



DEM ASIA GROUP

CORPORATIONS ACT 2001

Section 506A

## Declaration of Independence, Relevant Relationships and Indemnities

ACN 615 188 504 PTY LIMITED  
(IN LIQUIDATION)  
(PREVIOUSLY KNOWN AS SI VENTURES PTY LIMITED)  
ACN 615 188 504  
("COMPANY")

This document requires the Practitioner appointed to an insolvent entity to make declarations as to:

- A. their independence generally;
- B. relationships, including
  - i the circumstances of the appointment;
  - ii any relationships with the ACN 615 188 504 Pty Limited and others within the previous 24 months;
  - iii any prior professional services for ACN 615 188 504 Pty Limited within the previous 24 months;
  - iv that there are no other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of myself, my staff, DEM Australasia Pty Limited and its related entities.

### A. Independence

I, Damien Hodgkinson, of DEM Australasia Pty Limited, have undertaken a proper assessment of the risks to my independence prior to accepting the appointment as Liquidator of ACN 615 188 504 Pty Limited in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to my independence. I am not aware of any reasons that would prevent me from accepting this appointment.

### B. Declaration of Relationships

#### i Circumstances of appointment

This appointment was referred to me by Tui Eruera, the sole director of the Company, who is also the sole director of its wholly owned subsidiary ACN 615 188 746 Pty Limited (In liquidation) (formerly Freestyle Travel Pty Limited) ("**Freestyle Travel**") to which I was appointed Liquidator on 9 March 2018. This DIRRI should be read in conjunction with the DIRRI of Freestyle Travel that is annexed hereto as **Annexure A**.

On 26 June 2018, Lucy Vecchio of my office and I met with Mr Eruera to discuss the financial position of the Company. The meeting was specifically for the purposes of:



- Obtaining information about the Company, including its assets and liabilities;
- Provide information to the Company director in relation to the nature and consequences of an insolvency appointment; and
- After assessing the risks of my independence, providing my consent to act.

I also provided Mr Eruera a referral to another insolvency practitioner to advise on his personal solvency.

No remuneration was received for the information provided.

In my opinion, these meetings do not affect my independence for the following reasons:

- the Courts and the ARITA’s Code of Professional Practice specifically recognise the need for practitioners to provide advice on the insolvency process and the options available, and do not consider that such advice results in a conflict or is an impediment to accepting the appointment;
- The nature of the information provided to the Company is such that it would not be subject to review and challenge during the course of the liquidation; and
- The pre-appointment information provided will not influence my ability to be able to fully comply with the statutory and fiduciary obligations associated with the liquidation of the Company in an objective and impartial manner.

I have provided no other information or advice to the director prior to my appointment beyond that outlined in this Declaration.

**ii Relevant Relationships (excluding Professional Services to the Insolvent)**

Neither I, nor my firm, have, or have had within the preceding 24 months, any relationships with the Company, an associate of the Company, a former insolvency practitioner appointed to Company or any person or entity that has security over the whole or substantially the whole of the Company’s property other than outlined below:

Name	Nature of Relationship	Reason why no Conflict of Interest or Duty
ACN 615 188 746 Pty Limited (In Liquidation) (formerly Freestyle Travel Pty Limited)	<p>I was appointed Liquidator of ACN 615 188 746 Pty Limited (In Liquidation) (formerly Freestyle Travel Pty Limited) (<b>Freestyle Travel</b>).</p> <p>Freestyle Travel is a related entity to the Company.</p> <p>Mr Tui Eruera is a director of the Company and also a director of Freestyle Travel.</p> <p>The Company was the sole shareholder of Freestyle Travel and as such they are part of the same group of companies.</p>	<p>I believe that this relationship does not result in a conflict of interest or duty for the following reasons:</p> <p>I understand that the Company was the holding entity of Freestyle Travel and did not trade a business in its own right. These administrations can be conducted more efficiently by one practitioner.</p> <p>At the time of my appointment, I am not aware of any conflicts of interest between the two companies. The Company is an unsecured creditor in the administration of Freestyle Travel for an intercompany loan. I note that at this stage, a dividend to unsecured creditors of Freestyle Travel is unlikely. Should a conflict arise, I will keep creditors informed and take appropriate action to resolve the conflict.</p>



