



## SUPPLEMENTARY SECOND REPORT TO CREDITORS

ANTRA GROUP PTY LTD  
ATF ANTRAY TRUST  
(RECEIVER AND MANAGER APPOINTED)  
(ADMINISTRATORS APPOINTED)  
ACN: 153 443 764  
ABN: 34 255 496 409

6 December 2022

JONATHON KEENAN  
PETER KREJCI  
Joint and Several Administrators

Phone: 02 8263 2300

Email: [info@brifnsw.com.au](mailto:info@brifnsw.com.au)

Website: [www.briferrier.com.au](http://www.briferrier.com.au)

Postal: GPO Box 7079, Sydney NSW 2001

Address: Level 30, Australia Square, 264 George Street  
Sydney NSW 2000

## INTRODUCTION

We refer to our First Report to Creditors dated 7 September 2022 in which our appointment as Joint and Several Administrators of the Company was advised along with an explanation of the Voluntary Administration process.

The objective of Part 5.3A of the Act is to provide for the business, property and affairs of an insolvent (or likely to become insolvent) company to be administered in a way that maximises the chances of the company, or as much as possible of its business, continuing in existence, or, if this is not possible, results in a better return for the company's creditors than would result from an immediate winding up of the company.

Section 438A of the Act requires that, as soon as practicable, the Administrators must investigate the business, property, affairs and financial circumstances of the Companies and form an opinion about each of the following matters:

- ▲ Whether it would be in the Creditors' interests for the Companies to execute a DOCA;
- ▲ Whether it would be in the Creditors' interests for the Administrations to end; and
- ▲ Whether it would be in the Creditors' interests for the Companies to be wound up.

We issued our Second Report to Creditors on 4 October 2022. This is a supplementary report to creditors, which should be read in conjunction with the First and Second Reports. If you have any questions relating to the administration in general, or specific questions relating to your position, please do not hesitate to contact this office.

### COMPANY DETAILS

<b>Name</b>	Antra Group Pty Ltd ATF Antray Trust (Receiver and Manager Appointed) (Administrators Appointed)
<b>Incorporated</b>	27 September 2011
<b>ACN</b>	153 443 764
<b>ABN</b>	34 255 496 409
<b>Registered Office</b>	Unit G04 63-69 Bank Lane, Kogarah NSW 2217
<b>Trading Address</b>	9 Sandbar Place, Lilli Pilli NSW 2229

### ADMINISTRATORS

<b>Name</b>	Peter Krejci and Jonathon Keenan
<b>Date Appointed</b>	5 September 2022

### ADMINISTRATION CONTACT

<b>Name</b>	Kristine Hu
<b>Email</b>	<a href="mailto:khu@brifnsw.com.au">khu@brifnsw.com.au</a>
<b>Phone</b>	02 8263 2300

## EXECUTIVE SUMMARY

As you are aware, on 5 September 2022, we, Jonathon Keenan and Peter Krejci, were appointed Joint and Several Administrators of the Company pursuant to Section 436A of the Corporations Act 2001 ("the Act").

This Report should be read in conjunction with our previous reports, in particular, our Second Report to Creditors dated 4 October 2022 ("Second Report"). We will not restate matters contained in the previous report, unless there are updates required.

Pursuant to Section 439A of the Corporations Act ("the Act"), we convened the Second Meeting of Creditors of the Company on 12 October 2022. This meeting was adjourned for up to forty-five (45) business days to allow further time for a Deed of Company Arrangement ("DOCA") to be explored.

The resumption of the Second meeting of creditors has been convened to be held at 11:00am (AEDT) on 14 December 2022. A notice is attached with particulars of the meeting, which will be held in person and virtually for convenience of creditors. We note that a meeting of eligible employees has also been convened to be held immediately prior at 10:00am (AEDT) on 14 December 2022.

We provide below a summary update on this matter.

Over the past two months we have engaged in substantial discussions with the Director and his representatives to explore whether a DOCA will be proposed for creditors' consideration. On 2 December 2022, we received DOCA proposal from the Director, Damien Petty (the Director's son) and DLP Invest Pty Ltd (entity controlled by Damien Petty and shareholder of the Fundsquire business ("the Proponents"). The DOCA proposal is included herein along with our analysis.

Creditors will recall from our Second Report, that there were substantial amounts of unexplained matters in respect of the financial affairs of the Company. Those enquiries primarily focussed around seeking an explanation for the missing creditor funds and exploring the means to recover same. The potential creditor claims may be up to \$37M, which are largely represented by unrelated debtor claims of \$14M and undocumented loans to the Director totalling circa \$20M.

We have made substantial enquiries to get clarity around why the funds were advanced to the Director and where those funds then went. The parties have not been forthcoming with the relevant information, or verification as to the quantum of funds flow. Having regard to all information provided to date, we understand that the loans were advanced to the Director on an undocumented basis. The Director then on-lent the funds to Damien Petty ATF the DL Petty Trust (DLP Trust). DLP Trust in turn advanced those funds to DLP Invest. DLP Invest then invested those funds in the Fundsquire business in which Damien Petty is a Director and a substantial shareholder (at 56% - soon to reduce to 38%).

The DOCA proposal seeks to compromise the creditors' claims with the Proceeds from the shares held in the Fundsquire business over a period of six (6) years. The DOCA proposal requires annual instalments to be paid, commencing within 2 years, with a direct line of recovery to DLP Invest and Damien Petty. The DOCA is somewhat complex, to accommodate the various classes of creditors involved, creating a Deed Fund A (for secured creditors) and Deed Fund B (for priority and unsecured creditors).

The proposal appears to be a viable arrangement should creditors resolve to support it. Based on the minimum contribution requirements at year 2 and 3, it is possible that the DOCA will provide for an improved return to creditors, as compared to Liquidation. We note that any return to creditors in a Liquidation is subject to successfully pursuing voidable recovery actions via litigation, the outcome of which is not certain.

The underlying assumption of the DOCA is that the Fundsquire business can be turned around from being currently in a state of financial distress, to a profitable enterprise with significant shareholder value. To give this context, in order to satisfy the minimum contribution requirements in years 2 and 3, the total shareholding value in the Fundsquire business would need to grow to circa \$68M, so that the 38% shareholding could potentially extract the necessary value. This is a substantial improvement within a relatively short period of time.

We sought information to support the capacity of the parties to satisfy the DOCA requirements. After substantial discussions and delays, we were provided with certain documents over the past week, including an online valuation, an investor marketing presentation and an accompanying short form written summary from Damien Petty. Those documents are included herein for creditors consideration. There was nothing provided by way of supporting detailed financial information. We were also advised that a recent change in the UK R&D market has had a material adverse impact on the share valuation in the Fundsquire business, however a revised valuation has not been prepared to date.

In summary, based on the information provided to us, we are unable to form a view that the DOCA is likely to achieve its objectives. Fundamentally, we have concerns as to the Proponents ability to satisfy the contribution requirements, and there is no meaningful security offered to underpin those obligations for creditors benefit. Further, there is a gap in the reporting and monitoring powers, such that there is limited information that can be gathered during the critical first 2-year period when the Fundsquire business must restructure and become profitable. Finally, depending on the duration of the DOCA, the potential recovery actions that may be available in a Liquidation scenario will become time barred. Accordingly, having regard to all factors, we are unable to recommend that creditors resolve that the Company executes the proposed DOCA.

The Company is insolvent, and therefore the alternate path is for creditors resolve to place the Company into Liquidation, which is our recommendation. The return to creditors in a Liquidation is speculative, in that it will be contingent on successfully pursuing litigation via Liquidator voidable recovery actions with claims to be brought against the recipients of the funds (understood to be DLP Trust, DLP Invest, the Fundsquire entities and/or parties in control of same). We note that all assets of the Company are subject to securities, and the secured creditors may encounter a substantial deficiency based on the Receiver's estimates, meaning that the Secured Creditors will likely have a similar focus for recoveries. We note that there is a substantial amount of information that has not been provided to us despite our requests, such as evidence as to what occurred with the Company's funds. Accordingly, subject to funding being available, a public examination will likely be the first step in a Liquidation scenario, whereby production of necessary documentation and evidence would be sought from various related parties via the Courts.



Please note that both DOCA and Liquidation routes carry substantial risks, and based on the information we have received to date, there is no guarantee of an outcome for creditors in either scenario. That said, assuming the Fundsquire business can be turned around within 2 years and a liquidity event is available allowing for the DLP Invest shares to be sold, then it is possible that the proposed DOCA may produce an improved outcome for creditors as compared to Liquidation. Again, we have not been provided necessary information that would allow us to form a view that the DOCA is likely to achieve its objectives, and therefore we do not recommend it. **We recommend that the Company be placed into Liquidation.** Regardless, it is open to creditors to resolve to support the DOCA at the forthcoming resumption of the Second meeting of creditors.

The range of potential returns are below:

Summary of Return to Creditors	Deed Fund A		Deed Fund B		Liquidation High Cents/\$	Liquidation Low Cents/\$
	DOCA High	DOCA Low	DOCA High	DOCA Low		
	Cents/\$	Cents/\$	Cents/\$	Cents/\$		
<b>Secured Creditors</b>						
Ventra Capital Fund 3 Pty Ltd	100	100	50	14	17	2
Dacosi Investments Pty Ltd & Dacosi ST Pty Ltd	100	100	44	12	7	0
Ventra Capital Private Pty Ltd	78	50	55	46	26	38
<b>Priority Creditors</b>	100	100	100	100	100	100
<b>Unsecured Creditors</b>	58	13	44	12	7	0

*\*Note – We have assumed that the Protea and AMG secured creditor claims are invalid, such that they would participate as unsecured creditors in either a DOCA or Liquidation scenario*

If prior to the meeting, we are provided with further information that causes us to alter our views, we may issue a further supplementary report to creditors, or otherwise we will table those documents at the resumed meeting for creditors' consideration. Please note that there is no ability to further adjourn the second creditors meeting, and creditors will be asked to vote on the future of the Company.

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## GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS

ABN	Australian Business Number
ACN	Australian Company Number
Act	Corporations Act 2001 (Cth)
ARITA	Australian Restructuring Insolvency and Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
COI	Committee of Inspection
CVL	Creditors Voluntary Liquidation
Company	Antra Group Pty Ltd ATF Antray Trust
Director	Raymond Gordon Petty
DIRRI	Declaration of Independence, Relevant Relationships & Indemnities
DOCA	Deed of Company Arrangement
Department	Department of Employment and Workplace Relations
FEG	Fair Entitlements Guarantee
Firm	BRI Ferrier
Franchisor	Fifo Capital Australia Pty Ltd
Fundsquire	Business operating as the Fundsquire business, currently trading via three (3) entities, being Fundsquire Pty Ltd (an Australian entity), Fundsquire Limited (a UK entity) and Fundsquire Ltd (a Canadian entity)
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations)
POD	Proof of Debt
PPSR	Personal Properties Securities Register
R&M	Receiver and Manager (Desmond Teng of Moore Recovery)
RBP	Relation Back Period
ROCAP	Report on Company Activities and Property
Trust	Antray Trust
VCF3	Ventra Capital Fund 3 Pty Ltd
VCP	Ventra Capital Private Pty Ltd
Westpac	Westpac Banking Group

## 1. BASIS OF REPORT

This supplementary report has been prepared primarily from information received from the Company's Director, external advisors to the business/Director, Damien Petty and the R&M.

In order to complete this report, and in conducting our investigations, we have also utilised information from:

- ▲ ASIC;
- ▲ The books and records of the Company;
- ▲ Discussions and correspondence with the Director and advisors;
- ▲ Discussions and correspondence with Damien Petty and his advisors;
- ▲ Discussions and information provided to us by the R&M;
- ▲ The ROCAP and questionnaire forms completed by the Director;
- ▲ Extracts from public information databases;
- ▲ Correspondence with creditors; and
- ▲ Documents obtained from the ATO in relation to the Company.

## 2. DISCLAIMER

This Report and the statements made herein are based upon available books and records, information provided by the Company's Director, Advisors, the R&M and from our own enquiries. Whilst we have no reason to doubt the accuracy of the information provided or contained herein, we reserve the right to alter our opinions or conclusions should the underlying data prove to be inaccurate or materially change after the date of this Report.

In considering the options available to Creditors and in formulating our recommendations, we have necessarily made forecasts and estimates of asset realisations and the ultimate quantum of Creditors' claims against the Company where appropriate. These forecasts and estimates may change as asset realisations progress and as Creditors' claims are made and adjudicated upon. Whilst the forecasts and estimates are the Administrators' best assessment in the circumstances, Creditors should note that the Company's ultimate deficiency, and therefore the outcome for Creditors could differ from the information provided in this Report.

Neither the Administrators nor any member or employee of BRI Ferrier accepts responsibility in any way whatsoever to any person in respect of any errors in this Report arising from incorrect information provided to us, or necessary forecasts, estimates and assessments made for the purposes of these Reports.

Should any Creditor have material information in relation to the Company's affairs which they consider may impact on our investigation or Reports, please forward the details to our office as soon as possible.

### 3. DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

A Declaration of Independence, Relevant Relationships and Indemnities (“DIRRI”) pursuant to Section 436DA of the Act was enclosed in the First Report. There is no update required to the DIRRI.

### 4. PREVIOUS REPORTS AND CREDITORS MEETINGS

#### 4.1 PREVIOUS REPORTS TO CREDITORS

This report should be read in conjunction with our previous reports issued in this matter:

- First Report to Creditors dated 7 September 2022
- Second Report to Creditors dated 4 October 2022

#### 4.2 PREVIOUS MEETINGS OF CREDITORS

We note that first creditors meeting was held on 15 September 2022. Minutes of that meeting were lodged with ASIC.

The Second creditors meeting was held on 12 October 2022 and was adjourned. The minutes for the adjourned meeting will be lodged, once the resumption of Second meeting has occurred, and meeting concluded.

### 5. CURRENT FINANCIAL POSITION

We refer to the detail contained in the Second Report as to the financial position of the Company.

Contained in this section is our updated analysis of the current financial position of the Company, with regard to the Directors’ statement about the Company’s activities and property, affairs and financial position (“ROCAP”), available financial records and our enquiries to date.

Other than the matters reported below, there have been no other material updates required to the financial position disclosed in our Second Report.

Antra Group Pty Ltd ATF Antray Trust (Receiver and Manager Appointed) (Administrators Appointed)							
A.C.N. 153 443 764							
	Report Reference	Book Value as at 05/09/2022 (\$)	Director's ERV (per ROCAP) (\$)	Administrators' ERV as at 05/09/2022 (High)	Administrators' ERV as at 05/09/2022 (Low)	Administrators' ERV as at 2/12/2022 (High)	Administrators' ERV as at 2/12/2022 (Low)
<b>Assets</b>							
Cash and Cash Equivalents		12,212	174	-	-	-	-
Loans/Debtors	5.1.1						
- Related Entity Debtors		19,792,073	-	Unknown	-	Unknown	-
- Non- Related Entity Debtors		14,821,175	9,914,291	3,794,215	206,043	3,794,215	2,489,087
Other Receivables		281,772	-	-	-	-	-
Plant and Equipment		240,151	253,500	246,500	245,000	-	-
Other Assets		3,000	-	-	-	-	-
<b>Total Assets</b>		<b>35,150,383</b>	<b>10,167,965</b>	<b>4,040,715</b>	<b>451,043</b>	<b>3,794,215</b>	<b>2,489,087</b>
<b>Liabilities</b>							
Priority Creditors		2,602	104,682	72,260	72,260	72,260	72,260
Secured Creditors		14,066,905	13,934,000	13,330,924	13,330,924	13,330,924	13,330,924
Unsecured Creditors:							
- Non-Related Entity Creditors		17,822,481	20,626,145	21,674,217	21,674,217	21,674,217	21,674,217
- Related Entity Creditors	5.2.1.1	1,396,150	1,428,657	695,162	695,162	695,162	4,642,612
<b>Total Liabilities</b>		<b>33,288,138</b>	<b>36,093,484</b>	<b>35,772,564</b>	<b>35,772,564</b>	<b>35,772,564</b>	<b>39,720,014</b>
<b>Estimated Net Asset / (Deficiency)</b>		<b>1,862,245</b>	<b>(25,925,519)</b>	<b>(31,731,849)</b>	<b>(35,321,521)</b>	<b>(31,978,349)</b>	<b>(37,230,927)</b>

## 5.1 ASSETS UPDATED

### 5.1.1 Loan/Debtors

We refer to the Second Report with respect to our discussion on estimate of recovery of Loan/Debtors and provide an updated estimate as follows:

Loans/Debtors	Number of Party	Book Value as at 5/09/2022 (\$)	Director's ERV (\$)	Administrators' ERV as at 4 October 2022		Administrators' ERV as at 3 December 2022	
				(High) (\$)	(Low) (\$)	(High) (\$)	(Low) (\$)
<b>Related Entity</b>							
Raymond Gordon Petty	1	16,687,885	Unknown	Unknown	-	Unknown	-
DLP Invest Pty Ltd	1	2,221,065	Unknown	Unknown	-	Unknown	-
Other Related Entities	5	875,504	Unknown	Unknown	-	Unknown	-
<b>Related Entity Subtotal</b>	<b>7</b>	<b>19,784,454</b>	<b>Unknown</b>	<b>Unknown</b>	<b>-</b>	<b>Unknown</b>	<b>-</b>
<b>Non-Related Entities</b>							
Clients	23	11,643,877	9,914,291	1,408,183	-	1,408,183	-
Participation Loan	3	2,421,298	2,386,032	2,386,032	206,043	300,000	300,000
Other Franchisees	2	756,000	-	-	-	-	-
<b>Non-Related Entities Subtotal</b>	<b>28</b>	<b>14,821,175</b>	<b>12,300,323</b>	<b>3,794,215</b>	<b>206,043</b>	<b>1,708,183</b>	<b>300,000</b>
<b>Total</b>	<b>35</b>	<b>14,821,175</b>	<b>12,300,323</b>	<b>3,794,215</b>	<b>206,043</b>	<b>1,708,183</b>	<b>300,000</b>

We provide further comments with respect to our updated estimate as follows:

#### 5.1.1.1 Related Entities

We note that the Director had previously advised that neither he nor the other related entities were in a position to repay the debts owed to the Company.

We had previously requested the Director provide evidence to substantiate the financial capacity of each related entity above for assessing the recoverability of these loans on a number of circumstances. To date, we have been advised by the Director that Prudential is a dormant entity which only holds shares in Squirrel Superannuation Services Pty Ltd (“Squirrel”) and have been provided interim internal management accounts for Squirrel. These interim internal management accounts for Squirrel appear to indicate a poor financial position.

However, we have not received any requested evidence for the other related entities as at the date of this Report.

We refer to Section 6.1.2 of this Report regarding further detail on the loan account owed by the Director, Raymond Gordon Petty.

We also refer to Section 7.3 of this Report in relation to our investigations on the financial capacity of various Fundsquire entities.

#### **5.1.1.2 Unrelated Entities – Participation Loans**

We refer to the Second Report with respect to our discussion on the Participation Loans, which related to amounts advanced to certain clients that were eligible to claim an R&D rebates from the ATO. The information available to us suggested that the Participation Loans were circulating assets excluded from VCF3’s security, and therefore not subject to the R&M’s appointment.

After issuing the Second Report, VCF3 asserted (via its R&M) that its security did include to the Participation Loans in full, or alternatively, partly included the Participation Loans to the extent of certain advances. We were further advised that a subordinated secured creditor Ventra Capital Private Pty Ltd (“VCP”), was seeking to appoint another Receiver, presumably on the basis that VCF3’s security did not extend to the Participation Loans in full. We sought legal advice on the security position and engaged with the R&M with their lawyers attempting to resolve the dispute, noting that the Administration was unfunded.

We also received correspondence from a Participating Loan creditor claiming that the funds that were anticipated to be recovered from a certain Participating Loan debtor (“PL Debtor”), are held on trust for this party. The trust claim sought priority ahead of the claims from Secured Creditors, and threatened to commence legal proceedings for this recovery. We sought legal advice in respect of this trust claim, to be considered against the competing secured creditor claims as a whole.

Having considered the legal advice and noting that we were not in control of the funds recovered from the Participation Loans, we formed the view that the commercial resolution was appropriate for the Administration and Secured Creditor claims. Accordingly, a Deed of Settlement (“the PL Deed”) was entered into on 18 November 2022 between the Administrators, the R&M and a number of the Secured Creditors. Pursuant to the PL Deed, the Administrators provided consent to VCP to appoint another Receiver to deal with the disputing claims of VCF3 (and other secured creditors) and the trust claimants. The Administrators claim to the circulating recoveries from certain Participation Loan was also settled and a sum of \$300,000 be paid to the Company, reflecting the majority of costs incurred



at the time. We also note that VCF3 and VCP have undertaken to discharge the priority creditor claims of the Company from the balance of the Participation Loan recoveries available.

Subsequently, on 25 November 2022, Gavin Moss of Chifley Advisory was appointed as Receiver and Manager of the Company by subordinated secured creditor VCP ("VCP Receiver"). Whilst the matter is still subject to varying disputes, we understand that the VCP Receiver will deal with claims from VCF3 and trust claimants against those assets. We note that the various secured and trust claims far exceed the value of the Participation Loans, therefore there is not anticipated to be any surplus assets available for unsecured creditors.

#### 5.1.1.3 Unrelated Entities – Other Franchisees

The Director advised that the loans provided to two franchisees for the sum of \$756K related to the Company's participation in two Business Partner transactions in 2015 and 2016 respectively. The two clients of the Business Partner transactions defaulted and as such, these loans appear to be unrecoverable. We understand that this is consistent with the R&M's view.

## 5.2 LIABILITIES UPDATED

### 5.2.1 Unsecured Creditors

#### 5.2.1.1 Related Party Creditors

We have received further Proofs of Debt from two related party creditors, Sprint Electrical Pty Ltd and Sprint Holdings Australia Pty Ltd, for the sum of approximately \$3.5M for loans purportedly advanced to the Company. These two entities are controlled by the Director's son, Anthony Petty and daughter in-law, Kara Petty.

The Company's financial records do not report loans owed to these parties for these amounts. Therefore, given the substantial amount of the claims, we sought further information on the claims.

With respect to these claims, the Director has advised the following:

- Loan agreements were entered into with these two creditors;
- Funds advanced pursuant to the loan agreements were paid into the Company's bank account; and
- Transactions pursuant to the loan agreements were recorded in the Company's management accounts against a ledger account labelled as "Call Loan A/C" which was the ledger account used to record Director loan transactions.

The supporting transaction schedule provided by the related party creditors show substantial funds being advanced over a period of almost 10 years. We are undertaking an exercise to reconcile the alleged advances against funds accounted for in the Company's management accounts, possibly through the Call Loan A/C. Our review is still ongoing.

We note that to the extent that the net advances from these creditors were recorded in the "Call Loan A/C", then the "Call Loan A/C" owed by the Director is likely understated by that amount. This potentially increases the value of the claims against the Director and similarly increases the value of

the Excluded Debtor claims sought to be extinguished under the proposed DOCA. We will provide an update, to the extent possible, at the forthcoming resumed creditors meeting.

## 6. PRELIMINARY INVESTIGATIONS

### 6.1 VOIDABLE TRANSACTIONS

#### 6.1.1 Unfair Preferences

As discussed in the Second Report, our preliminary investigations identified payments for the sum of \$405K made to eight (8) parties during the six (6) months prior to our appointment which might be of preferential nature and voidable against a Liquidator.

Further enquiries have been made to the Director with respect to the nature of these payments. Based on the information provided by the Director, it is unlikely these payments are considered to be unfair preference payments.

We have requested further evidence from the Director for the information provided in relation to these payments, however we have yet to receive same as at the date of this Report.

#### 6.1.2 Accessorial Claims

Creditors may recall in the Second Report, our preliminary investigations identified loans advanced by the Company to the Director for the sum of circa \$13.5M and we are advised that the Director then subsequently transferred these funds to DLP Trust to be used in the Fundsquire business. We have now been advised that the legal entity name is “D L Petty Trust” and Damien Petty is the Trustee. We understand that D L Petty Trust then on-lent those funds to DLP Invest, an entity owned by the D L Petty Trust and controlled by Damien Petty.

We have made several requests for information to verify the flow of funds from the Company to the Fundsquire business, however we have not received a complete response from the Director or Damien Petty thus far. We have separately received certain information on the structure of the Fundsquire business controlled by Damien Petty.

In the absence of confirmation from the parties involved, we have had to draw various assumptions as to the flow of the funds from the Company to the ultimate beneficiary, being the Fundsquire business. To assist creditors, we have included below a diagram depicting the structure of the Fundsquire business, and our best estimate of the flow of funds from the Company to the Fundsquire business.



In summary, based on the available information, we infer that:

- The Company advanced circa \$13.5M to the Director;
- Those funds were on-lent to by the Director to Damien Petty ATF D L Petty Trust;
- Those funds were then on-lent to by Damien Petty ATF D L Petty Trust to DLP Invest Pty Ltd;
- Those funds were used as a combination of debt and equity investment by DLP Invest in a group of entities operating the Fundsquire business. The amounts paid to each entity within the Fundsquire business has not been advised.

We have sought legal advice with respect to whether an accessorial claim can be established. Having consider that advice, we have formed the preliminary view that in a Liquidation scenario, an accessorial claim could potentially be pursued against Damien Petty, D L Petty Trust, DLP Invest, Fundsquire business. The claim value would be quantum of funds advanced to the respective recipients, on the basis that the payments are challenged as voidable transactions such as uncommercial or unreasonable director related transactions. For the purposes of our report, we have adopted the figure initially advised by the Director as having been advanced, of \$13.5M (which excludes interest).

In a Liquidation scenario, we anticipate one of the first steps would be to hold public examinations. Through the examination process, the Liquidator pursue evidence by way of Court orders production of documentation from each counter-party as to the funds loaned/invested at each step. This would be the foundation for a Liquidators' voidable recovery actions.

Our enquiries into the structure and financial position of the Fundsquire business have continued. Damien Petty has advised the following in respect of the Fundsquire business:

- the Fundsquire business currently trades via 3 entities, being Fundsquire Pty Ltd (an Australian entity), Fundsquire Limited (a UK entity) and Fundsquire Ltd (a Canadian entity) (collectively referred to as "Fundsquire Current Group").
- Damien Petty ATF D L Petty Trust, is the 100% shareholder of DLP Invest.
- DLP Invest currently holds a 56% shareholding (on a consolidated basis) in the Fundsquire Current Group.
- The Fundsquire Current Group has various creditor and secured creditor claims, including Fasanara Capital (or a nominee entity) ("Fasanara").
- Fasanara are a major investor in the Fundsquire Current Group, having provided a debt warehouse facility of circa \$70M and holding a substantial portion of the remaining 44% shares.
- The Fundsquire Current Group is currently in a state of financial stress, and needs to be restructured and recapitalised, and as such, the DLP Invest shareholdings will not be of significant value if realised now.

- The Fundsquire Current Group is in the process of being restructured, subject to an audit process which is anticipated to be completed by February 2023. The restructured Fundsquire Group will be referred to as “Fundsquire Restructured Group”.
- The Fundsquire Restructured Group will alter its shareholdings, such that DLP Invest will hold 38% and Fasanara (and other shareholders) will hold the remaining 62%.
- DLP Invest is currently required to hold a minimum 30% shareholding in the Fundsquire Restructured Group.
- The shareholders of the Fundsquire Restructured Group anticipate that they will exit the business within the next 3 to 5 years which would likely be a trade sale or public listing which would likely provide a liquidity event for all investors involved.
- DLP Invest anticipates that the minimum 30% shareholding requirement will be waived at some future point, allowing DLP Invest to realise its shareholdings in the Fundsquire Restructured Group.
- Damien Petty has advised that they are currently in discussions with Investors at a valuation of approximately \$45M AUD in respect of the Fundsquire Restructured Group.

Based on the information provided, it appears that the Fundsquire business is currently not in a financial position to repay the loans of which the funds originated from the Company. We have requested evidence to substantiate the above information provided. However, we have not received same as at the date this Report.

However, we further note that:

- The statutory time limitation period to commence a Liquidator’s recovery action involving an accessorial claim, is three (3) years from the relation back date, being 5 September 2022 when the Company was placed into Voluntary Administration.
- The various receivers and secured creditors may also seek to pursue a claim against those or related defendants. The loss to be pursued by the Receivers or secured creditors, may be similar or overlapping to the claims that may be brought by a Liquidator, and whilst there is no clear guidance on priority, it is possible that a set-off or reduction would be application between the competing claims. If, for example, a Receiver was to successfully pursue a debtor claim, that recovery may set-off a claim by the Liquidators for losses suffered. The outcome would not be known until the claims are brought, and in practice, an agreement reached for co-ordinated approach, making use of the broader powers of a Liquidator with the funding available to the Secured Creditors.
- Legal costs in pursuing such a claim would be substantial. We have included estimates of the costs that may be incurred in our return projections. These costs include provision for litigation funder premiums, as all assets are currently subject to the control of the various receivers, the Liquidators will not have sufficient funds to pursue such a claim independently.

Therefore, in a Liquidation scenario, a recovery from pursuing Liquidators voidable recovery actions are speculative in this matter, which are subject to obtaining funding to pursue the claim and the financial position of the Fundsquire business. We note that it is possible that there may not be any recovery for unsecured creditors in due course.

### 6.1.3 Further Investigation of Related Parties & Information Sought

Creditors will recall that we have sought substantial information from the various related parties, seeking to explain what has occurred with the Company's funds and what recovery actions may be available. The majority of information was sought from the Director and Damien Petty.

In short, there is a lot of information that was not provided. In some cases, we were advised that the information was not available, in other cases there were no meaningful responses provided.

