

IN THE FEDERAL COURT OF AUSTRALIA
SOUTH AUSTRALIA DISTRICT REGISTRY
GENERAL DIVISION

SAD 131 of 2010

IN THE MATTER OF SOUTH AUSTRALIAN MARINE PRODUCTS
INDUSTRIES PTY LTD (ACN 107 786 201)

QUOTILA PTY LTD
ACN 005 763 502

Plaintiff

SOUTH AUSTRALIAN MARINE PRODUCTS INDUSTRIES PTY LTD
ACN 107 786 201

First Defendant

CHARLES JOHN FRANCHINA

Second Defendant

TERRY STEPHEN ROMARO

Third Defendant

**AFFIDAVIT OF CHARLES JOHN FRANCHINA
IN SUPPORT OF AN APPLICATION TO TRANSFER
THE PROCEEDINGS PURSUANT TO ORDER 43
SWORN: 19 JANUARY 2011**

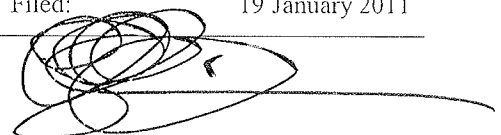
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On 19 January 2011, I, Charles John Franchina of 4 Darling Street, White Gum Valley, Western
Australia, Company Director, say on oath:

Prepared on behalf of the Defendants by:

Name:	Q Legal	Telephone:	(08) 9486 8111
Address for service:	Level 4 105 St George's Terrace Perth WA 6000	Facsimile:	(08) 9226 1696
Email address:	kdundo@qlegal.com.au	Reference:	KAD:FIS1001
		Filed:	19 January 2011

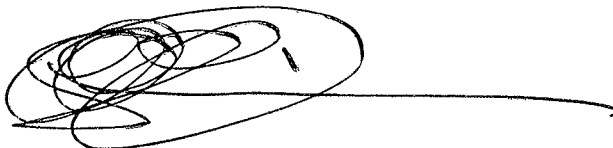



1. I am the Second Defendant and a director of the First Defendant and am authorised to swear this affidavit on behalf of the Defendants. I swear this affidavit in support of an application to transfer these proceedings to the Western Australian District Registry at Perth (**Application**).
2. Save where otherwise appears, the contents of this affidavit are true to my own knowledge. Where a fact is true to the best of my information and belief, that fact is stated and the source of the information and belief is identified in the text.
3. The First Defendant, South Australian Marine Products Industries Pty Ltd (**SAMPI**) conducts business at 21 Pine Freezers Road, Port Lincoln, South Australia.
4. The registered office of SAMPI is at Suite 6, 20 Twickenham Road, Burswood, Western Australia and its principal place of business is 91-93 South Terrace, Fremantle, Western Australia.
5. SAMPI has a working capital deficiency and requires financial support which, at this time, is being provided by FishTrade International Pty Ltd (**FishTrade**). Without FishTrade's financial support, SAMPI would not be able to meet its debts as and when they fall due.
6. Annexed hereto and marked "CJF-15" are the accounts for the First Defendant as at 31 December 2010.
7. It should be noted that there is a working capital deficiency of \$545,139 and currently SAMPI has outstanding trade creditors of \$219,108.
8. In relation to these proceedings, the witnesses to be called on behalf of the Defendants will, apart from myself, be:
 - (a) the Third Defendant; and
 - (b) Daniel McRorie,all of whom are resident in Western Australia.
9. In addition, due to his involvement to June 2009, I verily believe that the Plaintiff may call Mr Peter Lombardo as a witness and Mr Lombardo is also a resident of Western Australia.

10. In light of the financial position of the First Defendant, that the subject of these proceedings is the conduct of the directors of SAMPI whose meetings are convened in Western Australia and that the majority of the witnesses reside in Western Australia, the Defendants seek to have this matter transferred to the Western Australia District Registry.

Sworn by the deponent, **Charles John Franchina** at Perth in the State of Western Australia this 19th day of January 2011

Before me:

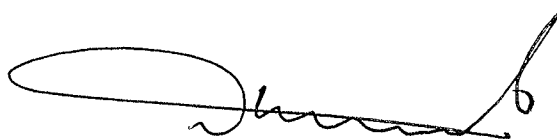


Kellie Elizabeth Clee, a legal practitioner who has held a practice certificate for at least 2 years and who holds a current practice certificate

AFFIDAVIT – CERTIFICATE OF COMPLIANCE

I, KEVIN ANTHONY DUNDO, certify to the Court that the Affidavit of Charles John Franchina sworn on 19 January 2011 filed on behalf of the Defendants complies with Order 14, rule 2 of the Federal Court Rules.

DATED: 19 January 2011.

A handwritten signature in black ink, appearing to read 'Kevin Dundo', written over a horizontal line.

