appointment.

6.0 Administrators' Actions to date

Since our appointment we have pursued a course of action that has:

- sought to maintain the services of the Association whilst efforts were directed at finding a purchaser of the business;
- traded the Association whilst managing the winding down and fulfilment of the DES services as the Government contracts come to an end on 31 October 2025; and
- attended to the statutory and compliance commitments required in a voluntary administration.

We comment further below:

6.1. Maintenance and Sale of the Services

The actions and outcomes in pursuit of this objective have been:

- We received enquiries from 29 interested parties.
- We prepared and executed confidentiality agreements with 23 parties.
- Prepared and distributed an information memorandum.
- We received offers from 5 parties.
- We entered further negotiations with 2 parties with demonstrated industry experience.
- Have selected 1 preferred party to enter into a NBIO to provide them with a period of exclusivity to confirm the terms of their offer.
- Have commenced sharing information with the preferred party.

At the time of writing this report we are in advanced negotiations with the party we believe we can conclude a sale that will ensure the continuity of the services offered by the Association.

Should negotiations conclude as are currently anticipated it is expected a contract will be signed before the end of this month with settlement in early November 2025.

To ensure the business operations of the Association are maintained efficiently, it is likely that we will adjourn the creditors meeting on the 28th of October 2025 for the meeting to be reconvened after the settlement of the sale, in order to ensure the association remains trading in voluntary administration until settlement.

6.2. Trading of the Association and Winding Down the DES Business

The actions and outcomes in pursuit of this objective have been:

- We have traded the business for the period from the date of our appointment on 22 September 2025 and are continuing to trade as at the time of preparing this report.

- We met with staff and provided notification of our appointment, the purpose of the Administration and the objective to seek to continue the business operations, including client services in order to effect a sale of the Association's business.
- We notified all trade suppliers of our appointment and set up new trading accounts for the period of the Administration and implemented a new purchase order authorisation system to ensure that we had control over the expenditure incurred during the period of our trading.
- We liaised with key stakeholders to ensure the support for the ongoing trading of the business whilst a sale of the business was progressed.
- We engaged with the NAB to ensure timely transfer of funds received in the pre-appointment bank accounts.
- We engaged Gallagher Insurance Brokers to review and arrange appropriate insurance for the business operations.
- Ongoing discussions with key staff to support the ongoing trading.
- Provided regular updates to CBS, the Lotteries and Gaming Commission, and the NDIS and other Government agencies in relation to our appointment as Administrators.
- Processing of fortnightly employee wages.
- Payment of superannuation.
- Review and processing of payments to trade suppliers
- Terminated staff as needed to maintain the efficient operations of the business.
- Provided terminated employees with a FEG Claim Form, in the event the Association goes into liquidation.

6.3. Matters of Administrative Compliance

The actions and outcomes in pursuit of this objective have been:

- Lodgement of our appointment with CBS.
- Secured and collected physical books and records of the Association.
- Secured the Association's electronic data through engaging an external IT consultant.
- Arranged for insurance coverage post appointment.
- Notified and had communication with the ATO, RTWSA, NDIS and other statutory bodies.
- Notified all creditors of our appointment and the convening of the First Meeting on 2 October 2025.
- Chaired the First Meeting and lodged meeting minutes with CBS.
- Lodgement of ROCAP under Section 438B(2A) with CBS.
- Preliminary investigations into the Association's affairs and consider lodgement of report under Section 438D(1) with CBS.
- Team strategy meetings to consider urgent administration matters and work program.
- Attended to numerous employee enquiries with respect to the voluntary administration, FEG process and employee entitlement methodology and calculations.
- Calculated the employee entitlements, having regard to the financial records of the Association and review of employee contracts.
- Understood the FairWork directives provided to the Association in relation to redundancy entitlements being claimed by employees on fixed term contracts
- Engaged with FEG and organised for FEG to provide employees with an online information session to discuss the FEG claims process once liquidation transpires.
- Reviewed financial records to understand creditor balances, being unsecured claims.

- Fielded queries from creditors, written and by telephone.
- Prepared and issued first and second report to creditors.
- Obtained and reviewed financial records from the Association's published Annual Report, comprising externally prepared financial statements for FY2023 and FY2024, income tax returns and various ATO correspondence.
- Obtained and reviewed the Association's electronic accounting Xero database.
- Obtained and reviewed the Association's electronic data, comprising email accounts and Intellectual Property, thereby preserving the potential value of the business.
- Considered whether the Association entered into any voidable transactions.
- Liaised with various stakeholders including but not limited to the Association's board of Directors, management and our solicitors in relation to various legal issues faced by the Association.
- Inspected and secured assets at the Association's 9 different trading locations.
- Obtained a valuation on these assets from MGS Auctioneers.
- Understood the balances owed to the Association by way of debtor balances, reimbursements and prepaid services.
- Arranged to realise the Association's managed portfolio investments held with JBWere.
- Transferred credit funds from the Association's pre-appointment bank account held with NAB and Westpac and receipted funds into the Administration bank account.

6.4. Trading & Receipts and Payments

A statement of receipts and payments for the period 22 September 2025 to 19 October 2025 is attached in Annexure A to this report.