The absence of information or considered explanations on the circumstances, leads us to necessarily have a sceptical mindset when forming views and making recommendations for creditors, particularly where there are substantial creditor claims and corresponding impaired related party debtors.

We summarise below the information that has been sought, but not provided.

#### Director (Raymond Petty)

- Completion of the missing detail within the Statutory Declaration of his personal financial position, particularly the loans he advanced to related parties, including Damien Petty, D L Petty Trust, DLP Invest or the Fundsquire business;
- Confirmation of the flow of funds, originating from the Company;

#### Damien Petty

- Statutory Declaration of his personal financial position;
- Confirmation of the flow of funds, originating from the Company;

#### D L Petty Trust:

- Confirmation of the flow of funds, originating from the Company;
- Copy of the trust deed;
- financial statements, or other documents to evidence its financial position;
- particulars of any security granted by that trust;

#### DLP Invest:

- Confirmation of the flow of funds, originating from the Company;
- financial statements, or other documents to evidence its financial position;
- particulars of any security granted by that entity;

- ▲ Fundsquire business entities
  - Confirmation of the flow of funds, originating from the Company;
  - financial statements, or other documents to evidence its current financial position of each of the entities involved, such as balance sheets, profit & loss statements and cashflow projections;
  - projections as to its financial position at relevant milestones defined in the DOCA proposal, such as 3-way financial models;
- ▲ Documentation to evidence the current financial circumstances of the following Excluded Debtors under the proposed DOCA:
  - any close associate of the Director (including Damien Petty) and any relative of such close associate, that is indebted to the Company;
  - any employee or former employee of the Company, any relative of such employee, any entity or body corporate to which that employee or former employee is a related entity and/or any other related entity of such first-mentioned body corporate, that is indebted to the Company;

## 7. DEED OF COMPANY ARRANGEMENT PROPOSAL

We have received a Deed of Company Arrangement (“DOCA”) DOCA proposal from the Director, Damien Petty and DLP Invest dated 2 December 2022, a copy of which is attached as **Annexure “6”** for creditors’ information and consideration.

### 7.1 SUMMARY OF DOCA PROPOSAL

The DOCA proposal is complex and provides the ability for the Secured Creditors to opt in or opt out, creating separate Deed Funds A and B. We have analysed the proposal herein.

Fundamentally, the DOCA requires the Proponents to pay contributions in five (5) instalments over six (6) years. Those contributions are to be largely funded via the proceeds received from shareholdings held by DLP Invest in the Fundsquire business.

We note that the First and Second Payments stipulate minimum amounts to be contributed. Whereas the Third and Forth Payments are capped, but do not have a minimum amount. The final contribution, the Fifth Contribution, has no minimum and is uncapped.

There are various complexities in the DOCA, and creditors are encouraged to read the proposal in detail. To assist, we have attempted to summarise the main aspects of the DOCA proposal below:

<b>Date of Proposal</b>	2 December 2022
<b>Proponents</b>	Raymond Petty, DLP Invest Pty Ltd and Damien Petty
<b>Deed Administrators</b>	Peter Krejci and Jonathon Keenan
<b>Definitions</b>	<b>Fundsquire Entities</b>
	<i>Fundsquire Pty Ltd Fundsquire Limited (UK) Fundsquire Ltd (CA)</i>
	<b>Secured Creditors</b>
	<i>Ventra Capital Fund 3 Pty Ltd Dacosi Investments Pty Ltd Dacosi ST Pty Ltd Ventra Capital Private</i>
	<b>Deferred Creditors</b>
	<i>The Director and Damien Petty</i>
	<b>Shares</b>
	<i>All shares: (a) owned as at the date of execution of DOCA by DLP Invest Pty Ltd which are issued by the Fundsquire Entities; and (b) acquired after the date of this Deed by DLP Invest Pty Ltd which are issued by Fundsquire Holdco Pty Ltd.</i>
	<b>Proceeds</b>
	<i>All dividends, distributions and other cash amounts paid to DLP Invest Pty Ltd in respect of the Shares, including the proceeds of realisation of the Shares.</i>
	<b>Participating Creditors</b>
	<i>All creditors of the Company (excluding the Deferred Creditors as defined below) may seek to participate in the Deed Fund and will be required to prove their debts as if the Company was in liquidation and the Act shall apply accordingly.</i>



	<p><b>Excluded Debtors</b></p> <p><i>(a) the Director, any close associate of the Director (including Damien Petty) and any relative of such close associate;</i></p> <p><i>(b) any entity or body corporate to which a person identified in 36(a) is a related entity and/or any other related entity of such first-mentioned body corporate, including:</i></p> <p><i>(i) DLP Invest Pty Ltd ACN 612 701 014;</i></p> <p><i>(ii) Fundsquire Pty Ltd ACN 637 115 658;</i></p> <p><i>(iii) DLP LendCo Pty Ltd ACN 628 851 338;</i></p> <p><i>(iv) Fundsquire Holdco Pty Ltd ACN 654 546 086; and</i></p> <p><i>(v) Squire Technology Pty Ltd ACN 619 534 262;</i></p> <p><i>(c) any employee or former employee of the Company, any relative of such employee, any entity or body corporate to which that employee or former employee is a related entity and/or any other related entity of such first-mentioned body corporate.</i></p>
<b>Control of the Company</b>	Control of the Company will revert to the Director immediately upon execution of the DOCA.
<b>Condition Precedent</b>	The Deferred Creditors, Raymond Petty and Damien Petty, will enter into a deed that they do not prove against the Deed Fund established under the DOCA.
<b>Security Offered to DOCA</b>	<p>A security interest granted by the Director in favour of the Company and the Deed Administrators over all of his present and after-acquired property as security for his obligations under the DOCA.</p> <p>No security is being offered by Damien Petty or DLP Invest.</p>
<b>Participation of Secured Creditors</b>	<p>Secured Creditors may elect to be Participating Creditors and are only bound by the DOCA if:</p> <p>(a) They vote in favour of the DOCA at the Second Meeting of Creditors; and</p> <p>(b) They elect in writing within 45 business days of execution of the DOCA.</p>
<b>Deed Fund Options</b>	<p>There are 2 potential Deed Funds, subject to whether the Secured Creditors elect to be Participating Creditors:</p> <p>1. If all Secured Creditors elect to be Participating Creditors, Deed Fund A will be established;</p> <p>OR</p> <p>2. If all Secured Creditors do NOT elect to be Participating Creditors, Deed Fund B will be established.</p>

	<b>All Secured Creditors elect to be Participating Creditor ("Deed Fund A")</b>	<b>All Secured Creditors do NOT elect to be Participating Creditor ("Deed Fund B")</b>
<b>Deed Fund</b>	(a) \$25,000 paid by Anthony Petty pursuant to the Deed of Indemnity dated 5 September 2022.	
	(b) Cash payments to be procured by the Proponents over 6 years from the execution of DOCA for a sum of: First Payment - \$9,000,000 within 2 years; Second Payment - \$8,000,000 in year 3; Third Payment – up to \$6,000,000 in year 4; Forth Payment – up to \$5,000,000 in year 5; Fifth Payment – 10% of the Proceeds realised in Year 6. Please refer to the " <u>Cash Payments Schedule</u> " below for further details.  These cash payments are not property of the Company and are to be held on trust by the Deed Administrators for the benefit of the Participating Creditors to the extent admitted by the Deed Administrators.	(b) Cash payments to be procured by the Proponents over 6 years from the execution of DOCA for a sum of: First Payment - \$2,250,000 within 2 years; Second Payment - \$3,446,136 in year 3; Third Payment – up to \$6,000,000 in year 4; Forth Payment – up to \$5,000,000 in year 5; Fifth Payment – 10% of the Proceeds realised in Year 6. Please refer to the " <u>Cash Payments Schedule</u> " below for further details.  These cash payments are not property of the Company and are to be held on trust by the Deed Administrators for the benefit of the Participating Creditors to the extent admitted by the Deed Administrators.
	(c) All assets of the Company that subject to security held by the Secured Creditors other than the Excluded Debtors after payment of realisation costs.	(c) net proceeds (if any) of all assets of the Company other than the Excluded Debtors, after payment of realisation costs and amounts to which the Secured Creditors are entitled to a priority.
	(d) A-Class shares in Prudential Group Holdings Pty Ltd held by the Director and Damien Petty	N/A
	(e) Trading profits of the Company from the appointment of the Administrators to the execution of the DOCA	
	(f) Cash at bank held by the Administrators as at the date of execution of the DOCA	
<b>Moratorium for Secured Creditors who Elect to be Participating Creditors</b>	Those Secured Creditors who elect to be Participating Creditors during the term of the DOCA must not enforce their own security or consent to any other Secured Creditors commencing any recovery action against the Company in respect of the Excluded Debtors or any part of the Deed Fund A or B.	

Distribution of Deed Fund	All Secured Creditors elect to be Participating Creditor ("Deed Fund A")	All Secured Creditors do NOT elect to be Participating Creditor ("Deed Fund B")
	<p>The Deed Fund is to be divided into two pools:            "Pool Fund A" for the secured creditors            "Pool Fund B" for the priority and unsecured creditors.</p> <p>Please refer to the "Deed Fund A Distribution Schedule" below for further information.</p> <p>Order and priority of distribution:</p> <p>(a) from the Pool A Fund and Pool B Fund together:            (i) the Administrators' remuneration and costs;            (ii) the Deed Administrators' remuneration and costs; then            (iii) entitlements of employees of the Company,</p> <p>(b) From the balance of the Pool A Fund:            (i) the Secured Creditors who are Participating Creditors to be distributed in accordance with the priority they would usually be entitled to; and            (ii) next, to the Pool B Fund,</p> <p>(c) From the balance of the Pool B Fund:            (i) pari passu to the Participating Creditors (excluding the Secured Creditors); and            (ii) last, to the Company.</p>	<p>Comprises Pool Fund B only</p> <p>Please refer to the "Deed Fund B Distribution Schedule" below for further information.</p> <p>Order and priority of distribution:</p> <p>(a) the Administrators' remuneration and costs;            (b) the Deed Administrators' remuneration and costs;            (c) entitlements of employees of the Company;            (d) pari passu to the Participating Creditors (for the avoidance of doubt, excluding any Secured Creditors); and            (e) last, to the Company.</p>
<b>Timing for Dividend</b>	As soon as practicable after receipt of each Payment, the Deed Administrators must pay a dividend.	
<b>Reporting and Monitoring during DOCA</b>	<p>The Director and Damien Petty:</p> <p>(a) shall use their best endeavours to secure payment of Proceeds of \$2,500,000 each year after the first 2 years; and            (b) shall provide the Deed Administrators with information relating to the likelihood of the payment of the Second to Fifth Payments as in reasonably necessary, to the extent that it is not in breach of any of their other legal obligations to third parties.</p> <p>The Director will provide all reasonable assistance to the Deed Administrators and Receivers in respect of the collection in of the Deed Fund A/B.</p>	

<b>Default and Termination</b>	<p>Until the First Payment is made, if the Deed Administrators determine that the DOCA is no longer viable, the Deed Administrators may convene a meeting of creditors consider the termination of the DOCA.</p> <p>After the First Payment is made, creditors may only terminate the DOCA in the event of a breach of the DOCA.</p> <p>If either the Director and/or Damien Petty become a bankrupt, then immediately prior to that time the DOCA shall immediately terminate, and the Company placed into liquidation with the Deed Administrators appointed as its liquidators.</p> <p>The DOCA will otherwise terminate once the Deed Administrators declare that it has been wholly effectuated.</p>
<b>Full and Final Settlement</b>	<p>All Participating Creditors must accept:</p> <p>(a) Their distribution from the Deed Fund in full and final settlement;</p> <p>(b) Their claims are released in full and extinguished on payment of their entitlements; and</p> <p>(c) All claims against the Company are released in full and extinguished on effectuation of the DOCA.</p>
<b>Additional Terms</b>	<p>(a) Upon effectuation of the DOCA, the Company grants full releases of all debts payable by, or any claims by the Company, against Excluded Debtors.</p> <p>(b) In the event that the DOCA terminates by any reason other than by effectuation any releases given by the Company to the Excluded Debtors under the DOCA are void.</p> <p>(c) The quantum of any claims that the Company may have against any of the Proponents, the Fundsquire Entities and/or Excluded Debtors will be reduced by an amount equal to any payments made by the Proponents to the Deed Fund.</p> <p>(d) In the event that all Secured Creditors elect to be Participating Creditors, upon effectuation of the DOCA, the Company and the Participating Creditors release and discharge the Proponents, the Fundsquire Entities and the Excluded Debtors from all claims the Company and the Participating Creditors have against them.</p>

Cash Payment Schedule				
Payment	Timing from Execution of DOCA	Composition	Deed Fund A	Deed Fund B
First	Up to 2 years	Fixed amount	\$9,000,000	\$2,250,000
Second	Up to 3 years	Fixed amount	\$8,000,000	\$3,446,136
Third	Up to 4 years	60% of the Proceeds since Second payment	Up to \$6,000,000	
Fourth	Up to 5 years	50% of the Proceeds since Third payment	Up to \$5,000,000	
Fifth	6 years	10% of the Proceeds since Fourth payment	Unknown	

Deed Fund A Distribution					
Payment	Deed Fund	Pool A Fund		Pool B Fund	
		%	Amount	%	Amount
First	\$9,000,000	75%	\$6,750,000	25%	\$2,250,000
Second	\$8,000,000	75%	\$6,000,000	25%	\$2,000,000
Third	\$6,000,000	0%	-	100%	Up to \$6,000,000
Fourth	\$5,000,000	0%	-	100%	Up to \$5,000,000
Fifth	Unknown	0%	-	100%	Unknown

Attached at **Annexure “7”** is a model of the potential shareholding values required in the Fundsquire business, in order to satisfy the DOCA contribution requirements.

## 7.2 OBSERVATIONS OF THE DOCA PROPOSAL

Below is a high-level summary of key benefits and risks that we have identified in the DOCA proposal:

Benefits	Risks / Concerns
Some certainty on return for the First and Second Payments with funds held on trust for the Participating Creditors and a requirement for interim distributions	Limited information provided to support the Proponents capacity to satisfy the DOCA contributions, in particular that the Fundsquire business can be materially improved along with its shareholding value
Director and Damien Petty are required to use their best endeavours to secure Second to Fifth Payments of \$2.5M each	No minimum contributions required for Third to Fifth Payments
Direct line of recovery against DLP Invest and Damien Petty to the extent of the contributions whilst DOCA is in operation	Extended DOCA term of up to 6 years
Avoids the risks of litigation, which will require funding	No security offered by Damien Petty, DLP Invest, DLP Trust or Fundsquire business, where the shares are held by DLP Invest
If Secured Creditors opt in, this will reduce disputes as to contested claims against the Director (and others) or strategy for recovery of the Company’s debtors	Without security or a negative pledge, there is a risk that assets could be moved or sold

Benefits	Risks / Concerns
Director obliged to assist the Deed Administrators with the collection of the Deed Fund, which includes the First to Fifth Payments	Limited Reporting and Monitoring powers during the first two years of DOCA
Settles all claims against the Company and the Proponents	Risk of default if the Director or Damien Petty become bankrupt
Opportunity to still pursue certain Liquidators' recovery actions if the DOCA is terminated before 5 September 2025, and funding is available	Certain Liquidators' recovery actions may become time barred if the DOCA is entered into and then terminated after 5 September 2025
	There is no funding available to implement the DOCA or pursue any actions, prior to the First Payment being received

Our observations of the DOCA proposal are:

- ▲ The DOCA proposal provides for a direct line of recovery for the creditors to the shareholdings in the Fundsquire business held via DLP Invest, via the Proponents undertakings to procure the contributions.
- ▲ The First and Second Payments require a minimum contribution amount. The Director and Damien Petty have a best endeavours obligation to ensure that the Third to Fifth Payments are at least \$2.5M each year.
- ▲ Secured Creditors are entitled to receive a dividend as a Participating Creditor, to the extent of their unsecured claim.
- ▲ The duration of the DOCA period is 6 years with the First Payment to be made up to 2 years from the execution of the DOCA. Certain Liquidator recovery actions become time barred after 3 years from the relation back day, being the date of our appointment as Administrators on 5 September 2022. Therefore, dependent on the duration of the DOCA, some liquidators' claims may be lost.
- ▲ The DOCA proposal is subject to a condition precedent, that the Deferred Creditors (Director and Damien Petty) shall not seek to prove under the DOCA. We are not aware of material amounts, if any, are owed by the Company to the Deferred Creditors. We have sought confirmation from the Deferred Creditors on a number of circumstances regarding the amounts they assert are owed and we have not received a complete response. In the absence of any further information, we are of the view that the Deferred Creditors are instead debtors with substantial sums owed to the Company in respect of the related party loan transactions previously reported. Pursuant to the DOCA, the Deferred Creditors' claims remain creditors of

the Company, however we are instructed that the Deferred Creditors will release their claims against the Company upon effectuation of the DOCA.

- Upon the effectuation of the DOCA, all claims and actions against the Excluded Debtors are extinguished. The effect of this appears to be that, if creditors vote in favour of the DOCA, they are voting in favour of a broad release. This is relevant for creditors' consideration, particularly the Secured Creditors and other unsecured creditors, which hold separate guarantees or security. Creditors should seek their own advice as to the implications on any external claims or security they may hold.
- If all Secured Creditors elect to become Participating Creditors, that upon effectuation of the DOCA, the Secured Creditors release and discharge the Proponents, the Fundsquire Entities and the Excluded Debtors from all claims the Company and the Participating Creditors have against them. However, this release does not apply if only some Secured Creditors, but not all elect to participate in the DOCA. Consistent with the comments above, the release is broad and appears to extinguish all claims that the Participating Creditors have against the Proponents, Fundsquire Entities and Excluded Debtors (ie. other claims, securities granted, guarantees, etc). The Secured Creditors should seek their own advice as to the implications on their claims or security they may hold.
- Security for payment of DOCA contribution is only granted by the Director over his present and future property. As discussed in the previous sections, having regard to the Statutory Declaration provided by the Director, it appears that all his assets may be encumbered, and he has provided personal guarantees for substantial amounts of debts owed by the Company. Therefore, whilst the granting of security is an improvement for creditors, the true value may be questionable.
- Damien Petty, DLP Trust and DLP Invest have not offered any security for the DOCA contributions, noting that DLP Invest holds the shareholding in the Fundsquire business.
- Only the Director, but not Damien Petty or the Fundsquire Entities, is obliged to assist with collection of the DOCA contributions. However, we are advised that DOCA contributions are likely to be sourced from the Proceeds of shares held in the Fundsquire Entities.
- The First and Second payments are not defined as being paid from the Proceeds but could be from any source. According to the Director's statutory declaration regarding his personal financial position, the Director is unlikely to have any realisable assets to satisfy these payments. Further, we have been advised via his lawyers that Damien Petty does not have significant personal assets to satisfy these payments.
- The DOCA requires that the first \$6M from the share proceeds to be applied debts owed by DLP Invest, prior to the First Payment. We understand that this debt is owed to another Ventra fund, which has agreed to forbear from enforcement of its debts for an undisclosed period of time. However, based on the timing for the First Payment, we presume that the forbearance is for a period of no greater than 2 years.

- ▶ The DOCA contemplates a sale of shares, possibly at substantial value, which could trigger a capital gain and tax liability depending on the tax positions of DLP Invest and DLP Trust. We have requested but not been provided any documentation to evidence the financial position of DLP Invest and/or DLP Trust, such as the capital base or tax loss position. These are matters for DLP Invest and DLP Trust to manage, however the contributions and return to creditors are contingent on the Proceeds being provided to the DOCA. The DOCA does not grant security over DLP Invest, DLP Trust or Damien Petty, and therefore the DOCA (creditors) interests are effectively unsecured. This causes further risk of payment default, assuming the Shares are sold in due course.
- ▶ The First and Second Payments could be paid from any source. However, we are advised that the Director and Damien Petty are not of financial means, and the only asset is the shareholding interest in the Fundsquire business. We have assumed in our analysis that the First and Second Payment will be sourced from the Proceeds of the Shares, along with the Third to Fifth Payments.
- ▶ It is contemplated that the formal Deed, will incorporate the regular Deed Administrators powers to, amongst other matters, convene meetings of the Participating Creditors, to consider approvals of remuneration or compromises, or possibly to vary the DOCA if needed.
- ▶ In the first 2 years, the DOCA provides limited powers for the Deed Administrators to seek information and monitor the performance, in order to determine if it is no longer practicable or desirable to implement the DOCA. Consequently, the creditors (and Deed Administrators) may have limited insight on progress of the Fundsquire business during those first 2 years, and therefore may be unable to make an informed decision to terminate, or not. Furthermore, during these first 2 years, the Deed Administrator will be completely unfunded as the First Payment has not been received at that point in time.
- ▶ Clause 28 seeks to limit the power to terminate the DOCA from year 3 onward, the Deed Administrator does not have the power to call a meeting of creditors for the purposes of termination after the First Payment is made, only where there is a default.
- ▶ The DOCA does not provide the Deed Administrators the power to terminate the DOCA by their own election, if for example they determine the DOCA cannot achieve its objectives. In this regard, for a meeting convened during the DOCA, the Secured creditors who do not opt in will not have a vote at any creditors meeting convened. If a resolution cannot be reached with the Participating Creditors entitled to vote, then the Deed Administrators will need to apply to Court, possibly under s447A (or other).
- ▶ The Director and Damien Petty are only required to provide information to the Deed Administrators in respect of the Second to Fifth Payments - being due in years 3 to 6.
- ▶ Clause 16 only obliges the Director, not Damien Petty or DLP Invest (Fundsquire etc), to assist the collection of the Deed Funds, and based on information requests, where thus far during the Administration process, the Director has not been able to furnish us with any meaningful information on the Fundsquire business, which is central to the DOCA working.



- A set-off for claims the Company, Liquidators or Receivers might have against the Director, Damien Petty and the Fundsquire Entities is contemplated in the DOCA for the amounts which are paid under the First to Fifth Payments. This set-off appears to be provided jointly and severally in favour of the Proponents, Fundsquire Entities and Excluded Debtors, despite which party may have paid the particular contribution to the DOCA.
- The order and priority of distribution for employees means that there is a variation to the normal order of priority outlined in s566 of the Act. We note that those priority claims ought to be discharged by the Receiver from the debtor recoveries, however we understand they will not have been paid by the time the DOCA is voted on. Accordingly, in order for the DOCA proposal to proceed, eligible employee creditors are required to pass a resolution agreeing to the variation of their priority pursuant to Section 444DA of the Act. A meeting of eligible employees has been convened at 10:00AM AEDT on Wednesday, 14 December 2022. Please refer to Section 12 for further discussion.

### 7.3 INFORMATION PROVIDED ON THE FUNDSQUIRE BUSINESS

The viability of the DOCA relies heavily on the financial performance of the Fundsquire business, and the realisable value of the shareholding held by DLP Invest in Fundsquire business. Accordingly, we sought information from the Proponents, in particular Damien Petty, regarding the current and projected future financial position of the Fundsquire business.

After substantial exchanges between the parties, we received the following information from Damien Petty over the past week:

- Written explanation on the Fundsquire business dated 25 November 2022
- Investor Teaser Deck prepared by Fundsquire management dated September 2022
- Valuation Report prepared using online valuation tool Equidam dated 1 July 2022

Damien Petty agreed to waive any confidentiality requirements, such that we have attached as **Annexure “8”** these documents herein for creditors’ consideration.

We have had only a few days to consider the materials provided, and we have not had the information independently reviewed. We do not express any opinion to the accuracy or completeness of the information provided.

We summarise some of our observations below to assist creditors in forming their own views when considering the DOCA or alternate recovery actions in a Liquidation scenario.

#### Written Explanation

Damien Petty has provided a high-level summary of the current financial position of the Fundsquire business, the plan to restructure that business and realise value from the shareholding. In particular, we observe that it states that the Fundsquire business is under financial stress currently and realising the shareholding at this point in time “won’t be of significant value”.

The Fundsquire business is currently in discussions with potential investors at a valuation of approximately \$45M in respect of the Fundsquire Restructured Group. We were not provided any evidence to support this assertion.

An Investor Teaser Deck has been prepared based on “old forward projections” which may be materially overstated given adverse impact of changes in the UK R&D market.

### **Investor Teaser Deck**

The investor teaser deck is a form of marketing material, prepared by Fundsquire management and dated September 2022. It does not appear to have been independently reviewed or audited. In this regard, it does not appear to be a reliable source to determine value of the shareholding or the capacity to satisfy the DOCA obligations, however it does provide an overview of the business for creditors’ consideration.

The document outlines information on the business model and opportunities in the market, in an attempt to attract \$5M capital to the business. Overall, the document contemplates a substantial growth curve for the business in the immediate 2 years.

We note that the Fundsquire business has been unprofitable during FY2020 to FY2022, with losses of circa \$8M during those years. However, the document projects that the business will generate a \$1M profit in FY2023 and \$14.7M profit in FY2024.

The improvement in profitability appears to be driven by a projected growth in the loan book of 4 times, from \$87M in FY2022 to \$347M in FY2024. The revenues are contemplated to grow substantially during that period from \$8M to 48M.

The document does not provide a balance sheet or cashflow over for the historical or forward-looking period. However, we note that it reports that the business has a \$300M debt warehouse facility and \$75M of debt and equity raised to date. It is unclear what portion of those amounts (or trading losses) were financed with funds from the Company.

We note that document indicates that \$110M has been written in loan and loan loss rate of less than 0.22%. There are operations in Australia, Canada and UK with 54 staff. We assume that any losses were a function of the business growth.

There were no supporting materials provided to verify the accuracy of the statement or projections in the Investor Teaser Deck.

### **Equidam Valuation**

We have been provided with a valuation report produced with an online valuation tool named Equidam, a valuation platform designed for start-up companies with heavy reliance placed on future cash flow/profit forecasts. We have requested, but not been provided with, financial statements and other supporting documents utilised in the online valuation algorithm.

We have not audited or been able to obtain an independent review within the time provided. We provide our comment and analysis of the valuation report as follows:

1. The valuation report is dated 1 July 2022. The valuation conclusions are summarised as:
  - a. Fundsquire before capital raising - \$157M to \$201M (midpoint \$179M); and
  - b. Fundsquire after capital raising of \$5M - \$162M to \$206M (midpoint \$184M) (merely adding \$5M in equity).
2. The key financial drivers of the valuation are set out in the table below:

	Historic FY2022	Forecast FY2023	Forecast FY2024	Forecast FY2025
Profit & loss data	AUD	AUD	AUD	AUD
Revenue	3,695,698	17,545,755	- 35,146,413	62,233,087
Cost of sales	(879,447)	(6,256,730)	- (9,550,227)	(15,100,725)
Gross profit/(loss)	2,816,251	11,289,025	- 25,596,186	47,132,362
	-	-	-	-
Operating expenses	(3,929,375)	(5,782,567)	- (9,439,448)	(12,214,283)
Salary expenses	(3,619,340)	(7,301,800)	- (9,682,589)	(12,047,670)
	-	-	-	-
EBITDA	(4,732,464)	(1,795,342)	- 6,474,149	22,870,409
	-	-	-	-
Net profit/(loss) after tax	(5,140,224)	(2,408,543)	- 4,154,053	16,144,241
	-	-	-	-
Cash flow projections	-	-	-	-
Opening cash	-	- 387,000	- 44,412,885	49,744,172
Equity fundraising	-	- 5,000,000	-	-
Free cash flow	-	39,025,885	- 5,331,257	17,896,385
Closing cash	- 387,000	44,412,885	- 49,744,142	67,640,527
	-	-	-	-
Other relevant data from report	-	-	-	-
Loan book at end of year	-	108,585,574	- 222,587,000	407,433,000
Implied revenue return on loan book	-	- 16.16%	- 15.79%	- 15.27%

3. In terms of considering the reasonableness of the above, we note the following limitations:
  - a. Historic financial statements for Fundsquire have not been provided. The business commenced in 2017. Knowledge of its trading history is important to assess the forecast position;
  - b. The free cash flow within the cash flow projections and their nexus with trading profits/losses and the loan book is not clear and difficult to correlate.
4. The valuation conclusions set out at above are reached by a weighted average of several different valuation methods, summarized in the table below:

- Start-up valuation method	Pre-money valuation mid-point	Weighting applied	Result
Qualitative methods			
Scorecard method (assessing various traits, such as strength of management team and strategic relationships with partners, compared with assumed traits of the average company)	\$6,769,989	6%	\$406,199
Checklist method (assessing criteria, such as quality of the idea and operating stage, according to how close its qualitative traits are to the most desirable ones)	\$4,687,000	6%	\$281,220
Earnings based methods			
Venture Capital method (giving the start-up the valuation that will grant investors a predetermined return at the exit, with the exit value computed with an industry-based EBITDA multiple) Multiple adopted is 19.57	\$131,375,038	16%	\$21,020,006
Discounted cash flow method (the present value of the free cash flows to be generated in the future discounted by its risk) with long term growth assumed at a constant rate in perpetuity Discount rate adopted is 7.59%	\$168,050,550	36%	\$60,498,198
Discounted cash flow method (the present value of the free cash flows to be generated in the future discounted by its risk) with a terminal value calculated with the multiple adopted for the venture capital method Discount rate adopted is 7.59% Multiple adopted is 19.57	\$269,261,078	36%	\$96,933,988
Total pre-money valuation		100%	\$179,139,612
Add: Equity capital fundraising			\$5,000,000
Total post-money valuation			\$184,139,612

5. Notwithstanding the difficulty with assessing the reasonableness of forecast figures, there are potential issues with the valuation parameters adopted, in particular:
- The discount rate adopted of 7.59% is referable to a risk-free rate of 1.6%, which is not reflective of the current 10 year Government Bond rate. At 30 November 2022 the rate was 3.5%, which may render the discount rate utilised too low (and valuation too high);
  - The discount rate and the EBITDA multiple is supposed to reflect the risk inherent in achieving the profit/cash flow forecast. The forecast profits/cash flows are, on the face of it, quite ambitious and therefore the discount rate could arguably be higher

(and the EBITDA multiple significantly lower) to reflect the risk of achieving those results;

- c. The EBITDA multiple of 19.57 reflects an industry based multiple (with no indication of the source of the multiple or relevant timing), and thus is clearly not reflective of the specific risks facing Fundsquire in achieving the forecast results on which the valuation is predicated.

