

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 rectangle.

**BRI Ferrier**

## **STATUTORY REPORT TO CREDITORS**

**PROSPERO MARKETS PTY LTD (IN LIQUIDATION)**  
**ACN: 145 048 577 ("THE COMPANY")**

**10 July 2024**

**ANDREW CUMMINS, JONATHON KEENAN  
& PETER KREJCI**  
**Joint And Several Liquidators**

The logo for prospero, with the word "prospero" in a dark grey sans-serif font. The final 'o' is replaced by a stylized orange and yellow circular icon with horizontal lines.

**prospero**

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Sydney NSW 2000

## INTRODUCTION

We refer to our initial report to creditors dated 8 May 2024 in which our appointment as Liquidators of the Company was advised along with your rights as a creditor in the liquidation.

The purpose of this report is to provide creditors with information regarding the following:

- ▲ The estimated amount of asset and liabilities of the Company;
- ▲ An update on the progress of the Liquidation and further actions that may need to be undertaken;
- ▲ What happened to the business;
- ▲ The likelihood of creditors receiving a dividend before the affairs of the Company are fully wound up; and
- ▲ Possible recovery actions.

This report should be read in conjunction with our initial report. If you have any questions relating to the liquidation in general, or specific questions relating to your position, please do not hesitate to contact this office.

COMPANY DETAILS		LIQUIDATORS	
<b>Name</b>	Prospero Markets Pty Ltd	<b>Name</b>	Andrew Cummins
<b>Incorporated</b>	6 July 2010		Jonathon Keenan
<b>ACN</b>	145 048 577		Peter Krejci
<b>ABN</b>	11 145 048 577	<b>Date Appointed</b>	10 April 2024
<b>Registered Office</b>	186 Bellair Street Kensington VIC 3031		
<b>Trading Address</b>	186 Bellair Street Kensington VIC 3031		
		<b>ADMINISTRATION CONTACT</b>	
		<b>Name</b>	Prospero Team
		<b>Email</b>	<a href="mailto:prosperomarkets@brifnsw.com.au">prosperomarkets@brifnsw.com.au</a>
		<b>Phone</b>	1300 291 012 (toll free) +61 2 8044 0530 (international)

## GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS

ABN	Australian Business Number
ACN	Australian Company Number
Act	Corporations Act 2001 (Cth)
AFP	Australian Federal Police
AFSA	Australian Financial Security Authority
AFSL	Australian Financial Services Licence
ARITA	Australian Restructuring Insolvency and Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
Bendigo Bank	Bendigo and Adelaide Bank Limited
CBA	Commonwealth Bank of Australia
Chang Jiang Currency Exchange	Chang Jiang Financial Pty Ltd (In Liquidation)
Company	Prospero Markets Pty Ltd (In Liquidation)
Court	Federal Court of Australia
DCT	Deputy Commissioner of Taxation
DEWR	Department of Employment and Workplace Relations
Director	Xuehao Zhou
DIRRI	Declaration of Independence, Relevant Relationships & Indemnities
FEG	Fair Entitlements Guarantee
Firm	BRI Ferrier
FY	Financial Year
IRN	Initial Remuneration Notice
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations) 2016
Link	Link Market Services
LP	Liquidity Providers
MT4	MetaTrader 4
NAB	National Australia Bank Limited
OTC	Over-the-counter
PDS	Product Disclosure Statement
Petitioning Creditor	Australian Securities and Investments Commission
POCA	Proceeds of Crime Act 2002
POD	Proof of Debt

## GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS

PPSR	Personal Properties Securities Register
Prospero Group	Prospero Markets LLC (registered in Saint Vincent and the Grenadines) Prospero Markets Company Limited (registered in New Zealand)
Responsible Managers	Wei (David) Hong, Xuehao (Hal) Zhou, Fulai (Flynn) Sun, Ye (Eric) Qu
ROCAP	Report on Company Activities and Property
Shareholder	Sheng Yi Wang
SVG	Saint Vincent and the Grenadines

## QUICK SHEET

<b>Why were Liquidators appointed?</b>	A winding up application was filed by ASIC and Andrew Cummins, Jonathon Keenan and Peter Krejci were appointed as Joint and Several Liquidators on 10 April 2024 pursuant to an order of the Court.
<b>What happened to the business?</b>	The Company's AFSL was suspended in December 2023 and the Company ceased trading as it was no longer able to issue financial products. The suspension followed prosecutions by AFP of certain associated parties, over allegations of money laundering and other offences.
<b>Is the Company solvent or insolvent?</b>	Our investigations indicate that the Company was solvent on our appointment, and there may be sufficient funds to discharge all liabilities. We have not identified any voidable recovery actions to pursue, however this is subject to further requirements of the regulatory bodies involved.
<b>Where are the client funds?</b>	We have secured the client funds held with CBA totalling \$20M. Those trust funds remain frozen while we determine the total client claims and run an orderly distribution process, subject to directions from the Court.
<b>What should clients &amp; creditors do?</b>	We encourage all creditors to submit their claims via the Creditor Portal. All known creditors have been provided login details to the Creditor Portal to lodge documents, including bank account details.
<b>What is the update on client claims?</b>	Less than half the clients have lodged the claim documentation on the Creditor Portal to date. We are currently adjudicating the claims, and have requested further documentation where necessary.
<b>What happens to clients who haven't lodged the claims?</b>	Clients who have not lodged claim and bank detail documentation in the Creditor Portal, may be unable to receive a distribution from the trust assets. This will be subject to the Orders of the Court.
<b>What is the Court Application?</b>	We are applying to Court to obtain orders for the proposed claim adjudication and distribution process. That application may take 6-10 weeks, assuming there is limited opposition.
<b>When will clients receive a distribution?</b>	Clients are anticipated to be paid all amounts owed. This is subject to the final adjudication of claims and Court Orders. We anticipate distributing funds to clients within 4-8 weeks of obtaining the Court Orders. Estimated timeframe September to November 2024.
<b>What about Prospero Markets LLC clients?</b>	We are adjudicating the notified offshore claims. To date, our investigations indicate that they do not have valid claim against the Company or the trust assets.
<b>What is the return for former employees?</b>	We have been assisting FEG to verify employee entitlements and distribute funds. We encourage employees to lodge a claim with FEG ASAP. We anticipate there will be sufficient funds available to pay all priority creditor claims in full. Estimated timeframe December 2024 to January 2025.
<b>What is the return for unsecured creditors?</b>	Our investigation indicates that the Company may have sufficient funds to discharge all unsecured creditor claims in full. However, this is subject to recovery of all assets, adjudication of claims and the total costs incurred. Estimated timeframe March to May 2025.
<b>When is the Creditors meeting?</b>	A meeting of creditors will be held on 31 July 2024 at 1:00PM AEST to consider several matters. The meetings will be held using virtually technology only. To attend, creditors must complete documentation on the Creditor Portal.

## EXECUTIVE SUMMARY

As you are aware, we, Andrew Cummins, Jonathon Keenan and Peter Krejci of BRI Ferrier, were appointed Joint and Several Liquidators of the Company on 10 April 2024 pursuant to an Order of the Court. The winding up application was filed by the ASIC on just and equitable grounds, following a range of concerns regarding management and compliance discussed below.

This report has been prepared pursuant to Insolvency Practice Rule 70-40 of IPR. You have received this Report because we are aware that you may have a creditor claim and/or the books and records available identified you as a creditor.

We have also convened a meeting of creditors to be held on 31 July 2024 at 1.00PM AEST. Please find attached as **Annexure “A”** the Notice of Meeting of Creditors for your information. The meeting will be held using virtual technology only. Further details can be found at section 16 of this Report.

We provide below a summary of our preliminary investigation into the Company’s affairs and the potential outcomes for creditors and stakeholders.

The Company was originally incorporated in 2010, and had former names Intercapital Markets Co Pty Ltd and Rainbow Legend Group Pty Ltd. Prospero Markets in its current form appears to have commenced in around 2020 following its acquisition. The Company had an AFSL allowing it to offer financial services by way of OTC foreign exchange and derivatives trading. The main market making activities commenced during 2021, and volumes increased significantly during 2022 and 2023.

In 2022/23, an AFP operation known as “Avarus-Nightwolf” resulted in prosecutions of various parties involved in the alleged Chang Jiang Currency Exchange money laundering scheme. Key management involved in the Company, Mr Ding Wang and Mr Ye Qu, are being prosecuted by the AFP for various offences, which resulted in POCA orders. We do not make any comment herein in respect of the alleged AFP offences. Our enquiries are focused on the Company’s affairs, and primarily, what returns may be available for creditors, which includes clients as trust creditors.

ASIC commenced a formal investigation of the Company in November 2023. Around that time, the Company’s assets, including client funds it held on trust, were frozen with the various Australian banks, in particular with CBA. The Company ceased its market making activities and closed out client positions also during November 2023. ASIC then suspended the Company’s AFSL on 20 December 2023. ASIC subsequently applied to the Court to have the Company wound up on just and equitable grounds. We note that the Company opposed the winding up, which resulted in delays in that Court process. We were appointed Joint and Several Liquidators on 10 April 2024.

On preliminary investigations into the Company’s affairs indicated that the Company had surplus net assets on our appointment. That position was confirmed by the Director and management, however the records provided to us have been limited in some areas, and the level of assistance from the management has been lacking. We note that the Director has failed to provide a ROCAP and other documentation requested, which are offences that have been reported to ASIC.

We have therefore had to make our own enquiries into the financial affairs, which has been limited by the information available to us. In this regard, we secured access to the MT4 platforms and data so we could capture the underlying data in respect of the client claims. It became apparent that a related entity Prospero Markets LLC (registered in Saint Vincent and the Grenadines) operated a similar

business using the same management team. Our enquiries indicate that the Prospero Markets LLC business has ceased operations, where its funds are tied up in the Chang Jiang Currency Exchange collapse (also now in Liquidation). A number of the clients of Prospero Markets LLC have lodged claims against the Company, which we are currently adjudicating. The available records indicates that the client books for each business were separate, although there are numerous links by virtue of the IT infrastructure and common management. Our preliminary view is that Prospero Markets LLC clients do not have a valid claim against the Company.

Our focus has been to secure the Company's assets, including client funds held in trust. To date, we have secured circa \$4.5M in Company assets and \$20M in client trust funds. There are a further \$400K of Company assets held in Singapore, which we are pursuing recovery via legal process in that jurisdiction.

We have spent considerable time and resources investigating the Company's liability position, the majority of which is represented by client trust claims. The client trust claims are estimated to be between \$19.1M (based on MT4 records) and \$25M (based on client proofs of debt lodged to date). We note that a number of the Australian clients have lodged larger than expected claims (excess claims of \$1.6M), in addition to the Prospero Markets LLC client claims of circa \$4.3M. Our enquiries indicate that the excess Australian client claims and Prospero Market LLC client claims, may not be valid, such that the total client trust claims may be around \$19.4M. Subject to relevant costs being deducted, the bulk of those client claims should be capable of being discharged from the available trust assets. Any residual client claims will be entitled to participate for an unsecured creditor dividend from the Company.

The Company's other liabilities total between \$2M to \$3.1M. Those claims are represented by ASIC's petitioning creditors costs of \$150K to \$275K and priority claims from former employees of around \$1.1M to \$1.3M. Further, there will be various ordinary unsecured creditor claims, including claims resulting from termination of contracts and leases, in the order of \$750K to \$1.6M.

We note that the Company appears to be solvent, and therefore our investigations in respect of its historical affairs have been limited. We have not identified any voidable recoveries at this time. Our preliminary review of the available financial records indicates that the Company incurred around \$25M in accumulated losses between FY2020 to FY2024. Those losses are substantial for a business in the OTC derivatives industry. It is unclear what was the underlying business model, where we note that ASIC changed the legislative framework in 2021, significantly reducing the leverage available to retail clients. The financial statements indicate that the losses were funded by the Company's shareholders over the years, where they contributed circa \$30M to the business. Therefore, assuming that the Company can discharge all creditor claims, our preliminary view is that any further enquiries into the business model and losses incurred, are an issue for the shareholders to be explored at a later point, if necessary. We note that the AFP has obtained POCA orders requiring that any shareholder returns are paid to the Official Trustee at AFSA.

We have incurred delays in the adjudication and distribution process, as less than half the clients have lodged claims in the Liquidation to date. It appears that a significant number of clients encountered challenges completing the identification verification process and submitting documentation on the Link Creditor Portal. Some of those issues appear to relate to clients being located offshore, which is irregular given the Company's PDS and AFSL requiring clients to be Australian based. Regardless, we

have sought to modify our processes to overcome those documentation issues, moving to a manual verification process. Our objective has been to capture as many creditors' claims as possible, such that we can complete our adjudication process and form views on the overall financial position.

As previously reported, we have received advice and formed the view that we need to obtain directions from the Court as to the handling and distribution of trust funds, given the Company's circumstances. Accordingly, our lawyers are currently in the process of finalising that application and creditors will be provided notice of key dates in due course. Importantly, we will be seeking Court Orders that will allow us to adjudicate all client claims, regardless of whether some clients have lodged the necessary proof of debt documentation. We are advised that the Court process is anticipated to take around 6-10 weeks, assuming there is limited opposition, and the trust funds can then be distributed to clients within 4-8 weeks thereafter.

Based on the available information, we currently estimate that all client and creditor claims can be discharged in full from the available assets, including trust funds. We currently anticipate that funds can be distributed as follows:

- Client trust funds can be distributed by around September to November 2024.
- Petitioning and priority (employee) creditor claims by around December 2024 to January 2025.
- Unsecured creditor claims by around March to May 2025. We note that there are a number of compliance activities to complete, including obtaining clearance from statutory authorities, prior to distributing funds to ordinary unsecured creditors.
- The shareholder is entitled to any surplus that remains thereafter (if any). We note that Official Trustee at AFSA has security over any return that may be available in due course.

Overall, we anticipate that the Liquidation may take another twelve (12) months to complete. We note that that timeframe is subject to delays encountered in the abovementioned Court process, or further investigations required by the various regulatory bodies (including ASIC, AFP, AFSA and ATO).



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## 1 BASIS OF REPORT

This report has been prepared primarily from information received from the various regulatory bodies (ASIC, AFP and AFSA), the Company's Director, employees and advisors.

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

- ▲ The books and records of the Company;
- ▲ Discussions with MT4 and IT experts;
- ▲ Various electronic records and data held by external IT providers; and
- ▲ Extracts from publicly available records.

## 2 DISCLAIMER

A preliminary investigation of the Company's affairs has been conducted and this report and the statements made herein have been prepared based upon available books and records, information provided by the Current/Former Director and their advisors, and from our own enquiries. This report contains information about potential actions/claims which are still being investigated, and may be determined to be unviable or not pursued in due course.

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.

Neither we, 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 estimates and assessments made for the purposes of the report.

This report is not for general circulation, publication, reproduction or any use other than to assist creditors in evaluating their position as creditors of the Company and must not be disclosed without the prior approval of the Liquidators.

Creditors should consider seeking their own independent legal advice as to their rights and options available to them.

Should any creditor have material information in relation to the Company's affairs which they consider may impact on our investigations or report, please forward details in writing as soon as possible.

## 3 DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

We confirm that our DIRRI as previously circularised does not require any update.