7.0 Investigations

In accordance with the Act, we are required to investigate and report on the Association's business, property, affairs and financial circumstances.

Pursuant to IPR 75-225, we are also required to investigate and report to creditors on any possible recovery actions that would be available to a liquidator, if creditors resolve to place the Association into liquidation.

Investigations have primarily focused on determining the existence or otherwise of transactions that may result in recoveries by a liquidator if subsequently appointed to the Association. Due to the length of time with which to conduct these investigations, the views communicated in this report can only be considered as preliminary views.

Our understanding of the Association's affairs and the documents we have relied upon when completing our investigation come from:

- Communications with the Association's creditors and employees;
- The Director's ROCAP;
- Discussions with the Director and the Association's CEO and CFO in relation to the Association;
- Our review of the books and records and financial statements provided to us by the Director of the Association; and
- Association, property and motor vehicle searches.

7.1. Offences

Section 438D of the Act obliges an administrator to report possible offences to CBS if it appears that:

- A past or present officer, or member, of the Association may have been guilty of an offence in relation to the Association; or
- A person who has taken part in the formation, promotion, administration, management or winding up of the Association may have misapplied money or property of the Association or may have been guilty of negligence, default, breach of duty or trust in relation to the Association.

We set out below our comments as to whether further investigations are warranted in relation to particular offences.

7.1.1. Books and Records

Pursuant to Section 286 of the Act, a company is required to keep written financial records that correctly record and explain the company's transactions, financial position and performance, and would enable true and fair financial statements to be prepared.

From our inspection of the available records, we note:

- the Association retained appropriate records to record and explain its transactions, financial position and performance;
- the Association maintained an accounting system that was regularly updated enabling the preparation of timely and accurate management reports; and
- an external accountant was engaged to produce annual financial statements and to oversee the accounting function of the business.

In light of this, we are of the view that the Association maintained sufficient and appropriate books and records for the purposes of the Act.

7.1.2. Care and diligence and duty to act in good faith

The duty to act in good faith includes the following:

- To act honestly
- To exercise powers in the interests of the Association
- To avoid conflicts of interest
- To use their position properly
- To use information only for its proper purpose.

We are not aware of any persons, who have taken part in the formation or management of the Association, misapplying or retaining money or property of the Association. Further, we are not aware of any persons who have been guilty of negligence, breach of duty or trust of the Association.

Should any material issues come to light, or creditors report relevant matters to us that we are unaware of, or there is a change in circumstances, we will prepare a supplementary report to creditors and report any such matters to CBS.

7.2. Potential recovery actions available to a liquidator

If the Association is placed into liquidation, various provisions of the Act enable various recovery actions to be pursued by a liquidator.

Most recovery actions require the relevant transactions to occur whilst the Association is insolvent.

An association is insolvent if it cannot pay its debts as and when they fall due. Solvency is determined by both objective and subjective tests that include:

- the profitability of the Association;
- its cash flow;
- its balance sheet position;
- the interpretation of financial ratios;
- the existence of unpaid accounts; and
- the ability of the Association to raise further debt or equity.

As can be seen from the financial analysis in Section 4.4.2 above, at 30 June 2025 the Association reported positive net assets of \$3.66 million and was awaiting the result of the DES tender outcomes. At that time, an analysis of trade creditors did not indicate any trade debts that were overdue for payment and the Association has liquid cash resources capable of discharging all debts that were due for payment. Earlier than that, the Directors had been exploring the possibility of sale or merger of the Association as a way of addressing the viability concerns set out in our summary of profit and loss in Section 4.4.1.

In our opinion at the time of our appointment the directors had reasonable grounds to expect the Association would become insolvent because of the need to swiftly reduce the size of its business in line with the contracting business. We do not believe the association was insolvent prior to that date.

At the date of appointment, the Association had sufficient cash to discharge all liabilities as and when they fell due and was solvent at this time. As a consequence of this, there will be no voidable transaction claims available to a liquidator if appointed.

7.2.1. Insolvent Trading

Section 49AD of the Associations Incorporations Act 1985 makes it an offence if an incorporated association has incurred a debt and immediately before the time when the debt was incurred there were reasonable grounds to expect that the incorporated association will not be able to pay all its debts as and when they become due and the incorporated association later passes into liquidation. The offence, if committed, results in penalty of no more than \$5,000 being applied.

For an offence to be established, it is necessary to consider the following matters:

- The indicators of insolvency that existed;
- the date that a reasonable person should have suspected the Association was insolvent; and
- the actions the Directors pursued from that time.

We note in this regard our preliminary opinion on the date of insolvency set out in Section 7.2 above.

8.0 Administrators' Opinion

In voluntary administrations, creditors have three alternatives available to them to consider. They may vote to accept a DOCA, or vote that the Company be wound up, or resolve that the administration simply end and the Association be returned to the Directors.

Pursuant to Section 75-225(3) of the IPR, we must set out our opinion about each of the three alternatives discussed above. That is:

- (i) Whether it would be in the creditors' interests for the Association to execute a DOCA.
- (ii) Whether it would be in the creditors' interests for the Administration to end.
- (iii) Whether it would be in the creditors' interests for the Association to be wound up.