On 1 December 2022, we were advised by the Damien Petty's representatives, that the market conditions have adversely changed since the date of the valuation, with current sentiment anticipating that the revenue stream for 2025 may be overstated by some 50% and the nearer term by some 70%. We understand that this results from changes in the UK R&D market. This will have a significant downward impact on the valuation. It is not possible to reperform the mechanics of the valuation without utilising the same valuation tool, however it is possible that the significantly reduced forecast trading results would result in at least a 50% reduction of the value assessed at July 2022, as follows:

- a. Before capital raising - \$78M to \$100M (midpoint \$89M); and
- b. After capital raising of \$5M - \$83M to \$105M (midpoint \$94M) (merely adding \$5M cash).

In summary, given the limitations referred to above, we have concerns that the valuation may be unreliable and/or overstated in respect of providing a reasonable assessment of the value of the issued share capital of the Fundsquire business.

## 7.4 CONCLUSION

In conclusion, the DOCA is speculative and conditional on a number of events occurring or not occurring. Our estimates indicate that it is possible that the DOCA may produce an improved outcome for creditors in the fullness of time, as compared to a Liquidation scenario which is conditional on pursuing recoveries via Liquidation.

Unfortunately, however, we have not been provided with sufficient supporting information that would allow us to form a positive view that the DOCA is likely to achieve its objectives, and therefore we cannot recommend the DOCA proposed.

Despite this, creditors may still resolve to accept the DOCA proposal should they see fit. The returns projected in the Liquidation scenario are subject to successful litigation which is itself speculative.

Our main concerns are as follows:

- The DOCA is reliant on the shareholding value of the Fundsquire business improving substantially, from being currently in "distress", to being worth over \$68M of which DLP Invest is said to hold a 38% interest. The proposal contemplates that those shares be sold down to generate sufficient proceeds to satisfy the DOCA contributions over an extended period of time.

- ▲ Damien Petty has provided a valuation and investor pack that suggests the Fundsquire shares may be valuable in three (3) years time. We have included these documents for creditors' consideration. However, the time period for the DOCA is actually a 6-year term, and Damien Petty has also advised that there has been material deterioration in the market which could adversely impact the valuation by around 50%. We have not been provided sufficient supporting documentation or a verifiable independent opinion that supports the shareholding values asserted are achievable.
- ▲ The First and Second Payments contain a minimum amount, thereafter there is no floor on the contribution amounts, only a best endeavours obligation to see \$2.5M contributed each year.
- ▲ The First Payment is not due for up to 2 years after execution of the DOCA, and there is little oversight powers granted to the Deed Administrators during that first 2-year period. The reporting and monitoring powers relate to the Second to Fifth Payments (due to be received in years 3 to 6).
- ▲ There is no meaningful security provided in the DOCA, noting that the Director has indicated that he does not hold any assets, other than the loans advanced to DLP Trust (which are unquantified).

We note that in a Liquidation scenario, the voidable recovery action claims identified would also have to be pursued against Damien Petty, DLP Trust, DLP Invest and the Fundsquire business, where the commercial merit is questionable at this current time. This is not to suggest that the Fundsquire business would not still improve over time (as is the basis of the DOCA proposal) and that a commercial arrangement could be pursued in due course. We are advised by the Director that there is a risk that pursuing claims in the immediate term could collapse the value Fundsquire business and therefore no return may be available.

We have requested, but not been provided, with substantial information during this process that would assist in forming views on a DOCA or Liquidation outcome. The effect is that creditors are being asked to support a DOCA which is uncertain, without complete information. In the absence of complete information, we must remain somewhat sceptical in our assessment.

**We are unable to recommend that the creditors accept the proposed DOCA.**

## 8. RECOMMENDATION OF ADMINISTRATORS

Pursuant to Rule 75-225(3) of the IPR, the Administrators are required to make a statement setting out the Administrators' opinion about each of the following matters and provide their reasons for those opinions:

- ▲ Whether it would be in the Creditors' interests for the Company to execute a DOCA;
- ▲ Whether it would be in the Creditors' interests for the administration to end;
- ▲ Whether it would be in the Creditors' interests for the Company to be wound up.

**We set out below our opinions as to each of these options:**

## **8.1 DEED OF COMPANY ARRANGEMENT**

Creditors may resolve that the Company should execute a DOCA.

We refer to Section **Error! Reference source not found.** for details of the DOCA proposal and our analysis of same.

The DOCA provides for a potentially improved outcome when compared to a Liquidation scenario. However, we have various concerns on the DOCA proposal and have not been provided sufficient information to form a view that the DOCA may achieve its objectives. In particular, we note:

- The information provided to support the share valuation has not been independently reviewed or verified, and may be unreliable. Based on the information provided, we are unable to form a view that the Proponents are likely to be able to satisfy the DOCA contribution requirements.
- There is no security offered over the primary asset, being the shares in the Fundsquire business, and as such the assets could be restructured to the detriment of creditor interests.
- During the first 2 years there is limited ability to seek information and monitor the progress of the Fundsquire business, which must grow substantially in terms of revenues and profit, in order for the DOCA contributions to be satisfied from the disposal of shares.
- The DOCA runs for an extended period of 6 years, during which period the alternate Liquidators claims may become time barred (if it is terminated after September 2025).

**Accordingly, based on the matters discussed in this report, we do not recommend that creditors resolve that the Company execute the proposed DOCA.**

We note that whilst we do not recommend the DOCA proposal, the creditors may resolve to accept the proposal at the forthcoming resumption of the second meeting of creditors. In this regard, it is possible that the DOCA may produce an improved outcome for creditors in the fullness of time, as compared to a Liquidation.

## **8.2 ADMINISTRATION TO END**

Creditors may resolve that the Administration of the Company should end, and that control of the Company should be handed back to its Director.

The Company is clearly insolvent and if the administration was to end, the Company would be placed in a similar position to that existing prior to our appointment as Administrators.

**We do not recommend that the Administration end on the basis that the Company is clearly insolvent.**

### 8.3 LIQUIDATION

Should Creditors decide to wind up the Company, the Administration would revert to a Creditors Voluntary Liquidation and the Administrators would become the Liquidators, unless creditors resolved to appoint an alternative Liquidator.

One of the roles of the Liquidators would be to complete investigations into the reasons for the Company's failure and to identify any causes of action or voidable transaction recoveries against any entity or individual. The Liquidators are also required to report their findings to ASIC in the event that offences are uncovered.

We refer to the earlier discussions of potential recovery actions that may be available in a liquidation scenario. Potential claims have been identified against the Director, Damian Petty, DLP Invest, DLP Trust and the Fundsquire Entities. Therefore, whether any funds can be recovered, similar to that under a DOCA scenario, is largely dependent on the financial capacity of those parties as/when a claim is brought.

We have requested information to explain the financial position of the potential defendants, however have not received complete responses. We are advised by the Director and Damien Petty that the potential defendants do not have the means to satisfy claims. Giving a complete and open accounting would have provided evidence to dispel any commercial value, however this was not forthcoming.

The Liquidators have the power to conduct public examination and compel those parties to produce material as to the financial capacity. Assuming that the parties appear to have capacity to satisfy a judgement, litigation could be commenced focussing on the various Liquidator voidable recovery actions.

The Liquidation route is contingent on legal proceedings being pursued which is expensive and will require funding. That funding is not currently available in the Administration, and therefore "litigation funding" would be needed from creditors or the market. Litigation in a Liquidation scenario is speculative and there could be a contest between the secured and unsecured creditors over the proceeds. The outcome being that there may not be any recovery to creditors in the fullness of time, which may be similar position should the DOCA fail.

**We recommend that creditors resolve to wind up the Company, as we have not been provided sufficient information to determine that the DOCA will achieve its objectives.**

## 9. ESTIMATED RETURN TO CREDITORS

The potential returns to creditors in this matter are somewhat speculative in either the DOCA or Liquidation scenario.

- ▲ The DOCA is dependent on the Fundsquire business being turned around and the shareholdings in same being realised for significant amounts within 2 years, and then annually thereafter;
- ▲ The Liquidation is contingent on pursuing recovery actions from Director related parties, in particular DLP Invest and the Fundsquire business.



- In this regard, both outcomes are linked. The difference being the DOCA seeks to apply a moratorium on creditor claims and then compromise those claims, for the amounts recovered under the DOCA.
- We note that the DOCA may produce a better outcome for creditors if it is successful, as compared to Liquidation. However, we have not been provided with relevant information to support a view that the DOCA is likely to achieve its objectives.

Set out in **Annexure “9”** is an analysis of the estimated returns that may be available to creditors under the proposed DOCA and a Liquidation, with optimistic and pessimistic scenarios. Please note these figures are estimates only, and the actuals may vary materially. In particular, please note that the voidable recovery values are illustrative only, and the outcome from the R&M collection on debts is unknown currently. The return under the DOCA is contingent on whether the Secured Creditors opt in or out, and then what value can be obtained from the shares in the Fundsquire business over a 6-year period.

In summary, the estimated return are as follows:

Summary of Return to Creditors	Deed Fund A		Deed Fund B		Liquidation High Cents/\$	Liquidation Low Cents/\$
	DOCA High Cents/\$	DOCA Low Cents/\$	DOCA High Cents/\$	DOCA Low Cents/\$		
<b>Secured Creditors</b>						
Ventra Capital Fund 3 Pty Ltd	100	100	50	14	17	2
Dacosi Investments Pty Ltd & Dacosi ST Pty Ltd	100	100	44	12	7	0
Ventra Capital Private Pty Ltd	78	50	55	46	26	38
<b>Priority Creditors</b>	100	100	100	100	100	100
<b>Unsecured Creditors</b>	58	13	44	12	7	0

*\*Note – We have assumed that the Protea and AMG secured creditor claims are invalid, such that they would participate as unsecured creditors in either a DOCA or Liquidation scenario*

We note that in respect of the projections, the DOCA could fail, and by that time the underlying assets may not be available, or the claims time barred, such that there may be no return available for Participating Creditors. Conversely, the returns in a Liquidation scenario are contingent on litigation where there is no guarantee of a positive outcome, and the timing is simply unknown. Similar to the DOCA concept, it is also open to a Liquidator to consider a commercial settlement of the claims, which does not have to be immediate.

To assist with our quantification of potential returns, we encourage any creditors who have not already done so, to lodge a Formal Proof of Debt (“POD”) together with relevant supporting documentation. A copy of the POD is attached as **Annexure “3”** in this regard.

## 10. ADMINISTRATORS’ RECEIPTS AND PAYMENTS

Attached as **Annexure “10”** is the Administrators’ Receipts and Payment from 5 September 2022 to the date of this Report.

## 11. ADMINISTRATORS', DEED ADMINISTRATORS' AND LIQUIDATORS' REMUNERATION

In compliance with the Australian Restructuring, Insolvency and Turnaround Association's ("ARITA") Code of Professional Practice and the requirements of the Act, we are required to provide detailed information in respect of our remuneration. We attach our Remuneration Approval Report as **Annexure "11"** which details the major tasks that have been and will be conducted in this administration. Our remuneration is calculated on the time spent by staff at hourly rates used by BRI Ferrier, as detailed in our Remuneration Matrix. This document is contained within the Remuneration Report. In addition, a schedule of hourly rates is also contained within the Remuneration Report.

To date, our remuneration has been calculated on this "Time-Cost" basis, and we propose that it continue to be calculated on this basis. The Time-Cost method for calculating remuneration reflects the cost to our firm of the work undertaken, rather than a measure of the assets realised. In our view, the Time-Cost method is the preferable basis for calculating remuneration in an engagement such as this.

For Creditors' information, ASIC information sheets (**Annexure "12"**) that relate to specific circumstances once an insolvency practitioner is appointed to a Company and approval of remuneration can be found at the following websites:

- <http://www.asic.gov.au/insolvencyinfosheets>
- <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheet>

### 11.1 VOLUNTARY ADMINISTRATION PERIOD

At the adjourned second meeting, the Creditors approved part of our Administrators' remuneration. At the forthcoming resumption of the second meeting, Creditors will be asked to approve the Administrators' remuneration, which have not previously been approved.

Please refer to the Remuneration Approval Report, attached as **Annexure "11"** for further details.

### 11.2 DEED OF COMPANY ARRANGEMENT PERIOD

If creditors approve the DOCA Proposal, the Proponent has 15 business days to execute the DOCA.

If executed, we, Jonathon Keenan and Peter Krejci, will be appointed Deed Administrators. In that circumstance, at the forthcoming meeting we will also seek approval for our estimated remuneration to conduct the DOCA. The attached remuneration report details an estimate of the costs likely to be incurred in the DOCA. It is an estimate only and may change depending on matters which occur during the course of the DOCA.

Please refer to the Remuneration Approval Report, attached as **Annexure "11"** for further details.

### 11.3 LIQUIDATION PERIOD

If the Company is placed into liquidation at the forthcoming Second Meeting of Creditors, we will be appointed Liquidators, unless creditors resolve to appoint an alternate Liquidator. We note that we have not received an alternate consent to act as Liquidator.

If creditors resolve to wind up an entity and we are to be appointed, we will also seek approval for our estimated remuneration in conducting the Liquidation. The attached remuneration report details an estimate of the initial costs likely to be incurred in a liquidation scenario. It is an interim estimate only and actual costs may be quite different, depending on the work required and/or if litigation actually is pursued. Therefore, the estimate may change depending on matters which occur during the course of the liquidation.

Please refer to the Remuneration Approval Request Report, attached as **Annexure “11”** for further details.

## 12. ELIGIBLE EMPLOYEE MEETING

As discussed earlier, the DOCA alters the order of priorities, which includes a technical variation to the priority rights of employees. Accordingly, in order for the DOCA proposal to proceed, eligible employee creditors are required to pass a resolution agreeing to the variation of their priority pursuant to Section 444DA of the Act

The Eligible Employee Meeting will be held on Wednesday, 14 December 2022 at 10:00AM AEDT. The formal Notice of Meeting is attached as **Annexure “2”** for your reference.

Please note that there are only 3 known employees, which includes the Director and related parties.

In respect of the priority (employee) claims, the R&M and/or VCP have undertaken to discharge these claims from the recoveries made from the Company’s debtors, in particular the Participation Loans. Therefore, the variation contemplated in the DOCA, appears only to be applicable should there be insufficient funds available from the debtor recoveries. To date approximately \$2.4M has been recovered from the Participation Loans which is subject to one or both of the Receivers appointments, as compared to the estimated priority claims at \$70K. Regardless, whilst highly unlikely, it is possible that the costs or trust claims could erode the surplus, otherwise available for priority creditors.

In comparing the position of the employees in the DOCA as compared to Liquidation, the claims do maintain a priority in the DOCA. However, the DOCA contemplates a delay in the discharge of those claims for up to 2 years when the First Payment is received. Again, we consider this a remote prospect, as the R&M has a duty to discharge those claims from the circulating assets recoveries.

Therefore, it is our view that the variation of priority rights contained in the DOCA should produce the same outcome for priority creditors as in a Liquidation, as those priority claims should be discharged via the R&M in either scenario pursuant to the priorities set out in the Act. We recommend that the eligible employees approve the resolution as sought, assuming they support the DOCA proposal.

To participate as an eligible employee Creditor, you should:

- Provide us with a Proof of Debt detailing your claim to be an eligible employee creditor. Proofs of Debt are enclosed as **Annexure “3”**. If you have previously provided a proof of debt and wish to supplement it, you may do so.

- Eligible employee creditors may attend and vote in person, by proxy or by attorney. The appointment of a proxy, which is attached as **Annexure “4”**, must be in accordance with Form 532.
- A specific proxy can be lodged showing approval, rejection or abstention of each resolution. Eligible Employees, in lodging specific proxies, need to be mindful that their intended voting patterns can become academic or “contradictory” where the outcome of an earlier vote (in the order of proceedings) is determined in a way which could influence or change their intended voting. Proxy forms or facsimiles thereof must be lodged at our office by 4:00 PM one (1) business day prior to the meeting.

### 13. RESUMPTION OF SECOND MEETING OF CREDITORS

As discussed previously, the Second Meeting of Creditors for the Company held on 12 October 2022 was adjourned up to forty-five (45) business days, to no later than 14 December 2022. We note that at the Second Meeting, the only resolutions that were dealt with at the meeting related to the remuneration of the Administrators, and as such, the remaining agenda items will be dealt with at the resumed Second Meeting.

The resumption of the Second Meeting of Creditors for the Company will be held on Wednesday, 14 December 2022 at 11:00AM AEDT. The formal Notice of Meeting is attached as **Annexure “1”** for your reference.

To participate as a Creditor, you should:

- Provide us with a Proof of Debt detailing your claim to be a Creditor. Proofs of Debt are enclosed as **Annexure “3”**. If you have previously provided a proof of debt and wish to supplement it, you may do so. **Otherwise, Creditors whose proofs were admitted to vote at the adjourned Second Meeting of Creditors are not required to re-lodge for the resumption of the Second Meeting of Creditors.**
- Creditors may attend and vote in person, by proxy or by attorney. The appointment of a proxy, which is attached as **Annexure “4”**, must be in accordance with Form 532. **Creditors who submitted general proxies which were admitted to vote at the adjourned Second Meeting of Creditors are not required to be re-lodged for the resumption of the Second Meeting of Creditors, unless they wish to submit special proxies or nominate another proxy party.** We note that persons attending on behalf of a corporate entity are required to have a proxy signed on behalf of that entity.
- A specific proxy can be lodged showing approval, rejection or abstention of each resolution. Creditors, in lodging specific proxies, need to be mindful that their intended voting patterns can become academic or “contradictory” where the outcome of an earlier vote (in the order of proceedings) is determined in a way which could influence or change their intended voting. Proxy forms or facsimiles thereof must be lodged at our office by 4:00 PM one (1) business day prior to the meeting.

14.

## QUERIES

The BRI Ferrier staff member responsible for this matter is as follows:

- ▲ BRI Contact: Kristine Hu
- ▲ Phone: (02) 8263 2300
- ▲ Email: [khu@brifnsw.com.au](mailto:khu@brifnsw.com.au) (preferred)
- ▲ Mailing: GPO Box 7079, Sydney NSW 2001
- ▲ Facsimile: (02) 8263 2399

Yours faithfully,

**ANTRA GROUP PTY LTD ATF ANTRAY TRUST**  
**(RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)**



**JONATHON KEENAN**

Joint and Several Administrator

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The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey rectangular background. A green triangle is positioned at the bottom right corner of the grey rectangle.

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**Antra Group Pty Ltd  
AFT Antray Trust  
ACN 153 443 764  
(Receivers and Manager Appointed)  
(Administrators Appointed)**

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**Annexure "1"  
Notice of Resumption of Second Meeting  
of Creditors**

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**NOTICE OF RESUMPTION OF SECOND MEETING OF CREDITORS**

**ANTRA GROUP PTY LTD AFT ANTRAY TRUST  
(RECEIVER AND MANAGER APPOINTED)(ADMINISTRATORS APPOINTED)  
ACN 153 443 764 ("the Company")**

NOTICE is given that the resumption of the Second Meeting of the Creditors of the Company will be held at the offices of BRI Ferrier, Level 30, Australia Square, 264 George Street, Sydney NSW 2000 on 14 December 2022 at 11:00 AM AEDT.

Virtual meeting technology will also be made available should creditors wish to attend the meeting virtually. To attend virtually, creditors will need to register their details at the following link:

<https://us06web.zoom.us/meeting/register/tZMtcO2hqz0jHNQpZGVjnPJXnCjSZCCHftWN>

**A G E N D A**

1. To receive the Report of the Administrators and receive questions from creditors.
2. To fix the remuneration of the Administrators.
3. To fix and determine the future remuneration of the Administrators
4. For Creditors to resolve:
  - a. That the Company execute a Deed of Company Arrangement; or
  - b. That the administrations should end; or
  - c. That the Company be wound up.
5. If Creditors resolve to enter into a Deed of Company Arrangement:
  - a. To consider approving the remuneration of the Administrators;
  - b. To consider approving the remuneration of the Deed Administrators;
  - c. To consider approving the internal disbursements of the Deed Administrators.
6. If Creditors resolve to wind up the Company:
  - a. To consider the appointment of an alternate Liquidator(s);
  - b. To consider approving the remuneration of the Liquidators;
  - c. To consider approving the internal disbursements of the Liquidators; and

- d. To consider the early destruction of the Company books and records.
7. To consider the appointment of a Committee of Inspection;
8. To consider any other business that may be lawfully brought forward.

Proxies to be used at the meeting should be lodged at the office of the Administrators by 4:00 PM AEDT on the business day prior to the meeting. A creditor can only be represented by proxy or by an attorney pursuant to Insolvency Practice Rules (Corporations) (IPR) 75-150 & 75-155 or, if a body corporate, by a representative appointed pursuant to Section 250D of the Corporations Act 2001.

#### Special Instructions for Meeting

Attendees who wish to attend the meeting virtually are required to register to attend the meeting at the above link.

You will also need to provide a Formal Proof of Debt Form (including documentation to support your claim) and proxy form, if you are a corporate creditor or wish to be represented by another person.

In accordance with IPR 75-85, creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the Company with the Administrators and their claim has been admitted for voting purposes wholly or in part by the Administrators.

Upon receipt of a valid Formal Proof of Debt Form and Proxy, a link to access the virtual meeting will be emailed to you. This link will be unique for each attendee and unable to be shared with other parties. Telephone dial-in details will also be available for the virtual meeting. Those wishing to attend via telephone will also be required to complete the above registration process.

In accordance with IPR 5-5, a vote taken on a "show of hands" includes a vote taken using any electronic mechanism that indicates the intentions of a person in respect of a vote. This may include an attendee clicking a "raise a hand", or similar button, on a virtual meeting computer program, as well as verbally indicating their vote if dialling in to the meeting.

This definition is necessary to ensure that a show of hands may be used at a virtual meeting as an alternative to a poll.

DATED this 6<sup>th</sup> day of December 2022.



JONATHON KEENAN  
JOINT AND SEVERAL ADMINISTRATOR

BRI FERRIER  
Level 30, Australia Square  
264 George Street  
Sydney NSW 2000



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The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey rectangular background. A green triangle is positioned at the bottom right corner of the grey rectangle.

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**Antra Group Pty Ltd  
AFT Antray Trust  
ACN 153 443 764  
(Receivers and Manager Appointed)  
(Administrators Appointed)**

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**Annexure "2"  
Notice of Meeting of Eligible Employees**

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CORPORATIONS ACT 2001  
NOTICE OF MEETING OF  
ELIGIBLE EMPLOYEES OF A COMPANY UNDER ADMINISTRATION

**ANTRA GROUP PTY LTD ATF ANTRAY TRUST  
(RECEIVER AND MANAGER APPOINTED)  
(ADMINISTRATORS APPOINTED)  
ACN 155 443 764**

**("the Company")**

Notice is now given that a meeting of the Eligible Employees of the Company will be held at the offices of BRI Ferrier, Level 30 Australia Square, 264 George Street, SYDNEY NSW 2000, on 14 December 2022 at 10:00 AM AEDT.

Virtual meeting technology will also be made available should creditors wish to attend the meeting virtually. To attend virtually, creditors will need to register their details at the following link:

<https://us06web.zoom.us/meeting/register/tZEsc-urrDMrGdY1aavX5Kdn5qxCMUDkDit5>

A G E N D A

1. Discuss the Administrator's Second Report to Creditors dated 4 October 2022 and provide a general update on the status of the Administration.
2. Consider a resolution pursuant to section 444DA(2)(a) of the Corporations Act 2001 ("the Act") that the provision that would otherwise be required under section 444DA(1) of the Act will not be included in the proposed Deed of Company Arrangement (DOCA) to be considered by the meeting of creditors to be held on 14 December 2022 at 11:00 AM AEDT, or at any adjournment of that meeting.

Proxies to be used at the meeting should be lodged at the office of the Administrators by 4.00 PM AEDT on the business day prior to the meeting.

In accordance with Rule 75-85 of the Insolvency Practice Rules (Corporations) 2016, employees will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the Company with the Administrators.

Special Instructions for Meeting

Attendees who wish to attend the meeting virtually are required to register to attend the meeting at the above link.

You will also need to provide a Formal Proof of Debt Form (including documentation to support your claim) and proxy form, if you are a corporate creditor or wish to be represented by another person.

In accordance with IPR 75-85, creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the Company with the Administrators and their claim has been admitted for voting purposes wholly or in part by the Administrators.

Upon receipt of a valid Formal Proof of Debt Form and Proxy, a link to access the virtual meeting will be emailed to you. This link will be unique for each attendee and unable to be shared with other parties. Telephone dial-in details will also be available for the virtual meeting. Those wishing to attend via telephone will also be required to complete the above registration process.

In accordance with IPR 5-5, a vote taken on a “show of hands” includes a vote taken using any electronic mechanism that indicates the intentions of a person in respect of a vote. This may include an attendee clicking a “raise a hand”, or similar button, on a virtual meeting computer program, as well as verbally indicating their vote if dialling in to the meeting.

This definition is necessary to ensure that a show of hands may be used at a virtual meeting as an alternative to a poll.

DATED this 6<sup>th</sup> day of December 2022

A handwritten signature in black ink, appearing to read 'Jonathon Keenan', with a stylized, flowing script.

**JONATHON KEENAN**

JOINT AND SEVERAL ADMINISTRATOR

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The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey rectangular background. A green triangle is positioned at the bottom right corner of the grey rectangle.

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**Antra Group Pty Ltd  
AFT Antray Trust  
ACN 153 443 764  
(Receivers and Manager Appointed)  
(Administrators Appointed)**

---

**Annexure "3"  
Form 535 Formal Proof of Debt or Claim**

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FORM 535  
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Administrators of Antra Group Pty Ltd AFT Antray Trust (Receivers and Managers Appointed)(Administrators Appointed) ACN 153 443 764

1. This is to state that the company was, on 5 September 2022, <sup>(1)</sup> and still is, justly and truly indebted to<sup>(2)</sup> (full name):

.....  
(‘Creditor’)

.....  
of (full address)

for \$ ..... dollars and ..... cents.

Particulars of the debt are (please attach documents to support your claim e.g. purchase orders, invoices, interest schedules):

Date	Consideration <sup>(3)</sup> state how the debt arose	Amount \$ (Incl. GST)	Remarks <sup>(4)</sup> 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 manner of satisfaction or security for the sum or any part of it except for the following: .....

Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor	Amount \$ c	Due Date

☐ I am **not** a related creditor of the Company <sup>(5)</sup>

☐ I am a related creditor of the Company <sup>(5)</sup>  
relationship: .....

3A. <sup>(6)\*</sup> 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, still remains unpaid and unsatisfied.

3B. <sup>(6)\*</sup> I am the creditor's agent authorised to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

The External Administrators' (whether as Voluntary Administrators/Deed Administrators/Liquidators) will send and give electronic notification of documents in accordance with Section 600G and 105A of Corporations Act 2001. Please provide your email address below:

Contact Name: .....

Email Address: .....

DATED this ..... day of ..... 2022

NAME IN BLOCK LETTERS .....

Occupation .....

Address .....

Signature of Signatory .....

OFFICE USE ONLY

POD No:		ADMIT (Voting / Dividend) - Ordinary	\$
Date Received:		ADMIT (Voting / Dividend) – Preferential	\$
Entered into CORE IPS:		Reject (Voting / Dividend)	\$
Amount per CRA/RATA	\$	Object or H/Over for Consideration	\$
Reason for Admitting / Rejection			
PREP BY/AUTHORISED		TOTAL PROOF	\$
DATE AUTHORISED / /			

### Proof of Debt Form Directions

- \* Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) 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.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of .....", "moneys advanced in respect of the Bill of Exchange".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Related Party / Entity: Director, relative of Director, related company, beneficiary of a related trust.
- (6) If the Creditor is a natural person and this proof is made by the Creditor personally. In other cases, if, for example, you are the director of a corporate Creditor or the solicitor or accountant of the Creditor, you sign this form as the Creditor's authorised agent (delete item 3A). If you are an authorised employee of the Creditor (credit manager etc), delete item 3B.

### Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
  - (a) have an identifying mark;
  - (b) and be endorsed with the words:
    - i) "This is the annexure of *(insert number of pages)* pages marked *(insert an identifying mark)* referred to in the *(insert description of form)* signed by me/us and dated *(insert date of signing)*; and
  - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
  - (a) the identifying mark; and
  - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.

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The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green triangle on the right side.

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**Antra Group Pty Ltd**  
**AFT Antray Trust**  
**ACN 153 443 764**  
**(Receivers and Manager Appointed)**  
**(Administrators Appointed)**

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**Annexure "4"**  
**Appointment of Proxy Forms – Second**  
**Meeting of Creditor**

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**APPOINTMENT OF PROXY**

**ANTRA GROUP PTY LTD ATF ANTRAY TRUST  
(RECEIVERS AND MANAGERS APPOINTED)(ADMINISTRATORS APPOINTED)  
("THE COMPANY")  
ACN 153 443 764**

\*I/\*We<sup>(1)</sup>.....of.....  
.....a creditor of **Antra Group Pty Ltd ATF Antray Trust  
(Receivers and Managers Appointed)(Administrators Appointed)**, appoint<sup>(2)</sup>..... or  
in his or her absence ..... as \*my/our general/special proxy to vote at the  
Resumed Second Meeting of Creditors of the Company to be held on Wednesday, 14 December 2022 at 11:00 AM  
AEDT, or at any adjournment of that meeting.

