

Noosa festival limbo continues as creditors reject proposal



Nicky Moffat | 9th Jul 2015 6:25 AM

THE Noosa International Food and Wine Festival's future remains uncertain after Jim Berardo failed to gain creditors' agreement to a proposal for resolving more than \$800,000 in debts.

As reported in the Daily, the company responsible for the festival and Berardo's Restaurant and Bar, Noosa Food and Wine Events, was placed in voluntary administration in May.

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Suppliers of the festival and employees of Berardo's Restaurant found out at a creditors' meeting with administrator Worrells in June that the festival had not made a profit in years.

At a second meeting between Worrells and creditors at The Sebel, Maroochydore, on Tuesday the decision was made to wind up Jim Berardo's company, according to a beverage supplier who attended.

A proposal for a deed of company arrangement was tabled by Mr Berardo prior to the meeting but withdrawn, he said.

It had proposed that 75 cents in every dollar be repaid to outstanding creditors, on the condition that Mr Berardo be allowed to continue to run the festival and repay funds using festival takings over the next two years.

"With the company now placed in liquidation, it was highly likely that creditors receive nothing," said the creditor, who asked to remain anonymous until it was certain whether his business would be repaid.

Creditors voted unanimously to wind up the company yesterday.

In a report to creditors dated June 29, Worrells criticised Noosa Food and Wine Events' internal accounting and financial controls, highlighting inadequate record-keeping processes.

"This was compounded by the fact that the company was operating two distinct businesses within the one structure," the report stated.

"The lack of accurate and timely financial reports is in our opinion a significant reason for the company's current financial position."

The report noted that some payments had been made preferentially to some creditors and would be pursued as part of liquidation in addition to trade debtors.

However the total "best case" amount recoverable amounts to \$183,587.

Unsecured creditors including restaurant owners, food and beverage suppliers as well as employees are owed more than \$800,000.

The sale of intellectual property concerning the management of the festival was also being considered and at least six organisations had expressed interest in acquiring the company's IP, according to the report.

Worrells administrator John Cunningham was contacted by the Daily on Tuesday and yesterday but did not respond before deadline.