We comment on the above as follows:

8.1. Execute a Deed of Company Arrangement

There has been no DOCA proposed and accordingly, it is not possible to vote for this outcome.

8.2. Administration to end

In our opinion it would not be in the interests of creditors for the Administration to end for the following reasons:

- (a) The Association will become insolvent following the crystallisation of employment entitlements and claims by landlords following the termination of property leases; and
- (b) The Association requires an independent and orderly process to control the realisation of its assets and the distribution of monies to creditors.

8.3. Association to be wound up

In our opinion it would be in the interests of creditors for the Association to be wound up for the following reasons:

- (a) The Association will become insolvent as above; and
- (b) The Association requires an independent and orderly process to control the realisation of its assets and the distribution of monies to creditors.
- (c) Liquidation will enable former employees owed entitlements to claim in the FEG scheme.

Prior to agreeing to that resolution, **it is our recommendation that the Second Meeting be adjourned** to facilitate ongoing trading to a point that a sale of services can be achieved in early November 2025.

9.0 Remuneration

With the notice of the First Meeting, we included our firm's scale of fees applicable for this assignment and advised that the Administrators' remuneration will be calculated and based on hours worked at fee rates applicable for the grade of staff engaged in that work.

Attached in **Annexure B** to this report is our detailed remuneration report summarising the work performed in the Administration. This report summarises the work performed in the Administration.

10.0 Other Matters

Creditors are encouraged where possible to attend the forthcoming meeting of creditors to take part in the decision regarding the Association's future.

To be eligible to vote, creditors must have lodged with the chairperson of the meeting a claim form for the debt that they are owed. Proxy forms must also be completed for creditors who cannot attend the meeting but wish to register a vote, or for corporate creditors, even when a director is attending the meeting in person.

Voting will be based on a simple majority unless a poll is demanded in which case a majority in value and number will be required to pass a vote.

In preparing this report we have used our best endeavours to investigate the affairs of the Association diligently and to express an opinion based on our assessment of what is commercially in the interests of creditors.

Should creditors have any queries in relation to the matters set out in this report or voluntary administrations generally they should feel free to contact Will Darsow at this office.

Dated this 20th day of October 2025



Andrew Heard and Anthony Phillips
Joint and Several Administrators

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Voluntary Administrators' Report to Creditors

The Multiple Sclerosis Society of South Australia and Northern Territory Inc
(Administrators Appointed)
A.B.N. 85 662 359 859

Annexure A

Receipts and Payments

The Multiple Sclerosis Society of South Australia and Northern Territory Inc (Administrators Appointed)

A.B.N. 85 662 359 859

Receipts and payments for the period 22 September 2025 to 17 October 2025

Type	Account	GST	Total
TRADING RECEIPTS			
	Client services - post appointment		54,252.72
	DES - post-appointment	28,031.44	308,345.75
		28,031.44	362,598.47
TRADING PAYMENTS			
	Cleaning	(135.52)	(1,490.67)
	Client Services - Exercise classes		(1,610.00)
	Client services - Physiotherapy Pool Assistance		(450.00)
	Client services - pool hire for hydrotherapy	(66.29)	(729.15)
	Client services - travel expenses	(41.64)	(458.00)
	Email distribution regarding lotteries	(61.88)	(680.63)
	Interpreter services	(39.69)	(436.59)
	IT Services	(2,582.43)	(28,406.73)
	Legal Fees - Workplace law	(412.50)	(4,537.50)
	PAYG Control (Trading): PAYG Withheld		8,146.00
	Payroll processing	(448.00)	(4,928.00)
	Pre-appointment superannuation		(67,819.11)
	Printing & Stationery	(133.00)	(1,462.98)
	Rent & Rates	(2,537.47)	(27,912.22)
	Storage charges - trading	(4.57)	(50.31)
	Super Control (Trading)		(22,234.94)
	Super Control (Trading): Salary Sacrifice Withheld		765.00
	Super Control (Trading): Super Withheld		22,234.94
	Telephone & Fax		(78.08)
	Wages & Salaries		(191,419.73)
		(6,462.99)	(323,558.70)
Net Trading Receipts and Payments		21,568.45	39,039.77
NON-TRADING RECEIPTS			
	Accounts Receivable (Pre-Appointment)		4,197.06
	Cash at Bank		21,384.96
	DES - pre-appointment		295,462.04
	Interest Income		827.72
	NAB account 3921		156,752.74
	Other Current Assets		1,834,305.00
	Plant and Equipment	20.00	220.00
		20.00	2,313,149.52
NON-TRADING PAYMENTS			
	Bank Charges		(5,562.58)
		0.00	(5,562.58)
Net Non-Trading Receipts and Payments		20.00	2,307,586.94
Net Receipts (Payments)		21,588.45	2,346,626.71

Voluntary Administrators' Report to Creditors

The Multiple Sclerosis Society of South Australia and Northern Territory Inc
(Administrators Appointed)
A.B.N. 85 662 359 859

Annexure B

Remuneration Approval Request

The Multiple Sclerosis Society of South Australia and Northern Territory Inc (Administrators Appointed)

ABN 85 662 359 859 ("the Company")

1.0 Summary

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

	Remuneration (exc GST)	Disbursements (exc GST)
Voluntary Administration (22 September 2025 to 19 October 2025)	\$231,812.00	\$5,795.30

Details of remuneration and disbursements can be found in **Sections 3 and 4** of this report. The cost of the voluntary administration for the period 22 September 2025 to 19 October 2025 is \$231,812.00 (exc GST). The remaining voluntary administration cost for the period from 20 October 2025 to finalisation will be quantified and sought for approval at a later stage.