Please mark any boxes with an ☒

Proxy Type: ☐ General ☐ Special

	For	Against	Abstain
<b><u>Resolution 1:</u></b>  <i>"That the additional remuneration of the Joint and Several Administrators, their partners and staff for the period 5 September 2022 to 4 December 2022, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Second Report to Creditors dated 6 December 2022, be fixed and approved at \$100,321.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b><u>Resolution 2:</u></b>  <i>"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 5 December 2022 to 14 December 2022 be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Second Report to Creditors dated 6 December 2022, and approved to an interim cap of \$30,000.00 (plus GST) and that the Joint and Several Administrators be authorised to draw that amount as and when incurred."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



<b>Resolution 3<sup>(3)</sup>:</b> <i>"That the Company execute a Deed of Company Arrangement"</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4<sup>(3)</sup>:</b> <i>"That the Voluntary Administration should end."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5<sup>(3)</sup>:</b> <i>"That the Company be wound up."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b><u>If creditors resolve that the Company execute a Deed of Company Arrangement:</u></b>			
<b>Resolution 6:</b>  <i>"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 5 December 2022 to 14 December 2022 be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Second Report to Creditors dated 6 December 2022, and approved to an interim cap of \$30,000.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 7:</b>  <i>"That the remuneration of the Joint and Several Deed Administrators, their partners and staff for the period from the date of the execution of the Deed of Company Arrangement to the conclusion of the Deed of Company Arrangement, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Second Report to Creditors dated 6 December 2022, and approved to an interim cap of \$250,000.00 (plus GST), and that the Joint and Several Deed Administrators be authorised to draw that amount as an when incurred."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 8:</b>  <i>"That the Deed Administrators be allowed internal disbursements for the period 14 December 2022 to the conclusion of the Deed Administration at the rates of charge annexed to the Voluntary Administrators' Remuneration Approval Report dated 6 December 2022, up to an amount of \$2,000.00 (excl. GST) and that the Deed Administrators be authorised to draw that amount as accrued."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 9:</b>  <i>"That the Deed Administrators be allowed internal disbursements for the period 14 December 2022 to the conclusion of the Deed Administration at the rates of charge annexed to the Voluntary Administrators' Remuneration Approval Report dated 6 December 2022, up to an amount of \$2,000.00 (excl. GST) and that the Deed Administrators be authorised to draw that amount as accrued."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 10:</b>  <i>"That a Committee of Inspection be formed."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b><u>If creditors resolve that the Company be wound up:</u></b>			
<b><u>Resolution 11:</u></b>  <i>"That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 14 December 2022 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Second Report to Creditors dated 6 December 2022, and approved to an interim cap of \$250,000.00 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when incurred."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b><u>Resolution 12:</u></b>  <i>"That the Liquidators be allowed internal disbursements for the period 14 December 2022 to the conclusion of the Liquidation at the rates of charge annexed to the Voluntary Administrators' Remuneration Approval Report dated 6 December 2022, up to an amount of \$2,000.00 (excl. GST) and that the Liquidators be authorised to draw that amount as accrued."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b><u>Resolution 13:</u></b>  <i>"That a Committee of Inspection be formed."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b><u>Resolution 14:</u></b>  <i>"That subject to the consent of the Australian Securities &amp; Investments Commission, the Liquidator be approved to destroy the books and records of the Company at any time after the dissolution of the Company."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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**INSTRUCTIONS FOR COMPLETING:**

- \* Strike out if inapplicable.
- (1) Insert name and address. If a firm, strike out "I" and set out the full name of the firm.
  - (2) Insert the name, address and description of the person appointed.
  - (3) You may only vote in "favour" for one of these 3 resolutions relating to the future of the Company. You must vote "against" the other 2 resolutions.
- 

DATED this.....day of December 2022

\_\_\_\_\_  
Signature

**Proxies should be returned to the offices of BRI Ferrier (NSW) Pty Ltd by 4.00 PM AEDT one (1) business day prior to the meeting by:**

**Email: [khu@brifnsw.com.au](mailto:khu@brifnsw.com.au), or Fax: (02) 8263 2399, or Post: GPO Box 7079 SYDNEY NSW 2001**

**CERTIFICATE OF WITNESS – (This certificate is to be completed only if the person giving the proxy is blind or incapable of writing)**

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 him before he attached his signature or mark to the instrument.

DATED this .....day of..... 2022

Signature of Witness: .....

Description: .....

Place of Residence: .....

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**Antra Group Pty Ltd  
AFT Antray Trust  
ACN 153 443 764  
(Receivers and Manager Appointed)  
(Administrators Appointed)**

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**Annexure "5"  
Appointment of Proxy Forms –  
Meeting of Eligible Employees**

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CORPORATIONS ACT 2001  
**APPOINTMENT OF PROXY**  
 MEETING OF THE ELIGIBLE EMPLOYEES OF  
**ANTRA GROUP PTY LTD ATF ANTRAY TRUST**  
**(RECEIVER AND MANAGER APPOINTED)(ADMINISTRATORS APPOINTED)**  
**ACN 153 443 764**

\*I/\*We (1).....

of.....

an employee of Antra Group Pty Ltd ATF Antray Trust (Receiver and Manager Appointed)(Administrators Appointed), appoint (2) .....

or in his or her absence .....

as \*my/our \*general/special proxy to vote at the meeting of eligible employees of the Company to be held at the offices of BRI Ferrier, Level 30, Australia Square, 264 George Street, SYDNEY NSW 2000, on Wednesday, 14 December 2022 at 10.00AM AEDT, or at any adjournment of that meeting (3)

To vote as follows: (not applicable if general proxy is appointed)	For	Against	Abstain
<b>Resolution 1:</b> <i>Eligible employee creditors agree to the non-inclusion of a provision in the proposed Deed of Company Arrangement, which, absent this resolution, would be required by section 444DA(1) of the Corporations Act 2001.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED this                      day of December 2022.

\_\_\_\_\_  
 Signature

CERTIFICATE OF WITNESS

*This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed 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 him or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:

---

\*Strike out if inapplicable

- (1) If a firm, strike out "I" and set out the full name of the firm.
- (2) Insert the name, address and description of the person appointed.
- (3) If a special proxy add the words "to vote for" or the words "to vote against" and specify the particular resolution

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**Antra Group Pty Ltd  
AFT Antray Trust  
ACN 153 443 764  
(Receivers and Manager Appointed)  
(Administrators Appointed)**

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**Annexure "6"  
DOCA Proposal**

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# **Proposal for a Deed of Company Arrangement for Antra Group Pty Ltd (Receiver and Manager appointed) (Administrators appointed) ACN 153 443 764 ("Company")**

## **Definitions:**

**Fundsquire Entities** means Fundsquire Pty Ltd, Fundsquire Limited (UK) and Fundsquire Ltd (CA).

**Proceeds** means all dividends, distributions and other cash amounts paid to DLP Invest Pty Ltd (**DLP Invest**) in respect of the Shares, including the proceeds of realisation of the Shares.

**Shares** means all shares:

- (a) owned as at the date of this Deed by DLP Invest which are issued by the Fundsquire Entities; and
- (b) acquired after the date of this Deed by DLP Invest which are issued by Fundsquire Holdco Pty Ltd.

## **A. Background**

1. On 5 August 2022, Desmond Teng of Moore Recovery was appointed as receiver and manager (**Receiver**) over the majority of the Company's assets pursuant to a General Security Agreement entered into between the Company and Ventra Capital Fund 3 Pty Ltd.
2. On 5 September 2022, Peter Krejci and Jonathan Keenan of BRI Ferrier, Level 30, Australia Square, 264 George Street, Sydney NSW 2000, were appointed as voluntary administrators of the Company (**Voluntary Administrators**) pursuant to section 436A of the *Corporations Act 2001* (Cth) (**Act**).
3. The director of the Company, Mr Raymond Petty (**Director**), DLP Invest and Damien Petty (**Proponents**) propose that the Company enters into a Deed of Company Arrangement (**DOCA**) which contains the key terms as set out in this proposal and other terms as may be agreed between the Director and the Voluntary Administrators.

## **B. Secured Creditors**

4. The following creditors, to the extent of their secured claims (**Secured Creditors**), may elect to be Participating Creditors (as defined below):
  - (a) Ventra Capital Fund 3 Pty Ltd, including by its receiver and manager appointed over the majority of the assets of the Company, Desmond Teng;
  - (b) Dacosi Investments Pty Ltd ACN 003 346 414;
  - (c) Dacosi ST Pty Ltd ACN 104 049 872; and
  - (d) Ventra Capital Private Pty Ltd ACN 622 977 799.
5. The Secured Creditors are only bound by the DOCA (and otherwise are not bound by or otherwise affected by the DOCA, other than to the extent of their unsecured claims) if:
  - (a) they vote in favour of the DOCA at a second meeting of creditors convened by the Voluntary Administrators pursuant to section 439A of the Act; and
  - (b) within 45 business days of execution of the DOCA, they elect in writing to the Deed Administrators to be Participating Creditors.



6. Those Secured Creditors who elect to be Participating Creditors, must not, during the term of the DOCA (including by any receiver, servants, agents and/or representatives) consent to any other secured creditors of the Company commencing or continuing any claim against the property of the Company including the claims against the Excluded Debtors and, other than to preserve, protect and maintain their registered security interests in any property of the Company including claims against the Excluded Debtors, must not:

(a) enforce any security interest (each as defined under s 9 and s 51A of the Act, respectively);

(b) begin or proceed with any proceeding in a court; and/or

(c) begin or proceed with any enforcement process (as defined in section 9 of the Act),

against the Company or any of the Excluded Debtors, in relation to their property and/or any property forming part of the Deed Fund, or otherwise take any steps to seek to realise any such property. If the DOCA terminates for any reason other than by its effectuation in accordance with its terms, this moratorium shall immediately cease.

7. During the term of the DOCA, the Secured Creditors must not (including by any receiver, servants, agents and/or representatives):

(a) enforce any security interest (each as defined under s 9 and s 51A of the Act, respectively);

(b) begin or proceed with any proceeding in a court; and/or

(c) begin or proceed with any enforcement process (as defined in section 9 of the Act),

in relation to any property forming part of the Deed Fund A or Deed Fund B or otherwise take any steps to seek to realise any such property.

#### **C. Condition precedent**

8. It is a condition precedent to the DOCA that the Deferred Creditors (defined below) enter into appropriate deed(s) of deferral that provide they shall not prove against the Deed Fund established under the DOCA and/or enforce their claims against the Company as set out in paragraph 30 below.

#### **D. Deed Administrators and the Deed Fund**

9. The Voluntary Administrators will become the Administrators of the DOCA, jointly and severally (**Deed Administrators**).

10. In the event that all Secured Creditors elect to be Participating Creditors, a Deed Fund will be established under the DOCA and will be comprised of the following (and no other property of the Company) (**Deed Fund A**):

(a) the release of any claim by Mr Anthony Petty to the amount of \$25,000 held by the Voluntary Administrators pursuant to an Indemnity dated 5 September 2022 and a direction that this sum be paid to the Deed Administrators to form part of the Deed Fund;

- (b) cash payments to be procured by the Proponents as follows:
- (i) **(First Payment)**: on the day which is up to 2 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, the sum of \$9,000,000;
  - (ii) **(Second Payment)**: on the day which is up to 3 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, the sum of \$8,000,000;
  - (iii) **(Third Payment)**: on the day which is up to 4 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, 60% of the Proceeds relating to the period since the Second Payment, up to a maximum of \$6,000,000;
  - (iv) **(Fourth Payment)**: on the day which is up to 5 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, 50% of the Proceeds relating to the period since the Third Payment, up to a maximum of \$5,000,000; and
  - (v) **(Fifth Payment)**: on the day which is 6 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, 10% of the Proceeds relating to the period since the Fourth Payment.
- (c) all assets of the Company the subject of security held by the Secured Creditors, other than claims against the Excluded Debtors, less all costs of collecting in those assets (including all associated remuneration, costs, fees and disbursements (including legal costs) reasonably incurred in collecting in that asset, whether by a receiver, Secured Creditors or the Deed Administrators);
- (d) the A-Class shares in Prudential Group Holdings Pty Ltd held by the Director and Damien Petty as bare trustee for the Company, the transfer of which to the Company is to be procured by the Director;
- (e) any trading profits of the Company from the appointment of the Voluntary Administrators to the execution of the DOCA; and
- (f) all cash at bank held in the administration account of the Company as at the date of execution of the DOCA.
11. In the event that all Secured Creditors do not elect to be Participating Creditors, a Deed Fund will be established under the DOCA and will be comprised of the following (and no other property of the Company) **(Deed Fund B)**:
- (a) the release of any claim by Mr Anthony Petty to the amount of \$25,000 held by the Voluntary Administrators pursuant to an Indemnity dated 5 September 2022 and a direction that this sum be paid to the Deed Administrators to form part of the Deed Fund;.
  - (b) cash payments to be procured by the Proponents as follows:
    - (i) **(First Payment)**: on the day which is up to 2 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, the sum of \$2,250,000.00;

- (ii) **(Second Payment)**: on the day which is up to 3 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, the sum of \$3,446,136.00;
  - (iii) **(Third Payment)**: on the day which is up to 4 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, 60% of the Proceeds relating to the period since the Second Payment, up to a maximum of \$6,000,000;
  - (iv) **(Fourth Payment)**: on the day which is up to 5 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, 50% of the Proceeds relating to the period since the Third Payment, up to a maximum of \$5,000,000; and
  - (v) **(Fifth Payment)**: on the day which is 6 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, 10% of the Proceeds relating to the period since the Fourth Payment.
- (c) the net proceeds (if any) of all assets of the Company (including pre-appointment debtors of the Company) other than in respect of the Excluded Debtors, after payment of:
- (i) all costs of collecting in those assets (including all associated remuneration, costs, fees and disbursements (including legal costs) reasonably incurred in collecting in that asset, whether by the Receiver, Secured Creditors or the Deed Administrators); and
  - (ii) amounts to which the Secured Creditors are entitled to a priority in accordance with the provisions of the *Personal Property Securities Act 2009* (Cth) (**PPSA**) and the Act, subject to paragraph 14 (i.e. if the Secured Creditors elect for the Deed Administrators to realise the security),
- (d) any trading profits of the Company from the appointment of the Voluntary Administrators to the execution of the DOCA; and
- (e) all cash at bank held in the administration account of the Company as at the date of execution of the DOCA.
- 11A. The cash payments referred to in paragraphs 10(b) and 11(b) (as applicable) are not property of the Company and are to be held on trust by the Deed Administrators for the benefit of the Participating Creditors to the extent admitted by the Deed Administrators.
12. The Director will grant a security interest in favour of the Company and the Deed Administrators over all of his present and after-acquired property as security for his obligations under the DOCA.
13. For the avoidance of doubt neither of Deed Fund A or Deed Fund B includes any other property or assets of the Company not specified in paragraphs 10 or 11 respectively.
14. The Secured Creditors may elect to notify the Deed Administrators in writing that they wish for the Deed Administrators to realise property of the Company the subject of their security interests (save for in respect of the Excluded Debtors), provided that any funds realised by the Deed Administrators are to form part of the Deed Fund A or Deed Fund B (as the case may be) and distributed in accordance with paragraph 20.



## E. Reporting and monitoring

### 15. The Director and Damien Petty:

- (a) shall use their best endeavours to secure payment of Proceeds of \$2,500,000 each year after the first 2 years;
- (b) shall provide the Deed Administrators with such information relating to the likelihood of the payment of the Second to Fifth Payments as is reasonably necessary, as agreed under the DOCA and to the extent not inconsistent with any of their other legal obligations to third parties.

16. During the term of the DOCA, the Director will provide, on request, all reasonable assistance to the Deed Administrators and any receiver of the Secured Creditors in respect of the collection in of Deed Fund A or Deed Fund B (as applicable).

## F. Order of distribution of the Deed Fund

- 17. All creditors of the Company (excluding the Deferred Creditors as defined below) may seek to participate in the Deed Fund and will be required to prove their debts as if the Company was in liquidation and the Act shall apply accordingly (**Participating Creditors**).
- 18. The persons or entities (including related entities of the Company) identified in Schedule 1 will agree not to participate as a creditor in the DOCA for the percentage of their claims(s) noted in Schedule 1 (jointly and severally, **Deferred Creditors**).
- 19. For the avoidance of doubt, the Deferred Creditors are otherwise entitled to vote to the extent of their claims at any subsequent meeting of creditors of the Company whether held under the DOCA or otherwise and are entitled to prove against the Company for their claims in the event that the Company is later placed into liquidation prior to the effectuation of the DOCA.

### F.1 Deed Fund A

20. In the event that Deed Fund A is established in accordance with paragraph 10, the Deed Administrators shall, after the payments contemplated by paragraph 21(a), divide that fund into:

(a) (**Pool A Fund**) comprised of:

- (i) 75% of the First Payment in paragraph 10(b)(i);
- (ii) 75% of the Second Payment in paragraph 10(b)(ii); and
- (iii) all assets of the Company the subject of security held by the Secured Creditors, other than claims against the Excluded Debtors, less all costs of collecting in those assets (including all associated remuneration, costs, fees and disbursements (including legal costs) reasonably incurred in collecting in that asset, whether by the Receiver, Secured Creditors or the Deed Administrators),

(b) (**Pool B Fund**): comprised of:

- (i) 25% of the First Payment in paragraph 10(b)(i);
- (ii) 25% of the Second Payment in paragraph 10(b)(ii);

- (iii) the Third Payment in paragraph 10(b)(iii);
- (iv) the Fourth Payment in paragraph 10(b)(iv);
- (v) the Fifth Payment in paragraph 10(b)(v);
- (vi) the property described in paragraphs 10(a) and 10(c)-10(f); and
- (vii) any amount in paragraph 21(b)(2).

21. The Pool A Fund and the Pool B Fund shall be administered by the Deed Administrators and distributed pursuant to the terms of the DOCA, which must provide for the following order and priority of payments:

- (a) first, from the Pool A Fund and Pool B Fund together:
  - (i) first, in payment of the Voluntary Administrators' costs, charges and expenses (including their remuneration);
  - (ii) second, in payment of the Deed Administrators' costs, charges and expenses (including their remuneration); and
  - (iii) third, in payment of unpaid salary, superannuation, annual leave or other entitlements of employees of the Company,
- (b) from the balance of the Pool A Fund:
  - (1) payment to those Secured Creditors who are Participating Creditors to be distributed in accordance with the priority they would otherwise each be entitled to pursuant to the Act and the PPSA if the Company was being wound up and to the extent that amounts remain owing to them; and
  - (2) next, to the Pool B Fund,
- (c) from the balance of the Pool B Fund:
  - (1) *pari passu* to the Participating Creditors (excluding the Secured Creditors); and
  - (2) last, to the Company.

22. As soon as practicable after receipt of each of the First Payment, Second Payment, Third Payment, Fourth Payment and Fifth Payment, the Deed Administrators must pay an interim or final dividend (as the case may be) from the Pool A Fund and the Pool B Fund.

## **F.2 Deed Fund B**

23. In the event that Deed Fund B is established in accordance with paragraph 11, that fund shall be administered by the Deed Administrators and distributed pursuant to the terms of the DOCA, which must provide for the following order and priority of payments:

- (a) first, in payment of the Voluntary Administrators' costs, charges and expenses (including their remuneration);

- (b) next, in payment of the Deed Administrators' costs, charges and expenses (including their remuneration);
  - (c) next, in payment of unpaid salary, superannuation, annual leave or other entitlements of employees of the Company;
  - (d) next, *pari passu* to the Participating Creditors (for the avoidance of doubt, excluding any Secured Creditors); and
  - (e) last, to the Company.
24. As soon as practicable after receipt of each of the First Payment, Second Payment, Third Payment, Fourth Payment and Fifth Payment, the Deed Administrators must pay an interim or final dividend (as the case may be) from the Deed Fund.
25. The DOCA will contain all relevant provisions of Schedule 8A of the *Corporations Regulations 2001* (Cth), except where they are inconsistent with the express terms of the DOCA.
26. Control of the Company will revert to the Director immediately upon execution of the DOCA. The Director undertakes that the Company will not trade during the term of the DOCA save to comply with its obligations at law. Upon effectuation of the DOCA, it is the intention of the Director that the Company will be deregistered.

#### **G. Events of default and termination**

27. Until the First Payment is made, if the Deed Administrators determine that it is no longer practicable or desirable to implement the DOCA, the Deed Administrators:
- (a) may summon a meeting of creditors for the purpose of passing a resolution under section 445C(b) of the Act; and
  - (b) must forward to each creditor not less than 14 days prior to the meeting an up-to-date report as to the position of the Company accompanied by such financial statements as the Deed Administrators think fit, together with a statement that the Deed Administrators do not think it practicable or desirable to continue the DOCA and that the DOCA will be terminated if the Company's creditors resolve.
28. After the First Payment is made, creditors may only terminate the DOCA in accordance with section 445C(b) of the Act in the event of a breach of the DOCA.
29. The DOCA will otherwise terminate once the Deed Administrators declare that it has been wholly effectuated.

#### **H. Moratorium and creditors to accept dividend**

30. All claims by creditors of the Company shall be subject to a moratorium during the term of the DOCA, which, in respect of the Secured Creditors is on the basis set out in paragraphs 5 - 7.
31. All creditors of the Company (excluding the Deferred Creditors and those Secured Creditors who are not Participating Creditors) must accept their distribution from the Deed Fund as specified above in




full and final settlement of all debts payable by, and all claims against, the Company and all actions in respect of such debts and/or claims against the Company shall be barred.

32. On payment of their entitlements under the DOCA, the creditors' claims (excluding those of the Deferred Creditors and those Secured Creditors who are not Participating Creditors) are released in full and extinguished.
33. Subject to paragraph 32, all debts payable by, and all claims against, the Company (present or future, certain or contingent, ascertained or sounding only in damages, a penalty or a fine) the circumstances giving rise to which occurred on or before the date of appointment of the Voluntary Administrators (excluding those of the Secured Creditors who are not Participating Creditors) are released in full and extinguished on effectuation of the DOCA.

#### **I. Documentation and additional terms**

34. A deed reflecting the terms of this proposal and any other provision(s) agreed between the Director and the Voluntary Administrators must be entered into. No binding arrangement or agreement between the parties shall exist until such time as documentation is finalised and executed.
35. It shall be a condition of the DOCA that if either the Director and/or Damien Petty become a bankrupt (within the meaning of *Bankruptcy Act 1966* (Cth), s 5), then immediately prior to that time the DOCA shall immediately terminate and the Company placed into liquidation with the Deed Administrators appointed as its liquidators.
36. It shall be a condition of the DOCA that the Company grants full releases, solely conditional upon full compliance with the terms of the DOCA and the DOCA being effectuated, of all debts payable by, or any claims by the Company (whether present or future, certain or contingent, ascertained or sounding only in damages) against, any of the following persons or entities in any capacity whatsoever, including as trustee and/or personal capacity (**Excluded Debtors**), where **close associate, related entity** and **relative** each have the meanings given under s 9 of the Act:
  - (a) the Director, any close associate of the Director (including Damien Petty) and any relative of such close associate;
  - (b) any entity or body corporate to which a person identified in 36(a) is a related entity and/or any other related entity of such first-mentioned body corporate, including:
    - (i) DLP Invest Pty Ltd ACN 612 701 014;
    - (ii) Fundsquire Pty Ltd ACN 637 115 658;
    - (iii) DLP LendCo Pty Ltd ACN 628 851 338;
    - (iv) Fundsquire Holdco Pty Ltd ACN 654 546 086; and
    - (v) Squire Technology Pty Ltd ACN 619 534 262,
  - (c) any employee or former employee of the Company, any relative of such employee, any entity or body corporate to which that employee or former employee is a related entity and/or any other related entity of such first-mentioned body corporate.

37. In the event that the DOCA terminates by any reason other than by effectuation any releases given by the Company to the Excluded Debtors under the DOCA are *void ab initio*.
38. The quantum of any claims that the Company may have against any of the Proponents, the Fundsquire Entities and/or Excluded Debtors will be reduced by an amount equal to any cash payments contributed to the Deed Fund by the Proponents pursuant to paragraphs 10(b) or 11(b).
39. In the event that all Secured Creditors elect to be Participating Creditors in accordance with clause 5(b), upon termination of the DOCA for performance in accordance with paragraph 29, the Company and the Participating Creditors release and discharge the Proponents, the Fundsquire Entities and the Excluded Debtors from all claims the Company and the Participating Creditors have against them.

  
Raymond Petty  
Director, Antra Group Pty Ltd (Receiver  
and Manager appointed)  
(Administrators appointed)  
2-12-2021  
Date

DocuSigned by:  
  
9BCA81FFA80A45A...  
Damian Petty

2-12-2021  
Date

**EXECUTED by DLP Invest Pty Ltd** in accordance )  
with section 127(1) of the Corporations Act 2001 )

DocuSigned by:  
  
9BCA81FFA80A45A...  
Signature of Sole Director and Company Secretary

Damien Petty

Date 2-12-2021



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## **SCHEDULE 1 – DEFERRED CREDITORS**

1. Director – 100%;
2. Damien Petty – 100%.

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The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green triangle on the right side.

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**Antra Group Pty Ltd  
AFT Antray Trust  
ACN 153 443 764  
(Receivers and Manager Appointed)  
(Administrators Appointed)**

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**Annexure "7"  
Modelling Required Shareholding Value in  
Fundsquire Business to Satisfy DOCA  
Contributions**

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Deed Fund A - Secured Creditors Participate

Fundsquire business shareholding value  
DLP Invest Pty Ltd shareholding %  
Value of DLP Invest Pty Ltd shareholding - over max 6 years

Tranche payments

First Payment - threshold payment

(i) **(First Payment):** on the day which is 2 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, 90% of the Proceeds relating to the period since execution of the DOCA after the first \$6,000,000, with a minimum payment of \$2,250,000 and a maximum of \$9,000,000;

(ii) **(Second Payment):** on the day which is 3 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, 80% of the Proceeds relating to the period since the First Payment, up to a maximum of \$8,000,000;

(iii) **(Third Payment):** on the day which is 4 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, 60% of the Proceeds relating to the period since the Second Payment, up to a maximum of \$6,000,000;

(iv) **(Fourth Payment):** on the day which is 5 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, 50% of the Proceeds relating to the period since the Third Payment, up to a maximum of \$5,000,000; and

(v) **(Fifth Payment):** on the day which is 6 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, 10% of the Proceeds relating to the period since the Fourth Payment.

High		Pool A Fund		Pool B Fund		Medium		Pool A Fund		Pool B Fund		Minimum		Pool A Fund		Pool B Fund	
121,500,000		38%		46,170,000		88,157,895		38%		33,500,000		68,421,053		38%		26,000,000	
Residual Share Proceeds 6,000,000		DOCA Contribution				Residual Share Proceeds 6,000,000		DOCA Contribution				Residual Share Proceeds 6,000,000		DOCA Contribution			
1,000,000	9,000,000	75%	6,750,000	25%	2,250,000	1,000,000	9,000,000	75%	6,750,000	25%	2,250,000	1,000,000	9,000,000	75%	6,750,000	25%	2,250,000
2,000,000	8,000,000	75%	6,000,000	25%	2,000,000	2,000,000	8,000,000	75%	6,000,000	25%	2,000,000	2,000,000	8,000,000	75%	6,000,000	25%	2,000,000
4,000,000	6,000,000	0%	-	100%	6,000,000	1,000,000	1,500,000	0%	-	100%	1,500,000	-	-	0%	-	100%	-
5,000,000	5,000,000	0%	-	100%	5,000,000	1,250,000	1,250,000	0%	-	100%	1,250,000	-	-	0%	-	100%	-
153,000	17,000	0%	-	100%	17,000	2,250,000	250,000	0%	-	100%	250,000	0	0	0%	-	100%	0
18,153,000	28,017,000		12,750,000		15,267,000	13,500,000	20,000,000		12,750,000		7,250,000	9,000,000	17,000,000		12,750,000		4,250,000

Deed Fund B - Secured Creditors Do NOT Participate

Fundsquire business shareholding value  
DLP Invest Pty Ltd shareholding %  
Value of DLP Invest Pty Ltd shareholding - over max 6 years

Tranche payments

First Payment - threshold payment

(i) **(First Payment):** on the day which is 2 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, the sum of \$2,250,000.00;

(ii) **(Second Payment):** on the day which is 3 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, 34% of the Proceeds relating to the period since the First Payment, up to a maximum of \$3,446,136.00;

(iii) **(Third Payment):** on the day which is 4 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, 60% of the Proceeds relating to the period since the Second Payment, up to a maximum of \$6,000,000;

(iv) **(Fourth Payment):** on the day which is 5 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, 50% of the Proceeds relating to the period since the Third Payment, up to a maximum of \$5,000,000; and

(v) **(Fifth Payment):** on the day which is 6 years from execution of the DOCA, to be paid to the Deed Administrators' nominated account, 10% of the Proceeds relating to the period since the Fourth Payment.