## 4 CORPORATE INFORMATION

The following information has been extracted from ASIC records as at the date of my appointment:

<b>Date of Incorporation</b>	6 July 2010
<b>Type of Company</b>	Australian Proprietary Company
<b>Class</b>	Limited by Shares
<b>Registered Office</b>	186 Bellair Street, Kensington VIC 3031
<b>Principal Place of Business</b>	186 Bellair Street, Kensington VIC 3031

OFFICER	START DATE	CEASE DATE	POSITION(S)
Xuehao Zhou	27/10/2023	Current	Director & Secretary
Sheng Yin Wang	15/03/2021	27/10/2023	Director
Xin Sheng Chen	15/03/2021	09/06/2021	Director
Ye Qu	25/05/2020	15/03/2021	Director
Xiao Chen	16/09/2019	01/06/2020	Director & Secretary
Yunsi Zheng	30/04/2019	18/09/2019	Director & Secretary
David Calver	06/07/2010	16/09/2019	Director
Shiyuan Liu	18/09/2018	11/04/2019	Director & Secretary
Anthony Kwok Sing Wong	16/09/2016	18/09/2018	Director
Paul Suen	01/12/2012	17/09/2016	Director
Benjamin Calver	20/08/2013	25/08/2016	Director

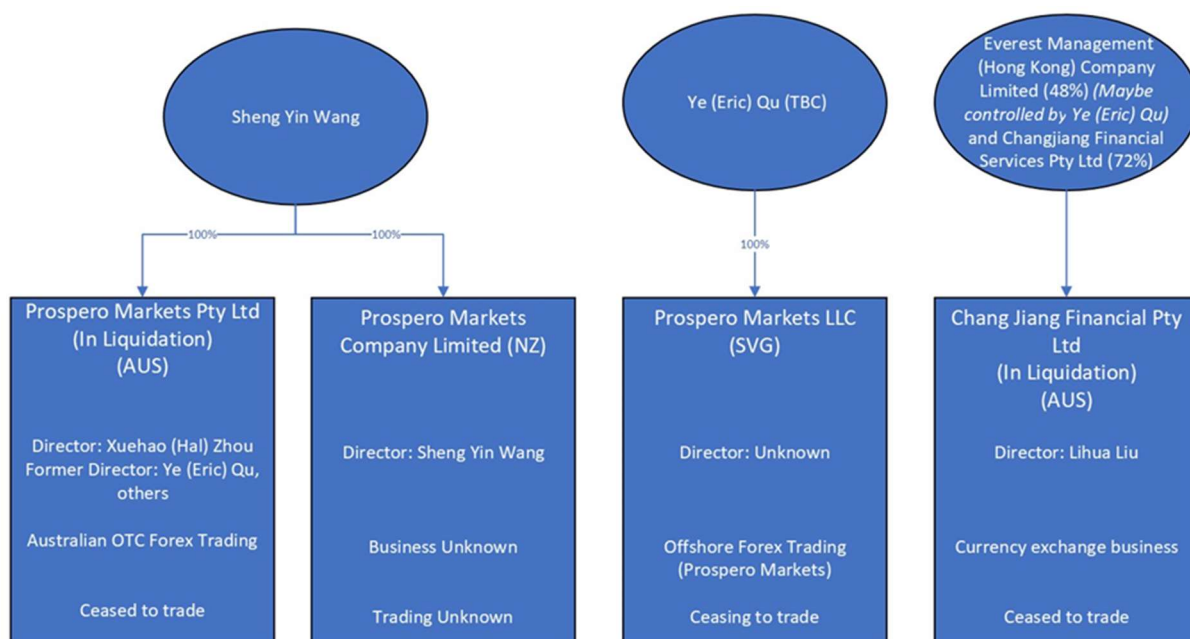
*\*Note: there are additional former company officers, however their roles ceased more than 10 years ago and as such, we have not reported these details.*

SHAREHOLDERS	CLASS	NO. OF SHARES	BENEFICIALLY OWNED	SHARE	STATUS
Sheng Yin Wang	Ordinary	18,003,356	Yes	100%	Current
Xin Sheng Chen	Ordinary	2,920,622	Yes	16.22%	Former
CJ Prime Financial Pty Ltd	Ordinary	2,920,622	Yes	16.22%	Former
LQY Markets Limited	Ordinary	2,920,622	Yes	16.22%	Former
Raindance Holdings Pty Ltd	Ordinary	2,340,000	Yes	13.00%	Former
Intercapital Markets Holding Limited	Ordinary	300,000	Yes	1.67%	Former
Ning Zhou	Ordinary	1	Yes	0.00%	Former

## 5 GROUP STRUCTURE

It appears that the Company operated as part of a broader group of businesses, all providing financial services within Australia and offshore, which we will refer to as the “Prospero Group”. Certain associated entities and persons within the Prospero Group have been pursued by regulatory bodies, such as the AFP, AFSA and ASIC, where there have been allegations of money laundering and other offences, which has resulted in various prosecutions and, ultimately, led to this liquidation.

We have prepared below a chart summarising the known structure of the Company and associated entities, which appear relevant to this Liquidation.



## 6 LEGAL PROCEEDINGS

Pursuant to Section 500(2) of the Act, our appointment as Liquidators automatically stays any current legal proceedings against the Company.

Creditors cannot commence or continue proceedings against the Company without our written consent or without leave of the Court. Other than the ASIC proceedings to wind up the Company, we are not aware of any other legal proceedings involving the Company that are currently on foot.

## 7 COMPANY HISTORY AND BACKGROUND

Below is a summary of the known background of the Company, based on information made available to us and our own enquiries. We note that the Director has failed to lodge a ROCAP and other documentation with the Liquidators, and the information available to us appears to be incomplete.

- ▲ The Company was incorporated in 2010, as Intercapital Markets Co Pty Ltd. In 2013, the Company was renamed to Rainbow Legend Group Pty Ltd.
- ▲ In July 2020, the Company was again renamed to Prospero Markets Pty Ltd, being the current form of business. The Company held an AFSL allowing it to offer financial services by way of OTC foreign exchange and derivatives trading. The focus of our enquiries has been in respect of the period after 2020, when the business in its current form operated.
- ▲ In respect of the Directors of the Company, there have been a number of changes over recent years:
  - Ye Qu was appointed as the sole Director in May 2020 until March 2021;
  - Sheng Yin Wang and Xin Sheng Chen were Directors from March 2021 to June 2021, where upon Sheng Yin Wang remained as the sole Director to October 2023;
  - Sheng Ying Wang was the sole Director from June 2021 to October 2023; and

- Xuehao Zhou was appointed as the sole Director on 27 October 2023, and remains to date.
- In respect of the Shareholders of the Company:
  - There were various shareholders prior to March 2021;
  - Xin Sheng Chen was the sole shareholder from March 2021 to June 2021; and
  - Sheng Yin Wang was the sole shareholder from June 2021 to date.
- The Company had 2 former Ultimate Holding Company:
  - LQY Markets Limited which appears to end in May 2019. We are advised this entity is controlled by Ye Qu.
  - CJ Prime Financial Pty Ltd which appears to end in March 2021. We are advised this entity is controlled by Sheng Yin Wang.
- Since July 2017, Mr Frank Vrachas of Rothsay Chartered Accountant was the registered auditor of the Company. We have been provided copies of the audited financial statements produced by Rothsay Chartered Accountant for FY2021 and FY2022. Mr Frank Vrachas' registration as an auditor was cancelled in February 2023. A replacement auditor from Charterhouse & Co Auditors Pty Ltd was to be appointed around February 2024, which did not proceed. It appears that the audit of the FY2023 financial statements was not completed.
- The Responsible Managers of the Company were:
  - Ye Qu and Wei Hong were appointed in March 2021; and
  - Fulai Sun was appointed in October 2021.
- The business market operations do not appear to have materially commenced until FY2022. Revenues increased from \$582K in FY2021 to \$4.8M in FY2022, and then significantly increased to around \$28.5M in FY2023. With the prosecution and regulatory issues, the FY2024 revenues were down to \$7.8M. The total revenues during July 2020 to April 2024 were in the order of \$42M.
- The Company reported total costs of around \$65M, largely represented by trading costs of \$39M and overhead costs of \$18M during that same period.
- Overall, the Company incurred substantial trading losses of around \$25M during its 5 years in operation (in its recent form). Those losses were funded by shareholders, who contributed share capital of approximately \$30M during that same time frame.
- The Company appears to have held client funds with CBA during its operations. CBA froze the client funds in October 2023 and we have instructed CBA to keep those funds frozen until further notice.
- The Company's assets were held with NAB and Bendigo Bank. Those funds were similarly frozen in the months leading to our appointment, and have been subsequently recovered by

us. In addition, the Company held significant funds with various Liquidity Providers (mainly offshore), the bulk of which we have recovered.

- In October 2020, Prospero Markets LLC was incorporated in SVG. It is presently unclear what formal relationship there is between the directors and shareholders of the Company and Prospero Markets LLC respectively. However, our investigations to date suggest that Prospero Markets LLC clients traded under an MT4 licence held by the Company, and the Prospero Markets LLC client funds appear to be frozen by reason of the criminal money laundering investigation referred to previously. Certain clients of Prospero Markets LLC have lodged claims in the liquidation of the Company which we are attempting to adjudicate.
- In August 2021, a New Zealand entity was renamed to Prospero Markets Company Limited. This entity appears to be involved in the operation of Prospero Markets LLC and the Company. We note that Prospero Markets Company Limited holds an MT4 licence, which the Company utilises for its clients to trade. Given the dealings between the Company, Prospero Markets Company Limited and Prospero Markets LLC (most of which are undocumented), we have had to attempt to deal with those entities and their management in administering the Company's affairs in liquidation.
- In August 2022, Taskforce Avarus, an AFP-led standing taskforce on money laundering, established Operation "Avarus-Nightwolf" to investigate the Long River money laundering organisation. The AFP Operation ran for 14 months, and involved AUSTRAC, Australian Border Force, Australian Criminal Intelligence Commission, ASIC, ATO and the United States Department of Homeland Security Investigations.
- On 25 October 2023, the AFP charged seven individuals for their roles in relation to alleged money laundering through the Chang Jiang Currency Exchange money remitting chain, as part of their Operation named "Avarus-Nightwolf". We do not make any comment herein in respect of the alleged AFP offences. Our enquiries are focused on the Company's affairs, and primarily, what returns may be available for creditors, which includes clients as trust creditors. Two of those individuals prosecuted by the AFP, were directly involved in the Company's operations:-
  - Ding Wang, the former signatory of the Company's bank accounts held with CBA. Sheng Yin Wang, the former Director and current sole shareholder, is the father of Ding Wang.
  - Ye Qu, the former Director and Responsible Manager of the Company
- From late 2022 to mid-2023, ASIC conducted surveillance of the Company's operations.
- On 16 November 2023, ASIC commenced a formal investigation under Section 13 of the ASIC Act into suspected contraventions of the Act.
- In November 2023, we understand that the Company ceased its market making activities, closing out all open client positions. The Company also gave notice terminating all staff at that time.



- On 20 December 2023, ASIC suspended the Company's AFSL until 28 February 2024. The suspension was later extended until September 2024.
- On 21 December 2023, the Official Trustee in Bankruptcy (AFSA) lodged a security interest, in respect of a POCA order over the shareholding interest following prosecution by AFP.
- ASIC subsequently applied to the Court to have the Company wound up on just and equitable grounds. We note that the Company opposed the winding up, which resulted in delays in that Court process. We were appointed Joint and Several Liquidators on 10 April 2024.
- Our preliminary enquiries indicate that the Company may be solvent, subject to our adjudication of all claims lodged against the Company in the Liquidation process.

## 8 REASONS FOR FAILURE

The Director has failed to lodge a ROCAP and completed questionnaire with us in respect of this Liquidation. As such, the Director has not formally advised the reasons for failure.

Our enquiries indicate that the Company has been placed into Liquidation, following compliance failures ultimately resulting in the AFSL suspension by ASIC. Without its AFSL, the Company could not continue to trade. Those compliance failures could be attributed to the Company's associations with parties that were prosecuted in the previously mentioned AFP Operation "Avarus-Nightwolf".

We note that, subject to the total claims against the Company and costs of the Liquidation process, that all creditor claims may be discharged in full.

## 9 CONDUCT OF THE LIQUIDATION

Below is a high-level summary of the key matters attended to by our team during the Liquidation thus far: -

- Liaised with the Company's pre-appointment bankers, CBA, to secure client funds. Obtained access to Company's banking system to review accounts and trace client funds, as necessary.
- Liaised with other pre-appointment bankers, Bendigo Bank and NAB, to secure the Company's operational funds and obtain bank statements.
- Liaised extensively with NAB regarding Liquidity Provider funds not allocated to Company's bank accounts, and ultimately recovered those missing funds.
- Liaised with Liquidity Providers to secure the Company's operational funds. Obtained access to statements and reconcile recoveries to the Reckon management accounts. Engaging with a Singaporean law firm to obtain orders recognising our appointment as Liquidators.
- Review Company records, including email backups for supplier information/contacts, bank/liquidity provider/payment processors statements and other key information.
- Engaged with the Director, Responsible Managers and management as to the Company's affairs and operations, in particular securing the assets and quantifying liabilities.

- Verifying employee entitlements and reviewing Company records to support same.
- Liaising with Payment Processors to determine any funds held. Obtained statements to assist with the tracing of funds and adjudication of creditors' claims.
- Sought legal advice on various trust and contractual issues, including preparing for the application to the Court seeking declarations.
- Established a Creditor Portal with Link Market Services to handle the large volume of claims.
- Extensive correspondence with clients, including preparation of Frequently Asked Questions, assisting with identity verification processes, submitting Proof of Debt Forms and providing relevant supporting documentation.
- Investigated the relationship and dealings between the Company, Prospero Markets Company Limited and Prospero Markets LLC.
- Interrogated the available MT4 data with the assistance of a MT4 expert, to confirm the level of client liabilities.
- Commence process of adjudication of client claims, including preparation of flowchart and other workpapers to assess client claims.
- Liaising with ASIC regarding background to the appointment, providing access to books and records and petitioning creditors costs.
- Attended the Company's physical trading premises in Sydney and Melbourne to secure Company books and records. Liaised with the respective landlords, vacated the premises and disclaimed our interest in the leases.
- Liaising with independent valuer and organise inspections of the trading premises to determine realisable value of the physical assets.
- Liaising extensively with the Company's pre-appointment IT service providers to secure Company records.
- Liaising extensively with Metaquotes to secure continued access to MT4.
- Explore the possible sale of the Company's AFSL and MT4 licenses.
- Engage with the Official Trustee in Bankruptcy and the AFP to discuss the POCA Orders and their implication on liquidation.
- Liaising with AFP regarding specific assets located in the Company's Melbourne trading premises.
- Report to ASIC the Director's failure to provide a completed ROCAP.

## 10 HISTORICAL FINANCIAL INFORMATION

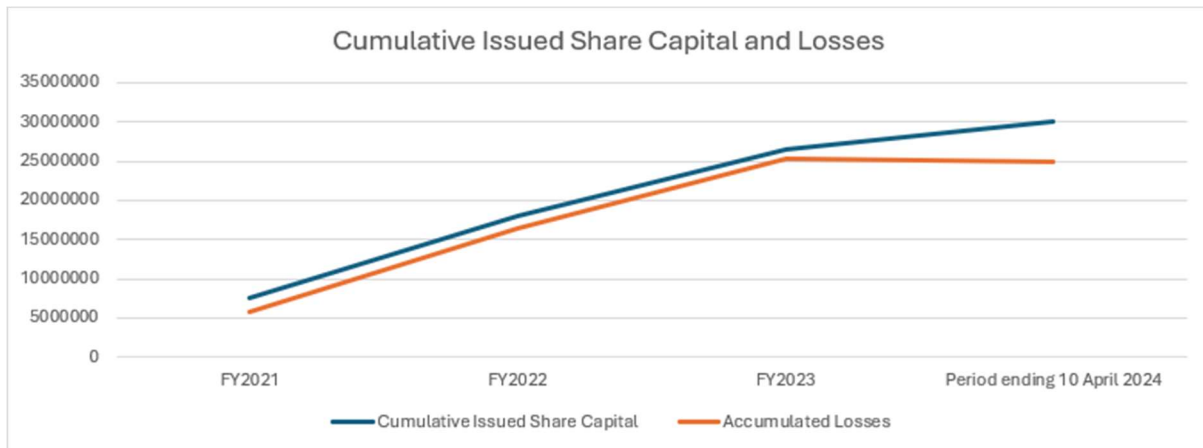
We have reviewed the Company's externally prepared audited financial reports for the financial years ended 30 June 2021 and 30 June 2022, draft unaudited financial statements for financial year ended 30 June 2023 and draft management accounts for the part year ended 10 April 2024.