The cost of the voluntary administration to date is above the initial estimate we provided for the total cost of voluntary administration, that we estimated to be between \$120,000 and \$160,000 (exc GST). The following tasks which were essential to understand and deal with were more extensive and time consuming than initially envisaged:

- Creating an Information Memorandum in relation to the sale of the business, including a high volume of discussions with interested parties and the provision of significant data and information to parties.
- Discussions and legal considerations of the sale of business transaction with our solicitor and the potential purchaser of the business, including complying with data and privacy requirements.
- Dealing with a very high volume of employee enquiries in relation to ongoing operations of the business, redundancies, FEG queries, and broader queries regarding redundancy entitlements for those employees on fixed term contracts with the DES side of the business.
- Verification of employee entitlements for a very high number of employees, combined with legal considerations on redundancies for different classes of employees.
- Understanding background legal matters in relation to the FairWork directives provided to the Association pre-appointment in relation to employee entitlement disputes.
- Communication with a large number of suppliers needed for trading on the business, including setting up new Administrator accounts, setting up effective channels of communication, liaising with staff regarding critical services and supplies needed, maintaining a purchase order system and payment of post-appointment invoices.
- Consolidating sites and business operations to minimise trade on liability and expenses to landlords.
- In depth communication with the Company's external IT provider in relation to ongoing services during the administration period and security protocols in place for offboarded employees.
- Instructions to the Administrators' external IT consultant to identify and preserve critical records relevant to the Association.

- Understanding the status of the Associations 2 lotteries in progress which involved suspending further ticket sales from its online platform, liaising with the South Australian and Northern Territory lottery regulators, obtaining legal advice in relation to the Administrators' duties in dealing with ticket holders and discussions with interested parties in relation to having the lotteries assigned including details of ticket holders.
- Understanding the Association's assets and liabilities at appointment, given not all information was readily available and reconciled in its Xero system and reliance was placed upon other sources and systems which unearthed additional assets and liabilities.
- Conducting bank reconciliations and understanding nature of funds credited to the Association's NAB bank account post appointment, and being able to identify and trace the nature of incoming receipts.
- Work to regain access to critical software programs where access had been removed.

Creditors will be asked to pass resolutions approving our remuneration and disbursements claim at the creditors' meeting to be held on Tuesday, 28 October 2025.

2.0 Declaration

We have undertaken an assessment of this remuneration and disbursement claim in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed are necessary and proper.

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

3.0 Remuneration sought

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

Voluntary Administration				
For	Period	Amount	Rates to apply	When it will be drawn
Work we have already done	22 September 2025 to 19 October 2025	\$231,812.00	Provided in our IRN sent to creditors on 24 September 2025.	Immediately, when funds are available.
	Total	\$231,812.00 (exc GST)		

Details of the work already done is included at **Schedule A**.

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

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

4.0 Disbursements sought

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

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity of ourselves, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 24 September 2025.

Please note that the disbursement recovery rate noted in the IRN was 4% (exclusive of GST), which is a standard rate our office applies in most administration and liquidation matters. In this instance, to better reflect a more accurate representation of our out of pocket disbursements, we have decreased the disbursement recovery rate to 2.5% (exclusive of GST).

The disbursements we would like creditors to approve are as follows:

For	Period	Amount
Voluntary Administration	22 September 2025 to 19 October 2025	\$5,795.30 (exc GST)
	Total	\$5,795.30 (exc GST)

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

5.0 Likely impact on dividends

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

Any dividend to creditors will also be impacted by the amount of assets that we are able to recover, and the amount of creditor claims that are admitted to participate in any dividend, including any claims by secured creditors and priority creditors such as employees.

Based on the financial position of the Association less the future costs of the Administrators and Liquidators, it appears likely that priority (employee) creditors will be paid a 100 cent in the dollar dividend, however the dividend rate to non-priority (unsecured) creditors will be subject to the sale of the Association's business assets and the final claims of priority creditors. Accordingly, we are currently unable to estimate the likely unsecured dividend rate.

6.0 Report on Progress of the Administration

A report on the progress of this Voluntary Administration accompanies this Remuneration Approval Report.

7.0 Summary of Receipts and Payments

A statement of receipts and payments for the Association accompanies this report.

8.0 Queries

If you have any queries in relation to the information in this report, please contact Will Darsow or Judith Miring'u of this office.

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 20th day of October 2025.