High		Pool A Fund		Pool B Fund		Medium		Pool A Fund		Pool B Fund		Minimum		Pool A Fund		Pool B Fund	
121,500,000		38%		46,170,000		50,516,147		38%		19,196,136		30,779,305		38%		11,696,136	
Residual Share Proceeds 6,000,000		DOCA Contribution				Residual Share Proceeds 6,000,000		DOCA Contribution				Residual Share Proceeds 6,000,000		DOCA Contribution			
-	2,250,000	0%	-	100%	2,250,000	-	2,250,000	0%	-	100%	2,250,000	-	2,250,000	0%	-	100%	2,250,000
6,689,558	3,446,136	0%	-	100%	3,446,136	-	3,446,136	0%	-	100%	3,446,136	-	3,446,136	0%	-	100%	3,446,136
4,000,000	6,000,000	0%	-	100%	6,000,000	1,000,000	1,500,000	0%	-	100%	1,500,000	-	-	0%	-	100%	-
5,000,000	5,000,000	0%	-	100%	5,000,000	1,250,000	1,250,000	0%	-	100%	1,250,000	-	-	0%	-	100%	-
7,005,875	778,431	0%	-	100%	778,431	2,250,000	250,000	0%	-	100%	250,000	-	-	0%	-	100%	-
28,695,433	17,474,567		-		17,474,567	10,500,000	8,696,136		-		8,696,136	6,000,000	5,696,136		-		5,696,136

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The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey rectangular background. A green triangle is positioned at the bottom right corner of the grey rectangle.

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**Antra Group Pty Ltd AFT  
Antray Trust  
ACN 153 443 764  
(Receivers and Manager Appointed)  
(Administrators Appointed)**

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**Annexure "8"  
Documents Provided by Damien Petty in  
relation to the Fundstquire Business**

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**From:** [Damien Petty](#)  
**To:** [REDACTED]  
**Subject:** Fw: VA Info  
**Date:** Friday, 25 November 2022 3:44:46 PM  
**Attachments:** [Fundsquire Teaser Deck - Sep22.pdf](#)

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**From:** Damien Petty  
**Sent:** Wednesday, 23 November 2022 2:22 PM  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** VA Info

- Currently DLP Invest Pty Ltd holds ~46% of the Fundsquire group shares, which is also subject to a further investment in play which would move this down to ~38% post completion.
- Part of this investment is non-monetary and has been provided to Fundsquire to assist with supporting the business's cashflow, a subsequent component is due to be released upon completion of further hurdles which we expect to be completed by February 2023.
- Part of the Fundsquire group Shareholders agreement is that Damien must hold a minimum of 30% shareholding in the business
- Fundsquire's current major investor, is a 4bn EUR hedge fund based in the UK who mainly provide debt & equity capital to about 120 fintech platforms globally.
- This investor provided a ~\$70m AUD debt warehouse in Feb 2021 for Fundsquire to grow their loan book globally.
- They are a well regarded and established business, and the level of due diligence Fundsquire has undergone with this investor should give decent comfort that there is a solid foundation for the future prospects for Fundsquire, once we stabilise the business over the next 12 months from a cashflow and capital perspective.
- The investor is clear that the goal for the business is to realise an exit event within the next 3-5 years which would likely be a trade sale or public listing which would likely provide a liquidity event for all investors involved.
- While the Fundsquire business is under financial stress currently, realising value in the shares that DLP Invest has in the business won't be of significant value.
- There is good support from the current investor and the belief in the business model and future prospects of the Fundsquire business, and with the required time there is a much better outcome in the future years and not only the creation of value but the ability to be able to exit the position so DLP Invest will have liquidity.
- Fundsquire is currently in discussions with Investors at a valuation of approximately \$45m AUD

Investor Deck is off the old forward projection numbers, expect similar near term impact to revenues and valuation of 30-40%



Frictionless, non-dilutive capital for  
innovative companies.

Equity Finance

Investment materials, September 2022

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a smarter  
source of growth.

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# Table of Contents

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- 01 Company Overview
- 02 Market Opportunity
- 03 Growth Timeline
- 04 Platform
- 05 Future Vision
- 06 Unit Economics
- 07 Financials
- 08 Leadership Team



# Company Overview

**Fundsquire provides frictionless, non-dilutive capital to innovative companies**

**\$110m**

Capital lent to innovative companies since 2017

**3**

Key regions globally - Australia, Canada, UK

**>350**

Loan facilities provided

**<0.22%**

All time loss rate across loan portfolios since Jan 2019

## Products

R&D  
Advance

Grant  
Advance

Revenue  
Advance

**54**

Team members distributed globally

**\$75m**

Debt & equity raised to date

**\$300m**

Debt warehouse runway potential with current partners

**>70%**

Gross profit margin

# Market Opportunity

Investing in innovation is a top priority for businesses and governments across the world's largest economies. Global spending on R&D has this year reached a record high of US\$ 1.7 trillion\*.

Funding for growth stage innovation companies has been limited to equity funding and government funding, but advancements in Fintech mean that debt capital can now be provided as a compelling option.

Globally, there are ~A\$2.3tn of assets owned by companies which have previously been unrecognised by lenders and can now be used as collateral, to lend securely.

## Fundsquire's Strategy

Fundsquire's ambition is to lead this global opportunity and provide frictionless capital to game-changing companies.

Whether for a big creative leap or an incremental improvement, we make non-dilutive debt capital easier and faster to access.

R&D expenditure trends in OECD countries, 2007-2019



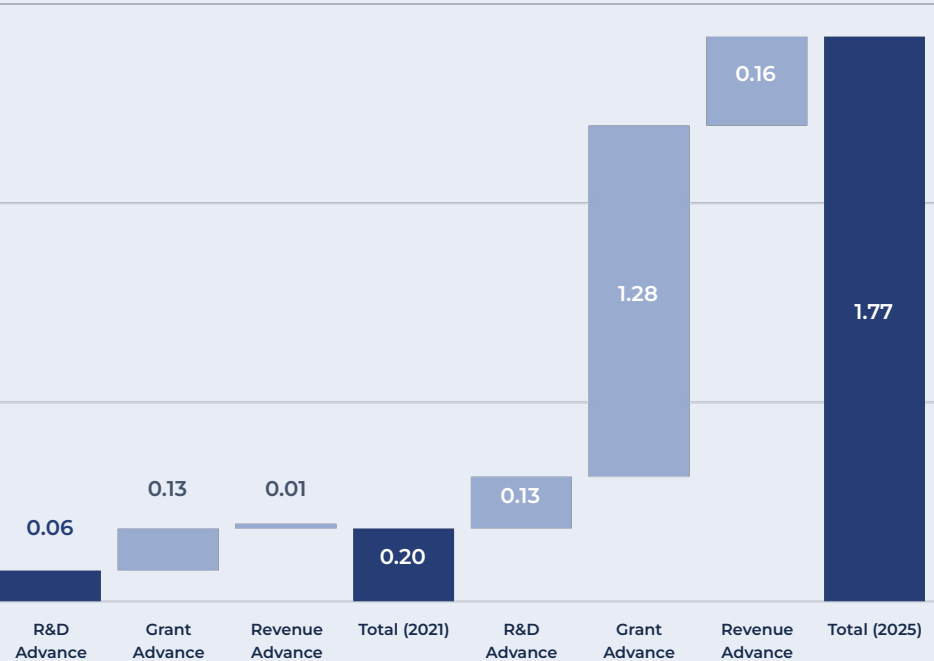
Source: OECD Main Science and Technology Indicators Database, March 2021. <http://oe.cd/msti>

\* UNESCO Institute for Statistics <http://uis.unesco.org/apps/visualisations/research-and-development-spending/>

# Market Opportunity

Fundsquire TAM (A\$bn)	2021	2025
R&D Advance	80	108
Grant Advance	1,923	2,619
Revenue Advance	258	344
% financed	2021	2025
R&D Advance	8.0%	10.5%
Grant Advance	0.5%	2.0%
Revenue Advance	0.5%	2.5%
Fundsquire market share (%)	2021	2025
R&D Advance	10%	20%
Grant Advance	10%	20%
Revenue Advance	10%	20%
Fundsquire avg. revenue/loan	2021	2025
R&D Advance	8.75%	8.75%
Grant Advance	13.50%	13.50%
Revenue Advance	10%	10%
Fundsquire revenue opportunity (A\$bn)	2021	2025
R&D Advance	0.06	0.19
Grant Advance	0.13	1.41
Revenue Advance	0.01	0.17
Total (A\$bn)	0.20	1.77

A\$bn



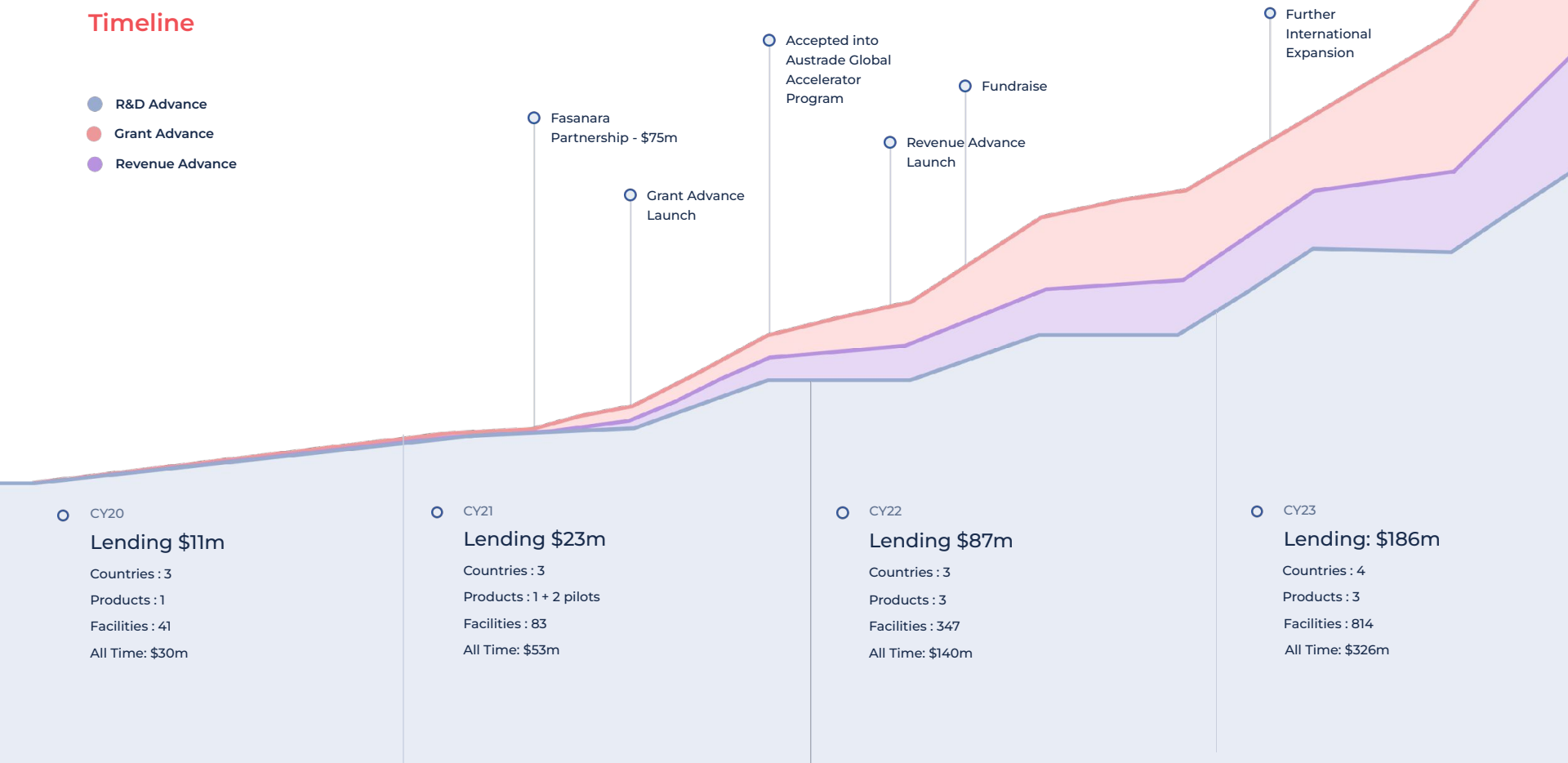
## Notes

- 1 % financed: Management assumptions
- 2 Fundsquire market share: Illustrative assumption
- 3 Analysis considers Australia, UK, Canada, Europe, NZ and US markets
- 4 Sources: provided in underlying worksheet

# Milestones & Roadmap

## Timeline

- R&D Advance
- Grant Advance
- Revenue Advance



# Platform



Automated data monitoring & assessment throughout the loan's life enables us to meaningfully recommend & move customers towards our other lending products that match their growth stage

xero

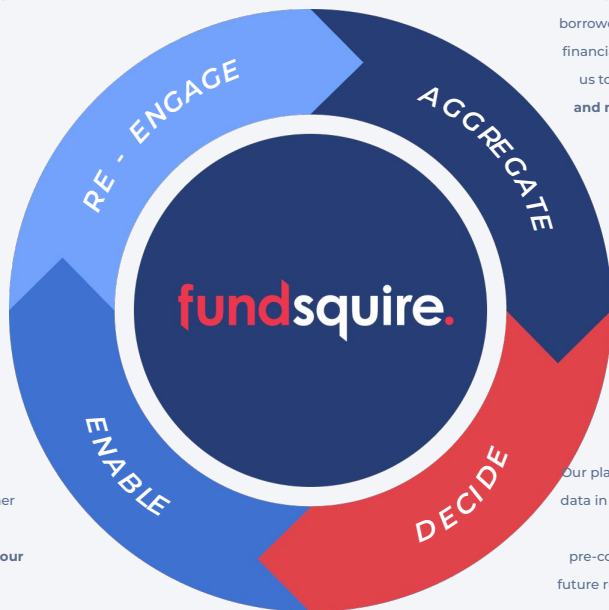
RAILZ

qb intuit quickbooks.

Fundsquire controlled BaaS (Banking as a Service) customer bank accounts enable us to uniquely securitise & de-risk our lending products

frankieone

VOLT Railsbank



Our platform empowers potential borrowers to connect their banking and financial tools to our platform, enabling us to quickly analyse their eligibility and make a speedy lending decision



Our platform allows us to pull customer data in real time into our visual lending decision dashboards that are pre-configured to predict a company's future runway, enabling us to lend with confidence



Over the last 18 months of investing in our technology, we have proven our robust platform in market with:

250+

Customers onboarded within UK, Australia and Canada

18,000+

Customer data points automatically collected per month

Growing at an average 60% per month in volume



GDPR Sensitive + Scheduled Penetration Testing

From day one we have taken platform security seriously.

900+ Data Sources

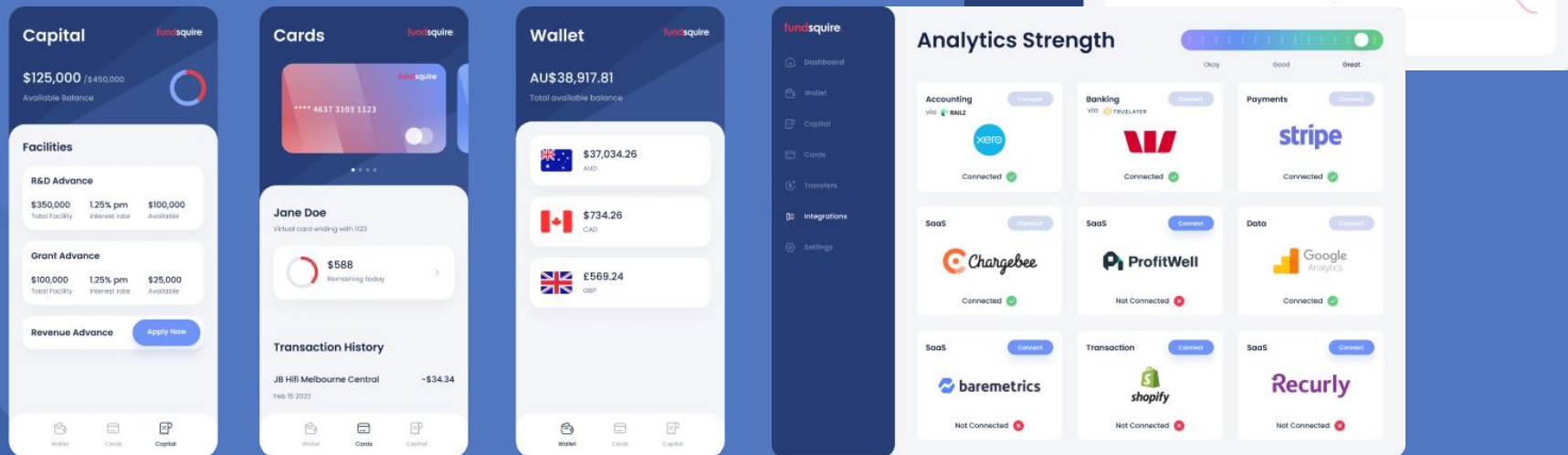
Fundsquire pulls over 900 sources of financial data on our customers.

# Platform Vision

Fundsquire customers have crystal clear visibility on accessible capital, and best use case suggestions are provided

Fundsquire has intimate visibility of connected companies, and leverages the growing data set to inform Fundsquire quant models so that funding decisioning evolves in real-time

Integrated connection points in partner platforms and marketplaces create exponential entry points to the Fundsquire platform, substantially lowering customer acquisition costs.



# Future vision - more products, more regions, more stages of the life cycle

The unified vision of our team is to be the neobank for tech-enabled, fast-growing businesses.

## Expanding product suite

### Current products

R&D  
Advance

Grant  
Advance

Revenue  
Advance

### Future products

Venture debt

Company cards

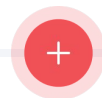
## Expanding depth of relationship



Our focus will shift to developing partnerships earlier with businesses and their employees

## Expanding regions

### Current regions



### Future regions



Key business outcomes:

1

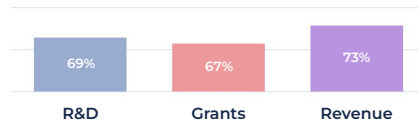
Increased customer LTV

2

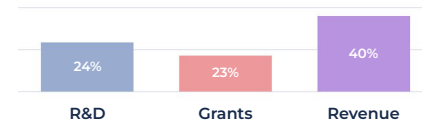
Improved unit economics

# Unit economics

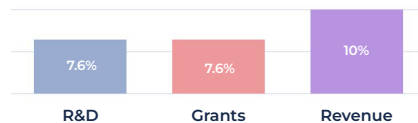
## Gross margin



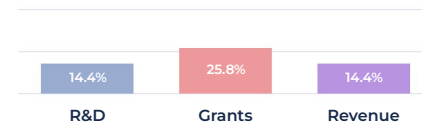
## MIRR



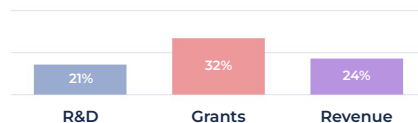
## Cost of capital



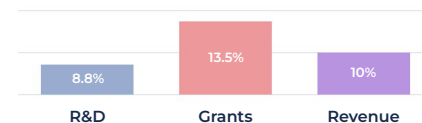
## NIM



## Effective annualised interest



## Avg. revenue / loan



## Notes

- 1 MIRR: Modified Internal Rate of Return
- 2 NIM: Net Interest Margin



# Financials

## Investment Opportunity

Up to **\$5m AUD**

## Key Investment Metrics

**0.25%** Unrecovered capital since 1 January 2019

**30%** Average IRR on all facilities opened and repaid in the last 12 months

**140%** YoY origination growth

**95%** LVR on debt facility. Can leverage capital group up to x20

A\$ millions	CY20	CY21	CY22F	CY23F	CY24F
R&D Advance Funded	11	23	77	126	257
Revenue Advance Funded	-	-	10	60	90
Grant Advance Funded	-	0	26	114	243
<b>Total Funded</b>	<b>11</b>	<b>23</b>	<b>87</b>	<b>186</b>	<b>347</b>

A\$ thousands	CY20	CY21	CY22F	CY23F	CY23F
R&D Advance Income	1,333	1,859	6,370	10,863	21,679
Revenue Advance Income	-	5	964	5,520	8,280
Grant Advance Income	-	32	1,304	8,929	18,445
<b>Total Revenue</b>	<b>1,333</b>	<b>1,897</b>	<b>8,638</b>	<b>25,312</b>	<b>48,404</b>
Transaction Costs	(9)	(12)	(36)	(80)	(144)
<b>Net Revenue</b>	<b>1,324</b>	<b>1,884</b>	<b>8,602</b>	<b>25,232</b>	<b>48,261</b>
Funding Costs	(31)	(514)	(3,052)	(8,417)	(10,692)
<b>Gross Profit</b>	<b>1,293</b>	<b>1,371</b>	<b>5,550</b>	<b>16,816</b>	<b>37,569</b>
<b>Gross Margin</b>	<b>97%</b>	<b>72%</b>	<b>64%</b>	<b>66%</b>	<b>78%</b>
Wages & Related Oncosts (excl. S&M wages)	(708)	(1,282)	(5,817)	(8,180)	(11,249)
Sales & Marketing (incl. S&M wages)	(444)	(1,155)	(962)	(1,853)	(3,056)
Technology & Platform	(408)	(409)	(831)	(1,312)	(2,040)
Other Operating Costs	(392)	(557)	(2,347)	(2,986)	(3,841)
Provision for Expected Credit Loss	-	(151)	(669)	(1,428)	(2,634)
<b>Total Operating Costs</b>	<b>(1,952)</b>	<b>(3,556)</b>	<b>(10,626)</b>	<b>(15,759)</b>	<b>(22,820)</b>
<b>EBITDA</b>	<b>(659)</b>	<b>(2,185)</b>	<b>(5,076)</b>	<b>1,056</b>	<b>14,749</b>
<b>Headcount</b>	<b>10</b>	<b>28</b>	<b>57</b>	<b>73</b>	<b>93</b>

# Leadership Team

## Founders



### Damien Petty

Founder & CEO

20 years in Investment Banking, Financial Services and SME Lending. Brought R&D lending to the market in Australia in 2012, globally since 2016

FIFOCapital

Deutsche Bank



### Rowan Gallagher

COO

15 years in Debt Capital Markets and Innovation Funding. First to originate R&D loans in the UK, in 2015. Led Fundsquire UK since inception

GrantTree

IGNIS

RBC Royal Bank



### Scott Spence

Managing Director

20 years experience in Marketing, Communications, Finance and Entrepreneurship. Led Fundsquire CA since inception

Select Vantage

eeon

## Leadership team



### Brendan Bennett

Director, Partnerships & Expansion

Led expansion streams at Afterpay during the period of exponential growth delivered by the Fintech lender to the BNPL market in Australia and Internationally

afterpay

Telstra



### Josh Poulton, CFA

Director, Credit

Portfolio management and analysis of multi-billion portfolios at Russell Investments prior to Fundsquire. CFA III Charterholder specialising in Alternative Credit

CFA Institute

Russell Investments



### Mark Kinchin

Global Director of Finance

15 years in advisory and corporate finance working in the UK and Australia. Prior to Fundsquire was working in M&A taking equity stakes in SME's and assisting with growth

AMP

RSM



### Imon Choudhury

Technical Product Manager

Tech, Data & Analytics specialist, with deep commercial strategy expertise. Specialised in converting lending products into end-to-end technology stack

futurefund

accenture

## Investors



FASANARA CAPITAL



### Hamish Gregory

Director, Strategy & Operations

17 years in Big 4 corporate advisory specifically focused on R&D Tax and Government incentives in Australia and the UK. Experience includes Government and Regulator communications, and project management of process improvement initiatives and technology implementations

pwc

D

The background consists of several overlapping triangles in shades of red and blue. A large red triangle is in the top-left corner. A dark blue triangle covers the majority of the right side and bottom. A medium blue triangle is in the bottom-left corner. A thin, dark blue diagonal band separates the red triangle from the dark blue area.

**Thank  
You**



## Valuation Report of Fundsquire

As of 2022-07-01

### Contacts:

Damien Petty

✉ [damien@fundsquire.com.au](mailto:damien@fundsquire.com.au)

Report generated on 1 Sep, 2022



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# Company summary

## Fundsquire

 Australia

Industry: **Corporate Financial Services**

Business Activity: **Commercial Loans**

 <https://www.fundsquire.com.au>

Founders: **1**  
Employees: **52**  
Started in: **2017**  
Incorporated: **Yes**  
Year of incorporation: **2017**  
Founders' committed capital: **\$0**



### Opportunity

Business model: **B2B**

Scalable Product: **Yes**

Exit strategy: **Some exit opportunities**



### Current Operations

Stage of development: **Expansion stage**

Employees (excluding founders, interns and freelancers): **52**

Profitability: **Not breakeven yet**



### Latest operating performance

07/2021 - 06/2022

Revenues **3,695,698**

**EBITDA** **-4,732,464**

Ebitda margin **-100 %**

**EBIT** **-4,833,478**

Ebit margin **-100 %**

**Cash in hand** **387,000**

All numbers in \$

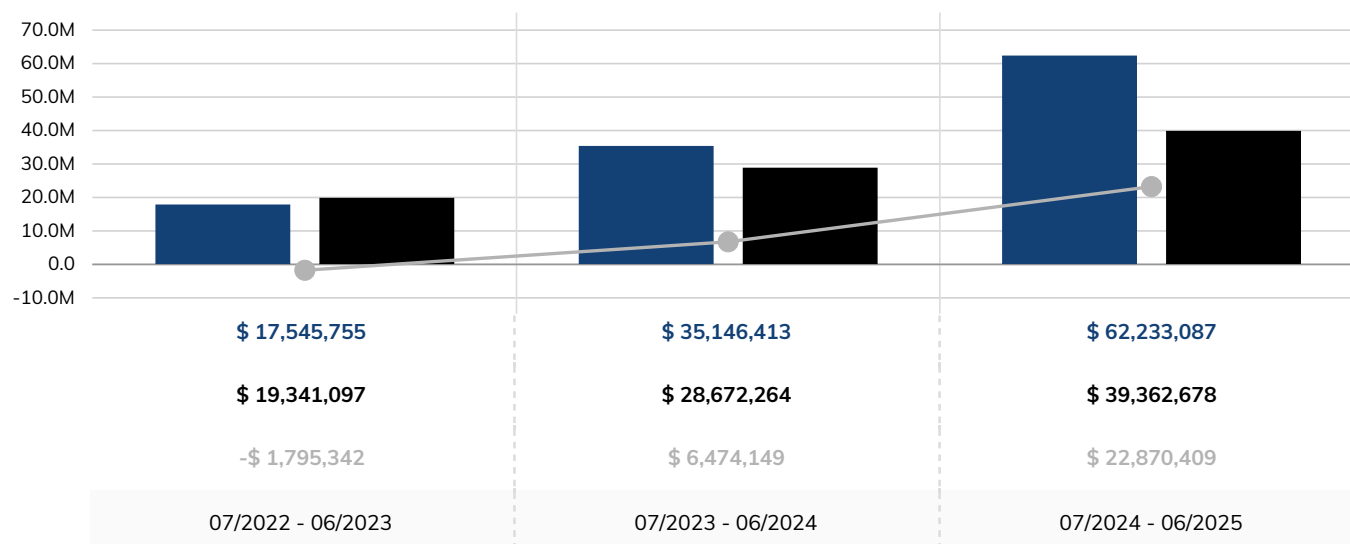
/// More information on the history, milestones, team, etc., (e.g. pitchdeck) can be requested by the company



# Forecasts summary

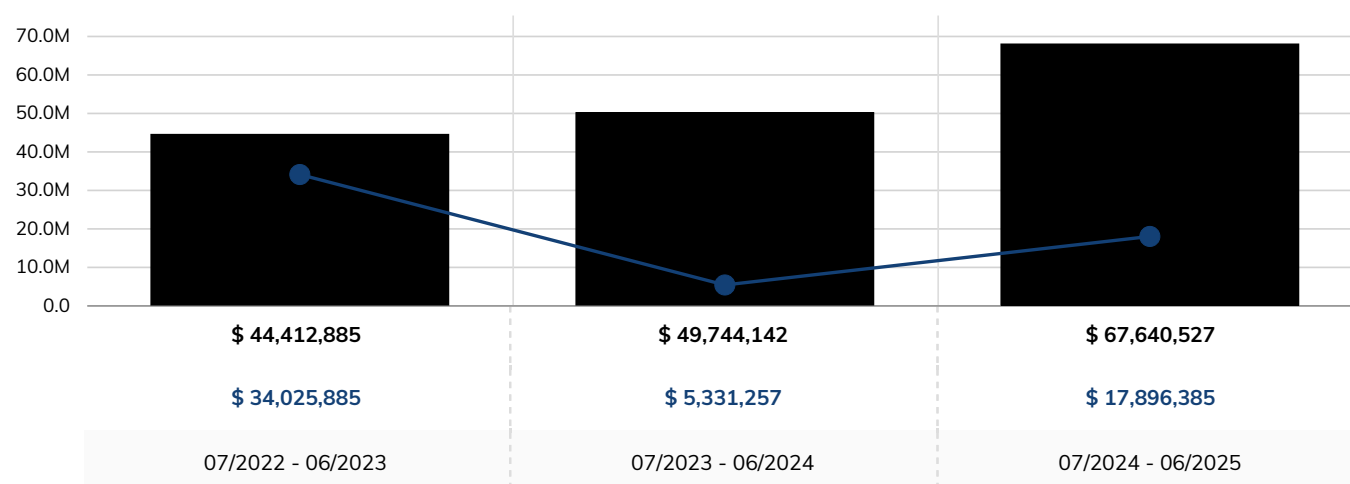
## Future profitability

■ Revenues ■ Costs ● EBITDA



## Cash forecast

■ Cash in hand ● Free cash flow to equity



/// Full profit and loss and cash flow forecast at page 14.