### 10.1 BALANCE SHEETS

Attached as “**Annexure D**” is a comparative analysis of the Balance Sheets for the abovementioned periods.

We provide the following commentary with respect to the attached comparative Balance Sheets:

- ▶ The Company had minimal assets and liabilities in FY2021, as it appears to have only started trading that year. During FY2022 the operations commenced, resulting in material changes to the balance sheet.
- ▶ The Company's assets largely consisted of cash and cash equivalents, which increased from \$558K in FY2021 to \$21M by April 2024, which are largely represented by clients trust funds. Additionally, the Company held cash assets by way of funds held with short-term Liquidity Providers which fluctuated from \$2.8M to \$3.9M during that same period.
- ▶ The Company's liabilities largely consisted of client trust liabilities, which increased from \$480K in FY2021 to \$19M by April 2024, consistent with its OTC market operations.
- ▶ The Company reported related party loan liabilities of \$1.6M in FY2021, which increased to \$2.75M in FY2022. During FY2023, \$2.35M was converted to equity and \$400K was repaid to CJF International Pty Ltd.
- ▶ The Company reported a liability to WX Trading Pty Ltd of \$2.9M at June 2023, which appears to relate to some form of cryptocurrency trading position. The management accounts indicate that the liability was discharged in July 2023, and we have not been advised of any current cryptocurrency assets available in the Liquidation.
- ▶ The Company reported an increase in the employee entitlement liabilities from \$43K in FY2021 to \$1.1M by April 2024. We note that a significant portion of the April 2024 balance relates to redundancy entitlements that are owed to the terminated staff.
- ▶ The Company consistently reported a net asset surplus from FY2021 to April 2024. The surplus was maintained by the continual issuing of share capital (equity), totalling \$30M from FY2021 to April 2024. That equity was used in the business to offset the losses incurred, amounting to around \$25M by April 2024 (refer to the graph below for equity comparison).



## 10.2 PROFIT AND LOSS STATEMENTS

Attached as “**Annexure E**” is a comparative analysis of the Profit and Loss Statements for the abovementioned periods.

We make the following commentary with respect to the attached comparative Profit and Loss Statements:

- ▲ As noted previously, the market operations do not appear to have materially commenced until FY2022. We note revenues increased from \$582K in FY2021 to \$4.8M in FY2022. However, during FY2023 the revenues increased to around \$28.5M, and then retracted to \$7.8M during FY2024 reflective of the regulatory issues and cessation of trading during that period. Total reported revenues during July 2020 to April 2024 were in the order of \$42M.
- ▲ The major cost category was reported as “Trading costs”, amounting to approximately \$39M over the period July 2020 to April 2024. The supporting ledgers indicate that these costs related to the Liquidity Providers in making the markets for clients, however further enquiries may be required.
- ▲ The operating costs included staffing, technology and occupancy costs which is common for such businesses. Those costs totalled around \$18M during the period July 2020 to April 2024.
- ▲ Overall, the Company reported total costs of around \$65M, as compared to revenues of only \$42M. The total accumulated losses of \$25M (including around \$3M incurred prior to June 2020) are substantial. Some of the losses could be attributed to new business start-up costs. Regardless, the underlying business case appears to be lacking, or insufficient to carry the overhead costs.
- ▲ The substantial trading losses of \$25M over its 5 years in operation, were funded by contributions of share capital (equity) over that time. Therefore, whilst such large losses appear irregular for this business in the OTC industry, this is primarily an issue for the shareholders, assuming the Company remains solvent. We have not investigated this any further at this time, however this may be considered after creditor claims are discharged.

## 11 CURRENT FINANCIAL POSITION

Below is our analysis of the current financial position of the Company, with regard to available financial records and our enquiries to date.

<b>Prospero Markets Pty Ltd (In Liquidation)</b> <b>A.C.N. 145 048 577</b> <b>Summary of Director's Report on Company Activities and Property</b>				
	Report Reference	Book Value as at 10/04/2024 (\$)	Director's ERV (per ROCAP) (\$)	Liquidator's ERV (\$)
<b>Assets</b>				
Client Trust Funds	11.1.1	19,457,096	ROCAP not provided by Director	19,653,620
Client Trust Funds USD	11.1.1	303,521		315,580
Cash and Cash Equivalents	11.1.2	1,296,064		2,588,421
Cash and Cash Equivalents USD	11.1.2	164,434		-
Money Processors	11.1.3	53,289		-
Liquidity Providers	11.1.4	3,921,873		2,420,234
Property, Plant & Equipment	11.1.5	317,367		6,000
Prepayments	11.1.6	199,379		3,881
Tax Asset	11.1.7	130,738		130,738
<b>Total Assets</b>		<b>25,843,760.79</b>		<b>25,118,474.93</b>
<b>Liabilities</b>				
Priority Creditors	11.2.1	1,092,646.03	ROCAP not provided by Director	1,300,000.00
Secured Creditors	11.2.2	-		-
Unsecured Creditors	11.2.3			
Client Liabilities	11.2.3.1	18,909,983.12		19,065,606.64
Trade Creditors	11.2.3.2	737,473.92		1,100,000.00
Landlords	11.2.3.2	-		500,000.00
<b>Total Liabilities</b>		<b>20,740,103.07</b>		<b>21,965,606.64</b>
<b>Estimated Net Asset Surplus / (Deficiency)</b>		<b>5,103,658</b>		<b>3,152,868</b>

### 11.1 ASSETS

#### 11.1.1 Client Trust Funds/Client Trust Funds USD

The Company's management accounts reported Client Trust Funds of approximately AUD\$19.8M, in four (4) accounts held with CBA on our appointment. These trust accounts had been frozen since October 2023 in accordance with Court Orders and voluntary undertakings with ASIC.

CBA have confirmed the total balance of these trust accounts is approximately \$20M currently. We issued instructions to CBA that the freeze is to remain over these trust accounts.

Our investigations indicate that these funds are held on trust on behalf of the clients to meet client trust claims. As discussed previously, we will be shortly filing a Court application to seek judicial advice

and directions in respect of the characterisation and treatment of client funds and the client distribution process, including costs. This is further discussed in section 13 of this report.

### 11.1.2 Cash and Cash Equivalents/ Cash and Cash Equivalents USD

The management accounts report the total cash equivalents held on our appointment was \$1,460,498. We made enquiries with all major banks in Australia seeking details of any accounts maintained by the Company. We have identified that the Company holds the following amounts in various bank accounts which we have recovered or secured:

Bank	Realisable Amount (\$)	Status
CBA	20,586.63	This account is frozen.
CBA	153,227.67	Term deposit for cash backed rental bond for Melbourne leased premises, recovered by Melbourne landlord.
CBA	120,351.00	Term deposit for cash backed rental bond for Sydney leased premises, still held in CBA.
NAB	1,278,630.52	Balance includes missing funds which had been transferred from the liquidity provider, CMC, in January 2024 totalling USD\$746,262. This is discussed further below.
Bendigo Bank	1,000,198.79	Balance recovered less \$500 remaining in account to cover bank fees.
<b>Total</b>	<b>\$2,572,994.61</b>	

Based on enquiries to date, we are not aware of any other bank accounts held by the Company as at the date of our appointment.

When attending the Melbourne leased premises, we recovered cash on hand that was secured in a safe, totalling \$15,426.45. AFP confirmed that they did not have any claim to those funds.

### 11.1.3 Money Processors

The Company's management accounts reported money processors, totalling \$53K held by Checkout and Novatti at our appointment. We have written to these parties following our appointment and have been advised that there are no funds held by these parties on behalf of the Company. At this stage, it appears this is an accounting error, which is not a recoverable asset.

### 11.1.4 Liquidity Providers

The Company's management accounts reported Liquidity Providers with a total balance of circa \$3.9M at our appointment. Our enquiries indicate that the accounts are materially incorrect, where some

funds were already disbursed and there are also facility costs and adverse market movements not accounted for against the respective balances.

We have written to the Liquidity Providers to confirm amounts held and recover funds to the Liquidation bank account. We set out below a summary of the status of the Liquidity Providers.

Liquidity Provider	Book Value (\$)	Realisable Amount (\$)	Status
iSAM	982,202.80	730,701.07	Recovered into Liquidation bank account. The difference in the book value relates to adverse fluctuations in the hedge positions held by the Company and trade settlement fees.
Finalto	1,412,318.87	1,140,279.32	Recovered into Liquidation bank account. The difference in the book value relates to adverse fluctuations in the hedge positions held by the Company and trade settlement fees.
Vantage	156,589.75	150,203.07	Recovered into Liquidation bank account.
CGS-CIMB	463,567.29	399,050.91	CGS have confirmed the account is frozen, however require orders from a Singapore Court (their operational jurisdiction) in order to comply with our requests. Accordingly, we have engaged lawyers in Singapore to assist with this process. We will be required to file an application in Singapore and are advised orders can be obtained in four (4) to six (6) weeks thereafter. The estimated cost is SGD15,000.
CMC	1,144,357.72	-	As mentioned above, the CMC liquidity provider funds totalling USD\$746,262 (circa AUD\$1.1M) were transferred to NAB in January 2024. These funds were recovered by us as cash at bank.
FXCM Funding	35,163.90	-	Demand issued, however no response to date.
Invast	44,879.09	-	The account was closed prior to our appointment on 5 December 2024 with the closing balance transferred into the

Liquidity Provider	Book Value (\$)	Realisable Amount (\$)	Status
			Company's account. There will be no further recovery.
LP Deposits - Other	(317,206.57)	-	This is likely to represent provisions for the adverse market movements, and no recovery is anticipated.
<b>Total</b>	<b>3,921,872.85</b>	<b>2,420,234.37</b>	

We note that the management attempted to transfer the CMC Liquidity Provider funds to NAB accounts in January 2024. For various reasons, including that the NAB bank accounts were frozen, the funds were effectively lost into a suspense facility with NAB. After we conducted traces and engaged in substantial correspondence with NAB, we were able to confirm they held the Company's funds, and later recovered same. We have accounted for those funds as cash at bank, as they were not held by a Liquidity Provider when we were appointed.

We note that the amounts reported as held by Liquidity Providers in the management accounts appear to be overstated by around \$300K. This appears to be an accounting issue, whereby the costs of those facilities and any adverse market movement against the Company, have not been reconciled. At this stage we do not anticipate any further recovery from the Liquidity Providers with the exception of funds held in Singapore with CGS-CIMB.

#### 11.1.5 Property, Plant & Equipment

The Company's management accounts reported PPE with a written down value of \$317K consisting of various office furniture, IT equipment and leasehold fitouts located in the leased premises at Sydney and Melbourne. We engaged an independent valuer from O'Maras to assess the value of PPE located at both premises and provide a valuation report.

Following our appointment, the landlord of the Sydney premises asserted ownership over the furniture and fixtures. Our enquiries indicate there is minimal value on a forced liquidation basis and the cost to resolve the dispute with the landlord would likely exceed the recoverable value of the items located at the premises. Accordingly, we have issued a disclaimer for the Sydney premises lease and there will no recovery from these assets.

The landlord of the Melbourne premises declined to allow an auction onsite. Similarly, the cost to remove and realise the PPE located in the Melbourne premises was likely to exceed the recoverable value. Accordingly, we have issued a disclaimer for the Melbourne premises lease and there will no recovery from these assets.

In relation to IT equipment, over sixty (60) computers have been relocated to our office to secure the electronic records. Once the electronic records have been backed up to an external system, the computers will be securely wiped and sold. We anticipate a minor recovery of circa \$6K from these assets.



### 11.1.6 Prepayments

The Company's management accounts reported prepayments totalling \$199K, which mainly consists of legal deposits made to the Company's pre-appointment lawyers. We have recovered a balance of \$3,881.40 held in Sophie Grace's trust account, however the majority relates to payments made to Hamilton Locke in the months prior to our appointment.

Hamilton Locke have provided a detailed trust account statement which shows \$160K was received from the Company in March and April 2024. From these funds, an amount of \$119K was used to pay Hamilton Locke in respect of outstanding invoices on 23 April 2024. Further, Hamilton Locke have advised there is a further outstanding invoice of circa \$22K, which they have requested to be paid from the remaining balance of \$40K in their trust account. We are seeking recovery of the net funds and have sought legal advice in this regard.

The other prepayments relate to sundry subscriptions and costs which are not recoverable.

### 11.1.7 Tax Assets

The Company's management accounts recorded this asset as TFN withholding tax totalling \$130K. It appears that this asset may be recoverable in due course when the outstanding tax lodgements are completed. This will take some time.

## 11.2 LIABILITIES

### 11.2.1 Priority Creditors

As mentioned in our previous report to creditors, all employees were terminated prior to our appointment. We engaged the Company's former internal bookkeeper to assist with reconciling and updating the Company's management accounts up to the date of our appointment. This work has since been completed however we note there have been difficulties, as access to certain records has been limited.

We have reviewed the Company's records and are currently conducting verification of the outstanding employee entitlements. Below is a summary estimate of the total employee claims, which are still subject to review.

Employee Entitlements	Amount (\$)
Unpaid Wages	453,205.09
Superannuation	92,893.30
Annual Leave	330,571.00
Payment in Lieu of Notice	-
Redundancy	413,972.95
<b>Total</b>	<b>1,290,642.33</b>

We provide our comments as follows:

- It appears that no wages were paid for staff that worked during the month of November 2023.
- All staff were provided notice of termination of their employment on 18 November 2024, and they continued to work during their notice period. Therefore, there is no payment in lieu of notice claims.
- Certain employees were purportedly re-hired by the Company after their termination to assist with administrative and compliance matters during the ongoing legal proceedings with ASIC. We are advised that these employees were not paid wages for this period which lasted several months. We are continuing to investigate this matter.
- The annual leave balances for certain employees appeared to be unusually high. We are testing those claims against the available records and may seek further information from claimants.

Former employees of the Company have a statutory priority of payment in respect of outstanding entitlements such as wages, superannuation, annual leave, long service leave, payment in lieu of notice and redundancy. In the event that there are insufficient funds to pay a dividend to priority (employee) creditors in a winding up, employees (excluding the Directors and related parties) may lodge a claim under the FEG scheme with the Department in respect of certain entitlements that they are owed, subject to them meeting the eligibility requirements of the FEG scheme. FEG does not pay outstanding superannuation.

Whilst we believe the Company will have sufficient funds to discharge all employee claims, this will not be possible for some time. As such, we encourage employees to lodge claims with FEG, if they have not already done so. We are currently completing the FEG verification of outstanding entitlements. Employees should note that the amounts to be distributed by FEG are subject to FEG's assessment and final determination.