Andrew Heard and Anthony Phillips

Joint and Several Administrators

Attachments:

Schedule A – Details of work

Schedule B – Time spent by staff on each major task

Schedule C – Resolutions

Schedule D – Disbursements

Schedule A

Details of work

Task Area	General Description	Voluntary Administration work already done (22 September 2025 to 19 October 2025)
Assets 90.4 hours \$50,566.00	Plant & Equipment	- Understanding nature and quantity of plant and equipment at each site location - Liaising with MGS Auctioneers and instructing them to collect various plant and equipment from exited sites - Obtaining an asset listing and valuation in relation to plant and equipment at all sites - Ongoing correspondence with MGS in relation to asset locations and strategy regarding exiting sites - Raising invoice to third party in relation to the sale of plant and equipment at an exited site
	Assets subject to specific charges	- Review PPSR search results - Notification of appointment to PPSR creditors and enquiries in relation to nature of security interests and underlying assets - Reviewing responses from PPSR creditors - Issuing Notices of Intention to Not Exercise Property Rights to creditors and receipting notices of PPSR discharge - Arranging for continuation of rental contracts in relation to financed printers
	Debtors	- Reviewing and understanding debtors ledger based on Xero and other online platforms - Discussions with the Association's CFO in relation to systems and strategies to optimise debtor collections
	Property Leases	- Understanding the Association's occupancy of other sites, including reviewing leases and understanding leasing arrangements - Setting up landlord register - Day 1 communication to landlords regarding ongoing occupancy of sites - Addressing landlord queries by telephone and email - Consideration of optimising business operations whilst minimising rent liability by consolidating to fewer locations - Issuing Notices of Intention to Not Exercise Property Rights to landlords upon sites being exited - Returning keys to landlords - Arranging for payment of ongoing rent and outgoings to landlords - Understanding bank guarantee status of landlords and dealing with queries from the NAB in relation to landlord attempts to cash in bank guarantees

Task Area	General Description	Voluntary Administration work already done (22 September 2025 to 19 October 2025)
	Share Portfolio	▪ Reviewing the nature and balance of the Association's share portfolio managed by JB Were ▪ Verbal and written communication to JB Were and instructions to realise all investments held by the Association ▪ Recepting funds from JB Were into the Association's Administration bank account
	Pre-appointment bank accounts	▪ Understanding pre-appointment bank account balances held by the Association with NAB and Westpac ▪ Instructions to banks to sweep credit funds to the Association's administration bank account ▪ Receipt funds from banks ▪ Ongoing communication with NAB regarding ongoing post-appointment transfers into the NAB account and sweeping funds to the administration bank account
	Sale of business	▪ Receiving expressions of interest in relation to sale of business from parties ▪ Setting up interested parties contact register ▪ Drafting and dispatching Confidentiality Agreement to parties ▪ Extensive telephone, MS Teams and in person meetings with interested parties and stakeholders ▪ Drafting and dispatching Information Memorandum to parties ▪ Addressing a high volume of additional queries and draft terms of sale of business offers ▪ Issuing media releases to preserve business value and ensure transparency of sale process efforts and status of the Association ▪ Stakeholder meetings with SA Health and other Government organisations ▪ Considering queries and offers and discussing this extensively with key executive staff of the Association and our solicitor ▪ Informing unsuccessful parties via email and telephone correspondence ▪ Enter Into Non-Binding Indicative Offer with a party in relation to sale transaction ▪ Seeking legal assistance from solicitor in relation to sale of business considerations
	Other Assets	▪ Conduct Intellectual Property searches ▪ Understanding prepayments and reimbursements owed to the Association

Task Area	General Description	Voluntary Administration work already done (22 September 2025 to 19 October 2025)
Creditors 75.1 hours \$35,415.50	Creditor reports	▪ Preparing initial report to creditors ▪ Preparing Section 75-255 report to creditors and tables to include in report ▪ Preparing remuneration approval report to include with Section 75-225 report to creditors
	Dealing with proofs of debt	▪ Receipting and filing Proofs of Debt (POD) from creditors ▪ Correspondence with creditors in relation to POD's received
	Meeting of Creditors	▪ Preparing for First Meeting of creditors, issuing reports to all known creditors, receiving and recording proxies from creditors and arranging appropriate advertisements ▪ Preparing meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. ▪ Preparing and lodging minutes of meeting with Consumer and Business Services ▪ Responding to stakeholder queries after conclusion of meeting ▪ Preparing for the second meeting of creditors and arranging appropriate advertisements ▪ Preparing the meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting
Employees 78.0 hours \$27,232.50	Employee enquiries	▪ Meeting with all employees and the Board of Directors to discuss the commencement of the Voluntary Administration of the Association and how this would impact ongoing business operations and employment in the immediate to mid term ▪ Understanding the corporate structure of the Association and how staff are allocated between key business units ▪ Extensive communication with employees in relation to the above ▪ Termination of employees where required including the preparation of termination letters and employment separation certificates ▪ Discussing offboarding process with key management staff of the Association and the external IT provider to ensure Association data is not subsequently compromised ▪ Discussing redundancy and retrenchment entitlements with employees ▪ Discussing how the FEG scheme would benefit employees if/when the Association enters into liquidation ▪ Understanding the status of FairWork directives provided to the Association in relation to redundancy entitlements seeking to be claimed by employees with fixed term contracts