# Past funding rounds

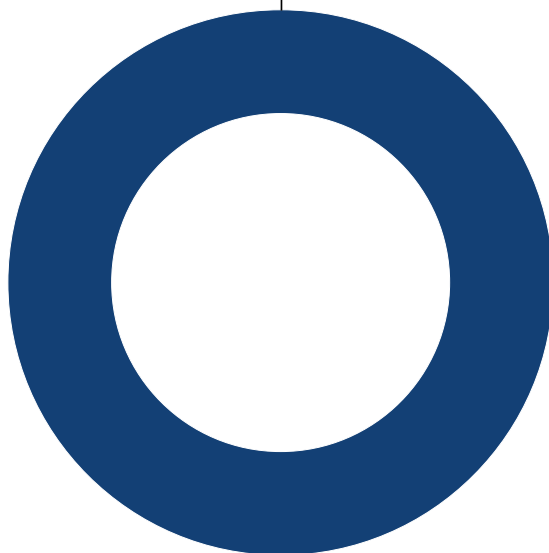
Here is an overview of the past funding rounds and valuations of the company.

No funding rounds to date

# Current ownership

Here is an overview of the current shareholders in the company. More information on type of shares, unassigned shares, and in general a detailed cap table can be requested to the company in question.

100% Founder #1



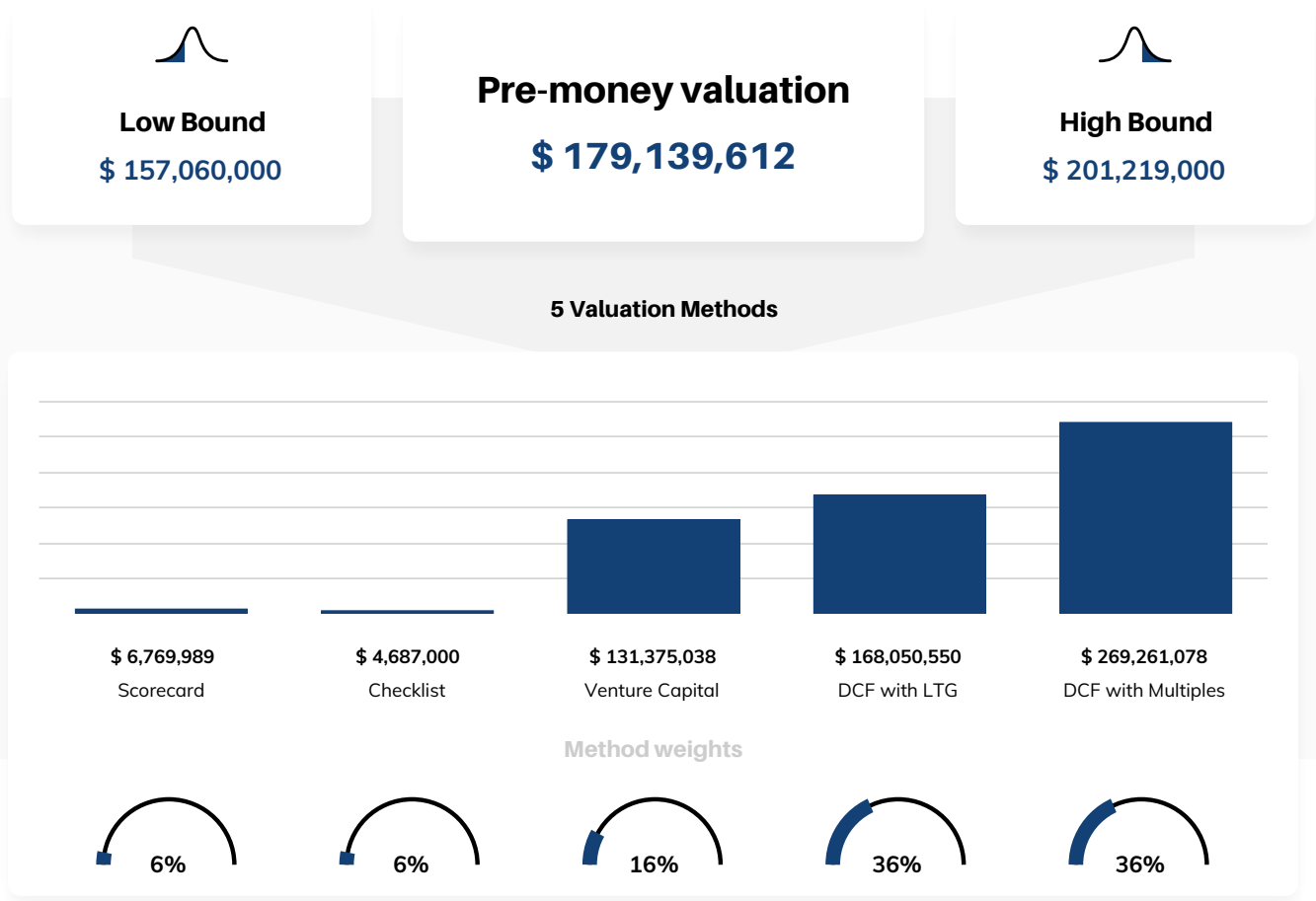


# Valuation

The pre-money valuation displayed below is the result of the weighted average of different methods. The use of several methods is a best practice in company valuation, as looking at the business from different perspectives results in a more comprehensive and reliable view.

These methods are compliant with IPEV (International Private Equity Valuation) Guidelines and each of them will be explained in more detail in the following pages of the report.

More information on the weights can be found in the Appendix.



# Current funding round

Please find below the amount of capital currently needed and the consequent percentage of equity based on the valuation of previous page as a starting point for the negotiations.



**Low Bound**  
\$ 157,060,000

**Pre-money valuation**  
**\$ 179,139,612**



**High Bound**  
\$ 201,219,000



3.09%

**Capital needed**  
**\$ 5,000,000**  

---

**2.72%**



2.42%



**Low Bound**  
\$ 162,060,000

**Post-money valuation**  
**\$ 184,139,612**



**High Bound**  
\$ 206,219,000

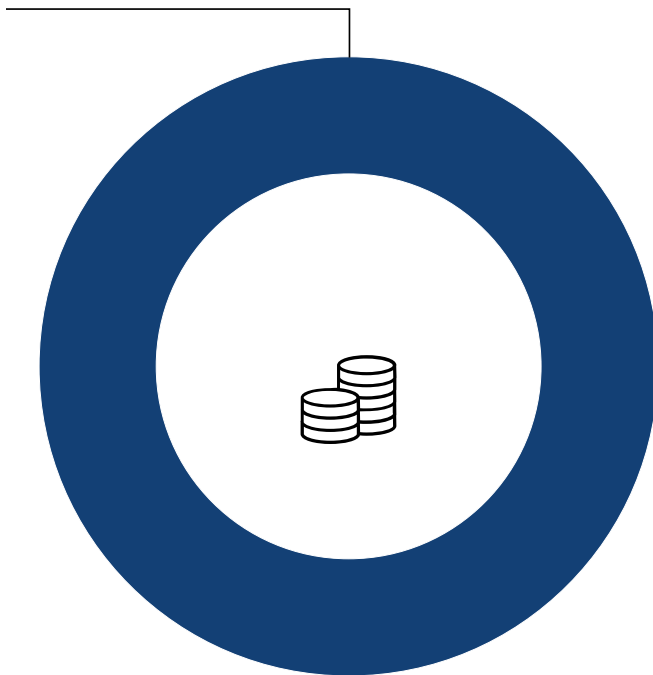
Starting from the post-money valuation of the company, the equity percentage that relates to the investment is calculated as investment/post-money valuation. Keeping the investment amount fixed, the lower the pre-money valuation, the higher the equity stake, and vice versa.



# Use of funds

Here is a breakdown on how the company will use the capital raised.

Not allocated:  
\$ 5,000,000 (100 %)



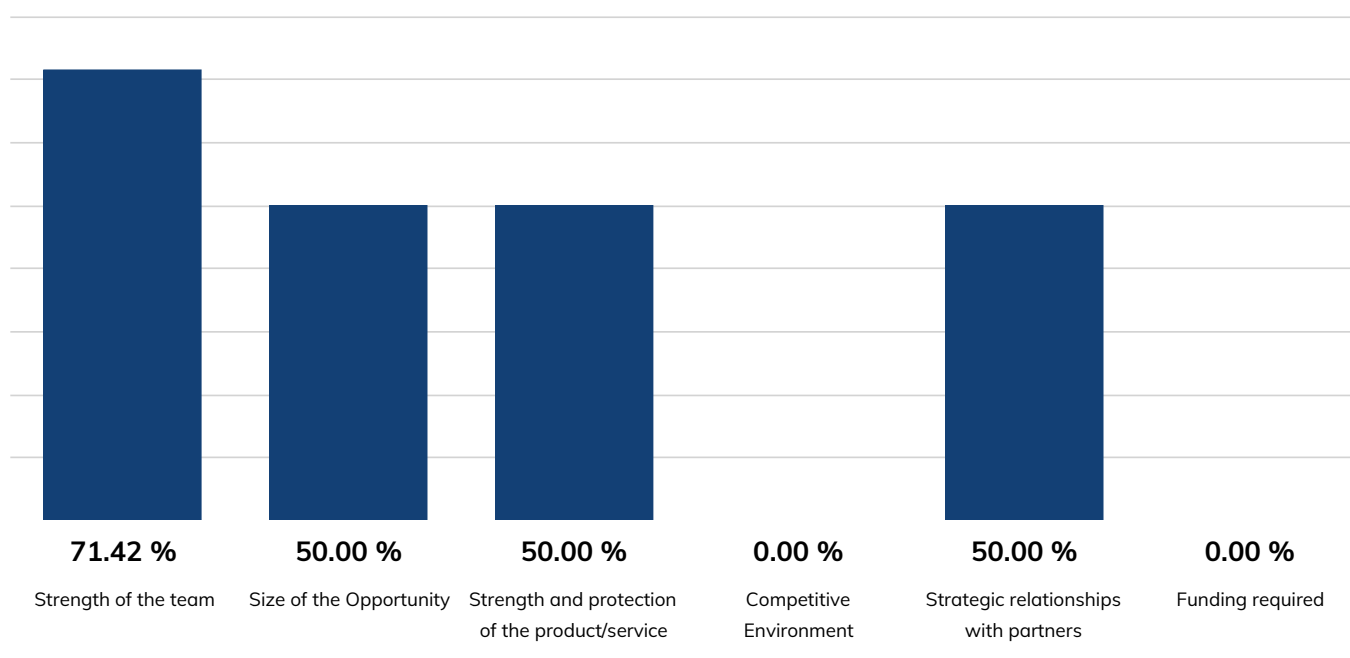
# Qualitative methods

## Scorecard Method: \$ 6,769,989

This method was conceived by William H. Payne of Ohio TechAngels group and endorsed by the Ewing Marion Kauffman Foundation. The valuation of the startup depends on how different this is from the assumed average of a set of comparable companies from the same region.

Startups' qualitative traits are divided in 6 criteria, compared with the assumed traits of the average company, and given a score according to whether it over- or under-performs the assumed average company. These scores are multiplied by weights that represent the impact of the criteria on the valuation. The sum of these weighted scores multiplied by the average valuation leads to the company's pre-money valuation.

### Normalized scores of the company for each criteria



### Parameters

Average valuation (Australia): \$ 4,214,779

### Weights of the criteria

Strength of the team: 30%

Size of the Opportunity: 25%

Strength and protection of the product/service: 15%

Competitive Environment: 10%

Strategic relationships with partners: 10%

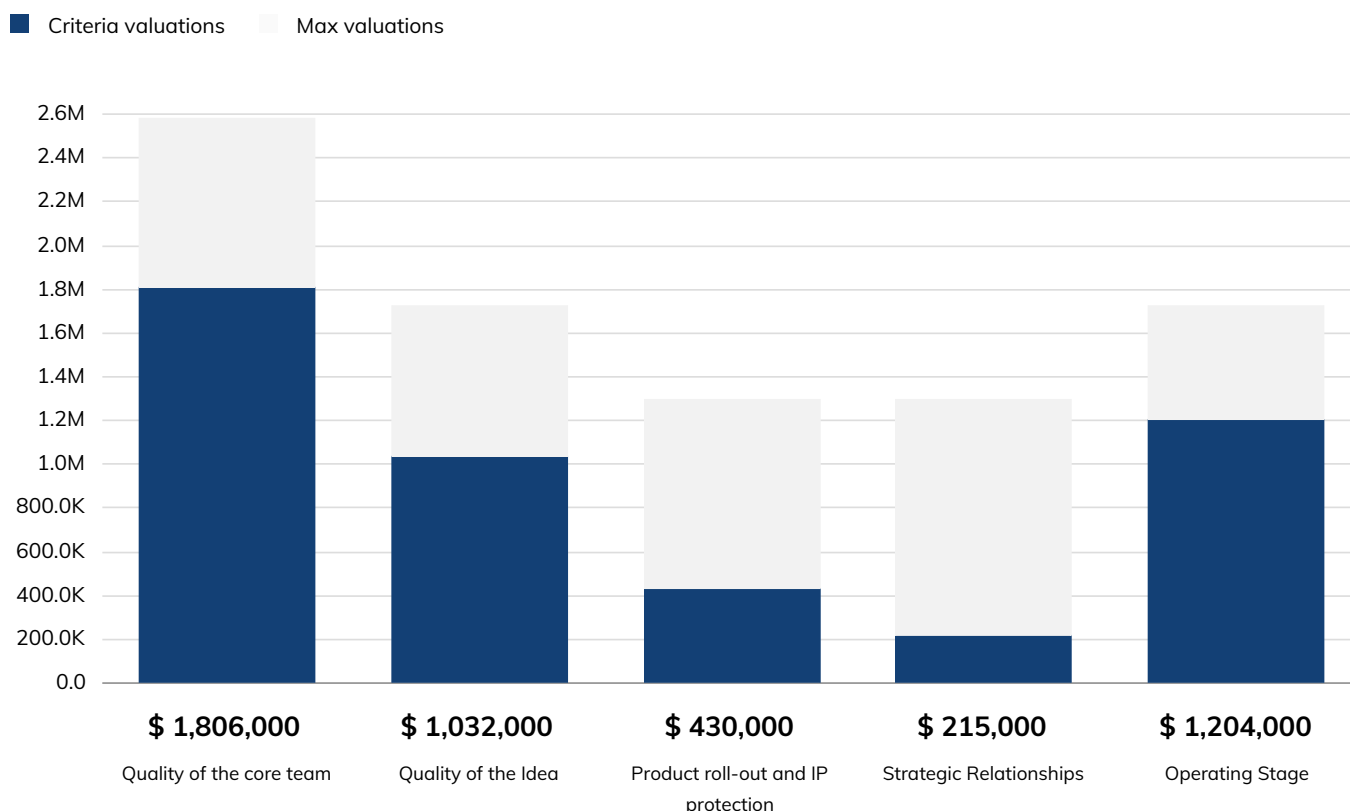
Funding required: 10%

/// Please see appendix for data sources, defaults, and breakdown of the traits

# Checklist Method: \$ 4,687,000

The creator of the method is Dave Berkus, one of the most prominent Californian angel investors. The valuation of the startup consists of intangible building blocks that sum up to the assumed maximum pre-money valuation.

The maximum pre-money valuation is split in 5 criteria according to their weight. The startup obtains portions of these maximum criteria valuations according to how close its qualitative traits are to the most desirable ones. Their sum is the startup pre-money valuation.



## Parameters

Maximum valuation (Australia): \$ 8,600,000

### Criteria maximum valuations

Quality of the core team: \$ 2,580,000 (30%)

Quality of the Idea: \$ 1,720,000 (20%)

Product roll-out and IP protection: \$ 1,290,000 (15%)

Strategic Relationships: \$ 1,290,000 (15%)

Operating Stage: \$ 1,720,000 (20%)

/// Please see appendix for data sources, defaults, and breakdown of the traits



# Qualitative traits summary

Below a summary of the traits at the basis of the scores for the two qualitative methods. Please see appendix for detailed breakdown of which trait is used in which method.



## Team

### Founders

Time commitment: **Full time**

Average age: **Between 35 and 45**

Founded other companies before: **No, first experience**

---

### Core team skills and expertise

Working together for: **3 to 5 years**

Years of experience in the industry: **80**

Business and managerial background: **Top-tier management experience**

Technical skills: **Most technical skills inhouse**



## Network

Board of advisors: **No advisor**

Number of advisors: **0**

Legal consultants: **Yes**



## Market

Total Addressable Market (TAM): **\$ 1,033,000,000,000**

Annual growth rate of the market: **3.00 %**

Demand validated: **Yes**

Internationalization: **Active globally**



## Product

Product roll-out: **Already to Market**

Feedback received: **Mainly positive**

Loyalty to the product/service: **Average retention**

Partners: **Informal agreements with key strategic partners**



## Competition

Level of competition: **Some small players**

Competitive products are: **Good**

Differentiation from current solutions: **We innovate in terms of marketing proposition/USP**

International competition: **Growing, but not yet as developed as locally**



## Protection

Barriers to entry of the market: **Modest**

Applicable IP: **Trademark and/or domain names**

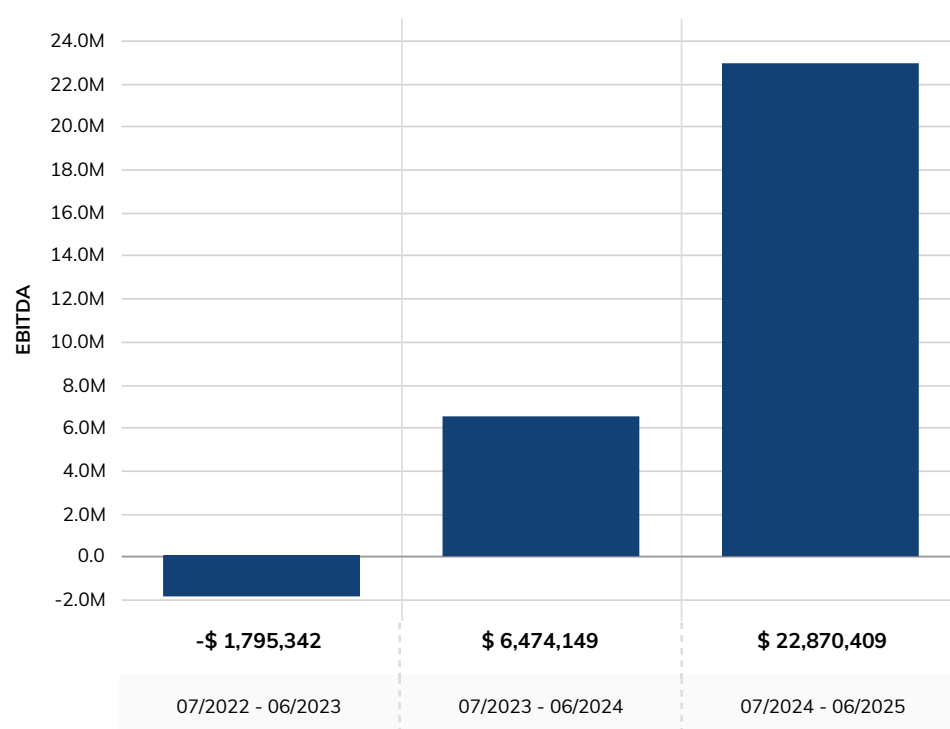


# VC Method

## Premoney Valuation: \$ 131,375,038

The VC (Venture Capital) method is one of most common approaches among financial practitioners in the private company market. The startup is given the valuation that will grant investors a predetermined return at the exit.

The potential exit value of the company is computed with an industry-based EBITDA multiple. The valuation is equal to this value discounted by a required ROI (Return On Investment). This depends on the startup's stage of development, higher for early stage riskier companies, lower for more mature ones. It is the minimum rate that will allow investors to have positive returns from portfolios where most companies fail and gains come from a selected few.



### Parameters

Industry Multiple: **19.57**

Annual Required ROI: **48.60 %**

**\$ 22,870,409**  
Last Year EBITDA



**19.57**  
EBITDA multiple

**\$ 447,493,061**  
Last Year Exit value

**48.60 %**  
Annual Required  
ROI

**\$ 136,375,038**  
Post-money Valuation

**\$ 5,000,000**  
Capital needed

**\$ 131,375,038**  
Premoney Valuation

/// Please see appendix for data sources and defaults

# DCF Methods

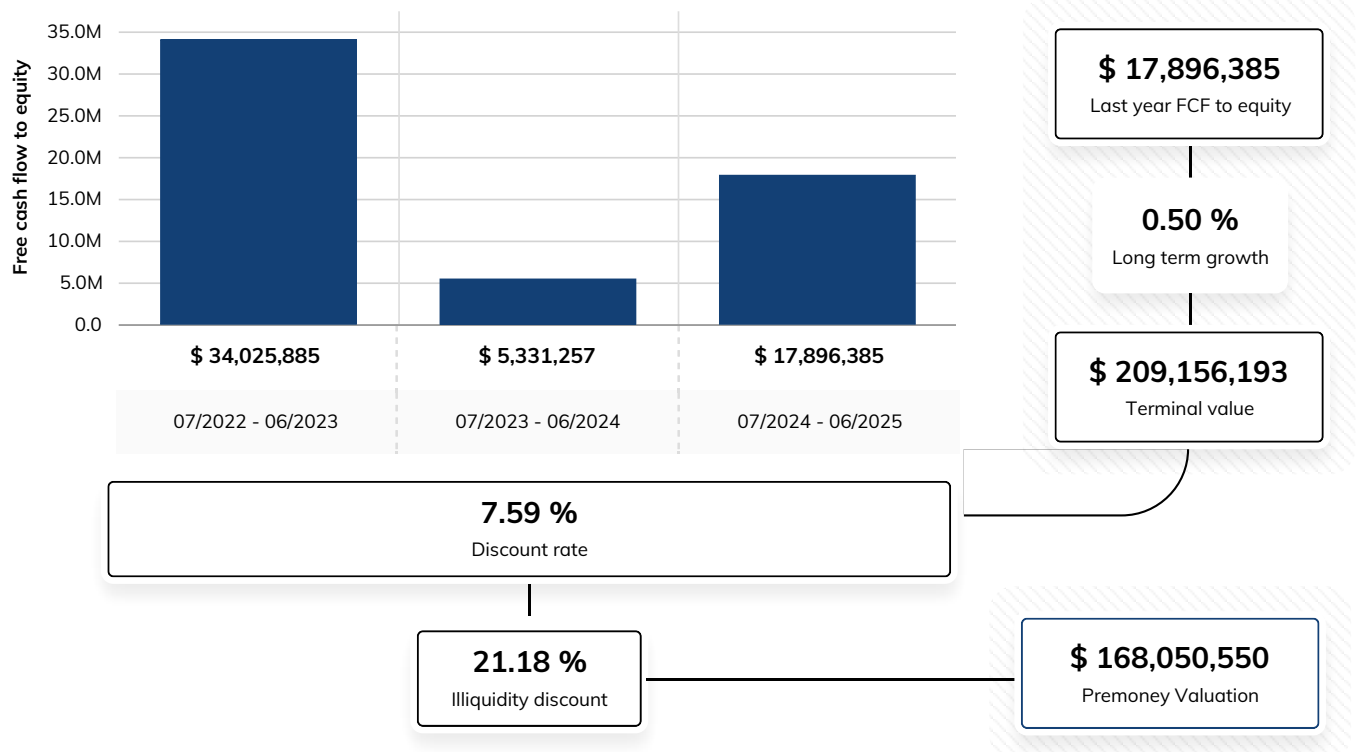
The DCF (Discounted Cash Flow) methods represent the most renowned approach to company valuation, recommended by academics and a daily tool for financial analysts. The valuation is the present value of all the free cash flows to equity the startup is going to generate in the future, discounted by its risk.

These methods weight the projected free cash flow to equity by the probability the startup will survive. Then, the flows are discounted to present by a rate that represents risks related to industry, size, development stage and profitability. Lastly, an illiquidity discount is applied to the sum of the discounted cash flows to compute the valuation.

The value of cash flows beyond the projected ones is represented by the TV (Terminal Value) and the way it is calculated is the difference between the following two methods.

## DCF with LTG: \$ 168,050,550

The DCF with LTG (Long Term Growth) assumes the cash flows beyond the projected ones will grow forever at a constant rate based on the industry and computes the TV accordingly.



### Parameters

Long term growth: 0.50 %  
Illiquidity discount: 21.18 %

### Discount rate

Risk free rate: 1.60 %  
Beta: 1.20  
Market Risk Premium: 5.00 %

### Survival rates

Year 1: 93.01 %  
Year 2: 87.31 %  
Year 3: 82.48 %

/// Please see appendix for data sources and defaults

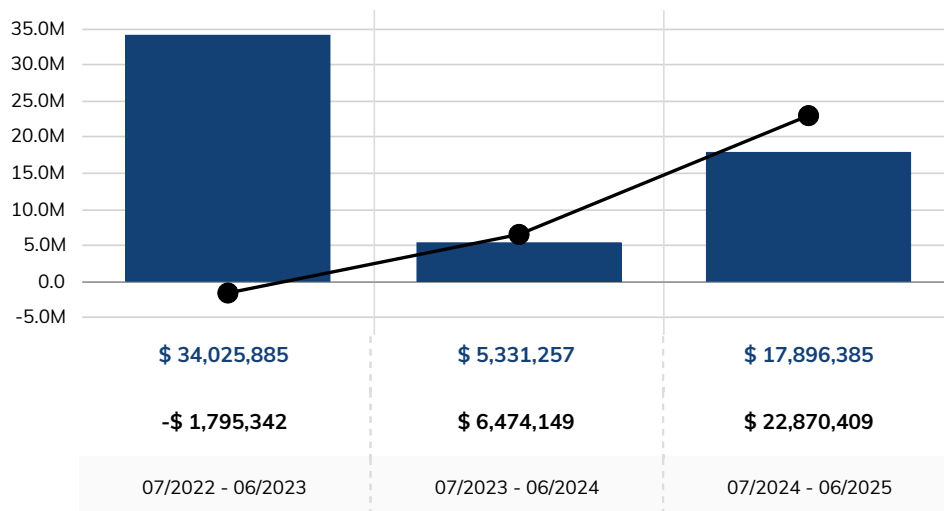




# DCF with Multiples: \$ 269,261,078

The DCF with Multiple assumes the TV (Terminal Value) is equal to the exit value of the company computed with an industry-based EBITDA multiple.

■ Free cash flow to equity ● EBITDA



**\$ 22,870,409**

Last Year EBITDA

×

**19.57**

EBITDA multiple

**\$ 369,094,521**

Terminal value

**7.59 %**

Discount rate

**21.18 %**

Illiquidity discount

**\$ 269,261,078**

Premoney Valuation



## Parameters

EBITDA multiple: **19.57**

Illiquidity discount: **21.18 %**

## Discount rate

Risk free rate: **1.60 %**

Beta: **1.20**

Market Risk Premium: **5.00 %**

## Survival rates

Year 1: **93.01 %**

Year 2: **87.31 %**

Year 3: **82.48 %**

/// Please see appendix for data sources and defaults



# Financial Projections

## Profit & Loss

The profit & loss projections are displayed below. Data about revenues and operating costs are provided by the company. Depreciation and amortization, interest, and taxes are either provided by the company or estimated by Equidam. Please consult our methodology document for more details.

	07-2021 - 06-2022	07-2022 - 06-2023	07-2023 - 06-2024	07-2024 - 06-2025
Revenues	3,695,698	17,545,755 +5X	35,146,413 +2X	62,233,087 +77%
Cost of Goods Sold	879,447	6,256,730 +7X	9,550,227 +53%	15,100,725 +58%
Salaries	3,619,340	7,301,800 +2X	9,682,589 +33%	12,047,670 +24%
Operating Expenses	3,929,375	5,782,567 +47%	9,439,448 +63%	12,214,283 +29%
EBITDA	-4,732,464	-1,795,342 +62%	6,474,149 -	22,870,409 +4X
Ebitda margin	-	-	-	-
D&A	101,014	98,461 -3%	114,691 +16%	131,076 +14%
EBIT	-4,833,478	-1,893,803 +61%	6,359,458 -	22,739,333 +4X
Ebit margin	-	-	-	-
Interest	306,746	514,740 +68%	629,730 +22%	471,414 -25%
EBT	-	-2,408,543	5,729,728 -	22,267,919 +4X
Taxes	-	-	1,575,675	6,123,678 +4X
Nominal tax rate	-	-	-	-
Effective tax payable	-	-722,562	1,718,918	6,680,375
Deferred tax assets	-	722,562	579,319	22,621
Net profit	-5,140,224	-2,408,543 +53%	4,154,053 -	16,144,241 +4X
Net profit margin	-	-	-	-

All numbers in \$



# Cash Flow

The cash flow projections are displayed below. Capital expenditure, debt at the end of the year, and equity fundraising are provided by the company. Account payables, account receivables, inventory and D&A are either provided by the company or estimated by Equidam based on the average percentage of revenues for public companies in the company's industry.

	07/2021 - 06/2022	07/2022 - 06/2023	07/2023 - 06/2024	07/2024 - 06/2025
<b>Net profit</b>	-5,140,224	-2,408,543 +53%	4,154,053 -	16,144,241 +4X
<b>Change in Working Capital</b>	-	72,249,607	112,938,913	183,224,932
Working capital	-	106,004,945	218,943,858 +2X	402,168,790 +84%
Account Payables	3,230,777	4,419,955	3,941,315	4,493,232
Account Receivables	36,986,115	110,424,900	222,885,173	406,662,022
Inventory	-	-	-	-
<b>D&amp;A</b>	101,014	98,461 -3%	114,691 +16%	131,076 +14%
<b>Capital expenditures</b>	-	-	-	-
<b>Change in outstanding debt</b>	-	-	114,001,426	184,846,000
Debt at the end of the year	-	108,585,574	222,587,000 +2X	407,433,000 +83%
-----				
<b>Free cash flow to equity</b>	-	34,025,885	5,331,257 -84%	17,896,385 +3X
<b>Equity fundraising</b>	-	5,000,000	-	-
<b>Free cash flow</b>	-	39,025,885	5,331,257 -86%	17,896,385 +3X
-----				
<b>Beginning of the year cash</b>	-	5,387,000	44,412,885 +8X	49,744,142 +12%
-----				
<b>End of the year cash</b>	-	44,412,885	49,744,142	67,640,527

All numbers in \$

# Conclusion

## Legal Notes

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# Appendix

## Weights of the methods

The default weight of each method is determined by Equidam based on the stage of development, and they are shown below. They can be manually adjusted by the company.