Should you wish to obtain further information or make a claim for outstanding employee entitlements, the Department may be contacted on 1300 135 040. Alternatively, you may visit their website at: <https://www.dewr.gov.au/fair-entitlements-guarantee>

### 11.2.2 Secured Creditors

Searches of PPSR indicate there was one (1) security interest registered over the Company prior to our appointment by The Official Trustee in Bankruptcy. We have made enquiries with AFSA and our understanding is this security interest relates to POCA orders made by the Supreme Court of Victoria on 24 October 2023 which restricts the disposal of various assets owned by Ye Qu and Ding Wang, including the shares in the Company.

We have sought legal advice on this matter and have formed the view that this security interest does not prevent us from conducting an orderly winding up the Company and making distributions to clients and creditors. Should there be a surplus for shareholders in the Liquidation, we will then liaise with AFSA to determine the appropriate party to receive the surplus funds.

### 11.2.3 Unsecured Creditors

### 11.2.3.1 Client Liabilities

We have been using an online Creditor Portal hosted by Link for the purposes of capturing clients' claims and uploading documentation (including banking instructions) to assist with conducting the adjudication process and ultimately, distributing the client funds. We have also received a significant volume of enquiries from clients in respect of the Creditor Portal, in particular with the identity verification process. We have attempted to assist clients where possible, however we are aware of issues using overseas identity documents. This has necessitated a separate manual verification process for these clients which is also ongoing.

According to the Company's MT4 records, there are potentially 1,384 clients with claims, totalling approximately \$19.1M. To date, approximately 650 clients have lodged their claim via the online creditor portal with claims totalling circa \$17.8M. We have undertaken substantial work on the adjudication of these claims, and are in the process of reviewing the documentation submitted and reconciling with the Company's records, including confirming that funds were deposited by clients into an account held by the Company. We have reviewed over 400 claims submitted by clients, totalling circa \$10M, which largely appear to match with the Company's records.

We note that of the claims lodged to date, an additional \$1.6M in value is included which is greater than the Company's records. Our enquiries indicate that those excess claims may include errors or other damages style claims, which will require further review and documentation.

We have also been engaging with clients to provide further documentation to support their claims. This process is ongoing and we expect will take some time, considering the number of anticipated claims from clients. We are also working on a proposed distribution process, which is discussed further in section 13.1 of this report.

### 11.2.3.2 Trade Creditors

The Company's management accounts indicate that trade creditors are owed \$737K by the Company, which appear to relate to various IT services, unpaid rent and other debts incurred in the ordinary course of business. We note that the Company had various contractual arrangements for several IT services and once these services are terminated, there are likely to be early termination/damages claims. In this regard, such claims could be substantial and we have estimated a value of \$1.1M for reporting purposes.

To date, trade creditors have lodged claims via the Creditor Portal, totalling approximately \$3.3M, of which \$2.6M relates to a claim lodged by the landlord of the Melbourne premises in respect of damages for early termination of the lease. We understand the Melbourne premises will be re-leased from 1 August 2024 and the claim from the landlord will be reduced significantly. Similarly, the landlord for the Sydney premises will have a claim for early termination of the lease. At this stage, we have estimated claims from the landlords of the Sydney and Melbourne premises to be \$500,000 for reporting purposes. We note that landlords also hold bank guarantees which will be accounted for against the claims.

We anticipate that there will be a dividend for unsecured creditors. As such, please see attached a Notice Inviting Formal Proof of Debt attached as **Annexure "C"**, whereby we require creditors who

have not already done so, to lodge their claim with relevant supporting documentation on the Creditor Portal by 24 July 2024.

## 12 INVESTIGATIONS AND RECOVERY ACTIONS

As Liquidators, we are required to review certain transactions to determine whether or not claims for statutory recoveries may be made for the benefit of creditors. Attached as “**Annexure J**” is the ARITA creditor information sheet on Offences, Recoverable Transactions and Insolvent Trading.

Whilst a potential claim may be identified having regard to the Company’s records, any net recovery ultimately depends upon:

- ▲ The costs involved in pursuing a claim; and
- ▲ The capacity of the defendant to meet such a claim.

### 12.1 INVESTIGATIONS UNDERTAKEN

During the course of these investigations, we have:

- ▲ Reviewed management accounts maintained electronically on Reckon;
- ▲ Reviewed other Company records made available to us;
- ▲ Written to the relevant authorities requesting information required for investigations;
- ▲ Carried out ASIC and other searches available to us in relation to the Company;
- ▲ Reviewed affidavits lodged by ASIC in relation to ASIC’s investigation of the Company;
- ▲ Performed a review of the bank accounts of management accounts to identify irregular and/or voidable transactions.

### 12.2 BOOKS AND RECORDS

Section 286 of the Act requires a company is to keep written financial records that:

- ▲ correctly record and explain its transactions, financial position and performance; and
- ▲ would enable true and fair financial statements to be prepared and audited.

The failure to maintain books and records in accordance with Section 286 of the Act may allow a Liquidator to presume the Company was insolvent throughout the period the books and records were not maintained (Section 588E of the Act).

Following a review of the Company’s books and records available to us, we are of the view that the Company has kept books and records in compliance with Section 286 of the Act.

### 12.3 INSOLVENCY & POTENTIAL INSOLVENT TRADING

Pursuant to Section 588G of the Act, a director may be personally liable for insolvent trading by a company where:

- ▲ 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 Act 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.

Our assessment has been based on the information available to us from the Company's records, information provided by ASIC and on the basis of our separate investigations of the Company's affairs.

Based on our investigations conducted to date, our preliminary view is that the Company was solvent on our appointment. Therefore, there is no insolvent trading claim to pursue. Further, subject to the total creditor claims admitted and costs of the Liquidation process, all liabilities may be discharged in full, such that surplus funds may be available for the shareholder (or AFSA pursuant to the POCA orders).

Should the situation change, we will update creditors and/or shareholders in future reports (if necessary).

#### **12.4 VOIDABLE TRANSACTIONS & POTENTIAL OFFENCES**

Voidable transactions include transactions such as unfair preferences, uncommercial transactions, unfair loans, unreasonable director related transactions and circulating security interests created within six months before the relation-back day, which is the date of the appointment of the Liquidators.

These transactions usually relate to the period six (6) months prior to the date of our appointment; however, in certain circumstances, this period can be extended to four (4) years in relation to transactions with related entities and up to ten (10) years if the transactions were entered into with related parties with the intention of fraud.

As mentioned above, it appears that the Company is solvent, and therefore most of the voidable recovery actions are not available.

We note that the Company incurred around \$25M in accumulated losses between FY2020 to FY2024 which is substantial. The losses were funded by the Company's shareholders over the years, where they contributed circa \$30M to the business. Therefore, to the extent that there was a failure or offence by management resulting in the collapse, any loss was suffered by shareholders, rather than creditors. This includes the various compliance failures asserted by ASIC following its investigation, which could potentially be framed as breach of duty claims against the Director(s) at the relevant times. Further enquiries into the business model and losses incurred, or other potential offences, may be investigated after the creditor claims are discharged, subject to the views of the shareholder at that point (that interest now controlled by AFSA pursuant to the POCA orders).

Therefore, we have not identified any offences or recovery actions to be pursued at this time. Should that position change, we will update creditors and shareholders in due course.

## 13 APPLICATION TO COURT

After seeking legal advice, we formed the view that a Court application is required to seek judicial advice and directions. This is in circumstances where:

- ▲ Client claims are significant as measured against the trust funds, however the overall quantum will not be known until an adjudication process is complete;
- ▲ Claims have been submitted by clients of the related SVG entity (Prospero Markets LLC) which we presently believe (based on currently available information and subject to further investigation) do not represent entitlements to return of funds held by this Company;
- ▲ Certain clients appear to be claiming amounts relating to “credit” or “bonus” schemes, where the documentation is lacking and further consideration of the applicable ‘terms and conditions’ is required before forming a view as to whether those “credit” or “bonus” amounts are also payable to Company clients;
- ▲ Securing some of the Company’s electronic records has been difficult and costly, held by third parties located offshore;
- ▲ There are potential mixing issues in relation to the operation of the MT4 licences used by the Company and a related New Zealand entity (Prospero Markets Company Limited); and
- ▲ There may be practical difficulties and costs in dealing with clients with small account balances.

The above is not an exhaustive list of the issues encountered to date.

Accordingly, we are applying to the Court seeking orders on the process to adjudicate client claims and distribute trust funds, and to discharge costs incurred from the available Company and trust funds. Importantly, we will seek Orders that will allow us to adjudicate all client claims, regardless of whether some clients have failed to lodge the necessary proof of debt documentation.

Our lawyers are preparing the application to the Court, including a detailed affidavit to set out the background and the work undertaken in the Liquidation to date. We are progressing to the extent possible, our adjudication of the claims lodged by clients of both the Company and Prospero Markets LLC in the meantime to maximise efficiency/accuracy and avoid delay. We note that Prospero Markets LLC appears to have interests intertwined with the Chang Jiang Currency Exchange matter, where the entity’s funds are frozen. We note that our current enquiries indicate that Prospero Markets LLC claims are not valid against the Company, however if this position is incorrect, then this could lead to a deficit in client funds and is part of the basis on which we have determined that it is appropriate to obtain court approval and directions in relation to the return of client funds.

We have invited all clients to lodge claims and submit supporting documentation on the Creditor Portal hosted by Link Market Services. To date less than half the clients have completed the claim lodgement process. It appears that a portion of clients have been unable to complete the identification verification, largely due to those parties not having current Australian identity documents. This has necessitated a separate manual verification and adjudication process, which is currently ongoing and naturally takes additional time to complete.

Based on our review of claims lodged by the clients of Prospero Markets LLC, we have been unable to verify how those clients deposited funds into an account held by the Company, or placed trades on markets made by the Company. Requests have been issued to these clients for further evidence to support their claim against the Company and the adjudication of these claims are ongoing whilst we await responses.

In this regard, we expect to file the application imminently (that is, within the next seven (7) days from the date of this report) and we will request that the application is heard on an urgent basis, given the need to distribute funds to clients. Assuming there is limited opposition and no need for representative creditors to be appointed in respect of offshore clients of Prospero Markets LLC, then we are optimistic that the Court may make orders within six (6) to ten (10) weeks. Upon receiving Court directions, we anticipate distributing to clients within four (4) to eight (8) weeks thereafter. An outline of the process is detailed below.

### 13.1 PROPOSED DISTRIBUTION PROCESS

We set out below a brief summary of our proposed adjudication and distribution process which will be put to the Court for their consideration and Orders:-

- We complete our review of the Company's records and client claims;
- We issue a Distribution Notice to all clients to advise the proposed value of their entitlement for the purpose of a distribution;
- If a client disputes the value of their entitlement, they will have a period of fourteen (14) days to login to the Link online creditor portal to submit their revised claim and upload supporting documentation;
- We will review disputed claims lodged by clients and assess whether the dispute is valid, then issue a further notice which will either:
  - a. Confirm that we agree with the revised claim for their entitlement; or
  - b. Set out the reasons why we do not accept their dispute and will proceed with the original value of their entitlement and if the client still considers their dispute is valid, then they may apply to the Court for further action within fourteen (14) days;
- Within twenty-eight (28) days of issuing the Distribution Notice, we will proceed to distribution based on the value of the entitlement of each client as recorded in the Link online creditor portal.

## 14 RECEIPTS AND PAYMENTS

Attached as **Annexure "F"** is a summary of receipts and payments during the Liquidation period to the date of this Report.

We are required to lodge a statement of account with ASIC annually during the Liquidation. To date, our appointment has not exceeded (12) twelve months and as such, we are not required to lodge same but will do so if necessary, in accordance with the statutory timeframe.

## 15 REMUNERATION OF LIQUIDATORS

In compliance with the 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 “H”** which details the major tasks that have been and will be conducted in this Liquidation. 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 attached as **Annexure “I”**.

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 “K”**) 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>
- [https://arita.com.au/ARITA/ARITA/Insolvency\\_help/Insolvency\\_explained/Insolvency-Fact-Sheets.aspx](https://arita.com.au/ARITA/ARITA/Insolvency_help/Insolvency_explained/Insolvency-Fact-Sheets.aspx)

Please note that if our professional fees are not approved by creditors, then we may approach the Court for those approvals. We note that this will likely incur additional costs, which will be borne from the available assets.

## 16 MEETING OF CREDITORS

A Meeting of Creditors of the Company will be held on Wednesday, 31 July 2024 at 1:00PM (AEST). The formal Notice of Meeting is attached as **Annexure “A”** for your reference. The meeting will be held via virtual meeting technology on the Creditor Portal.

To participate as a Creditor, you should:

- Lodge a Proof of Debt detailing your claim to be a Creditor. To submit a POD, please log into the Creditor Portal: <https://exad.com.au/bri/prospero/> using your Creditor ID and Passcode, and proceed with the “Register your debt” option on the Creditor Dashboard. If you have lodged your claim with supporting documentation, you are not required to submit them again.
- Creditors may attend and vote in person, by proxy or by attorney. To submit a Proxy, please login into the Creditor Portal: <https://exad.com.au/bri/prospero/> using your Creditor ID and Passcode, and proceed with the “Exercise your vote” option on the Creditor Dashboard. Persons attending on behalf of a corporate entity are required to submit a proxy on behalf of that entity.
- A specific proxy can be lodged showing approval or rejection of each proposal. 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 must be lodged by 4:00PM (AEST) one (1) business day prior to the meeting.

## 16.1 INSTRUCTIONS TO ATTEND MEETING

In order to attend the meeting virtually, please see below detailed instructions. Attached as **Annexure “B”** is the Link instructions with screenshots.

- Shortly prior to 1:00PM (AEST) on 31 July 2024, log into the Creditor Portal <https://exad.com.au/bri/prospero/>
- Click on ‘Attend Meeting’ under ‘Upcoming Meeting of Creditors.’
- This link will direct you to a Zoom meeting facility, when the meeting is to commence. You will be placed into a waiting room until you are admitted into the meeting.
- During the meeting, voting on various resolutions will take place. You are able to vote in advance (up until 4:00PM on the day prior to the meeting) or ‘live’ during the meeting.
- To vote, please select on the ‘Exercise your vote’ option and indicate if you represent:
  1. The Creditor Personally – if you are voting in your own capacity; or
  2. A representative of the Creditor – if you are voting on someone or a Company’s behalf. Your will then be required to enter the proxy and their email and select either ‘Special Proxy’ or ‘General Proxy’:
    - General Proxy holders will receive an email to exercise the votes on your behalf, once you select Submit Information.
    - If a Special Proxy is selected, you will need to indicate how you vote on each of the resolutions: ‘for,’ ‘against’ or ‘abstain’ against each resolution.
  3. The Chairperson – if you wish to vote but are unable to attend the meeting.
- Please indicate if you wish to vote ‘for,’ ‘against’ or ‘abstain’ against each resolution.
- Select ‘Submit information’ to record your vote. You are able to amend your vote up until 4:00PM the day prior or during the meeting, until voting is closed by the Chairperson.

## 16.2 APPROVAL OF ENGAGEMENTS

Pursuant to Section 477(2B) of the Act, we are required to seek approval from creditors, COI or the Court to enter agreements which have a duration of more than three (3) months. As mentioned previously, we have necessarily retained various parties where we expect these retainers will exceed a period of three (3) months and therefore, require approval by creditors.

A brief summary of these engagements are as follows:

### **Bartier Perry**

We have engaged Bartier Perry to assist with providing legal advice on various aspects of the Liquidation, including the application to Court. The costs of the engagement are charged on a time cost basis, and include counsel fees and disbursements, which we understand are reasonable market rates.