Task Area	General Description	Voluntary Administration work already done (22 September 2025 to 19 October 2025)
	FEG	▪ Discussing the Voluntary Administration of the Association with FEG and the high likelihood of a significant quantum of employees making FEG claims when the Association enters into liquidation ▪ Preparing written correspondence to FEG including the number of impacted employees by the Voluntary Administration and estimated outstanding employee entitlements which could potentially be met through the FEG scheme ▪ Arranging for FEG to provide employees with an online information session in relation to them claiming FEG payments once the liquidation of the Association commences
	Calculation of entitlements	▪ Calculating employee entitlements for approximately 79 employees and seeking assistance from key staff members of the Association ▪ Reviewing employee files and the Association's books and records including Employment Hero ▪ Reviewing various awards ▪ Collating and reviewing a high quantity of employment contracts ▪ Considering the impact of resignations from employees on fixed term contracts and how this could affect redundancy entitlements
Trade On 154.1 hours \$85,270.50	Trade on Management	▪ Ongoing discussions with key staff to support the ongoing trading of the Association ▪ Understanding supplier accounts to maintain during the trade on period ▪ Setting up post-appointment Administrator accounts and advising suppliers of appointment ▪ Liaising with suppliers regarding ongoing trade and explaining impact of Voluntary Administration on pre-appointment debt and creditor claim ▪ Communication with employees in relation to post-appointment supplier accounts and seeking assistance where required ▪ Set up purchase order system to track trading expenses ▪ Cancel post-appointment accounts with suppliers when needed ▪ Processing payments to suppliers in respect of pre-appointment creditor balances to ensure continuity of key services and supplies ▪ Consolidating sites and ensuring staff are positioned to continue works from differing locations ▪ Organise a mail redirection with Australia Post ▪ Dealing with issues in relation to the Relationship Authorisation Manager platform not working, a key service enabling billings to be raised by the Disability Employment Services department ▪ Processing of payroll to employees, including communication with Employment Hero, the Association's payroll provider ▪ Payment of superannuation to employees

		▪ Consideration of practical salary sacrificing requests from employees ▪ Extensive communication with the Association's external IT provider in relation to ongoing IT services and ensuring security protocols are initiated ▪ Preparation of cash flow budget ▪ Receipting post-appointment funds from NAB and understanding nature of receipt and GST implications ▪ Setting up online Return to Work SA registration for the trade on period of the Association ▪ Liaising with the Portable Long Service Leave Board and obtain further information regarding the scheme ▪ Correspondence with the South Australian and Northern Territory lottery regulators in relation to the 2 lotteries in progress through the Association ▪ Suspending lottery ticket sales through online sales platforms
Investigation 12.5 hours \$6,205.50	Conducting investigation	▪ Obtaining and reviewing financial records from the Association's published Annual Reports ▪ Obtaining and reviewing the Association's accounting Xero records ▪ Communication to the Association's accountant requesting financial records ▪ Understanding the status of the Association's lotteries in progress and potential future directions ▪ Conducting a motor vehicle search ▪ Engaging an external IT consultant to back up necessary IT records for our records ▪ Correspondence with the IT consultant to discuss the transfer of records in the event that a sale of business transaction transpires ▪ Organising for destruction of confidential physical records ▪ Preliminary considerations into the insolvency of the Association ▪ Consideration of voidable transactions made by the Association that could be recoverable in a liquidation scenario ▪ Understanding the financial position of the Association upon appointment, namely its assets and liabilities and seeking assistance from the CFO in relation to same ▪ Arranging for the Directors to complete a Report on Company Activity and Property

Task Area	General Description	Voluntary Administration work already done (22 September 2025 to 19 October 2025)
Administration 69.6 hours \$27,122.00	Correspondence	- Receiving and reviewing Association correspondence - Receipting and filing all electronic payments received - Filing all inwards and outbound correspondence, e-mails, diary notes and other correspondence in accordance with the Heard Phillips Lieberenz standard filing methodology
	File review/checklist	- Prepare and maintain checklists for the conduct of the administration - Filing of documents - File reviews and updating checklists
	Insurance	- Correspondence with insurance broker regarding initial and ongoing insurance requirements, in particular Industrial Special Risks, Public Liability coverage, Business Practices Protection, Trade on Professional Indemnity and Medical Malpractice policies - Understanding the history of the Association and gathering various background information for our insurance broker - Identification of potential issues requiring attention of insurance specialists - Reviewing insurance policies - Correspondence with previous brokers
	Bank account administration	- Preparing correspondence to open administration bank account - Arrange the freezing of old bank accounts with NAB and Westpac and the sweeping of surplus proceeds into the administration account - Maintain bank reconciliations - Correspondence with banks regarding specific transfer of funds
	CBS Forms	- Preparation and lodgement of appointment documents with CBS - Advertising of appointment - Preparing and lodging minutes of the first creditors' meeting with CBS
	ATO	- Notification of appointment - Maintaining documents and records to enable compliance with GST obligations - Gain access to Online Business Portal
	Planning and review	Regular discussions regarding progress of administration and review of checklists
	Books and Records	- Requesting listing of books and records held at an offsite storage facility - Making enquiries with storage facility regarding accounts held

Task Area	General Description	Voluntary Administration work already done (22 September 2025 to 19 October 2025)
	Processing Data in Insol	▪ Importing data into Insol ▪ Processing receipts and payments in Insol
		Total \$231,812.00

