

Administrators' report

19 March 2018

Administrators:
Simon Theobald, Melissa Humann and
Stephen Longley

Stargroup Limited and subsidiaries
(the Group)

Table of contents

1.	Disclaimer	1
2.	Executive summary	2
2.1	Future of SGL	2
2.2	Future of SIL, SAT and SPS	2
2.3	Report's purpose	2
2.4	Administrators' recommendation - SGL	2
2.5	Administrators' recommendation – SAT, SIL and SPS	3
2.6	Second meeting of creditors - SGL	3
2.7	Second meeting of creditors – SAT, SIL and SPS	3
2.8	Offences and liquidation recoveries	3
2.9	Conduct of administration	4
2.10	Remuneration	4
3.	Introduction	5
3.1	Appointment information	5
3.2	Declaration of Independence, Relevant Relationships and Indemnities	5
3.3	Report's purpose	5
3.4	Purpose of second meeting	5
3.5	Second meeting convening period	6
3.6	Second meeting details	6
3.7	Meeting registration	6
3.8	Committee of Inspection (COI)	7
3.9	Further information	7
4.	Company background	8
4.1	Group overview	8
4.2	Timeline of key developments and recent events	11
4.3	Statutory information	12
4.4	Creditors' claims	17
5.	Conduct of administration	21
5.1	First meeting of creditors	21
5.2	Conduct of the administration	21
6.	Company financial background	22
6.1	Group's financial performance – key comments	22
6.2	SGL Financial Statements	25
6.3	SIL Financial Statements	27
6.4	SAT Financial Statements	28
6.5	SPS Financial Statements	30
6.6	Directors' Report as to Affairs (RATA)	32
7.	Investigations	38
7.1	Directors' explanation for the Group's difficulties	38
7.2	Administrators' explanation for the Group's difficulties	39
7.3	Insolvency	40
7.4	Legal/class actions	46
7.5	Outstanding or previous winding up applications	46
7.6	Books and records	46
8.	Offences and liquidation recoveries	47

Table of contents

8.1	Voidable transactions	47
8.2	Insolvent trading	48
8.3	Offences	49
8.4	Directors and officers insurance policy	49
8.5	Directors' personal financial position	50
8.6	Auditor claim	50
8.7	Public examinations	50
8.8	Reporting of offences to ASIC	51
8.9	Costs of investigations and pursuing recovery actions	51
8.10	Funding investigations and recoveries	51
9.	Estimated return to creditors	52
10.	Administrators' recommendation	54
10.1	SIL, SAT and SPS	52
10.2	SGL	52
10.3	Administration to end	55
11.	Enquiries	56

Appendix

- A. Appointment of Proxy, Proof of Debt or Claim Form – Form 532
- B. Remuneration report dated 19 March 2018
- C. Declaration of Independence, Relevant Relationships and Indemnities
- D. Notice of meeting of creditors
- E. ASIC Publication: Insolvency information for directors, employees, creditors and shareholders
- F. Details of identified secured creditors
- G. ARITA Publication: Creditor information sheet: Offences, recoverable transactions and insolvent trading
- H. Historical director listing - SGL