The resolution to be considered by creditors is as follows:

*“That the Liquidators be authorised to enter into an agreement with Bartier Perry as disclosed in the Statutory Report to Creditors dated 10 July 2024 pursuant to Section 477(2B) of the Corporations Act.”*

We estimate costs may be between \$275K to \$330K (incl. GST) for the legal work involved. We believe this retainer is necessary to assist with the Liquidation process for the benefit of creditors and the estimated costs are reasonable. As such, we recommend that creditors approve the engagement of Bartier Perry.

### **Link Market Services**

We have engaged Link Market Services to provide technology support via the online creditor portal for the purposes of capturing clients’ claims and uploading documentation (including banking instructions) to assist with conducting the adjudication process and ultimately, distributing the client funds. The costs of the engagement are charged on a usage basis, which we understand are reasonable market rates.

The resolution to be considered by creditors is as follows:

*“That the Liquidators be authorised to enter into an agreement with Link Market Services as disclosed in the Statutory Report to Creditors dated 10 July 2024 pursuant to Section 477(2B) of the Corporations Act.”*

We estimate costs may be between \$55K to \$66K (incl. GST) for the service. We believe this retainer is necessary to assist with the Liquidation process for the benefit of creditors and the estimated costs are reasonable. As such, we recommend that creditors approve the engagement of Link Market Services.

### **Infini Solutions**

We have engaged Infini Solutions to assist with an independent analysis of the Company’s MT4 data. The costs of the engagement are charged on a time cost basis, which we understand are reasonable market rates.

The resolution to be considered by creditors is as follows:

*“That the Liquidators be authorised to enter into an agreement with Infini Solutions as disclosed in the Statutory Report to Creditors dated 10 July 2024 pursuant to Section 477(2B) of the Corporations Act.”*

We estimate costs may be between \$22K to \$33K (incl. GST) for the work involved. We believe this retainer is necessary to assist with the Liquidation process for the benefit of creditors and the

estimated costs are reasonable. As such, we recommend that creditors approve the engagement of Infini Solutions.

#### **August Law**

We have engaged August Law to assist with the recovery of the Company's funds held by the Liquidity Provider, CMC, in Singapore. The costs of the engagement are charged on a time cost basis, which we understand are reasonable market rates.

The resolution to be considered by creditors is as follows:

*"That the Liquidators be authorised to enter into an agreement with August Law as disclosed in the Statutory Report to Creditors dated 10 July 2024 pursuant to Section 477(2B) of the Corporations Act."*

We estimate costs may be between SGD15K to SGD20K for the legal work involved. We believe this retainer is necessary to assist with the Liquidation process for the benefit of creditors and the estimated costs are reasonable. As such, we recommend that creditors approve the engagement of August Law.

#### **Cyter**

We have engaged Cyter to assist with securing the Company's electronic records and data analysis. The costs of the engagement are charged on a time cost basis, which we understand are reasonable market rates.

The resolution to be considered by creditors is as follows:

*"That the Liquidators be authorised to enter into an agreement with Cyter as disclosed in the Statutory Report to Creditors dated 10 July 2024 pursuant to Section 477(2B) of the Corporations Act."*

We estimate costs may be between \$22K to \$33K (incl. GST) for the work involved. We believe this retainer is necessary to assist with the Liquidation process for the benefit of creditors and the estimated costs are reasonable. As such, we recommend that creditors approve the engagement of Cyter.

## **17 ESTIMATED RETURN TO CREDITORS**

Attached as **Annexure "G"** is an analysis of the estimated return to creditors and shareholders that may be available in the Liquidation.

Based on recoveries to date, we anticipate there are sufficient funds to discharge all known creditor claims from the available assets, including trust funds. The timing for return to creditors is anticipated to be as follows:

1. Client trust funds can be distributed by around September to November 2024.
2. Petitioning and priority (employee) creditor claims by around December 2024 to January 2025.

3. Unsecured creditor claims by around March to May 2025. We note that there are a number of compliance activities to complete, including obtaining clearance from statutory authorities, prior to distributing funds to unsecured creditors.
4. Shareholder are entitled to any surplus that remains thereafter (if any). We note that Official Trustee at AFSA has security over any return that may be available in due course.

However, this is subject to the Court judicial advice and directions, the available asset recoveries, the final adjudication of creditor claims and costs incurred.

As mentioned above, a Notice Inviting Formal Proof of Debt is attached as **Annexure "C"**, whereby we require creditors who have not already done so, to lodge their claim with relevant supporting documentation on the Creditor Portal by 24 July 2024.

## 18 TASKS REQUIRED IN THE LIQUIDATION

We anticipate that the following matters will be dealt with during the Liquidation moving forward:

- Continued adjudication of client and creditor claims.
- Complete the application to the Court seeking orders on the process to adjudicate client claims and distribute trust funds.
- Finalise any material discrepancy in the client claims and settle the final list of trust claims.
- Implement the distribution process for client funds.
- Liaising with FEG to assist with verification of outstanding employee entitlements.
- Adjudicating claims and distributing funds to petitioning creditor and priority employees.
- Complete any outstanding lodgements requirements, potentially including obtaining AFSL reporting and audit of financial statements.
- Obtain clearance from statutory authorities before dividend distribution to unsecured creditors.
- Adjudicating claims and distributing funds for unsecured creditors.
- Liaising with Official Trustee at AFSA in relation to security they hold over the Company and further investigations that they may require.
- Distributing funds to shareholder (via AFSA or otherwise) of any surplus.
- Reporting to creditors, shareholders and the Courts as needed.
- Convening meetings of creditors and/or the committee of inspection (if formed).
- Statutory lodgements and general administrative matters.
- Finalise the liquidation.

Should any creditor have any relevant information which may assist our investigations or potential asset recoveries, they should contact our office without delay.

We anticipate that the Liquidation could be completed within twelve (12) months. We note that that timeframe is subject to delays encountered in the abovementioned Court process, or further investigations required by the various regulatory bodies (including ASIC, AFP, AFSA and ATO).

## 19 CONCLUSION

It would be appreciated if you would consider the matters detailed in this report and please write to this office setting out full particulars if you are:

- ▲ Aware of any errors in the information contained within this report including the non-disclosure of any divisible assets; and
- ▲ Have any information that you consider is relevant for creditors' decision making or relevant information that may help assist the liquidator's investigations into the affairs of the Company.

Creditors should however, maintain their records in relation to the affairs of the Company and advise this office of any change of address.

Additional general information regarding liquidations which may be of assistance, is available from the following websites:

- ▲ ARITA at [www.arita.com.au/creditors](http://www.arita.com.au/creditors) ; and
- ▲ ASIC at [www.asic.gov.au](http://www.asic.gov.au) (search for "insolvency information sheets"), also attached as "Annexure K" to this report.

Should you require assistance in completing the relevant forms or have any queries, please contact the Administration Contact shown at page 1 of this report.

Any further reports will be issued as considered appropriate.

Yours faithfully,

**PROSPERO MARKETS PTY LTD (IN LIQUIDATION)**



**JONATHON KEENAN**

Joint and Several Liquidator

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The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey rectangular background. A green diagonal line runs from the bottom right corner of the grey rectangle towards the right edge of the logo.

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**Prospero Markets Pty Ltd**  
**(In Liquidation)**  
**ACN 145 048 577**

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**Annexure "A"**  
**Notice of Meeting of Creditors**

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**NOTICE OF MEETING OF CREDITORS**

**PROSPERO MARKETS PTY LTD  
(IN LIQUIDATION)  
ACN 145 048 577**

**("THE COMPANY")**

NOTICE is given that a Meeting of Creditors will be held on **Wednesday, 31 July 2024 at 1:00PM (AEST)**.

This meeting will be held utilising virtual meeting technology only.

To attend, creditors should login to the Creditor Portal via the link below utilising their unique Creditor ID and passcode:

<https://exad.com.au/bri/prospero/>

**A G E N D A**

1. To receive the Report of the Liquidators and receive questions from creditors.
2. To determine the current remuneration of the Liquidators.
3. To determine the future remuneration of the Liquidators.
4. To consider the internal disbursements of the Liquidators.
5. To consider, and if thought fit, approve the Liquidators entering to agreements with various suppliers pursuant to Section 477(2B) of the Corporations Act.
6. To consider, and if thought fit, approve the early destruction of books and records.
7. To consider the appointment of a Committee of Inspection; and
8. To consider any other business that may be lawfully brought forward.

**Notes:**

Attendance at this meeting is not compulsory. Creditors may attend and vote in person, by proxy or by attorney\*. The appointment of a proxy must be in the approved form.

Proxy forms must be given to the Liquidators or the person named as convening the meeting. An attorney of the creditor must show the instrument by which he or she is appointed to the Chairperson of the meeting, prior to the commencement of the meeting.

The meeting is being held virtually only and all creditors wanting to attend the meeting are required to attend via the Creditor Portal. Although there is no physical place where creditors are able to attend the meeting, We are required under law to nominate a notional place for the meeting for administrative

purposes such as establishing the time of the meeting. The notional place for this meeting is: Level 26, 25 Bligh Street, Sydney NSW 2000. Please do not attend at this location.

#### Special Instructions for Meeting

Attendees who wish to attend the meeting will be required to login to the Creditor Portal via the link above.

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 Liquidators and their claim has been admitted for voting purposes wholly or in part by the Liquidators.

Telephone dial-in details will also be available for the virtual meeting. Those wishing to attend via telephone will need to contact our office for instructions.

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 10<sup>th</sup> day of July 2024.



JONATHON KEENAN  
JOINT AND SEVERAL LIQUIDATOR

BRI FERRIER  
Level 26  
25 Bligh Street  
Sydney NSW 2000

Telephone: 1300 291 012 (toll free) or + 61 2 8044 0530 (international)

#### **\*Voting at a Meeting**

#### **The effect of Insolvency Practice Rules (Corporations) 75-85:**

##### **Entitlement to vote at meetings of creditors**

- (1) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
- (2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
- (3) A person is not entitled to vote as a creditor at a meeting of creditors unless:
  - (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or



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

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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.

**BRI Ferrier**

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**Prospero Markets Pty Ltd  
(In Liquidation)  
ACN 145 048 577**

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**Annexure "B"  
Link Instructions to Attend the  
Meeting**

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## 1.4. Voting

To exercise votes, the creditors need to click 'Exercise your vote' on the creditor dashboard.

[Home > Dashboard](#)

Example Pty Ltd (Administrators Appointed)

### Register your debt

Please complete the below steps to register your claim.

<input checked="" type="checkbox"/>	Mobile Number Verified
<input checked="" type="checkbox"/>	Identity Verified
<input checked="" type="checkbox"/>	Register your proof of debt
<input checked="" type="checkbox"/>	Update payment instructions

### Exercise your vote

Exercise your right as a creditor to vote in the conduct of the Administration.

<input type="radio"/>	Exercise your vote
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On the voting screen, they will be given the option to:

1. Vote in their own capacity (if they are an individual),
2. Nominate a Special Proxy and specify how the proxy is to exercise their votes, or
3. Nominate a General Proxy which will trigger an email to the general proxy with a link to select their votes.

[Home > Dashboard > Vote](#)

### Authorised Representative

The person authorised to vote on behalf of the Creditor at the meeting, or at any adjournment of that meeting, is:

Please enter the details of the Creditor's representative:

Please indicate which type of proxy you are appointing, brief descriptions of how they operate are included below:

1. Special Proxy: you are able to exercise the Creditor's vote(s) now.
2. General Proxy: an email will be sent to your proxy and they will be provided with a link to exercise the Creditor's vote(s).

☒ Special Proxy

#	Resolution	Vote
1	The remuneration of the Voluntary Administrators of the Company from 1 July 2022 to 1 December 2022 (inclusive) be calculated on a time basis at the hourly rates set out in the Schedule of Rates and is determined and approved for payment in the amount of \$450,000.00 (exclusive of GST) and the Voluntary Administrators can draw the remuneration.	Select Vote
2	The future remuneration of the Voluntary Administrators of the Company from 2 December 2022 to the conclusion of the Administration (inclusive) is determined and approved for payment at a sum equal to the cost of time incurred by the Voluntary Administrators and their staff, calculated at the hourly rates set out in the schedule of Rates effective 1 July 2022, up to an initial capped amount of \$120,000.00, and the Voluntary Administrators can draw the remuneration as required.	Select Vote

## 1.5. Attending Meetings

### 1.5.1. Creditors

Creditors can access the meeting by using the link on the creditor dashboard.

The screenshot displays the EXAD Creditors' Portal interface. At the top, the EXAD logo is followed by navigation links: Home, FAQ, Contact Us, Change Matter, and My Account. Below this, a breadcrumb trail reads 'Home > Dashboard'. The main header identifies the user as 'Example Pty Ltd (Administrators Appointed)'. The dashboard is divided into two main sections. The first section, 'Register your debt', includes a sub-header 'Please complete the below steps to register your claim.' and a progress bar with a single step labeled 'Register your proof of debt'. The second section, 'Exercise your vote', includes a sub-header 'Exercise your right as a creditor to vote in the conduct of the Administration.' and a progress bar with a single step labeled 'Exercise your vote'. Below these sections, a third section titled 'Attend the Meeting of Creditors' lists 'Second Meeting of Creditor' with a corresponding 'Attend Meeting' button highlighted by a red rectangle.

EXAD Home FAQ Contact Us Change Matter My Account ® ▾

Home > Dashboard

Example Pty Ltd (Administrators Appointed)

**Register your debt**

Please complete the below steps to register your claim.

○ Register your proof of debt

**Exercise your vote**

Exercise your right as a creditor to vote in the conduct of the Administration.

○ Exercise your vote

**Attend the Meeting of Creditors**

Second Meeting of Creditor [Attend Meeting](#)

### 1.5.2. Proxies

There are three ways for proxies to join the meeting:

1. **Option 1:** The most common will be logging into the creditor account. For example, when *John Smith* is proxy for *John Smith Building Pty Ltd*, the proxy has access to the creditors account so they can simply login and join the meeting (i.e. see section 2.6.1).

The screenshot shows the EXAD dashboard for 'Example Pty Ltd (Administrators Appointed)'. The 'Register your debt' section includes a progress bar with 'Register your proof of debt' selected. Below it is the 'Exercise your vote' section. The 'Attend the Meeting of Creditors' section lists the 'Second Meeting of Creditor' with an 'Attend Meeting' button highlighted in red.

2. **Option 2:** In the event a creditor nominates a general proxy, an email will be sent to the general proxy with a link to nominate how the creditor is to vote. After the general proxy exercises the creditors' votes they will be provided a link to join the meeting.

The screenshot shows the EXAD dashboard for 'Proxy Voting > Proxy Vote Confirmation'. The 'Voting' section instructs the user to close the browser after reviewing information. The 'Upcoming meetings of creditors' section lists the 'Second Meeting of Creditor' with an 'Attend Meeting' button highlighted in red.

3. **Option 3:** In the event a creditor nominates a special proxy and does not give the proxy access to their account (e.g., an employee nominating a representative from the union), after the creditor nominates the proxy, they will be provided a link which they can pass on to the proxy.

The screenshot shows the EXAD dashboard for 'Vote > Vote Confirmation'. The 'Next Steps' section provides instructions and a table with meeting links. The 'Attend Meeting' button in the previous screenshot is also highlighted in red.