Schedule B

Resolution 1: 22 September 2025 to 19 October 2025

Employee Name	Employee Position	Hourly Rate \$ (ex GST)	Total Actual Hrs (\$)	Assets	Creditors	Employees	Trade On	Investigation	Admin
				Hrs (\$)	Hrs (\$)	Hrs (\$)	Hrs (\$)	Hrs (\$)	Hrs (\$)
Darsow Will	Manager	475.00	111.50 \$52,962.50	18.00 \$8,550.00	24.10 \$11,447.50	7.10 \$3,372.50	27.90 \$13,252.50	6.40 \$3,040.00	28.00 \$13,300.00
Davis Vanessa	Office Manager	180.00	8.50 \$1,530.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	8.50 \$1,530.00
Gacic Tara	Administration Clerk	135.00	0.80 \$108.00	0.00 \$0.00	0.00 \$0.00	0.80 \$108.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00
Heard Andrew	Director	590.00	76.80 \$45,312.00	35.50 \$20,945.00	4.90 \$2,891.00	8.40 \$4,956.00	26.50 \$15,635.00	0.80 \$472.00	0.70 \$413.00
Lieberenz Mark	Director	590.00	0.30 \$177.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.30 \$177.00
Males Rupert	Undergraduate	180.00	10.40 \$1,872.00	1.20 \$216.00	0.50 \$90.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	8.70 \$1,566.00
Miring'u Judith	Accountant	300.00	80.20 \$24,060.00	0.00 \$0.00	16.20 \$4,860.00	60.20 \$18,060.00	0.10 \$30.00	0.30 \$90.00	3.40 \$1,020.00
Moody Chris	Senior Manager	525.00	20.70 \$10,867.50	0.00 \$0.00	3.80 \$1,995.00	0.00 \$0.00	6.50 \$3,412.50	0.00 \$0.00	10.40 \$5,460.00
Pascual Maria	Undergraduate	180.00	6.50 \$1,170.00	0.20 \$36.00	1.60 \$288.00	0.20 \$36.00	0.60 \$108.00	0.50 \$90.00	3.40 \$612.00
Phillips Anthony	Director	590.00	60.70 \$35,813.00	27.10 \$15,989.00	6.60 \$3,894.00	0.50 \$295.00	24.00 \$14,160.00	2.40 \$1,416.00	0.10 \$59.00
Tindall Joshua	Accountant	300.00	5.30 \$1,590.00	0.00 \$0.00	0.20 \$60.00	0.20 \$60.00	2.60 \$780.00	0.40 \$120.00	1.90 \$570.00
Young Victoria	Associate Director	575.00	98.00 \$56,350.00	8.40 \$4,830.00	17.20 \$9,890.00	0.60 \$345.00	65.90 \$37,892.50	1.70 \$977.50	4.20 \$2,415.00
			479.70	90.40	75.10	78.00	154.10	12.50	69.60
TOTAL			\$231,812.00	\$50,566.00	\$35,415.50	\$27,232.50	\$85,270.50	\$6,205.50	\$27,122.00
GST			\$23,181.20						
TOTAL INCLUDING GST			\$254,993.20						
<i>Average hourly rate</i>			\$483.24	\$559.36	\$471.58	\$349.13	\$553.35	\$496.44	\$389.68

Schedule C

Resolution 1: 22 September 2025 to 19 October 2025

"That the remuneration of the Administrators for the period 22 September 2025 to 19 October 2025, calculated at hourly rates as detailed in the report to creditors dated 24 September 2025 is approved for payment in the sum of \$231,812.00 (exc GST), and that the Administrators can draw the remuneration immediately or as required."

Schedule D

In our initial remuneration notice we set out the basis of disbursement claims to be made for the period from 22 September 2025.

As we noted in section 4 of this remuneration approval report, we have elected to reduce the 'disbursement recovery rate' given in the IRN from 4% of approved remuneration to 2.5% of approved remuneration.

Resolution 2: 22 September 2025 to 19 October 2025

"That the internal disbursements claimed by our firm for the period 22 September 2025 to 19 October 2025, calculated at the rates detailed in the report to creditors dated 24 September 2025, are approved for payment in the amount of \$5,795.30 (exc GST), to be drawn from available funds immediately or as funds become available."

Circular to Creditors

The Multiple Sclerosis Society of South Australia and Northern Territory Inc
(Administrators Appointed)
ABN 85 662 359 859

Annexure 2

Form 529

Insolvency Practice Rules
(Corporations) 2016
75-10, 75-15, 75-20(2)(3)

Notice of Meeting

The Multiple Sclerosis Society of South Australia and Northern Territory Inc (Administrators Appointed)
ABN 85 662 359 859

Notice is hereby given that a meeting of the creditors of the Association will be held via Microsoft Teams on Tuesday, 28 October 2025 at 11:00am (ACDT).

The meeting is being held virtually and all creditors wanting to attend the meeting are required to attend via Microsoft Teams. Although there is no physical place where creditors are able to attend the meeting, we are required under law to nominate a notional place for the meeting for administrative purposes such as establishing the time of the meeting. The notional place for this meeting is Level 12, 50 Pirie Street, Adelaide, South Australia. PLEASE DO NOT ATTEND AT THIS LOCATION.