### Default weights of the 5 methods

Stage of development	Checklist Method	Scorecard Method	VC Method	DCF with LTG	DCF with Multiples
Idea stage	38%	38%	16%	4%	4%
Development stage	30%	30%	16%	12%	12%
Startup stage	15%	15%	16%	27%	27%
► Expansion stage	6%	6%	16%	36%	36%

Fundsquire stage of development: **Expansion stage**

These are determined according to the following principles:

- Qualitative information is more important in early stage companies, where performance uncertainty is extremely high, so qualitative methods are weighted in more
- The investors' view is equally important across all stages, so the weight of the VC method does not change
- Quantitative information is more reliable in later stages, when a company already has a proven financial track record. Therefore, it is possible to use the DCF methods more extensively as projected results get founded in past performance

# Qualitative methods

## Default average and maximum valuations data sources

**Dataset:** Pre-money market valuations from transactions in the last 30 months of company in all industries, all countries, and at seed funding stage

**Datasource:** Crunchbase

**Usage:** Computation of average and maximum (net of outliers) pre-money valuations in given geographic areas for the qualitative methods (Scorecard and Checklist respectively)

**Update:** Biannual

Average valuation (Scorecard Method) in Australia: \$ 4,214,779

Maximum valuation (Checklist Method) in Australia: \$ 8,600,000

# Scorecard Method

## Default weights of the criteria and breakdown in their traits

<b>Strength of the team</b> <b>30%</b> Time commitment of the founders Number of employees Team spirit and comradeship Years of industry experience of the core team Business and managerial background of the core team	<b>Size of the Opportunity</b> <b>25%</b> Estimated revenues in the third year according to the stage of the development Estimated size of the market in three years Geographical scope of the business
<b>Competitive Environment</b> <b>10%</b> Level of competition in the market Quality of competitive products/services Competitive advantage over other products/services Barriers to entry of the market Threat of international competition	<b>Strength and protection of the product/service</b> <b>15%</b> Stage of the product/service roll-out Degree of loyalty of customers Type of IP protection applicable IP protection in place (if any)
<b>Strategic relationships with partners</b> <b>10%</b> Strength of the relationships with key strategic partners	<b>Funding required</b> <b>10%</b> Capital required according to the stage of development

# Checklist Method

## Default weights of the criteria and breakdown in their traits

---

### Quality of the core team analyzes:

30%

Average age of the founders  
Presence in the team of serial, successful entrepreneurs  
Time commitment of the founders  
Team spirit and comradeship  
Years of industry experience of the core team  
Business and managerial background of the core team  
Technical skills of the core team

---

### Quality of the idea analyzes:

20%

Validation of the demand for the product/service  
Feedback received by early adopters/industry experts  
Level of competition in the market  
Competitive advantage over other products/services  
Geographical scope of the business  
Threat of international competition  
Degree of loyalty of customers

---

### Product roll-out and IP protection analyzes:

15%

Stage of the product/service roll-out  
Type of IP protection applicable  
IP protection in place (if any)

---

### Strategic relationships analyzes:

15%

Presence of an advisory board and number of advisors  
Presence and type of current shareholders  
Relationship with legal counselors  
Strength of the relationships with key strategic partners

---

### Operating stage

20%

Stage of development  
Current profitability

---



# VC method

Below the sources of the valuation parameters used in the VC Method: EBITDA Multiple and Annual Required ROI, and their default values provided by Equidam

## EBITDA multiple

*Description:* Enterprise value on EBITDA multiples computed over a dataset of global, publicly listed firms organized by industry

*Datasource:* Prof. A. Damodaran, NYU Stern School of Business

*Update:* Annual

*Notes:* We favor the use of EBITDA multiple, as we believe revenue multiples fail to capture the ability of startups to generate cash flow, i.e. the ultimate determinant of value.

Fundsquire industry: **Commercial Loans**

Commercial Loans EBITDA multiple: **19.57**

## Annual Required ROI

The default annual required ROI rates are determined by Equidam based on the returns investors require for companies at different stage of development, and are shown below. They can be manually adjusted by the company.

Stage of development	Discount/Required ROI
Idea stage	135.93%
Development stage	111.47%
Startup stage	89.12%
► Expansion stage	48.60%

Fundsquire stage of development: **Expansion stage**





# DCF Methods

Below the sources of the valuation parameters used in the DCF Methods: Discount Rate, Survival Rates and Illiquidity Discounts, and their default values provided by Equidam.

## Discount rate

### Risk Free Rate

Description: 10Y government rates

Datasource: Trading Economics (tradingeconomics.com), various public databases

Update: Bi-annual (but more frequent if macroeconomic conditions are more volatile)

Notes: For the Eurozone we apply the German 10Y Bond rate

Fundsquire country: **Australia**

Australia risk free rate: **1.60%**

### Industry betas

Description: Industry beta computed over industry specific portfolios of global, public listed companies (same as in EBITDA multiple)

Datasource: Prof. A. Damodaran, NYU Stern School of Business

Update: Annual

Fundsquire industry: **Commercial Loans**

Commercial Loans default beta: **1.20**

### Market Risk Premium

Description: Country based total equity risk premium as implied in the previous 12 trailing months.

Datasource: Prof. A. Damodaran, NYU Stern School of Business

Update: Biannual

Fundsquire country: **Australia**

Australia default market risk premium: **5.00%**



## Survival Rate

Dataset: Country-level survival probabilities of the latest cohort of companies with three years of data available.

Datasource: European Office of Statistics (<http://ec.europa.eu/eurostat>), U.S. Bureau of Labor Statistics (<https://www.bls.gov/>), specific academic research and public offices of statistics for different countries.

Update: Annual

Fundsquire year of incorporation: **2017**

Default survival rate Year 1: **93.01%**

Default survival rate Year 2: **87.31%**

Default survival rate Year 3: **82.48%**

Default survival rate Year 4: **78.30%**

Default survival rate Year 5: **74.61%**

Default survival rate Year 6: **71.31%**

## Illiquidity discount

The default illiquidity discount is assigned based on current profitability and projected revenues, according to the approach suggested by William L. Silber.

Fundsquire illiquidity discount: **21.18%**



# DCF with LTG

## Long term growth

Dataset: Global, publicly listed companies organized by industry (same as in EBITDA multiple)

Datasource: Prof. A. Damodaran, NYU Stern School of Business

Update: Annual

Notes: The value is winsorized over a 0% - 2.5% range. We do not want the long term growth to be above world GDP growth expectations, as it would mean the company is going to overgrow world economy at some point in time

Fundsquire industry: **Commercial Loans**

Commercial Loans default long term growth: **0.50**

# DCF with Multiples

## EBITDA multiple

Dataset: Global, publicly listed companies organized by industry

Datasource: Prof. A. Damodaran, NYU Stern School of Business

Update: Annual

Notes: We favor the use of EBITDA multiple, as we believe revenue multiples fail to capture the ability of startups to generate cash flow, the ultimate determinant of value.

Fundsquire industry: **Commercial Loans**

Commercial Loans default EBITDA multiple: **19.57**



# Last Available Balance Sheet

Below the simplified, last available balance sheet of the company.

		07/2021 - 06/2022
Cash and equivalents		387,000
Tangible assets		-
Intangible assets		-
Financial assets		9,955,098
Deferred tax assets		-
<b>Total Assets</b>		<b>10,342,098</b>
Debts due within one year time		4,436,226
Debt due beyond one year time		-
Equity		1,518,994
<b>Total Liabilities and Shareholder's Equity</b>		<b>5,955,220</b>

All numbers in \$



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The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green triangle on the right side.

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**Antra Group Pty Ltd  
AFT Antray Trust  
ACN 153 443 764  
(Receivers and Manager Appointed)  
(Administrators Appointed)**

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**Annexure "9"  
Statement of Estimated Return to  
Creditors**

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Antra Group Pty Ltd (Receiver and Manager Appointed) (Administrators Appointed) Estimated Outcome Statement								
		Deed Fund A			Deed Fund B			
	Book Value as at 05/09/2022 (\$)	Administrators' ERV DOCA (High)	Administrators' ERV DOCA (Low)	Administrators' ERV DOCA (High)	Administrators' ERV DOCA (Low)	Administrators' ERV Liquidation (High)	Administrators' ERV Liquidation (Low)	
<b>ASSETS</b>								
<b>Total Non-Circulating Assets</b>	104,246	246,500	245,000	246,500	245,000	246,500	245,000	
<b>Circulating Assets Subject to Ventra Capital Fund 3 Pty Ltd ("VCF3") /1st ranking secured creditor Security</b>								
Cash and Cash Equivalents	12,212	-	-	-	-	-	-	
Loans/Debtors								
- Non-related Party	12,399,877	1,408,183	-	1,408,183	-	1,408,183	-	
- Related Party	19,792,073	-	-	-	-	Unknown	-	
Other Receivables	281,772	-	-	-	-	-	-	
Other Assets - Participating Loan Recovery	3,000	691,794	691,794	691,794	691,794	691,794	691,794	
<b>Subtotal - Circulating Assets Subject to Ventra Capital Fund 3 Pty Ltd ("VCF3") /1st ranking secured creditor Security</b>	32,488,934	2,099,977	691,794	2,099,977	691,794	2,099,977	691,794	
<b>Total Assets - Subject to Ventra Capital Fund 3 Pty Ltd ("VCF3") /1st ranking secured creditor Security</b>	32,593,179	2,346,477	936,794	2,346,477	936,794	2,346,477	936,794	
<b>Asset Realisation Costs (excl. GST)</b>								
Receivers Remuneration and Other Costs		(330,000)	(330,000)	(930,000)	(600,000)	(930,000)	(600,000)	
Other Asset Realisation costs		-	-	-	-	-	-	
<b>Total Asset Realisation Costs</b>		(330,000)	(330,000)	(930,000)	(600,000)	(930,000)	(600,000)	
<b>Surplus/(Shortfall) from Total Assets Subject to VCF3 Security</b>		2,016,477	606,794	1,416,477	336,794	1,416,477	336,794	
<b>Circulating Assets Available for Priority Creditors</b>		2,016,477	606,794	1,416,477	336,794	1,416,477	336,794	
<b>Priority Creditors</b>								
Non-Related Party		70,260	70,260	70,260	70,260	70,260	70,260	
Related Party						2,000	2,000	
<b>Total Priority Creditors</b>		70,260	70,260	70,260	70,260	72,260	72,260	
<b>Distribution to Priority Creditors</b>		70,260	70,260	70,260	70,260	72,260	72,260	
<b>Assets Available VCF3 /1st ranking secured creditor</b>		1,946,217	536,534	1,346,217	266,534	1,344,217	264,534	
<b>Participation Loan</b>	2,421,298							
<b>Participation Loan Recovered</b>		2,489,087	2,489,087	2,489,087	2,489,087	2,489,087	2,489,087	
<b>Asset Realisation Costs (excl. GST)</b>								
Receivers Remuneration and Other Costs		(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	
Other Asset Realisation costs		(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	
<b>Total Asset Realisation Costs</b>		(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	
<b>Surplus/(Shortfall) from Participation Loan</b>		2,369,087	2,369,087	2,369,087	2,369,087	2,369,087	2,369,087	
<b>Distribution of Recovery of Participating Loan</b>		2,369,087	2,369,087	2,369,087	2,369,087	2,369,087	2,369,087	
Subject to VCF 3 Security distribution to same	2,421,298	691,794	691,794	691,794	691,794	691,794	691,794	
Subject to VCP Security and distribution to same		744,669	1,377,294	744,669	1,377,294	744,669	1,377,294	
Subject to MRE Trust Claim and distribution to same		632,625	-	632,625	-	632,625	-	
Recovered by the Company		300,000	300,000	300,000	300,000	300,000	300,000	
<b>Deed Fund</b>								
Funds held by the Administrators pursuant to the Deed of Indemnity dated 5 September 2022		25,000	25,000	25,000	25,000	25,000	25,000	
Cash Payments								
Pool A Fund		12,750,000	12,750,000	-	-	N/A	N/A	
Pool B Fund		15,267,000	4,250,000	17,474,567	5,696,136	N/A	N/A	
A-Class shares in Predntial Group Holdings Pty Ltd held by the Director and Damien Petty		-	-	-	-	N/A	N/A	
Trading profit during VA		-	-	-	-	N/A	N/A	
Company's assets subject to DOCA - Participation Loan Recovered by the Company		300,000	300,000	300,000	300,000	N/A	N/A	
<b>Deed Fund Total</b>		28,342,000	17,325,000	17,799,567	6,021,136	N/A	N/A	
<b>Recoveries in Liquidation</b>								
Participation Loan Recovered by the Company		N/A	N/A	N/A	N/A	300,000	300,000	
Voidable Transactions		N/A	N/A	N/A	N/A			
Insolvent Trading Claims		N/A	N/A	N/A	N/A	13,500,000	-	
Breach of Director Duties Claims		N/A	N/A	N/A	N/A			
<b>Total Recovery</b>						13,800,000	300,000	
<b>Administration Costs</b>								
Administration Costs								
Administrators' Remuneration and Costs - Pool A								
Administrators' Remuneration and Costs - Pool B		(525,000)	(525,000)	(525,000)	(525,000)	(525,000)	(525,000)	
Deed Administration Costs								
Deed Administrators' Remuneration and Costs - Pool A		(900,000)	(300,000)	-	-			
Deed Administrators' Remuneration and Costs - Pool B		(300,000)	(300,000)	(600,000)	(300,000)			
Liquidation Costs								
Liquidators' Remuneration and Costs		N/A	N/A	N/A	N/A	(1,500,000)	(500,000)	
Liquidators' Legal Fees		N/A	N/A	N/A	N/A	(3,000,000)	(500,000)	
Litigation Funder (45% of recovery)		N/A	N/A	N/A	N/A	(6,075,000)		
<b>Total Costs of Administration Costs</b>		(1,725,000)	(1,125,000)	(1,125,000)	(825,000)	(11,100,000)	(1,525,000)	
<b>Available DOCA Assets for Distribution</b>								
Available Pool A Fund for Distribution		11,850,000	12,450,000	-	-	N/A	N/A	
Available Pool B Fund for Distribution		14,767,000	3,750,000	16,674,567	5,196,136	N/A	N/A	
<b>Total Available DOCA Assets for Distribution</b>		26,617,000	16,200,000	16,674,567	5,196,136	N/A	N/A	
<b>Distribution of Deed Fund A - Pool A</b>								
<b>VCF3 Debts</b>	9,600,000	12,285,528	12,285,528	12,285,528	12,285,528	12,285,528	12,285,528	
Distribution from Circulating Assets Subject to VCF3 Security		1,946,217	536,534	1,346,217	266,534	1,344,217	264,534	
Distribution from Participation Loans								
Distribution from Deed Fund A		10,339,311	11,748,994	N/A	N/A	N/A	N/A	
<b>Total Distribution to VCF3</b>		12,285,528	12,285,528	1,346,217	266,534	1,344,217	264,534	
<b>Shortfall for VCF3 Debts</b>		-	-	(10,939,311)	(12,018,994)	(10,941,311)	(12,020,994)	
<b>Balance of Pool A Fund</b>		1,510,689	701,006	-	-	-	-	
<b>Protea Holdings Pty Ltd ATF Broederbond Superannuation Fund ("Protea") /2nd ranking secured creditor Debts</b>	1,031,000	1,107,074	1,107,074	1,107,074	1,107,074	1,107,074	1,107,074	
Distribution from Deed Fund A		-	-	-	-	N/A	N/A	
<b>Shortfall for Protea Debts</b>		(1,107,074)	(1,107,074)	(1,107,074)	(1,107,074)	(1,107,074)	(1,107,074)	
<b>Balance of Pool A Fund</b>		1,510,689	701,006	-	-	-	-	
<b>Dacosi Investment Pty Ltd ("Dacosi") /3rd ranking secured creditor Debts</b>	400,000	516,384	516,384	516,384	516,384	516,384	516,384	
Distribution from Deed Fund A		516,384	516,384	-	-	N/A	N/A	
<b>Total Distribution to Dacosi</b>		516,384	516,384	-	-	-	-	
<b>Shortfall for Dacosi Debts</b>		-	-	(516,384)	(516,384)	(516,384)	(516,384)	
<b>Balance of Pool A Fund</b>		994,305	184,622	-	-	-	-	
<b>Ventra Capital Private Pty Ltd ("VCP") /4th ranking secured creditor Debts</b>	2,800,000	3,621,813	3,621,813	3,621,813	3,621,813	3,621,813	3,621,813	
Distribution from Participation Loans		744,669	1,377,294	744,669	1,377,294	744,669	1,377,294	
Distribution from Deed Fund A		994,305	184,622			N/A	N/A	
<b>Total Distribution to VCP</b>		1,738,974	1,561,916	744,669	1,377,294	744,669	1,377,294	
<b>Shortfall for VCP Debts</b>		(1,882,839)	(2,059,897)	(2,877,144)	(2,244,519)	(2,877,144)	(2,244,519)	
<b>Balance of Pool A Fund</b>		-	-	-	-	-	-	
<b>AMG BUSINESS FINANCE PTY LTD ("AMG") /5th ranking secured creditor Debts</b>	100,000	102,038	102,038	102,038	102,038	102,038	102,038	
Distribution from Deed Fund A		-	-	-	-	N/A	N/A	
<b>Shortfall for AMG Debts</b>		(102,038)	(102,038)	(102,038)	(102,038)	(102,038)	(102,038)	
<b>Balance of Pool A Fund</b>		-	-	-	-	-	-	

Antra Group Pty Ltd (Receiver and Manager Appointed) (Administrators Appointed) Estimated Outcome Statement								
			Deed Fund A		Deed Fund B			
	Book Value as at 05/09/2022 (\$)	Administrators' ERV DOCA (High)	Administrators' ERV DOCA (Low)	Administrators' ERV DOCA (High)	Administrators' ERV DOCA (Low)	Administrators' ERV Liquidation (High)	Administrators' ERV Liquidation (Low)	
Distribution of Pool B in Deed Fund A and Distribution of Deed Fund B								
Total Funds for Distribution								
Balance of Pool A Fund		-	-	-	-	N/A	N/A	
Pool B Fund		14,767,000	3,750,000	16,674,567	5,196,136	N/A	N/A	
Total Funds for Distribution		14,767,000	3,750,000	16,674,567	5,196,136	N/A	N/A	
Participating Creditors								
Priority Creditors								
Shortfall of Non-Related Party Claims		-	-	-	-	-	-	
Total Priority Creditors		-	-	-	-	-	-	
Distribution to Priority Creditors		-	-	-	-	-	-	
Funds Available for Distribution to Unsecured Creditors		14,767,000	3,750,000	16,674,567	5,196,136	2,700,000	-	
Secured Creditor Shortfall								
Mercedes		3,540	3,540	3,540	3,540	3,540	3,540	
VCF 3		-	-	10,939,311	12,018,994	10,941,311	12,020,994	
Protea		1,107,074	1,107,074	1,107,074	1,107,074	1,107,074	1,107,074	
Dacosi		-	-	516,384	516,384	516,384	516,384	
VCP		1,882,839	2,059,897	2,877,144	2,244,519	2,877,144	2,244,519	
AMG		102,038	102,038	102,038	102,038	102,038	102,038	
Total Secured Creditor Shortfall		3,095,491	3,272,549	15,545,491	15,992,549	15,547,491	15,994,549	
Participant Creditors								
Invoice Discount Company Pty Ltd		88,671	88,671	88,671	88,671	88,671	88,671	
Lanzerac Nominees Pty Ltd as Trustee for the Allen Family Trust		202,308	202,308	202,308	202,308	202,308	202,308	
MRE Superannuation Pty Ltd a/t/f the Edwards Family Superannuation Fund		-	632,625	-	632,625	-	632,625	
Protea Holdings ATF Broederbond Super Fund		845,705	845,705	845,705	845,705	845,705	845,705	
SCVN Pty Ltd ATF The Susan van Noort Superannuation Fund		50,000	50,000	50,000	50,000	50,000	50,000	
Serena (WA) Pty Ltd		566,542	566,542	566,542	566,542	566,542	566,542	
The Onesti Investment Trust		60,000	60,000	60,000	60,000	60,000	60,000	
Total Participant Creditors		1,813,227	2,445,852	1,813,227	2,445,852	1,813,227	2,445,852	
Other Unsecured Creditors								
Non-Related Entity Creditors	17,822,481	19,858,291	19,225,666	19,858,291	19,225,666	19,858,291	19,225,666	
Related Entity Creditors	1,396,150	695,162	4,642,612	695,162	4,642,612	695,162	4,642,612	
Total Other Unsecured Creditors	19,218,631	20,553,453	23,868,278	20,553,453	23,868,278	20,553,453	23,868,278	
Total Creditors Claims for Pool B Fund/Unsecured Creditors Claims		25,462,170	29,586,678	37,912,170	42,306,678	37,914,170	42,308,678	
Total Pool B Funds		14,767,000	3,750,000	16,674,567	5,196,136	2,700,000	-	
Return to Creditors (Cents in \$)		58	13	44	12	7	-	

		Deed Fund A		Deed Fund B		Liquidation	Liquidation	
Summary of Return to Creditors		DOCA High Cents/\$	DOCA Low Cents/\$	DOCA High Cents/\$	DOCA Low Cents/\$	High Cents/\$	Low Cents/\$	
Secured Creditors								
Ventra Capital Fund 3 Pty Ltd		100	100	50	14	17	2	
Dacosi Investments Pty Ltd & Dacosi ST Pty Ltd		100	100	44	12	7	0	
Ventra Capital Private Pty Ltd		78	50	55	46	26	38	
Priority Creditors		100	100	100	100	100	100	
Unsecured Creditors		58	13	44	12	7	0	

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The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green triangle on the right side.

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**Antra Group Pty Ltd**  
**AFT Antray Trust**  
**ACN 153 443 764**  
**(Receivers and Manager Appointed)**  
**(Administrators Appointed)**

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**Annexure "10"**  
**Receipts and Payments**

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## Summarised Receipts & Payments

Antra Group Pty Ltd

(Receiver and Manager Appointed)(Administrators Appointed)

Transactions From 05 September 2022 To 06 December 2022

A/C	Account	Net	GST	Gross
72	Sundry Debtors (B)	300,000.00	0.00	300,000.00
88	Indemnity Funding	25,000.00	0.00	25,000.00
<b>Total Receipts (inc GST)</b>		<b>\$325,000.00</b>	<b>\$0.00</b>	<b>\$325,000.00</b>
139	Legal Fees (1)	26,569.00	2,656.90	29,225.90
140	Legal Fees (2)	58.00	0.00	58.00
152	Administrators Remuneration	260,610.50	26,061.05	286,671.55
153	Administrators Expenses	981.50	98.15	1,079.65
<b>Total Payments (inc GST)</b>		<b>\$288,219.00</b>	<b>\$28,816.10</b>	<b>\$317,035.10</b>
<b>Balance in Hand - By Bank Account</b>				
212	Cheque Account			<b>7,964.90</b>
				<b>\$7,964.90</b>

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The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey rectangular background. A green triangle is positioned at the bottom right corner of the grey rectangle.

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**Antra Group Pty Ltd  
AFT Antray Trust  
ACN 153 443 764  
(Receivers and Manager Appointed)  
(Administrators Appointed)**

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**Annexure "11"  
Remuneration Approval Report**

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# Remuneration Approval Report

**ANTRA GROUP PTY LTD  
ATF ANTRAY TRUST  
ACN 153 443 764**

**6 December 2022**

Peter Krejci and Jonathon Keenan  
Joint and Several Liquidators

Novabrif Pty Ltd ABN 61 643 013 610  
Level 30, Australia Square, 264 George Street, Sydney NSW 2000  
GPO Box 7079, Sydney NSW 2001  
Phone (02) 8263 2300  
Facsimile (02) 8263 2399  
Email: [info@brifnsw.com.au](mailto:info@brifnsw.com.au)  
Website: [www.briferrier.com.au](http://www.briferrier.com.au)



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## 1. EXECUTIVE SUMMARY

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

	Remuneration (\$, excl GST)	Disbursements (\$, excl GST)
Voluntary Administration	130,321.00	N/A
If a DOCA is accepted	280,000.00	2,000.00
If Company is liquidated	250,000.00	2,000.00

Details of remuneration can be found in section 3 of this report.

Creditors have previously approved our remuneration as follows:

	Remuneration (\$, excl GST)	Disbursements (\$, excl GST)
Voluntary Administration	\$260,610.50	\$1,000.00

We estimate the total cost of this Voluntary Administration will be approximately \$391,000.00. This has increase from our previous estimate provided in our Second Report to Creditors dated 4 October 2022. We have provided an explanation in **Schedule E**.

## 2. DECLARATION

We, Peter Krejci and Jonathon Keenan of BRI Ferrier, have undertaken an assessment of this remuneration claim in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursement claimed is necessary and proper.

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

## 3. REMUNERATION APPROVAL SOUGHT

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

For	Period	Amount (\$, excl. GST)	Rates to apply	When it will be drawn
Work we have already done	5 September 2022 to 4 December 2022	100,321.00	Provided in our IRN sent to creditors on 7 September 2022	It will be drawn when funds become available

For	Period	Amount (\$, excl. GST)	Rates to apply	When it will be drawn
Future work to meeting date	5 December 2022 to 14 December 2022	30,000.00	Provided in our IRN sent to creditors on 7 September 2022	It will be drawn when funds become available
<b>VA total</b>		<b>130,321.00</b>		
Future Work from meeting to execution of DOCA	14 December 2022 to execution of the DOCA	30,000.00	Provided in our IRN sent to creditors on 7 September 2022	It will be drawn when funds become available
Future Work DOCA	Execution of DOCA to finalisation of DOCA	250,000.00	Provided in our IRN sent to creditors on 7 September 2022	It will be drawn when funds become available
<b>DOCA total</b>		<b>280,000.00</b>		
Future work – Liquidation	14 December 2022 to finalisation of liquidation	250,000.00	Provided in our IRN sent to creditors on 7 September 2022	It will be drawn when funds become available
<b>Liquidation Total</b>		<b>250,000.00</b>		

Details of the work done for the period 5 September 2022 to 4 December 2022 and future work expected for the period 5 December 2022 to 14 December 2022 are included at **Schedule A**.

Details of future work that we intend to do (either in a DOCA or Liquidation) are included at **Schedule B**.

A breakdown of time spent by staff members on each major task for work completed from 5 September 2022 to 4 December 2022 is included in **Schedule C**.

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

We will only seek approval of the resolution for the liquidation if creditors vote to place the Company into liquidation.

#### 4. DISBURSEMENT 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. To date, we have not paid any such costs in the administration.

We are required to obtain creditor's 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 7 September 2022.

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

For	Period	Amount (\$, excl. GST)
If a DOCA is executed	Execution of the DOCA to conclusion	2,000.00
If Company is liquidated - Future disbursements	15 December 2022 to conclusion	2,000.00

Details of disbursements incurred and future disbursements are included at **Schedule F**. Actual resolutions to be put to the meeting are included at **Schedule F** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

## 5. LIKELY IMPACT ON DIVIDENDS

The Corporations Act sets the order for payment of claims against the Company and it provides for the remuneration of the Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Administrators receives payment for the work done to recover assets, investigate the Company's affairs, report to creditors and ASIC 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.

An estimated outcome statement is attached as **Annexure 9** of the Second Report to Creditors dated 6 December 2022. Any dividend payable to creditors will depend on a range of variables, particularly the decision creditors make on the future of the Company, future realisations, our estimated remuneration as we have set out in this report and creditor claims.

## 6. SUMMARY OF RECEIPTS AND PAYMENTS

A summary of the receipts and payments as at 5 December 2022 is attached.

## 7. QUERIES & INFORMATION SHEET

If you have any queries in relation to the information in this report, please contact our office. You can also access information which may assist you on the following websites:

ARITA at [www.arita.com.au/creditors](http://www.arita.com.au/creditors)

ASIC at <http://www.asic.gov.au> (search for INFO 85)

Further supporting documentation for our remuneration claim can be provided to creditors on request.