Meeting	Link
Second Meeting of Creditor	<a href="https://exad.com.au/d">https://exad.com.au/d</a>

Return to the dashboard

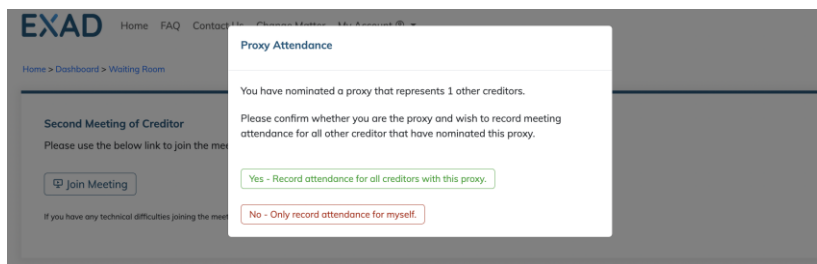
### 1.5.3. Representing Multiple Creditors

In some circumstances, a person may need to represent multiple creditors at a meeting of creditors. For example, *John Smith* may represent both *John Smith Co 1 Pty Ltd* and *John Smith Co 2 Pty Ltd*. This becomes particularly important if the practitioner has required attendance at the meeting in order for votes to be counted.

In order to *John Smith's* attendance to count on behalf of both *John Smith Co 1 Pty Ltd* and *John Smith Co 2 Pty Ltd*, both creditors must nominate *John Smith* as their proxy. Note, proxies are matched based on the email address.

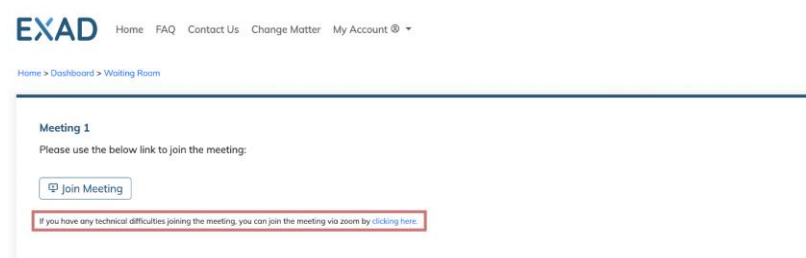
If the link in the Option 2 or Option 3 is used to join the meeting, the proxy's attendance will be recorded which covers all their represented creditors.

Alternatively, if Option 1 is used, the creditor will be asked whether they are the proxy.



### 1.5.4. Technical Issues

If creditors experience technical difficulty joining the meeting, they are able to click the below link to join the meeting directly via our third-party meeting host.



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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.

**BRI Ferrier**

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**Prospero Markets Pty Ltd  
(In Liquidation)  
ACN 145 048 577**

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**Annexure "C"  
Notice Inviting Formal Proof of Debt  
or Claim**

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NOTICE INVITING FORMAL PROOF OF DEBT OR CLAIM

PROSPERO MARKETS PTY LTD  
(IN LIQUIDATION)  
ACN 145 048 577

TAKE NOTICE that creditors of the company, whose debts or claims have not already been admitted, are required on or before 24 July 2024 to prove their debts or claims and to establish any title they may have to priority by delivering or sending through the post to us at our address, a Formal Proof of Debt or Claim in accordance with Form 535 containing their respective debts or claims. If they do not they will be excluded from:

- ▶ the benefit of any distribution made before their debts or claims are proved or their priority is established;
- ▶ and from objecting to the distribution.

Please submit creditors' claim via the Creditor Portal using your Creditor ID and passcode.

DATED this 10th day of July 2024.



JONATHON KEENAN  
JOINT AND SEVERAL LIQUIDATOR

BRI FERRIER  
LEVEL 26  
25 BLIGH STREET  
SYDNEY NSW 2000



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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 pointing upwards on the right side.

**BRI Ferrier**

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**Prospero Markets Pty Ltd  
(In Liquidation)  
ACN 145 048 577**

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**Annexure "D"  
Comparative Balance Sheets**

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## Prospero Markets Pty Ltd (In Liquidation)

A.C.N. 145 048 577

## Comparative Balance Sheets

For the Financial Years Ended 30 June 2021 to 30 June 2023 and Part-Year Ended 10 April 2024

	AUDITED	AUDITED	UNAUDITED	MANAGEMENT ACCOUNTS
	Year Ended 30-Jun-21 (\$)	Year Ended 30-Jun-22 (\$)	Year Ended 30-Jun-23 (\$)	Period Ended 10-Apr-24 (\$)
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	558,720	17,271,349	17,820,153	21,217,409
Other Deposits	-	-	57,000	57,000
LP Deposits	2,814,771	1,946,549	4,134,224	3,921,873
Novatti	-	-	404,595	(5)
Prepayment	-	-	167,808	199,379
Withholding tax paid	-	-	130,738	130,738
Prepayments	244,512	242,238	-	-
Other assets	1,000	105,321	-	-
<b>Total Current Assets</b>	<b>3,619,003</b>	<b>19,565,457</b>	<b>22,714,518</b>	<b>25,526,394</b>
<b>Non-Current Assets</b>				
Term Deposit	120,351	120,351	-	-
Plant and equipment	462,427	406,474	366,675	317,367
<b>Total Non-Current Assets</b>	<b>582,778</b>	<b>526,825</b>	<b>366,675</b>	<b>317,367</b>
<b>TOTAL ASSETS</b>	<b>4,201,781</b>	<b>20,092,282</b>	<b>23,081,193</b>	<b>25,843,761</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables	266,717	701,215	341,157	737,474
Client Fund	480,928	14,875,439	17,647,431	18,909,182
Employee entitlements	43,684	171,840	931,973	1,092,646
Unknown Client Fund	-	-	20,800	801
WX Trading Pty Ltd	-	-	2,898,541	-
Loan from Attvest	-	-	28,010	-
Financing Loan	31,781	31,781	-	-
Tax payable	-	-	-	-
<b>Total Current Liabilities</b>	<b>823,110</b>	<b>15,780,275</b>	<b>21,867,913</b>	<b>20,740,103</b>
<b>Non-Current Liabilities</b>				
Trade and other payables	8,574	8,574	-	-
Related party loan payables	1,600,000	2,750,000	-	-
<b>Total Non-Current Liabilities</b>	<b>1,608,574</b>	<b>2,758,574</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>2,431,684</b>	<b>18,538,849</b>	<b>21,867,913</b>	<b>20,740,103</b>
<b>NET ASSETS</b>	<b>1,770,097</b>	<b>1,553,433</b>	<b>1,213,281</b>	<b>5,103,658</b>
<b>EQUITY</b>				
Issued capital	7,537,334	18,003,356	2,920,622	2,920,622
Opening Balance Equity	-	-	(1)	(1)
Owner's contribution	-	-	23,554,165	27,104,165
Retained earnings	(5,767,237)	(16,450,013)	(25,261,505)	(24,921,128)
<b>TOTAL EQUITY</b>	<b>1,770,097</b>	<b>1,553,343</b>	<b>1,213,281</b>	<b>5,103,658</b>

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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.

**BRI Ferrier**

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**Prospero Markets Pty Ltd  
(In Liquidation)  
ACN 145 048 577**

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**Annexure "E"  
Comparative Profit and Loss  
Statements**

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**Prospero Markets Pty Ltd (In Liquidation)**  
**A.C.N. 145 048 577**  
**Comparative Profit and Loss Statements**  
**For the Financial Years Ended 30 June 2021 to 30 June 2023 and Part Year Ended 10 April 2024**

	AUDITED	AUDITED	UNAUDITED	MANAGEMENT
	Year Ended	Year Ended	Year Ended	ACCOUNTS
	30-Jun-21	30-Jun-22	30-Jun-23	Part Period
	(\$)	(\$)	(\$)	10-Apr-24
				(\$)
<b>Income</b>				
Revenue	582,351	4,849,458	28,456,887	7,854,979
Other Income	-	5,848	-	-
<b>Gross Profit</b>	<b>582,351</b>	<b>4,855,306</b>	<b>28,456,887</b>	<b>7,854,979</b>
<b>Expenses</b>				
Advertising	235,382	983,976	1,481,205	561,412
Consulting and professional fees	777,262	1,238,227	1,611,533	173,662
Depreciation and amortisation expense	25,338	114,414	128,438	57,883
Employee benefits expense	740,951	2,355,264	3,809,508	2,188,086
Insurance	227,253	327,210	298,448	85,487
Legal and compliance costs	31,225	16,828	154,733	449,547
Other expenses	254,516	577,241	994,878	659,310
Rent expenses	58,984	317,571	660,565	540,797
Technology costs	417,082	1,078,733	1,288,626	1,040,103
Trading costs	1,804,634	8,528,618	26,820,805	1,825,494
Utility expense	-	-	23,775	11,423
<b>Total Expenses</b>	<b>4,572,627</b>	<b>15,538,082</b>	<b>37,272,513</b>	<b>7,593,205</b>
Profit / (Loss) Before Income Tax	(3,990,276)	(10,682,776)	(8,815,626)	261,774
Income Tax Expense	-	-	-	-
<b>Profit / (Loss) After Income Tax</b>	<b>(3,990,276)</b>	<b>(10,682,776)</b>	<b>(8,815,626)</b>	<b>261,774</b>

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**BRI Ferrier**

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**Prospero Markets Pty Ltd  
(In Liquidation)  
ACN 145 048 577**

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**Annexure "F"  
Summary Receipts and Payments**

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## Summarised Receipts & Payments

### Prospero Markets Pty Ltd

(In Liquidation)

Transactions From 10 April 2024 To 10 July 2024

A/C	Account	Net	GST	Gross
73	Cash on Hand	15,426.45	0.00	15,426.45
74	Cash at Bank	2,302,750.46	0.00	2,302,750.46
75	Liquidity Provider Recoveries	2,021,183.46	0.00	2,021,183.46
78	Trust Funds	19,522,370.95	0.00	19,522,370.95
79	Surplus from Bank Guarantee	2,152.67	0.00	2,152.67
80	Trust Funds (USD)	208,945.45	0.00	208,945.45
83	Bank Interest	201.41	0.00	201.41
89	Bank Interest (Trust Accounts)	192,903.53	0.00	192,903.53

<b>Total Receipts (inc GST)</b>	<b>\$24,265,934.38</b>	<b>\$0.00</b>	<b>\$24,265,934.38</b>
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51	Wages & Salaries	5,949.08	0.00	5,949.08
132	Bank Charges	10.60	0.00	10.60
139	Legal Fees (1)	37,047.64	3,704.76	40,752.40
142	Professional Fees	2,362.50	236.25	2,598.75
151	Software Licences	96,792.17	0.00	96,792.17
157	Superannuation	654.39	0.00	654.39
159	Transport / Courier	2,345.45	234.55	2,580.00
167	Consulting Fees	6,587.50	493.75	7,081.25
168	Valuation Fees	3,500.00	350.00	3,850.00
169	IT Expenses (GST Free)	23,432.70	0.00	23,432.70
170	Creditors' Portal Costs	20,424.09	2,042.41	22,466.50
172	IT Expense (Inc GST)	8,740.90	874.09	9,614.99
173	Retainer to Singapore Law	17,021.66	0.00	17,021.66
174	Cheque deposit dishonoured	54.53	0.00	54.53
228	Superannuation Liability	(654.39)	0.00	(654.39)
234 - 1	Withholding Tax (PAYG) - Total Tax Withheld - OTE	(1,027.00)	0.00	(1,027.00)

<b>Total Payments (inc GST)</b>	<b>\$223,241.82</b>	<b>\$7,935.81</b>	<b>\$231,177.63</b>
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#### Balance in Hand - By Bank Account

212	Cheque Account	4,087,797.52
215	Cheque Account - CBA	20,586.63
216	Trust Account - CBA 1	17,636,929.39
217	Trust Account - CBA 2	2,080,497.76
218	Trust Account - CBA 3	208,758.46
219	Trust Account - CBA 4	186.99

**\$24,034,756.75**

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**BRI Ferrier**

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**Prospero Markets Pty Ltd  
(In Liquidation)  
ACN 145 048 577**

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**Annexure "G"  
Estimated Outcome Statement**

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Prospero Markets Pty Ltd (In Liquidation) Estimated Outcome Statement			
	Book Value (\$)	High Scenario (\$)	Low Scenario (\$)
<b>Assets</b>			
<b>Trust Assets</b>			
Client Trust Funds	19,457,096	19,653,620	19,653,620
Client Trust Funds USD	303,521	315,580	315,580
Less: Liquidators' Accrued Costs in Dealing with Trust Assets	-	(130,000)	(130,000)
Less: Liquidators' Estimated Future Costs in Dealing with Trust Assets	-	(200,000)	(250,000)
Less: Liquidators' Accrued Remuneration in Dealing with Trust Assets	-	(660,000)	(660,000)
Less: Liquidators' Estimated Future Remuneration in Dealing with Trust Assets	-	(275,000)	(440,000)
Less: Accrued Legal Fees in Dealing with Trust Assets	-	(30,000)	(30,000)
Less: Future Legal Fees in Dealing with Trust Assets	-	(95,000)	(150,000)
Less: Client Liabilities	(18,909,983)	(19,065,607)	(19,365,607)
<b>Total Trust Assets</b>	<b>850,635</b>	<b>(486,407)</b>	<b>(1,056,407)</b>
<b>Company Assets</b>			
Cash and Cash Equivalents	1,296,064	2,588,421	2,588,421
Cash and Cash Equivalents USD	164,434	-	-
Money Processors	53,289	-	-
Liquidity Providers	3,921,873	2,420,234	2,420,234
Property, Plant & Equipment	317,367	6,000	3,000
Prepayments	199,379	3,881	3,881
Tax Asset	130,738	130,738	130,738
<b>Total Company Assets</b>	<b>6,083,143</b>	<b>5,149,275</b>	<b>5,146,275</b>
<b>Liquidation Recoveries</b>			
Voidable Transactions	-	-	-
Insolvent Trading Claim	-	-	-
Breach of Duty Claim	-	-	-
<b>Total Liquidation Recoveries</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Less: Estimated Costs of Liquidation (Incl. GST)</b>			
Petitioning Creditor's Costs	-	(159,500)	(275,000)
Liquidators' Accrued Remuneration	-	(154,000)	(154,000)
Liquidators' Future Remuneration (Estimate)	-	(110,000)	(220,000)
Liquidators' Expenses (Estimate)	-	(154,000)	(220,000)
Accrued Legal Costs	-	(50,000)	(50,000)
Legal Costs (Estimate)	-	(100,000)	(155,000)
Valuation Costs	-	(3,850)	(3,850)
Accounting Fees (Estimate)	-	(22,000)	(44,000)
Litigation Funding Premium (30% of recovery)	-	-	-
<b>Total Estimated Costs of Liquidation</b>	<b>-</b>	<b>(753,350)</b>	<b>(1,121,850)</b>
<b>Estimated Surplus Available to Priority Creditors</b>	<b>-</b>	<b>4,395,925</b>	<b>4,024,425</b>
<b>Priority Creditor Claims (Estimated)</b>			
Wages and Superannuation	(289,633)	(300,000)	(500,000)
Annual Leave & Long Service Leave	(803,013)	(350,000)	(350,000)
PILN and Redundancy	-	(450,000)	(450,000)
<b>Total Priority Creditor Claims</b>	<b>(1,092,646)</b>	<b>(1,100,000)</b>	<b>(1,300,000)</b>
<b>Estimated Surplus Available to Unsecured Creditors</b>		<b>3,295,925</b>	<b>2,724,425</b>
<b>Unsecured Creditors</b>			
Trade Creditors (incl. termination costs)	(737,474)	(1,100,000)	(1,100,000)
Shortfall for Client Liabilities	-	(486,407)	(1,056,407)
Landlords	-	(500,000)	(500,000)
Australian Taxation Office	-	-	-
<b>Total Unsecured Creditors</b>	<b>(737,474)</b>	<b>(2,086,407)</b>	<b>(2,656,407)</b>
<b>Net Surplus/(Deficiency)</b>	<b>5,103,658</b>	<b>1,209,518</b>	<b>68,018</b>
<b>Return to Creditors</b>			
		<b>Cents in the \$</b>	<b>Cents in the \$</b>
Clients		100	100
Priority Creditors		100	100
Unsecured Creditors		100	100
Note: The above assumes that the Court grants orders that costs of dealing with the trust claims are paid from trust assets. If not, then these costs will have to be paid from the general Company assets and may affect the returns to priority and unsecured creditors.			