		<p>The role undertaken by me in winding up Freestyle Travel will not influence my ability to fully comply with the statutory and fiduciary obligations associated with the Administration of the Company in an objective and impartial manner.</p> <p>The ARITA Code of Professional Practice does not consider it a breach of the Code to accept concurrent appointments to related parties.</p> <p>It is possible that a conflict may emerge if a dispute arises in respect of the Company's claim as creditor of Freestyle Travel.</p> <p>If a material impediment to independence emerges I will:</p> <ul style="list-style-type: none"> <li>• Advise creditors on how the issue will be managed; or</li> <li>• Seek directions from the Court; or</li> <li>• Seek approval for the appointment by the Court of a special purpose administrator or liquidator.</li> </ul> <p>I may also:</p> <ul style="list-style-type: none"> <li>• Instruct an independent insolvency to adjudicate on any particular claim; or</li> <li>• Resign one of my appointments and find a suitably qualified practitioner to be appointed.</li> </ul>
<p>Mr Jon Adgemis</p>	<p>DEM Australasia has a professional relationship with Mr Adgemis.</p> <p>On 9 January 2018, I was approached by Jon Adgemis, who is also a partner of KPMG, about a tenant being Freestyle Travel that had requested additional funding to support its business at that time.</p> <p>I was a partner of KPMG from 2008 to 2012, when I left the partnership and became managing director of DEM Australasia.</p> <p>Mr Adgemis or his related entities are not a creditor of the Company.</p> <p>We have received two further referrals from Mr Adgemis to</p>	<p>I believe that this relationship does not result in a conflict of interest or duty for the following reasons:</p> <p>My appointment is not contingent on any specific outcome in the liquidation of the Company.</p> <p>I have not acted for Mr Adgemis in respect of the Company. Any work carried out in relation to other appointments referred to this office by Mr Adgemis does not prevent me from carrying out all of my statutory and fiduciary duties in the liquidation of the Company.</p> <p>There is no exclusive agency agreement between the liquidator or DEM Australasia and Mr Adgemis.</p> <p>Mr Adgemis is not a primary or major referrer for DEM Australasia's insolvency business.</p>



	other clients for total fees equal to less than \$35,000.	Any remuneration received in relation to this liquidation would be immaterial to DEM Australasia's annual revenue.  Any pre-appointment transactions between Mr Adgemis and the Company, if any, will be subject to my usual investigations.
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There are no other prior professional or personal relationships that should be disclosed.

### iii Prior Professional Services to the Insolvent

Neither I, nor my Firm, have provided any professional services to the Company in the previous 24 months, other than those outlined herein.

### iv No other relevant relationships to disclose

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has a valid and enforceable security interest on the whole or substantially the whole of the Company's property that should be disclosed.

## C. Indemnities and up-front payments

I have not been indemnified in relation to this liquidation, other than any indemnities that I may be entitled to under statute and I have not received any up-front payments in respect of my/our remuneration or disbursements.

Dated 18 July 2018

**DAMIEN HODGKINSON**  
**LIQUIDATOR**

#### NOTE:

1. *If circumstances change, or new information is identified, I am/we are required under the Corporations Act 2001 and the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with my/our next communication as well as table a copy of any replacement declaration at the next meeting of the company's creditors.*
2. *Pursuant to Section 506A(5) of the Corporations Act 2001 I am required to make a replacement declaration of relevant relationships if:-*
  - i. *The declaration becomes out-of-date; or*
  - ii. *The Liquidator becomes aware of an error in the declaration.*

*I am also required to table a copy of any replacement declaration at the next meeting of the company's creditors.*

*Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent*



**Annexure A**

**Declaration of Independence, Relevant Relationships and Indemnities**

**ACN 615 188 746 Pty Limited (In liquidation) (formerly Freestyle Travel Pty Limited)**

CORPORATIONS ACT 2001

Section 506A

**Declaration of Independence, Relevant Relationships and  
Indemnities**

**ACN 615 188 746 PTY LIMITED  
(IN LIQUIDATION)  
(PREVIOUSLY KNOWN AS FREESTYLE TRAVEL PTY LIMITED)  
ACN 615 188 746  
TRADING AS SI HOLIDAYS  
("COMPANY")**

This document requires the Practitioner appointed to an insolvent entity to make declarations as to:

- A. their independence generally;
- B. relationships, including
  - i the circumstances of the appointment;
  - ii any relationships with the Freestyle Travel Pty Limited and others within the previous 24 months;
  - iii any prior professional services for Freestyle Travel Pty Limited within the previous 24 months;
  - iv that there are no other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of myself, my staff, DEM Australasia Pty Limited and its related entities.