K A Dundo

IN THE FEDERAL COURT OF AUSTRALIA
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GENERAL DIVISION

SAD 131 of 2010

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Plaintiff

**SOUTH AUSTRALIAN MARINE PRODUCTS INDUSTRIES PTY LTD
ACN 107 786 201**

First Defendant

CHARLES JOHN FRANCHINA

Second Defendant

TERRY STEPHEN ROMARO

Third Defendant

**ANNEXURE "CJF-15" TO THE
AFFIDAVIT OF CHARLES JOHN FRANCHINA
IN SUPPORT OF AN APPLICATION TO TRANSFER
THE PROCEEDINGS TO THE
WESTERN AUSTRALIAN DISTRICT REGISTRY
SWORN: 19 JANUARY 2011**

This page and the subsequent 4 pages is annexure "CJF-15" to the affidavit of Charles John Franchina
sworn 19 January 2011, before me:



Kellie Elizabeth Clee, Solicitor

" C J F - 15 "

S.A. Marine Products Industries P/L

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PO Box 694
Fremantle WA 6959

Profit & Loss [With Year to Date]

July 2010 through December 2010

18/01/2011
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	Selected Period	% of Sales	Year to Date	% of YTD Sales
Income				
Sales				
Interest	1.17	0.0%	1.17	0.0%
Fish Emulsion	409,100.00	95.8%	409,100.00	95.8%
Burley	17,737.40	4.2%	17,737.40	4.2%
Total Income	<u>426,838.57</u>	<u>100.0%</u>	<u>426,838.57</u>	<u>100.0%</u>
Direct Expenses				
Consumables	132,370.41	31.0%	132,370.41	31.0%
Freight & Cartage	98,682.55	23.1%	98,682.55	23.1%
Hire of Equipment	7,071.25	1.7%	7,071.25	1.7%
Permits	20,915.80	4.9%	20,915.80	4.9%
Personal Protective Equipment	272.73	0.1%	272.73	0.1%
Purchases				
Misc (samples etc)	-186.86	0.0%	-186.86	0.0%
Processing Ingridients	43,463.84	10.2%	43,463.84	10.2%
Storage Costs	3,990.00	0.9%	3,990.00	0.9%
Total Direct Expenses	<u>306,579.72</u>	<u>71.8%</u>	<u>306,579.72</u>	<u>71.8%</u>
Gross Profit	<u>120,258.85</u>	<u>28.2%</u>	<u>120,258.85</u>	<u>28.2%</u>
Expenses				
Accounting Fees	2,275.00	0.5%	2,275.00	0.5%
Advertising	1,178.00	0.3%	1,178.00	0.3%
Bank Charges	110.80	0.0%	110.80	0.0%
Cleaning	882.55	0.2%	882.55	0.2%
Electricity & Gas	21,255.27	5.0%	21,255.27	5.0%
Entertainment	917.44	0.2%	917.44	0.2%
Freight Paid	203.60	0.0%	203.60	0.0%
Interest Paid	6.18	0.0%	6.18	0.0%
Internet Access Fees	29.55	0.0%	29.55	0.0%
Legal Fees	36,205.61	8.5%	36,205.61	8.5%
Motor Vehicle				
MV - Fuel & Oil	1,638.20	0.4%	1,638.20	0.4%
MV - Other	32.25	0.0%	32.25	0.0%
MV - Registration	2,335.45	0.5%	2,335.45	0.5%
MV - Repairs & Maintenance	1,526.48	0.4%	1,526.48	0.4%
Pine Freezer Rd works	11,050.00	2.6%	11,050.00	2.6%
Postage	328.21	0.1%	328.21	0.1%
Rent & Outgoings	54,661.47	12.8%	54,661.47	12.8%
Repairs & Maintenance	8,435.97	2.0%	8,435.97	2.0%
Salaries & Wages	111,047.00	26.0%	111,047.00	26.0%
Staff Amenities	300.00	0.1%	300.00	0.1%
Subscriptions	1,240.91	0.3%	1,240.91	0.3%
Superannuation	9,994.25	2.3%	9,994.25	2.3%
Telephone	746.18	0.2%	746.18	0.2%
Waste Disposal	550.00	0.1%	550.00	0.1%
Water	2,083.74	0.5%	2,083.74	0.5%
Workers' Compensation	6,704.41	1.6%	6,704.41	1.6%
Total Expenses	<u>275,738.52</u>	<u>64.6%</u>	<u>275,738.52</u>	<u>64.6%</u>
Operating Profit	<u>-155,479.67</u>	<u>(36.4%)</u>	<u>-155,479.67</u>	<u>(36.4%)</u>
Other Income				
Other Expenses				
Net Profit / (Loss)	<u>-155,479.67</u>	<u>(36.4%)</u>	<u>-155,479.67</u>	<u>(36.4%)</u>