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**BRI Ferrier**

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**Prospero Markets Pty Ltd  
(In Liquidation)  
ACN 145 048 577**

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**Annexure "H"  
Remuneration Approval Report**

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# Remuneration Approval Report

**Prospero Markets Pty Ltd  
(In Liquidation)  
("the Company")**

**ACN 145 048 577**

10 July 2024

**Andrew Cummins, Jonathon Keenan & Peter  
Krejci**

Novabrif Pty Ltd ABN 61 643 013 610  
Level 26, 25 Bligh Street, Sydney NSW 2000  
Phone 1300 291 012 (toll free), +61 2 8044 0530 (international)  
Email: [prosperomarkets@brifnsw.com.au](mailto:prosperomarkets@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 our remuneration of \$1,040,610.00 (excl. GST) and internal disbursements of \$2,000.00 (excl. GST).

Details of remuneration and disbursements can be found in section 3 and 4 of this report.

Creditors will be asked to pass resolutions in relation to remuneration and disbursements at the upcoming meeting of creditors.

We estimate the total cost of this Liquidation will be approximately \$1,040,610.00 (excl. GST). This has increased from my previous estimates because:

- A greater level of work was undertaken dealing with the higher than anticipated volume of creditor enquiries
- Additional time incurred to assist creditors in the lodgement of their claim
- Significantly greater level of time incurred in securing and reviewing the records of the Company including but not limited to MT4 records, trading information, creditor customer relation databases, data from the Company's servers
- Calculating outstanding employee entitlements and verifications of FEG

## 2 DECLARATION

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

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

## 3 REMUNERATION SOUGHT

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

For	Period	Amount \$ (excl. GST)	Rates	When it will be drawn
Completed Work	10 April 2024 to 30 June 2024	740,610.00	Provided in Annexure I of this Report dated 10 July 2024	It will be drawn when funds are available
Future Work	1 July 2024 to conclusion	300,000.00	Provided in Annexure I of this Report dated 10 July 2024	It will be drawn when incurred, when funds are available
<b>TOTAL</b>		<b>\$1,040,610.00 (excl. GST)</b>		

Details of the work already completed for the period 10 April 2024 to 30 June 2024 and future work that we intend to complete are included at Schedule A.

Schedule B includes a breakdown of time spent by staff members on each major task for completed work.

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

## 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 liquidation, but we must provide details to creditors. We have not paid any such costs to date.

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 Schedule D of this report.

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

For	Period	Amount \$ (excl. GST)
Disbursements to a capped amount	10 April 2024 to conclusion	\$2,000.00
	<b>TOTAL</b>	<b>\$2,000.00</b>

Details of the disbursements incurred, and future disbursements are included at Schedule D. Actual resolutions to be put to the meeting are also included at Schedule D. 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 of payment of claims against the Company, and it provides for remuneration of the Liquidator to be paid in priority to other claims. This ensures that when there are sufficient funds, the Liquidator 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.

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

Based on the recoveries to date, we anticipate there are sufficient funds to discharge all known creditor claims from the available assets, including trust funds. However, this is subject to the Court judicial advice and directions, the available asset recoveries and the final adjudication of creditor claims.

## 6 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 my remuneration claim can be provided to creditors on request.

## 7 ATTACHMENTS

Schedule A – Details of work

Schedule B – Time spent by staff on each major task

Schedule C – Resolutions

Schedule D – Disbursements

## SCHEDULE A – DETAILS OF WORK

Company	Prospero Markets Pty Ltd (In Liquidation)	Period From	10 April 2024	To	Conclusion
Practitioner	Andrew Cummins, Jonathon Keenan, and Peter Krejci	Firm	BRI Ferrier		
Administration Type	Court Liquidation				

		Tasks	
		Work already completed (excl. GST)	Future work (excl. GST)
<b>Period</b>		<b>10 April 2024 to 30 June 2024</b>	<b>1 July 2024 to Conclusion</b>
<b>Amount (excl. GST)</b>		<b>\$740,610.00</b>	<b>\$300,000.00</b>
Task Area	General Description		
Assets		<b>95.5 hours</b> <b>\$55,879.00</b>	<b>\$15,000.00</b>
	Cash at Bank	Recover and organise the deposit of the cash recovered from the Company's Premises Liaising with AFP in regard to treatment of cash recovered	N/A
	Bank Accounts	Issue Circular to Banks to determine accounts held Liaising with pre-appointment bankers regarding accounts held Liaising with CBA to obtain access to internet banking access - Commbiz Liaising with NAB regarding the transfer of funds held in the Company's account and their suspense account Liaising with Bendigo Bank regarding Bpay account managed by the bank Liaising with Bank of China in regard accounts formerly held Providing instructions regarding transfer of funds	Issue periodic correspondence to the banks requesting transfer of funds from Company's account Requesting closure of bank account

		<p>Liaising with the Director to obtain details of bank accounts held by the Company</p> <p>Liaising with the Company's bookkeeper in relation to reconciliation</p>	
	Liquidity Providers	<p>Issue notices to liquidity providers determine accounts held</p> <p>Review affidavits to determine the liquidity provider accounts held</p> <p>Providing instructions regarding transfer of funds and statements</p> <p>Liaising with solicitors for recovery of the funds held</p> <p>Discussions with management and staff regarding information for Liquidity Providers</p> <p>Internal meeting to discuss the status of recovery</p> <p>Preparing schedule to track progress of liquidity provider correspondence and recovery</p>	<p>Liaising with solicitors regarding recovery of funds held</p> <p>Discussions with management and staff regarding access for money processors</p> <p>Internal meeting to discuss the status of recovery</p>
	Money Processors	<p>Correspondence to money processors requesting funds held in accounts</p> <p>Preparing schedule to track progress of money processors correspondence and recovery</p> <p>Discussions with management and staff regarding recovery for money processors</p> <p>Internal meeting to discuss the status of recovery</p>	<p>Further correspondence and follow up to money processors</p> <p>Internal meetings to discuss status of money processors recoveries</p>
	Assets subject to specific charges	<p>Issue appointment notification to parties registered security interests against the Company</p> <p>Review PPSR charge documents</p> <p>Consider validity of registered security interests</p> <p>Review and respond to correspondence from PPSR Creditors</p> <p>Reviewing lease agreements and bonds/bank guarantees</p>	<p>Attend to queries from PPSR Creditors</p> <p>Discuss with the Director in relation to claims from the PPSR Creditors</p>



		Issue disclaimers in respect of leases for the Melbourne and Sydney Premises Discuss with the Director in relation to claims from the PPSR Creditors	
	Plant and Equipment	Attend to and obtain access to Sydney and Melbourne Premises Liaising with landlord and building manager Engage valuers and attend site with valuers to obtain a listing and valuation of the items of the Premises. Review valuation report and discuss with valuers on strategy of the sale of assets Organise with removalist and couriers to relocate and secure assets Liaising with the Director and employees to secure assets Liaising with AFP regarding certain assets recovered at Premises Internal meetings to discuss the progress of the recovery	Liaising with auctioneers for the sale of the assets Liaising with auctioneers to transport assets to the auction house Maintain sale register and costs involved in the sale Internal meetings to discuss the progress of the sale
	Insurance	Notifying insurance broker of the Liquidators appointment Maintaining sufficient insurance coverage Liaising with the Director regarding pre-appointment insurance policies held by the Company	Liaise with Insurance broker to place appropriate covers
	Other Assets	Review the MT4 licenses owned by the Company Liaising with Metaquotes regarding the sale Liaising with Directors and other experts in relation of the sale of the license Recovery of Company's IP such as website, client database	Continue to liaise with Metaquotes regarding the sale Liaising with Directors and other experts in relation of the sale of the license Organise advertisement and expression of interest for the sale Organise sale and transfer of the license

Creditors		974.1 hours \$405,385.00	\$120,000.00
	Creditor Enquiries	<p>Dealing with significant volume of creditor enquiries by emails and telephone</p> <p>Setting up dedicated mail inbox and phone numbers for creditor enquiry</p> <p>Daily review and allocation of emails in dedicated mail inbox to various staff members</p> <p>Maintaining creditor enquiry register</p> <p>Review and prepare correspondence to creditors and their representatives by emails</p> <p>Updating creditors on status of administration</p> <p>Discussions with Directors and management staff regarding creditor queries</p> <p>Setup and Upload of significant creditor list into system</p> <p>Liaising with Link Market Services for services offered in regard to creditors</p> <p>Preparing FAQ for clients and uploaded to BRI Ferrier website</p> <p>Organising translation of documents provided by creditors</p> <p>Internal discussions regarding creditor queries received</p> <p>Liaising with creditor to assist with ID and mobile verification to access creditor portal</p> <p>Liaising with ATO and other statutory creditors regarding our appointment</p> <p>Internal meeting to discuss the progress of the creditor claims</p>	<p>Dealing with of creditor enquiries by emails and telephone</p> <p>Daily review and allocation of emails in dedicated mail inbox to various staff members</p> <p>Maintaining creditor enquiry register</p> <p>Review and prepare correspondence to creditors and their representatives by email and post</p> <p>Updating creditors on status of administration</p> <p>Discussions with Directors and management staff regarding creditor queries</p> <p>Internal discussions regarding creditor queries received</p>
	Creditor Reports	<p>Prepare and issue Initial Report to creditors</p> <p>Prepare necessary annexures to the Initial Report to creditors</p>	<p>Prepare and issue Statutory Report to Creditors</p> <p>Preparation of necessary</p>

		<p>Prepare and issue Statutory Report to Creditors</p> <p>Prepare necessary annexures to the Initial Report to creditors</p> <p>Liaise with Link Market Services to organise email blast of notices and reports</p> <p>Prepare and issue Circulars to Creditors on details and credentials to access creditor portal</p> <p>Prepare and issue Circulars to Creditors</p> <p>Upload of reports on Link and BRI website</p>	<p>Annexures for Statutory Report to Creditors</p> <p>Prepare further reports to creditors, if necessary</p> <p>Liaise with Link Market Services to organise email blast of notices and reports</p> <p>Upload of reports on Link and BRI website</p>
	Dealing with proofs of debt	<p>Receipting and reviewing significant volume of Proofs of Debts</p> <p>Maintaining register of Proofs of Debts received</p> <p>Uploading Proof of Debts into internal systems</p> <p>Consider Proofs and supporting documentation</p> <p>Issue and review manual verification forms from creditors.</p> <p>Provide access to creditor portal</p> <p>Adjudicating on certain Proof of Debts to ascertain the validity of amounts claimed</p> <p>Requesting further and better particulars from creditors</p> <p>Reviewing further documentation received from creditors in response to request for further and better particulars</p>	<p>Receipting and filing of Proofs of Debts</p> <p>Continue to adjudicate on certain Proof of Debts to ascertain the validity of amounts claimed</p> <p>Requesting further and better particulars from creditors</p> <p>Reviewing further documentation received from creditors in response to request for further and better particulars</p>
	Meeting of Creditors	N/A	<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</p>

			creditors, advertisement of meeting and draft minutes of meeting Holding meeting of creditors Preparation and lodgement of minutes of meetings with ASIC
	Secured creditor reporting	Notifying PPSR Creditors of appointment of Liquidators Correspondence with security interest holders disclosed on PPSR Search Review documents provided Australian Federal Police Liaising with Australian Federal Police regarding certain assets subject to the Proceeds of Crime Act	Correspondence with PPSR Creditor Liaising with Australian Federal Police regarding certain assets subject to the Proceeds of Crime Act
Employees		<b>30.5 hours</b> <b>\$12,323.00</b>	<b>\$20,000.00</b>
	Employees enquiry	Preparation and issuance of correspondence to employees regarding appointment Liaising with the Director and internal bookkeeper in relation to status of employment, termination and calculation of outstanding entitlements Correspondence with employees	Correspondence with employees
	Calculation of entitlements	Liaising with the Company's bookkeeper in relation to outstanding employee entitlements Preliminary calculations of employee entitlements Liaising with the Company's employees and contractor in relation to collating employee contracts and payroll information Reviewing employee contracts Internal discussions in relation to assessment of outstanding employee entitlements	Updating calculations of employee entitlements Reviewing employee contracts Reviewing awards Liaising with employees regarding queries to assist with calculation of outstanding employee entitlements Internal discussions in relation to assessment of outstanding employee entitlements

Investigation	FEG	Correspondence with FEG Preparing FEG quotations Preparing initial FEG questionnaire Preparing FEG verification spreadsheet Liaising with FEG regarding any discrepancies	Liaising with FEG regarding any discrepancies
	Employee dividend	N/A	Correspondence with employees regarding dividend Correspondence with ATO regarding SGC proof of debt Calculating dividend rate Preparing dividend file Advertising dividend notice Receipting and adjudicating POD Preparing distribution
	Other employee issues	Organise payment of payroll and contractor fees Prepare and authorise payment forms	N/A
		<b>358.4 hours</b> <b>\$200,786.00</b>	<b>\$80,000.00</b>
	Conducting Investigation	Conducting ASIC searches on Company and Directors Conducting and summarising statutory searches Collect, list and review physical records of the Company Discussions with staff regarding Company records required Obtain and secure copies of the Company's electronic records Liaising with external providers Review electronic records of the Company including email correspondence	Liaising with pre-appointment solicitors and accountants for the Company/funds to obtain background to the matter initially and subsequently in relation to specific matters Meeting with management and staff to address appointment and trading position Conducting initial investigations in relation to the Company's business and affairs

		<p>Correspondence with Directors regarding background and financial position of the Company</p> <p>Liaising with Company's bookkeeper to update management accounts</p> <p>Preparing comparative analysis of available financial statements for the Company</p> <p>Preparing deficiency statement and estimated outcome statement</p> <p>Issuance and follow up of statutory notices to pre-appointment solicitors, accountants and other parties for the Company seeking the provision of Company records</p> <p>Liaising with Directors regarding queries of financial statements</p> <p>Consider ROCAP completed by Directors and make further resulting enquiries of Directors and pre-appointment accountant for the Company</p> <p>Review of specific transactions</p> <p>Investigating and considering potential preference claims against third parties</p> <p>Liaising with pre-appointment solicitors and accountants for the Company/funds to obtain background to the matter initially and subsequently in relation to specific matters</p> <p>Meeting with management and staff to address appointment and trading position</p> <p>Liaising with Company's third-party suppliers to secured the records of the Company</p>	<p>Review ROCAP provided by the Director</p> <p>Liaising with the Director to obtain further information in relation to the completion of ROCAP</p> <p>Correspondence with the Director in relation to Company's books and records</p> <p>Liaising with the Company's employee and contractor to arrange storage of the Company's records</p> <p>Correspondence with the Former Director requesting delivery of the Company's records</p> <p>Liaising with solicitors regarding issuance of correspondence to the Former Director requesting delivery of the Company's records</p>
	ASIC Reporting	Liaising with ASIC with respect to its Australian Financial Services Licence	Continue to liaise with ASIC with respect to its Australian Financial Services Licence