**A. Independence**

I, Damien Hodgkinson, of DEM Australasia Pty Limited have undertaken a proper assessment of the risks to my independence prior to accepting the appointment as Liquidator of Freestyle Travel Pty Limited in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to my independence. I am not aware of any reasons that would prevent me from accepting this appointment.

**B. Declaration of Relationships**

**i Circumstances of appointment**

This appointment was referred to me by Jon Adgemis who is the principal controller of Beattie Street Property Investments Pty Limited the landlord of the Company's premises. I believe that this referral does not result in a conflict of interest or duty because:

- On 9 January 2018, I was approached by Jon Adgemis, who is also a partner of KPMG, about a tenant who had requested additional funding to support their business.
- I was a partner of KPMG from 2008 to 2012, when I left the partnership and became managing director of DEM Australasia Pty Limited.
- I have had no relationship with Jon Adgemis in a professional capacity since that time other than outlined below.

I had various meetings (outlined below) with the Company's director during January and February 2018 for the purposes of:

- On 10 January 2018, Lucy Vecchio and I met with Tui Eruera and Kathleen Roth of Freestyle Travel Pty Limited, and Brone Roze of Beattie Street Property Investments Pty Limited.
- On 12 January 2018, we provided an overview of the financial position of the Company and the cash flow position over the next 12 weeks, as well as the options available to the Company. A fee of \$12,375 was charged to Jon Adgemis for these services.
- Between 13 January 2018 and 22 February 2018, we attended three meetings at the Company's premises in Balmain NSW and provided verbal assistance to the Company in assessing and preparing for various external administration options, and cash flow planning while the Company undertook sale negotiations with a number of parties.
- On 8 February 2018, we attended a meeting with the preferred purchaser to provide an overview of the external administration processes in respect to a sale.

In my opinion, these meetings do not affect my independence for the following reasons:

- the Courts and the ARITA's Code of Professional Practice specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment;
- I am of the view that the fee of \$12,375 charged does not give rise to a conflict in accordance with the *Corporations Act 2001* (the **Act**) as the nature of the advice provided to the Company is such that it would not be subject to review and challenge during the course of the administration; and
- the pre-appointment advice will not influence my ability to be able to fully comply with the statutory and fiduciary obligations associated with the liquidation of the Company in an objective and impartial manner.

I have provided no other information or advice to the director prior to my appointment beyond that outlined in this Declaration.

**ii Relevant Relationships (excluding Professional Services to the Insolvent)**

Neither I, nor my firm, have, or have had within the preceding 24 months, any relationships with Freestyle Travel Pty Limited, an associate of the Freestyle Travel Pty Limited, a former insolvency practitioner appointed to Freestyle Travel Pty Limited or any person or entity that has security over the whole or substantially the whole of Freestyle Travel Pty Limited's property.

There are no other prior professional or personal relationships that should be disclosed.

**iii Prior Professional Services to the Insolvent**

Neither I, nor my Firm, have provided any professional services to Freestyle Travel Pty Limited in the previous 24 months, other than those outlined herein.

**iv No other relevant relationships to disclose**

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with Freestyle Travel Pty Limited, an associate of Freestyle Travel Pty Limited, a former insolvency practitioner appointed to Freestyle Travel Pty Limited or any

person or entity that has a valid and enforceable security interest on the whole or substantially the whole of the Company's property that should be disclosed.

**C. Indemnities and up-front payments**

I have not been indemnified in relation to this liquidation, other than any indemnities that I may be entitled to under statute and I have not received any up-front payments in respect of my/our remuneration or disbursements.

Dated:



**Damien Mark Hodgkinson**

**NOTE:**

1. *If circumstances change, or new information is identified, I am/we are required under the Corporations Act 2001 and the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with my/our next communication as well as table a copy of any replacement declaration at the next meeting of the company's creditors.*
2. *Pursuant to Section 506A(5) of the Corporations Act 2001 I am required to make a replacement declaration of relevant relationships if:-*
  - i. *The declaration becomes out-of-date; or*
  - ii. *The Liquidator becomes aware of an error in the declaration.**I am also required to table a copy of any replacement declaration at the next meeting of the company's creditors.*
3. *Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.*