Agenda

1. To receive a report from the Administrators pursuant to Rule 75-225 of the Insolvency Practice Rules (Corporations) 2016 regarding the property, affairs and financial circumstances of the Association.
2. To consider and resolve:
 - (a) That the Association execute a Deed of Company Arrangement; or
 - (b) That the administration should end; or
 - (c) That the Association be wound up.
3. To fix the Administrators' remuneration and internal disbursement claims.
4. To consider any other business that may be lawfully brought forward.

Attending and voting at the meeting

Creditors are invited to attend the meeting; however, they are not entitled to participate and vote at a meeting unless:

- **Proof of debt for voting purposes:** They have lodged with the Administrators particulars of the debt or claim and the claim has been admitted, wholly or in part, for voting purposes by the Administrators. If a proof of debt for voting purposes has already been lodged, they do not need to do so again.
- **Proxies or attendance:** They are either present in person or by electronic facilities or validly represented by proxy, attorney or an authorised person under s250D of the Corporations Act 2001. If a corporate creditor or representative, a proxy form, power of attorney or evidence of appointment of a Association representative pursuant to Section 250D of the Corporations Act 2001 must be validly completed and provided to the Administrators at or before the meeting.

To enable sufficient time to review, proofs of debt and proxies (or document authorising the representation) should be submitted by email to Will Darsow (wdarsow@hplca.com.au) and Judith Miring'u (jmiringu@hplca.com.au) or Heard Phillips Lieberenz, PO Box 3432, Rundle Mall, SA 5000 by no later than midday on Monday, 27 October 2025. If you choose to return these documents, please allow sufficient time for the documents to be received prior to the due date.

Virtual meeting

Virtual meeting facilities will be made available at the meeting via Microsoft Teams. If you or the person you have appointed is intending on accessing the meeting virtually, please email Will Darsow and Judith Miring'u to register for the meeting by providing creditor name and contact details for the representative of the creditor attending the meeting (i.e. email and telephone number) and they will provide you a link to the virtual meeting prior to commencement.

To streamline the conduct of the meeting, your assistance in voting on the resolutions where possible by **special proxy prior to the meeting** would be appreciated.

Dated this 20th day of October 2025



Andrew Heard and Anthony Phillips
Joint and Several Administrators

Heard Phillips Lieberenz
Level 12, 50 Pirie Street
Adelaide SA 5000

Ph (08) 7089 0011
www.hplca.com.au

***Voting at a meeting – the effect of Insolvency Practice Rules (Corporations) 2016 Rule 75-85**

Entitlement to vote at meetings of creditors

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

FORM 535

Subregulation 5.6.49(2)
Corporations Act 2001

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Administrators of The Multiple Sclerosis Society of South Australia and Northern Territory Inc ABN 85 662 359 859 ("the Association")

1. This is to state that the Association was on 22 September 2025, and still is, justly and truly indebted to: _____

_____ full name, ABN and address 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) for _____ dollars and _____ cents

Particulars of the debt are:

(Please attach any supporting documents you wish to rely on)

Date	Consideration (state how the debt arose)	Amount \$	Remarks (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 satisfaction or security for the sum or any part of it except for the following: _____

(Insert particulars of all securities held. If the securities are on the property of the Association, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form).

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.

Signature: _____

Dated: _____

Name: _____

Occupation: _____

Address: _____

RECEIVE REPORTS BY EMAIL

Yes No

Do you wish to receive all future reports and correspondence from our office via email?

☐
☐

Email:.....

**The Multiple Sclerosis Society of South Australia and Northern Territory Inc (Administrators Appointed)
ABN 85 662 359 859 ("the Association")**

Appointment of Proxy

*I/*We _____(name of signatory) of _____(creditor name)
a creditor of the Association appoint _____(name of proxy)
of _____(address of proxy)
or in his or her absence _____(details of alternate proxy)
as *my/*our *general/*special proxy to vote at the meeting of creditors to be held on Tuesday, 28 October 2025 at 11:00am (ACDT),
or at any adjournment of that meeting.

If a special proxy, specify how you wish your proxy to vote for each of the resolutions.

Resolution	For	Against	Abstain
That the Association be wound up and Andrew Heard and Anthony Phillips be appointed as Liquidators of the Association.			
That the remuneration of the Administrators for the period 22 September 2025 to 19 October 2025, calculated at hourly rates as detailed in the report to creditors dated 24 September 2025 is approved for payment in the sum of \$231,812.00 (exc GST), and that the Administrators can draw the remuneration immediately or as required.			
That the internal disbursements claimed by our firm for the period 22 September 2025 to 19 October 2025, calculated at the rates detailed in the report to creditors dated 24 September 2025, are approved for payment in the amount of \$5,795.30 (exc GST), to be drawn from available funds immediately or as funds become available.			

*I/*We authorise *my/*our proxy to vote as a general proxy on resolutions other than those specified above (*delete if not required*)

The proxy will be attending virtually, I understand the notice provides instructions on how to access.

Signature: _____

Dated: _____

*Omit if inapplicable

Certificate of witness

Please note: This certificate is to be completed only where the person giving the proxy is blind or incapable of writing. The signature of the creditor is not to be attested by the person nominated as proxy.

I, _____ of _____

certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to them before they attached their signature or mark to the instrument.

Signature of witness: _____