		<p>Liaising with ASIC in relation to the investigations conducted on the Company and the proceedings conducted by ASIC in the Federal Court of Australia</p> <p>Review of Court documents filed in ASIC proceedings</p>	<p>Liaising with ASIC in relation to the investigations conducted on the Company and the proceedings conducted by ASIC in the Federal Court of Australia</p> <p>Review of Court documents filed in ASIC proceedings</p> <p>Preparing statutory investigation reports</p>
	Litigation and Recoveries	<p>Engage and liaise with lawyer to obtain legal advice on various matters</p> <p>Liaising with lawyers to recover monies held by liquidity provider</p> <p>Liaising with lawyers and counsel in relation to the judicial application</p> <p>Review affidavit in relation to judicial application</p>	<p>Liaising with lawyer to obtain legal advice on various matters</p> <p>Liaising with lawyers to recover monies held by liquidity provider</p> <p>Liaising with lawyers and counsel in relation to the judicial application</p> <p>Review and finalise affidavit in relation to judicial application</p>
	Examinations	N/A	<p>Consider conducting examinations</p> <p>Preparing brief to solicitor</p> <p>Liaising with solicitors re-examination preparation</p> <p>Attendance at examinations</p>
<b>Dividend</b>		<p><b>6.5 hours</b></p> <p><b>\$4,619.00</b></p>	<b>\$50,000.00</b>
	Processing proofs of debt	<p>Preparation of correspondence to potential creditors inviting lodgement of POD</p> <p>Maintain POD register on creditor portal</p> <p>Adjudicating PODs</p> <p>Request further information from claimants regarding POD</p>	<p>Preparation of correspondence to potential creditors inviting lodgement of POD</p> <p>Maintain POD register on creditor portal</p> <p>Adjudicating PODs</p> <p>Request further information from claimants regarding POD</p>

			Preparation of correspondence to claimant advising outcome of adjudication
	Dividend Procedures	<p>Liaising with Link Market Services regarding for distribution to clients</p> <p>Seeking legal advice regarding the distribution to clients</p>	<p>Continue to liaise with Link Market Services regarding for distribution to clients</p> <p>Preparation of correspondence to creditors advising of intention to declare dividend</p> <p>Advertisement of intention to declare dividend</p> <p>Obtain clearance from ATO to allow distribution of company's assets</p> <p>Preparation of dividend calculation</p> <p>Preparation of distribution</p> <p>Preparation of dividend file</p> <p>Preparation of payment vouchers to pay dividend</p> <p>Preparation of correspondence to creditors enclosing payment of dividend</p>
<b>Administration</b>		<b>142.2 hours</b> <b>\$61,618.00</b>	<b>\$15,000.00</b>
	ASIC Forms and lodgements	<p>Preparing and lodging ASIC forms including 505</p> <p>Preparing and lodging PNW advert regarding notice of appointment</p>	<p>Preparing and lodging ASIC forms including 507, 5601 5602, 5022, 5011 and 5603</p> <p>Correspondence with ASIC regarding statutory forms</p> <p>Preparation of PNW</p> <p>Advert for meeting of creditors</p>
	Books and records/ storage	<p>Liaising with the Company's employee and contractors to arrange storage of the Company's records</p>	<p>Dealing with books and records</p> <p>Considering available storage options for the Company's records</p>



	Correspondence with storage company to arrange storage of the Company's records Liaising with the Company's employee and contractors in relation to prepare books and records listing	Sending books and records to storage Prepare books and records listing
Correspondence	Preparing and issuing notifications of appointment to banks, utilities and statutory bodies Preparing and issuing letter to Director regarding their obligations	General correspondence with stakeholders
Document maintenance/file review/checklist	Filing of documents Updating checklists	Filing of documents File review Updating checklists
Bank account administration	Preparing correspondence opening accounts Prepare receipts and payment vouchers	Bank account reconciliations Prepare receipts and payment vouchers Preparing correspondence closing accounts
Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurance broker regarding initial and ongoing insurance requirements	Correspondence with Insurance broker regarding ongoing insurance Requirements Cancel insurance policies
ATO and other statutory reporting	Notification of appointment	Preparing BAS and STP lodgements Requesting taxation documents
Planning / Review	Discussion regarding status of administration Internal meetings to discuss progress of the Liquidation Teleconference with the Director and the Company's external accountant in relation to the progress of the Liquidation	Discussion regarding status of administration Internal meetings to discuss progress of the Liquidation Teleconference with the Director and the Company's external accountant in relation to the progress of the Liquidation
Finalisation	N/A	Notifying ATO of finalisation

			<div>Cancelling ABN/GST/PAYG registration</div> <div>Completing checklists</div> <div>Finalising WIP</div>
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## SCHEDULE B – TIME SPENT BY STAFF ON MAJOR TASKS (COMPLETED WORK)

Prospero Markets Pty Ltd (In Liquidation)  
ACN 145 048 577  
For the period 10 April 2024 to 30 June 2024

Staff Classification	Name	Hourly Rate \$ (ex GST)	Staff Location	Administration Hrs \$	Assets Hrs \$	Creditors Hrs \$	Dividend Hrs \$	Employees Hrs \$	Investigation Hrs \$	Total Hrs \$
Appointee	Andrew Cummins	730	NSW	4.7 3,431.00	4.0 2,920.00	3.3 2,409.00	0.5 365.00	0.3 219.00	18.6 13,578.00	31.4 22,922.00
Appointee	Peter Krejci	730	NSW	12.1 8,833.00	1.4 1,022.00	23.1 16,863.00	- -	- -	28.8 21,024.00	65.4 47,742.00
Appointee	Jonathon Keenan	730	NSW	9.0 6,570.00	23.9 17,447.00	53.4 38,982.00	5.1 3,723.00	1.7 1,241.00	32.9 24,017.00	126.0 91,980.00
Principal	David Cocker	730	NSW	0.3 219.00	0.5 365.00	- -	- -	- -	- -	0.8 584.00
Senior Manager	Pauline Yeow	590	NSW	17.6 10,384.00	22.6 13,334.00	126.4 74,576.00	- -	1.3 767.00	119.9 70,741.00	287.8 169,802.00
Senior Manager	Katherine La	590	NSW	8.1 4,779.00	1.3 767.00	119.7 70,623.00	0.9 531.00	1.6 944.00	12.3 7,257.00	143.9 84,901.00
Manager	Savio Monis	550	NSW	10.2 5,610.00	27.8 15,290.00	48.4 26,620.00	- -	0.6 330.00	79.5 43,725.00	166.5 91,575.00
Manager	Joshua May	500	VIC	- -	3.7 1,850.00	- -	- -	- -	11.1 5,550.00	14.8 7,400.00
Senior 1	Nicole Feng	380	NSW	2.1 798.00	- -	75.8 28,804.00	- -	18.5 7,030.00	0.7 266.00	97.1 36,898.00
Senior 2	Blair Sanderson	300	VIC	0.2 60.00	- -	- -	- -	- -	- -	0.2 60.00
Intermediate 1	Sushma Mandira	330	NSW	- -	- -	3.2 1,056.00	- -	- -	- -	3.2 1,056.00
Intermediate 1	Sharon Thomas	250	VIC	0.4 100.00	- -	- -	- -	- -	1.0 250.00	1.4 350.00
Intermediate 2	Mankirth Mandair	280	NSW	42.4 11,872.00	8.3 2,324.00	163.8 45,864.00	- -	0.7 196.00	37.3 10,444.00	252.5 70,700.00
Intermediate 2	Hugh Matthews	280	NSW	13.3 3,724.00	2.0 560.00	53.0 14,840.00	- -	5.1 1,428.00	5.8 1,624.00	79.2 22,176.00
Intermediate 2	Frane Babic	280	NSW	0.9 252.00	- -	118.5 33,180.00	- -	- -	- -	119.4 33,432.00
Intermediate 2	Ben Dixon	280	NSW	- -	- -	86.7 24,276.00	- -	- -	- -	86.7 24,276.00
Intermediate 2	Tiarnan Teague	280	NSW	- -	- -	89.5 25,060.00	- -	- -	- -	89.5 25,060.00
Intermediate 2	Zachary George	280	NSW	0.5 140.00	- -	- -	- -	- -	- -	0.5 140.00
Intermediate 2	Sophie Connell	220	VIC	2.5 550.00	- -	- -	- -	- -	10.5 2,310.00	13.0 2,860.00
Senior Administration	Ashleigh Hartigan	240	NSW	5.1 1,224.00	- -	3.9 936.00	- -	- -	- -	9.0 2,160.00
Senior Administration	Andrea Moulikova	240	NSW	0.6 144.00	- -	2.0 480.00	- -	- -	- -	2.6 624.00
Senior Administration	Sarita Gurung	240	NSW	8.6 2,064.00	- -	3.4 816.00	- -	0.2 48.00	- -	12.2 2,928.00
Senior Administration	Sonia Stelmach	240	NSW	3.6 864.00	- -	- -	- -	0.5 120.00	- -	4.1 984.00
<b>Total</b>				<b>142.2 61,618.00</b>	<b>95.5 55,879.00</b>	<b>974.1 405,385.00</b>	<b>6.5 4,619.00</b>	<b>30.5 12,323.00</b>	<b>358.4 200,786.00</b>	<b>1,607.2 740,610.00</b>
										GST 74,061.00
										<b>Total (incl GST) 814,671.00</b>
<b>Average Rate</b>				<b>433.32</b>	<b>585.12</b>	<b>416.16</b>	<b>710.62</b>	<b>404.03</b>	<b>560.23</b>	<b>460.81</b>

## SCHEDULE C – 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 1: Liquidators' Remuneration for the period 10 April 2024 to 30 June 2024**

*"That the remuneration of the Liquidators, their partners and staff for the period 10 April 2024 to 30 June 2024, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidators' Statutory Report to Creditors dated 10 July 2024, be fixed and approved at \$740,610.00 (plus GST), and that the Liquidators be authorised to draw that amount as required."*

**Resolution 2: Liquidators' Remuneration for the period 1 July 2024 to Conclusion**

*"That the remuneration of the Liquidators, their partners and staff for the period 1 July 2024 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidators' Statutory Report to Creditors dated 10 July 2024 and approved to an interim cap of \$300,000.00 (plus GST) and that the Liquidators be authorised to draw that amount as and when incurred."*

**Resolution 3: Liquidators' Internal Disbursements for the period 10 April 2024 to Conclusion**

*"That the Liquidators be allowed internal disbursements for the period 10 April 2024 to the conclusion of the Liquidation at the rates of charge annexed to the Liquidators' Statutory Report to Creditors dated 10 July 2024, up to an amount of \$2,000.00 (plus GST) and that the Liquidators be authorised to draw that amount as accrued."*

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## SCHEDULE D – 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 Liquidation 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 have incurred the following disbursements paid to third parties:

Disbursement Type	Rate	Amount (\$, excl GST)
Externally provided non-professional costs		
Statutory Searches	At cost	243.11
Travel	At cost	185.55
IT/Phone Subscriptions	At cost	800.43
Postage and Courier	At cost	264.15
	<b>TOTAL</b>	<b>1,493.36</b>

We are required to seek creditor approval for internal disbursements where there could be a profit or advantage. We have incurred the following internal disbursements to date:

Disbursement Type	Rate	Amount (\$, excl GST)
Internal disbursements		
Staff vehicle use	\$0.85/Km X 154Km	130.90
	<b>TOTAL</b>	<b>130.90</b>

Accordingly, we will be seeking approval from creditors for **Resolution 3**, of which details are provided in **Schedule C** of this Remuneration Approval Report.

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

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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.

**BRI Ferrier**

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**Prospero Markets Pty Ltd  
(In Liquidation)  
ACN 145 048 577**

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**Annexure "I"  
Advice to Creditors About  
Remuneration**

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## ADVICE TO CREDITORS ABOUT REMUNERATION

Insolvency Practice Schedule (Corporations) 70-50  
Insolvency Practice Rules (Corporations) 70-35

**PROSPERO MARKETS PTY LTD (IN LIQUIDATION)**  
**ACN 145 048 577**  
**("THE COMPANY")**

### A REMUNERATION METHOD

There are four methods for calculation of remuneration that can be used to calculate the remuneration of an Insolvency Practitioner. They are:

▲ Time based / hourly rates or "Time Cost"

This is the most common method. It provides for remuneration to be charged at an hourly rate for each person working on the matter. The hourly rate charged will reflect the level of experience each person has.

▲ Fixed Fee

The total remuneration for the administration is quoted at commencement of the appointment and is the total charge for the administration. Sometimes a practitioner will finalise an administration for a fixed fee.

▲ Percentage

The remuneration for the appointment is based on a percentage of a particular variable, such as the gross proceeds of asset realisations.

▲ Contingency

The total remuneration for the matter is structured to be contingent on a particular outcome being achieved.

### B. METHOD CHOSEN

Given the nature of this administration, we propose that our remuneration be calculated on the time based / hourly rates method. In our opinion, this is the fairest method for the following reasons:

- ▲ We will only be paid for work done, subject to sufficient realisations of the Companies' assets.
- ▲ It ensures creditors are only charged for work that is performed. Our time are recorded and charged in six-minute increments and staff are allocated to duties according to their relevant experience and qualifications.
- ▲ We are required to perform a number of tasks which do not relate to the realisation of assets, including responding to creditor enquiries, reporting to the ASIC, distributing funds in accordance with the provisions of the Corporations Act 2001.



BRI Ferrier reviews its hourly rates every twelve months. The hourly rates quoted below remain current to 30 June 2025. At this time BRI Ferrier may increase the hourly rates charged for work performed past that date. If hourly rates are increased, we will seek approval from creditors.

## C. EXPLANATION OF HOURLY RATES

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	NSW	NSW	VIC
		Hourly Rate (ex GST) 1 July 23	Hourly Rate (ex GST) 1 July 24	Hourly Rate (ex GST) 1 July 23
Principal	Senior member of the firm. May be a Registered Liquidator and/or Registered Trustee. A senior accountant with over 10 years' experience who brings specialist skills and experience to the appointment. Leads staff carrying out appointments.	\$730	\$750	\$650
Director	An accountant with more than 10 years' experience. May be a 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.	\$640	\$670	\$570
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.	\$590	\$620	\$530
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.	\$550	\$580	\$500
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.	\$480	\$510	\$400
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.	\$420	\$450	\$350
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.	\$380	\$400	\$300
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.	\$330	\$350	\$250
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.	\$280	\$300	\$220
Senior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$240	\$300	\$200
Junior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$180	\$200	\$150

## D. 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 be charged 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 are not required to seek creditor approval for disbursements paid to third parties but must account to creditors. However, we must be satisfied that these disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of internal disbursements. Creditors will be asked to approve our internal disbursements prior to these disbursements being paid from the administration.

Details of the basis of recovering disbursements in this administration are provided below.

#### BRI Ferrier NSW Office

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 allowances

#### BRI Ferrier VIC Office

Disbursements with a potential profit element	Rate (excl GST) (\$)
ASIC Industry Funding Levy	\$125 per event
Printing and Photocopying	\$0.25 per page

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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.

**BRI Ferrier**

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**Prospero Markets Pty Ltd  
(In Liquidation)  
ACN 145 048 577**

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**Annexure "J"**  
**ARITA Information Sheet –  
Offences, Recoverable Transactions  
and Insolvent Trading**

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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.**

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

**BRI Ferrier**

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**Prospero Markets Pty Ltd  
(In Liquidation)  
ACN 145 048 577**

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**Annexure "K"**  
**ASIC Information Sheet – Insolvency  
Information for Directors,  
Employees, Creditors and  
Shareholders**

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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.

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