S.A. Marine Products Industries P/L

Balance Sheet

As of December 2010

19/01/2011
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Payables		
Trade Creditors	219,107.56	
Credit Card	0.00	
FishTrade International Pty Lt	1,076,029.40	
ATO Running Balance Account	0.00	
Total Payables		1,295,136.96
GST Liabilities		
GST Collected	45,700.43	
GST Paid	-84,346.38	
Total GST Liabilities		-38,645.95
Payroll Liabilities		
PAYG Withholding Payable	-2,780.00	
Superannuation Payable	-2.45	
Voluntary Withholdings Payable	0.00	
ABN Withholdings Payable	0.00	
Total Payroll Liabilities		-2,782.45
Provisions		
Provision for Annual Leave	0.00	
Prov'n for Long Service Leave	0.00	
Provision for 2009 Taxation	454.36	
Provision for 2010 Taxation	430.80	
Long Term Liabilities		
Loans from Related Entities		
Loans from Related Persons		
Peter Laughton	500.00	
Bank Liabilities		
Equipment Finance		
Other Liabilities		
Sales Tax Payable	0.00	
Import Duty Payable	0.00	
Luxury Car Tax Payable	0.00	
Payroll Accruals Payable	16,166.40	
PAYG Income Tax Instalments	-33,588.00	
Total Liabilities		1,237,672.12
Net Assets		204,861.86
Equity		
Dividends Paid	0.00	
Income Tax Expense	-430.80	
Share Capital	250,075.00	
Retained Earnings	110,697.33	
Current Year Earnings	-155,479.67	
Historical Balancing	0.00	
Total Equity		204,861.86

S.A. Marine Products Industries P/L

PO Box 694
Fremantle WA 6959

Payables Reconciliation [Summary]

31/12/2010

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Name	Total Due	0 - 30	31 - 60	61 - 90	90+
AGL	205.91	205.91	0.00	0.00	0.00
Baldwin's Plumbing & Gas	464.75	77.00	387.75	0.00	0.00
Ben Green & Associates	1,254.00	0.00	335.50	253.00	665.50
Bevans WA	750.00	0.00	0.00	0.00	750.00
BOC Limited	1,171.25	0.00	1,171.25	0.00	0.00
City of Port Lincoln	1,528.75	0.00	0.00	0.00	1,528.75
Civil Konstruct	28,180.09	17,092.30	0.00	9,754.31	1,333.48
Constant Electrical	0.20	0.00	0.00	0.00	0.20
Cummins Milling Co.	720.00	720.00	0.00	0.00	0.00
D.K. Quarries Pty Ltd	9,988.27	9,627.19	361.08	0.00	0.00
Dennis Transport	23,336.11	5,881.87	6,429.99	3,891.07	7,133.18
Duns Bros	201.40	0.00	0.00	0.00	201.40
ELGAS Limited	5,209.07	3,773.88	1,435.19	0.00	0.00
Environmental Protection Auth	19,945.00	0.00	0.00	0.00	19,945.00
EP Cleaning Supplies	415.36	415.36	0.00	0.00	0.00
EP Locksmiths	223.75	0.00	0.00	223.75	0.00
Eyre Gas & Welding Supplies	554.84	85.36	469.48	0.00	0.00
Eyre Peninsula Fire & Safety	188.10	0.00	0.00	0.00	188.10
Eyre Trading Company	4,945.63	3,322.58	1,623.05	0.00	0.00
Fremantle Chamber of comme	61.60	0.00	0.00	0.00	61.60
Fruithaul	4,389.00	797.50	1,171.50	957.00	1,463.00
Home Timber and Hardware	2,640.00	491.05	603.36	814.23	731.36
Jones Electrical Pty Ltd	1,785.20	0.00	1,785.20	0.00	0.00
JS & VA Matthews	5,280.00	0.00	5,280.00	0.00	0.00
Keelner Agents	2,145.00	0.00	2,145.00	0.00	0.00
Lowe & Redding Design	4,950.00	0.00	2,200.00	0.00	2,750.00
M&M tree removals	2,750.00	0.00	2,750.00	0.00	0.00
Mac's Recycling	7,986.00	7,986.00	0.00	0.00	0.00
Metaland	4,689.62	3,272.66	1,416.96	0.00	0.00
O'Brien Enterprises	13,376.00	6,688.00	0.00	0.00	6,688.00
OHNO Enterprises	17,606.12	2,547.39	2,726.45	3,607.47	8,724.81
Padansie & associates	748.00	0.00	748.00	0.00	0.00
Port Lincoln Bearing and Tool	305.85	0.00	7.95	0.00	297.90
Q legal	14,078.79	4,444.49	9,634.30	0.00	0.00
Q Mechanical Services	266.37	266.37	0.00	0.00	0.00
S&K transport	5,346.00	2,178.00	3,168.00	0.00	0.00
SA Water	113.85	0.00	0.00	0.00	113.85
Shillabeer Crane Hire	589.88	418.00	0.00	0.00	171.88
Swistrans	21,524.80	0.00	9,677.80	11,847.00	0.00
Telstra	129.00	0.00	0.00	0.00	129.00
TL van Loon	2,816.00	0.00	2,816.00	0.00	0.00
Wiech Transport	3,960.00	0.00	0.00	3,960.00	0.00
WJ Sampson & Sons	2,288.00	0.00	2,288.00	0.00	0.00
Total:	219,107.56	70,290.91	60,631.81	35,307.83	52,877.01
Ageing Percent:		32.1%	27.7%	16.1%	24.1%

Payables Account: 219,107.56
Out of Balance Amount: 0.00