## 8. ATTACHMENTS

Schedule A – Details of work for the period 5 September 2022 to 14 September 2022

Schedule B – Details of work for the period 14 September 2022 to the conclusion of the external administration

Schedule C – A breakdown of time spent by staff members on each major task for work completed from 5 September 2022 to 4 December 2022

Schedule D – Resolutions

Schedule E – Explanation where remuneration previously approved

Schedule F – Disbursements

Schedule G – Schedule of Hourly Rates



## 9. SCHEDULE A – DETAILS OF WORK FROM 5 SEPTEMBER 2022 THE RESUMPTION OF THE SECOND MEETING OF CREDITORS

Company	Antra Group Pty Ltd ATF Antray Trust (Receiver and Manager Appointed) (Administrators Appointed)	Period From	5 September 2022	To	14 December 2022
Practitioner	Jonathon Keenan & Peter Krejci	Firm	BRI Ferrier		
Administration Type	Administrators Appointed				
		Tasks			
		Work completed (excl. GST)	Future work (excl. GST)		
Period	5 September 2022 to 4 December 2022		5 December 2022 to 14 December 2022		
Amount (excl. GST)	\$360,931.50		\$30,000.00		
Task Area	General Description				
Assets		102.1 Hours \$60,521.50	\$3,000.00		
	Debtors	Reviewing and assessing debtors' ledgers Meetings with R&M to discuss financial position, particularly loan book Reviewing loan documentation and terms Liaising with R&M regarding update on debtor recoveries Meetings with Director to discuss loan book and recoverability of debtors	Reviewing and assessing debtors' ledgers Reviewing loan documentation and terms Liaising with R&M regarding update on debtor recoveries Correspondence with Director regarding queries on debtors		

		<p>Correspondence with Director regarding queries on debtors</p> <p>Correspondence with Director and his solicitors in relation to related party debtors</p> <p>Correspondence with Director in a number of circumstances requesting information regarding related party debtors</p> <p>Correspondence with Director requesting information regarding franchisee debtors</p>	
	Participation Loan	<p>Correspondence with R&amp;M regarding position of participation loan debtor and funds recovered from same</p> <p>Reviewing correspondence from solicitors of participation loan creditor claiming priority interest against the participation loan</p> <p>Liaising with solicitors regarding the Company's interest of respective participation loans</p> <p>Correspondence with R&amp;M and his solicitors regarding recovery and settlement of participation loans</p> <p>Liaising with solicitors regarding participation loan recovery and deed of settlement</p>	
	Appointment of R&M to VCP	<p>Correspondence with solicitors re consent to appointment of R&amp;M</p> <p>Liaising with solicitors regarding implications of appointment</p>	
	DOCA	<p>Meetings with the Director, Damien Petty and their respective solicitors regarding DOCA terms</p> <p>Analysis of various versions of DOCA Proposal</p> <p>Internal meetings to discuss terms of DOCA proposals</p> <p>Correspondence with the Director, Damien Petty and their respective solicitors requesting further information</p>	<p>Continue liaising with solicitors in relation to the terms of the DOCA proposal.(if required)</p> <p>Review correspondence from solicitors of the Director and Damien Petty in relation to queries made previously with respect to the terms of the DOCA proposal</p>

		<p>Review information pertaining to the Fundsquire entities</p> <p>Liaising with solicitors regarding terms of the DOCA proposal and viability of same</p> <p>Consider implications of certain terms of the DOCA proposal</p> <p>Conduct analysis regarding potential returns to different classes of creditors under a DOCA scenario and prepare relevant schedules regarding same</p> <p>Compare returns to different classes of creditors under a DOCA scenario and a liquidation scenario</p> <p>Seeking to negotiate improved terms for the benefit of creditors</p>	
	Other Asset	<p>Discussions regarding reinstatement of Company as trustee</p> <p>Reviewing deed of variation for trust</p>	
<b>Creditors</b>		<p><b>367.7 Hours</b></p> <p><b>\$182,218.50</b></p>	<b>\$11,000.00</b>
	Creditor Enquiries	<p>Receive and respond to creditor enquiries</p> <p>Receive and follow up creditor enquiries by telephone</p> <p>Review and prepare correspondence to creditors and their representatives by email and post</p>	<p>Receive and respond to creditor enquiries</p> <p>Receive and follow up creditor enquiries by telephone</p> <p>Review and prepare correspondence to creditors and their representatives by email and post</p> <p>Responding to information requested by creditors</p>

	Creditor Reports	<p>Preparing and issuing First Report to Creditors regarding notification of appointment and convening First Meeting of Creditors</p> <p>Preparation of necessary annexures for First Report to Creditors</p> <p>Preparing Second Report to Creditors detailing investigations</p> <p>Preparing supplementary Second Report to Creditors</p> <p>Prepare DOCA commentary analysis and projections, and supporting documentation for creditors' consideration</p>	<p>Preparing and issuing Supplementary Second Report to Creditors detailing investigations and convening Second Meeting of Creditors</p> <p>Preparation of necessary Annexures for Second Report to Creditors</p> <p>Preparing and issuing Supplementary Second Report to Creditors to resume Second Meeting of Creditors</p>
	Dealing with proofs of debt	<p>Receipting and filing POD when not related to a dividend</p> <p>Maintaining register of Proofs of Debts received</p> <p>Reviewing supporting documentation from creditors</p>	<p>Receipting, processing, and filing Proofs of Debts when not related to a dividend</p> <p>Maintaining register of Proofs of Debts received</p> <p>Reviewing supporting documentation from creditors</p>
	Secured creditor reporting	<p>Notifying PPSR registered creditors of appointment</p> <p>Reviewing secured creditors' documents</p> <p>Correspondence with Secured Creditors</p> <p>Consider validity of registered security interests</p> <p>Liaising with Receiver and Manager</p> <p>Dealing with threats of legal proceedings</p>	Correspondence with Secured Creditors
	First Meeting of Creditors	<p>Preparation of meeting notices, proxies and advertisements</p> <p>Sending Notice of Meeting to all known creditors</p> <p>Preparation of meeting file, including agenda, attendance register, list of creditors, report to creditors, advertisement of meeting and draft minutes of meeting</p>	N/A

		Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting	
	Proposal for Deed of Company Arrangement	Liaising with Director and lawyers regarding DOCA Consider potential outcome for DOCA	Liaising with Director and lawyers regarding DOCA Consider potential outcome for DOCA Discussions regarding funding requirements for DOCA Review of draft DOCA and liaise with Director regarding same
	Second Meeting of Creditors	Preparation of meeting notices, proxies and advertisements	Preparation of meeting notices, proxies and advertisements Sending Notice of Meeting to all known creditors Preparation of meeting file, including agenda, attendance register, list of creditors, report to creditors, advertisement of meeting and draft minutes of meeting
<b>Investigation</b>		<b>189.7 Hours \$90,327.00</b>	<b>\$10,000.00</b>
	Conducting Investigation	Conducting and summarising statutory searches Reviewing Company's books and records Follow up with Director to obtain books and records of the Company Preparation of comparative financial statements Preparation of deficiency statement Preparation of working capital analysis Preparation of investigation file Review of specific transactions and liaising with director regarding certain transactions	Correspondence with Director regarding enquiries into financial statements Assessing recovery actions in either DOCA and Liquidation Scenario

		Correspondence with Director regarding enquiries into financial statements Lodgement of investigation with ASIC Discussion with R&M's solicitor regarding reinstate Trustee of Trust Reviewing debtor ledger records Investigate Accounts Receivable ledger and assess capacity to repay Reviewing ROCAP completed by Director Investigation into Related Parties Issue Section 438C Notices Prepare Solvency Analysis Consider recovery actions available in Liquidation scenario including statutory limitation periods Seeking legal advice regarding liquidator's actions	
	ASIC Reporting	Preparing statutory investigation reports Liaising with ASIC	N/A
Employees		<b>1.1 Hours</b> <b>\$469.50</b>	<b>\$1,000.00</b>
	Employees enquiries	Correspondence with employees	Correspondence with employees Any other tasks associated with employees
	FEG	Correspondence with FEG	Correspondence with FEG
	Calculation of entitlements	Calculating employee entitlements Reviewing employee files and Company's books and records	
Administration		<b>60.4 Hours</b> <b>\$27,395.00</b>	<b>\$5,000.00</b>
	ASIC Forms and lodgements	Preparing and lodging ASIC forms including 505, 205, 531, 507 etc	N/A

		Preparing and lodging ASIC PNW Advert	
	Bank account administration	Preparing correspondence opening bank account Bank account reconciliations Preparing receipt and payment vouchers	Bank account reconciliations
	Books and Records/Storage	N/A	N/A
	Correspondence	Correspondence with various parties	Correspondence with various parties
	Document maintenance/file review/checklist	Preparing and updating job checklists Filing of documents	Updating job checklists Filing of documents
	ATO and other statutory reporting	Notification of appointment	N/A
	Planning / Review	Discussions regarding status of administration	Discussions regarding status of administration
	Finalisation	N/A	Notifying ATO of finalisation Completing checklists Finalising WIP

## 10. SCHEDULE B – DETAILS OF WORK FROM THE CONCLUSION OF THE RESUMPTION OF THE SECOND MEETING OF CREDITORS TO THE CONCLUSION OF THE EXTERNAL ADMINISTRATION

Company	Antra Group Pty Ltd ATF Antray Trust (Receiver and Manager Appointed) (Administrators Appointed)	Period From	14 December 2022	To	Conclusion
Practitioner	Jonathon Keenan & Peter Krejci	Firm	BRI Ferrier		
Administration Type	Administrators Appointed				
		Tasks			
		If DOCA approved		If wound up	
		Future work from second creditors' meeting from 14 December 2022 to execution of DOCA	DOCA work	Liquidation Work	
Period		14 December 2022 to execution of DOCA	From execution of DOCA to finalisation of DOCA	14 December 2022 to conclusion	
Amount (excl. GST)		\$30,000.00	\$250,000.00	\$250,000.00	
Task Area	General Description				
Assets		\$3,000.00	\$20,000	\$20,000.00	
	Debtors	Liaising with R&M regarding update on debtor recoveries Correspondence with Director regarding queries on debtors	Liaising with R&M regarding update on debtor recoveries Correspondence with Director regarding queries on debtors	Liaising with R&M regarding update on debtor recoveries Correspondence with Director regarding queries on debtors	



	Other Assets	N/A	N/A	Tasks associated with realising other assets
<b>Creditors</b>		<b>\$25,000.00</b>	<b>\$150,000.00</b>	<b>\$50,000.00</b>
	Creditor Enquiries	Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare Correspondence to creditors and their representatives by email and post	Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare correspondence to creditors and their representatives by email and post Compiling information requested by creditors	Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare initial correspondence to creditors and their representatives Considering reasonableness of creditor request Obtaining legal advice on requests Compiling information requested by creditors
	Creditor Reports	N/A	Preparing Report to Creditors re update	Prepare Circular to Creditors regarding Liquidation Prepare Statutory Report to Creditors Preparation of necessary Annexures for Statutory Report to Creditors
	Dealing with proofs of debt	N/A	Receipting, processing, and filing Proofs of Debts when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors	Receipting, processing, and filing Proofs of Debts when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors

	Secured creditor reporting	Correspondence with Secured Creditors	Correspondence with Secured Creditors Reviewing secured creditors' documents	Correspondence with Secured Creditors Reviewing secured creditors' documents Consider validity of registered security interests
	Deed of Company Arrangement	Liaising with Director and lawyers regarding DOCA Draft of Deed of Company Arrangement including liaising with DOCA parties/proponent	Liaising with Director and lawyers regarding DOCA Consider potential outcome for DOCA Discussions regarding funding requirements for DOCA Ongoing monitoring and enquiries with proponents as to DOCA progress Periodically updating returns to creditors	N/A
	Meeting of Creditors	Preparation of Minutes of Meeting	Preparation of Minutes of Meeting Convening creditors meeting as necessary	Preparation of Minutes of Meeting Convening creditors meeting as necessary
<b>Investigation</b>		<b>0.00</b>	<b>0.00</b>	<b>150,000.00</b>

	Conducting Investigation	N/A	N/A	<p>Obtaining and reviewing further Company's books and records</p> <p>Reviewing Company's books and records</p> <p>Review of specific transactions and liaising with director regarding certain transactions</p> <p>Conducting investigations into potential voidable transactions</p> <p>Preparation of updated investigation file</p> <p>Lodgement of investigation with ASIC</p> <p>Preparation and lodgement of supplementary report if required</p>
	Litigation/ Recoveries	N/A	N/A	<p>Conducting investigations into potential claims against Director and related parties</p> <p>Consider conducting public examinations</p> <p>Seeking funding to conduct further investigations and public examinations</p> <p>Preparing brief to solicitors</p> <p>Consider outcome from public examinations</p> <p>Liaising with solicitors regarding recovery actions</p> <p>Commencing recovery action against Director and/or related parties</p> <p>Negotiating commercial settlement, if necessary</p>

	ASIC Reporting	N/A	N/A	Preparing statutory investigation reports Liaising with ASIC Preparation of application for funding to conduct further investigations
Employees		0.00	\$2,000.00	\$10,000.00
	Employees enquiries	N/A	Correspondence with employees Any other tasks associated with employees	Receive and follow up employee enquiries via telephone Maintain employee enquiry register
	FEG	N/A	Correspondence with FEG	Correspondence with FEG Preparing notification spreadsheet Completing FEG questionnaires
	Calculation of entitlements	N/A	Calculating employee entitlements Liaising with R&M to ensure discharge of claims Reviewing employee files and Company's books and records	Calculating employee entitlements Liaising with R&M to ensure discharge of claims Reviewing employee files and Company's books and records Reconciling superannuation accounts Reviewing awards
	Employee dividend	N/A	N/A	Liaising with R&M to ensure discharge of priority claims
Dividend			50,000.00	0.00
	Dividend Procedures	N/A	Calculation of Dividend Adjudicate PODs and supporting documentation Request further and better particulars as necessary Reporting to Creditors regarding dividend quantum and timing	N/A

Administration			Completing outstanding tax lodgements and seeking tax clearance	
	Declaring Dividend	N/A	Declaring interim dividends, as available Correspondence with creditors	
		<b>\$2,000</b>	<b>\$10,000.00</b>	<b>\$20,000.00</b>
	ASIC Forms and lodgements	Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms	Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms	Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms
	Bank account administration	Preparing receipt and payment vouchers	Preparing correspondence opening DOCA contribution bank account Preparing receipts and payment vouchers Bank account reconciliations	Preparing receipt and payment vouchers Bank account reconciliations
	Books and Records/ Storage	N/A	N/A	Dealing with records in storage Sending job files to archive storage
	Correspondence	Correspondence with various parties	Correspondence with various parties	Correspondence with various parties
	Document maintenance/file review/checklist	Preparing and updating job checklists Filing of documents	Updating job checklists Filing of documents	Filing of documents File reviews Updating checklists
	ATO and other statutory reporting	N/A	Notification of appointment Preparing BAS	Notification of appointment Preparing BAS
	Planning / Review	Discussions regarding status of administration	Discussions regarding status of administration	Discussions regarding status of administration
	Finalisation	N/A	Completing checklists	Notifying ATO of finalisation Cancelling ABN/GST/PAYG registration Completing checklists Finalising WIP



## SCHEDULE C – TIME SPENT BY STAFF ON MAJOR TASKS – 5 SEPTEMBER 2022 TO 4 DECEMBER 2022

Antra Group Pty Ltd ATF Antray Trust (Receiver and Manager Appointed)(Administrators Appointed)														
ACN 155 443 764														
For the Period 5 September 2022 to 4 December 2022														
Staff Classification	Name	Hourly Rate \$	Administration		Assets		Creditors		Employees		Investigations		Total	Total
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Appointee	John Keenan	680.00	5.3	3,604.00	49.9	33,932.00	81.7	55,556.00	-	-	17.6	11,968.00	154.5	105,060.00
Appointee	Peter Krejci	680.00	10.6	7,208.00	1.3	884.00	8.0	5,440.00	-	-	17.2	11,696.00	37.1	25,228.00
Director	David Cocker	590.00	0.1	59.00	-	-	0.1	59.00	-	-	-	-	0.2	118.00
Director	Jacqueline Woods	590.00		-		-		-	-	-	3.9	2,301.00	3.9	2,301.00
Senior Manager	Katherine La	545.00	12.2	6,649.00	32.4	17,658.00	98.3	53,573.50	0.7	381.5	51.8	28,231.00	194.7	106,493.00
Supervisor	Kristine Hu	435.00	7.7	3,349.50	18.5	8,047.50	104.6	45,501.00	-	-	52.6	22,881.00	183.4	79,779.00
Senior 2	Jenny Kwok	310.00	11.7	3,627.00	-	-	53.6	16,616.00	-	-	28.2	8,742.00	93.5	28,985.00
Senior 2	Nicole Feng	310.00		-	-	-	4.5	1,395.00	-	-	-	-	4.5	1,395.00
Intermediate 2	Sushma Mandira	245.00	3.3	808.50	-	-	14.4	3,528.00	-	-	18.4	4,508.00	36.1	8,844.50
Senior Administration	Jessica Mula	220.00	6.2	1,364.00	-	-	2.5	550.00	0.4	88.0	-	-	8.7	2,002.00
Senior Administration	Sarita Gurung	220.00	0.8	176.00	-	-	-	-	-	-	-	-	0.8	176.00
Senior Administration	Sonia Stelmach	220.00	0.8	176.00	-	-	-	-	-	-	-	-	0.8	176.00
Senior Administration	Liam Moran	220.00	1.7	374.00	-	-	-	-	-	-	-	-	1.7	374.00
Grand Total			60.4	27,395.00	102.1	60,521.50	367.7	182,218.50	1.1	469.50	189.7	90,327.00	719.9	360,931.50
Less: Amount previously approved													(260,610.50)	
Fee Approval Sought													100,321.00	
GST													10,032.10	
Total (incl. GST)													110,353.10	
Average rate per hour				453.56		592.77		495.56		426.82		476.16		

## SCHEDULE D – RESOLUTIONS

We will be seeking approval of the following resolutions to approve our remuneration and disbursements. Details to support these resolutions are included in **section 3** and **4** and in the attached Schedules.

**Resolution: Administrators’ Remuneration for the period 5 September 2022 to 4 December 2022**

*“That the additional remuneration of the Joint and Several Administrators, their partners and staff for the period 5 September 2022 to 4 December 2022, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators’ Supplementary Second Report to Creditors dated 6 December 2022, be fixed and approved at \$100,321.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount.”*

**Resolution: Administrators’ Remuneration for the period 5 December 2022 to 14 December 2022**

*“That the remuneration of the Joint and Several Administrators, their partners and staff for the period 5 December 2022 to 14 December 2022 be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators’ Supplementary Second Report to Creditors dated 6 December 2022, and approved to an interim cap of \$30,000.00 (plus GST) and that the Joint and Several Administrators be authorised to draw that amount as and when incurred.”*

If a Deed of Company Arrangement is accepted:

**Resolution: Administrators’ Remuneration for 14 December 2022 to the execution of DOCA**

*“That the remuneration of the Joint and Several Administrators, their partners and staff for the period 5 December 2022 to 14 December 2022 be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators’ Supplementary Second Report to Creditors dated 6 December 2022, and approved to an interim cap of \$30,000.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred.”*

**Resolution: Deed Administrators’ Remuneration for the execution of DOCA to finalisation of DOCA**

*“That the remuneration of the Joint and Several Deed Administrators, their partners and staff for the period from the date of the execution of the Deed of Company Arrangement to the conclusion of the Deed of Company Arrangement, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators’ Supplementary Second Report to Creditors dated 6 December 2022, and approved to an interim cap of \$250,000.00 (plus GST), and that the Joint and Several Deed Administrators be authorised to draw that amount as and when incurred.”*

If the Company is wound up:

**Resolution: Liquidators’ Remuneration for the period 14 December 2022 to Conclusion**

*“That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 14 December 2022 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators’ Supplementary Second Report to Creditors*



*dated 6 December 2022, and approved to an interim cap of \$250,000.00 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when incurred.”*

## SCHEDULE E – EXPLANATION WHERE REMUNERATION PREVIOUSLY APPROVED

Our remuneration was approved by creditors up to an amount of \$260,610.50 (plus GST). To date, we have drawn \$260,610.50 (plus GST) and applied it in payment of our remuneration. Our remuneration has exceeded this cap and, in this report, we are now seeking approval of a further amount of \$130,321.00 (plus GST) to enable us to complete the voluntary administration.

To assist members with understanding how total remuneration has and/or will be incurred, this table shows remuneration to date, including the current claims, divided by task categories.

Task	Fees already approved as at 12 October 2022 (\$, excl GST)	Approval sought for work already done (\$, excl GST)	Approval sought for future work (\$, excl GST)	Total per task (\$, excl GST)
Assets	34,499.00	26,022.50	3,000.00	63,521.50
Creditors	112,262.00	69,956.50	11,000.00	193,218.50
Employees	2,469.50	(2,000.00)	1,000.00	1,469.50
Trade On	0.00	0.00	0.00	0.00
Investigation	85,153.00	5,174.00	10,000.00	100,327.00
Dividend	0.00	0.00	0.00	0.00
Administration	26,227.00	1,168.00	5,000.00	32,395.00
TOTAL	260,610.50	100,321.00	30,000.00	390,931.50
Total remuneration previously approved				260,610.50
Difference (see table below for further explanation)				130,321.00
Payment reconciliation:				
TOTAL (incl. amount claimed now)				390,931.50
Amount paid to date				260,610.50
Amount outstanding (incl amount claimed now)				130,321.00

In this table we compare, on a task basis, the difference between our previous remuneration report and this report, together with explanations for the difference.

Task	Remuneration Previously approved	Total per task (from previous table)	Additional Remuneration Incurred	Reasons for Differences
Assets	34,499.00	63,521.50	29,022.50	Additional time has been incurred in relation to works conducted on the recovery of Participation Loans and disputes between the Secured Creditors and Trust claimants as to those proceeds
Creditors	112,262.00	193,218.50	80,956.50	Additional time incurred with respect to the following: <ul style="list-style-type: none"> <li>- Attending to various queries and requests from COI members;</li> <li>- Issuing multiple circulars to COI members providing updates;</li> <li>- Holding a COI meeting;</li> <li>- Conducting reconciliation with respect to claims from related party creditors with the Company's records;</li> <li>- Negotiating DOCA terms with proponents and secured creditors</li> <li>- Analysing various DOCA proposals</li> <li>- Considering implications on creditors and potential rates of returns</li> <li>- Issuing detailed Supplementary Reports to Creditors</li> </ul>
Employees	2,469.50	1,469.50	(1,000)	N/A
Investigation	85,153.00	100,327.00	15,174.00	Further investigations were conducted in relation to the Director Loan and flow of the

				<p>Company's funds advanced from same.</p> <p>Considering recovery actions available and seeking legal advice as necessary</p> <p>Preparing comparative analysis and considering rates of return in a DOCA/Liquidation Scenario</p>
Administration	26,227.00	32,395.00	6,168.00	Additional time incurred in relation to additional reporting to ASIC, dealing with multiple ROCAPs received from various parties requiring lodgement.
<b>Total</b>	<b>260,610.50</b>	<b>390,931.50</b>	<b>130,321.00</b>	

We also make the following general comments regarding the progress of the Voluntary Administration that have affected our previous remuneration estimate:

- The Voluntary Administration has now run over the course of 3 months, which is longer than initially anticipated.
- Various classes of creditors had conflicting views as to the appropriate future of the Company.
- We encountered disputes with secured creditors and Receivers over control of various assets and recently a second Receiver was appointed.
- Engaged in extensive negotiation with proponents of the DOCA, whereby the proposal has been recently received.
- The DOCA is complex, requiring extensive analysis and engagement with the proponents and secured creditor.
- We have also encountered trust claims and threats of legal proceedings in respect of certain assets.
- Substantial resistance in obtaining the necessary records to form views on the Company's affairs and potential outcomes for creditors.

We have provided an explanation of tasks above remaining to be completed, including our estimated costs to complete those tasks, to support our current remuneration approval request.

## SCHEDULE F – DISBURSEMENTS

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation, and search fees. These are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally charge at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

We advise that to date we have not paid any disbursements incurred during this Administration by our Firm.

We are not obliged to seek creditor approval for disbursements paid to third parties, but must account to creditors, this includes providing details of the basis of charging for these types of disbursements to creditors as part of the Remuneration Approval Report. We are required to seek creditor approval for internal disbursements where there could be a profit or advantage. Accordingly, we will be seeking approval from creditors for the following resolution:

**Resolution: Deed Administrators' Internal Disbursements for the period to Conclusion**

"That the Deed Administrators be allowed internal disbursements from the date of the execution of the Deed of Company Arrangement to the conclusion of the Deed of Company Arrangement at the rates of charge annexed to the Voluntary Administrators' Remuneration Approval Report dated 6 December 2022, up to an amount of \$2,000.00 (excl. GST) and that the Deed Administrators be authorised to draw that amount as accrued."

**Resolution: Liquidators' Internal Disbursements for the period 14 December 2022 to Conclusion**

"That the Liquidators be allowed internal disbursements for the period 14 December 2022 to the conclusion of the Liquidation at the rates of charge annexed to the Voluntary Administrators' Remuneration Approval Report dated 6 December 2022, up to an amount of \$2,000.00 (excl. GST) and that the Liquidators be authorised to draw that amount as accrued."

Future disbursements provided by our Firm will be charged to the administration on the following basis:

Disbursement Type	Rate (excl. GST)
Externally provided professional services	At cost
Externally provided non-professional costs	At cost
Internal disbursements	
ASIC Charges for appointments and notifiable events	At cost
Faxes and Photocopying	\$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowance

The rates applicable are set out in the table on the following page together with a general guide to the qualifications and experience of staff engaged in administration and the role they undertake in the administration. The hourly rates charged encompass the total cost of providing professional services and are not comparable to an hourly wage rate.

Title	Description	Hourly Rates (ex GST)
Principal/Appointee	A Liquidator and/or Registered Trustee. A senior accountant with over 10 years' experience who brings specialist skills and experience to the appointment. Leads the team carrying out the appointment.	\$680
Director	An accountant with more than 10 years' experience. May be a Registered Liquidator. Fully qualified and able to control all aspects of an appointment. May have specialist industry knowledge or skills. Assists with all facets of appointment.	\$590
Senior Manager	An accountant with more than 7 years' experience. Qualified and answerable to the Team Leader. Self-sufficient in completing and planning all aspects of large appointments.	\$545
Manager	An accountant with at least 6 years' experience. Typically qualified with well-developed technical and commercial skills. Controls and plans all aspects of medium to larger appointments, reporting to the Team Leader.	\$505
Assistant Manager	An accountant with more than 5 years' experience. Typically qualified with sound technical and commercial skills. Plans and controls smaller matters independently. Assists with management of staff and medium to large appointments.	\$470
Supervisor	An accountant with more than 4 years' experience. Typically qualified with sound knowledge of insolvency principles and developing commercial skill. Assists to plan and control specific tasks on medium to larger appointments. Often undertaking post qualification study specialising in Insolvency and Reconstruction.	\$435
Senior 1	An accountant with more than 2 years' experience. Typically a graduate undertaking study leading to professional qualification as a Chartered Accountant or CPA. Able to complete work on appointments with limited supervision.	\$370
Senior 2	An accountant with less than 2 years' experience. Typically a graduate who has commenced study leading to professional qualifications. Able to complete many tasks on medium to large appointments under supervision.	\$310
Intermediate 1	An accountant with less than 2 years' experience. Typically a graduate and commencing study for qualifications. Able to complete multiple tasks on smaller to medium appointments under supervision.	\$270

Title	Description	Hourly Rates (ex GST)
Intermediate 2	An accountant with less than 1 year's experience. A trainee undertaking degree with an accountancy major. Assists in the appointment under supervision.	\$245
Senior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$220
Junior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$150

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The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey rectangular background. A green triangle is positioned at the bottom right corner of the grey rectangle.

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**Antra Group Pty Ltd  
AFT Antray Trust  
ACN 153 443 764  
(Receivers and Manager Appointed)  
(Administrators Appointed)**

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**Annexure "12"  
ASIC Information Sheet**

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**ASIC**

Australian Securities & Investments Commission

## Insolvency information for directors, employees, creditors and shareholders

This information sheet (INFO 39) lists ASIC's information sheets for directors, employees, creditors and shareholders affected by a company's insolvency.

We have produced these with endorsement from the Australian Restructuring Insolvency & Turnaround Association (ARITA).

The information sheets give a basic understanding of the three most common company insolvency procedures – liquidation, voluntary administration and receivership – as well as the independence requirements for external administrators and approving external administrator remuneration. There is also a glossary of commonly used insolvency terms.

### List of information sheets

- [INFO 41](#) Insolvency: A glossary of terms
- [INFO 42](#) Insolvency: A guide for directors
- [INFO 43](#) Insolvency: A guide for shareholders
- [INFO 45](#) Liquidation: A guide for creditors
- [INFO 46](#) Liquidation: A guide for employees
- [INFO 54](#) Receivership: A guide for creditors
- [INFO 55](#) Receivership: A guide for employees
- [INFO 74](#) Voluntary administration: A guide for creditors
- [INFO 75](#) Voluntary administration: A guide for employees
- [INFO 84](#) Independence of external administrators: A guide for creditors
- [INFO 85](#) Approving fees: A guide for creditors

### Where can I get more information?

Further information is available from the [ARITA website](#). The ARITA website also contains the [ARITA Code of Professional Practice for Insolvency Practitioners](#).

This is **Information Sheet 39 (INFO 39)** updated on 1 September 2017. Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Last updated: 01/09/2017 10:57



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**Antra Group Pty Ltd**  
**AFT Antray Trust**  
**ACN 153 443 764**  
**(Receivers and Manager Appointed)**  
**(Administrators Appointed)**

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**Annexure "13"**  
**ARITA Information Sheet**

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# Creditor Information Sheet

## Offences, Recoverable Transactions and Insolvent Trading



### Offences

**A summary of offences under the Corporations Act that may be identified by liquidators or administrators:**

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4) / 453F 475(9)) / 497(4) / 530A – 530B	Failure by directors to assist, deliver records and provide information.
438C(5) / 477(3) / 530B	Failure to assist, deliver up books and records and provide information.
588G	Incurring liabilities while insolvent
588GAB	Officer's duty to prevent creditor-defeating disposition
588GAC	A person must not procure a company to make a creditor-defeating disposition
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.
596AB	Entering into an agreement or transaction to avoid employee entitlements.

### Recoverable Transactions

#### Preferences

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

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

*\*Must be greater than \$30,000 for unrelated creditors in a simplified liquidation*

#### Creditor-defeating disposition

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

### **Uncommercial Transaction**

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

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

### **Unfair Loan**

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

### **Arrangements to avoid employee entitlements**

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

### **Unreasonable payments to directors**

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

### **Voidable charges**

Certain charges over company property are voidable by a liquidator:

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

## **Insolvent trading**

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

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

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

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

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

The director may also be able to avail themselves of safe harbour, if they meet certain conditions.

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

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

**Queries about the external administration should be directed to the insolvency practitioner's office.**