Glossary

Abbreviations	Definitions
Act	Corporations Act 2001 (Cth)
Administrators	Simon Theobald, Melissa Humann and Stephen Longley of PPB Advisory as joint and several Administrators
AEDST	Australian Eastern Daylight Savings Time
AEST	Australian Eastern Standard Time
APAAP	All present and after-acquired property, a term associated with security interests under the PPSA
ARITA	Australian Restructuring Insolvency and Turnaround Association. ARITA was formerly the Insolvency Practitioners Association of Australia.
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATM	Automatic teller machine
ATO	Australian Taxation Office
AWST	Australian Western Standard Time
Cash Plus	Cash Plus Australia Pty Ltd
CMATM	Cash My ATM Pty Ltd
Code	ARITA Code of Professional Practice
COI	Committee of Inspection
D&O Policy	Directors and Officers Insurance Policy
Deed or DOCA	Deed of Company Arrangement
DE	Department of Employment
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities, pursuant to s436DA of the Act and Code.
Fast Cash	Fast Cash Pty Ltd
FEG	Fair Entitlements Guarantee, a scheme administered by the DE to provide assistance to employees owed outstanding employee entitlements following the insolvency of an employer
First Meeting	The first meeting of creditors of each company was held on 1 December 2017 pursuant to s436E of the Act
FY	Financial Year (e.g. the financial year 1 July 2015 to 30 June 2016 would be expressed as FY16)
Goldfields	Goldfields Money
Group	StarATM Pty Ltd, Stargroup Ltd, Stargroup Investments Ltd and Star Payment Systems Pty Ltd
HY	Half Year (e.g. the half financial year 1 July 2016 to 31 December 2016 would be expressed as HY16)
Indue	Indue Ltd
k	Thousand
M	Million
NeolCP	NeolCP Korea Inc
pa	Per annum

Abbreviations	Definitions
PMSI	Personal Money Security Interest as defined in the PPSA
PPSA	Personal Property Security Act 2009 (Cth)
PPSR	Personal Property Securities Register – a register set up under the PPSA for the registration of security interests
Purchaser	Cashpoint Payment Solutions Pty Ltd, Star Funding No 1 Pty Ltd and Switchlink Payment Technology Pty Ltd (collectively)
RATA	Report As To Affairs
Receivers	John Bumbak and Richard Tucker of KordaMentha Restructuring, appointed Receivers and Managers of the Group on 19 November 2017
Report	This report, prepared pursuant to Insolvency Practice Rule 75-225 of the Act about the business, property, affairs and financial circumstances of the Company
s	Section of the Act
SAT	StarATM Pty Ltd ACN 164 924 547 (Administrators appointed) (Receivers and Managers appointed)
Second Meeting	Meeting held pursuant to s439A of the Act where creditors determine the future of the Company scheduled for Monday 26 March
Secured Creditor	First Class Securities Pty Ltd
SGL	Stargroup Ltd ACN 061 041 281 (Administrators appointed) (Receivers and Managers appointed)
SIL	Stargroup Investments Ltd ACN 166 089 149 (Administrators appointed) (Receivers and Managers appointed)
SPS	Star Payment Systems Pty Ltd ACN 165 514 205 (Administrators appointed) (Receivers and Managers appointed)
YTD	Year to date, a period starting from the beginning of the current financial year and continuing up to a defined date (e.g. monthly management accounts from 1 July 2016 to 31 January 2017 would be expressed as 'YTD January 2017')

1. Disclaimer

In reviewing this Report, creditors should note:

- This Report is based upon our preliminary investigations to date. Any additional material issues that are identified subsequent to issuing this Report may be the subject of a further written report and/or tabled at the Second Meeting.
- The contents of this Report are based on information obtained from the Company's books and records, financial systems, representations from the directors, key management and our own enquiries and investigations.
- The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. Except where otherwise stated, we reserve the right to alter any conclusions reached on the basis of any amended or additional information which may be provided to us between the date of this Report and the date of the Second Meeting.
- In considering the options available to creditors and formulating our recommendation, the Administrators have necessarily made forecasts of asset realisations and total creditor claims. These forecasts and estimates may change as asset realisations progress and claims are received from creditors. While the forecasts and estimates are based on the Administrators' best assessment in the circumstances, creditors should note that the eventual outcome for creditors may differ from that estimated in this Report.
- Neither the Administrators, PPB Advisory nor any member or employee of the firm is responsible in any way whatsoever to any person in respect of any errors in this Report arising from incorrect information provided to us.
- The Administrators do not assume or accept any responsibility for any liability or loss sustained by any creditor or any other party as a result of the circulation, publication, reproduction or any use of the information presented in this 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 Administrators.
- Creditors should consider seeking their own independent legal advice as to their rights and the options available to them at the Second Meeting.

2. Executive summary

John Bumbak and Richard Tucker of KordaMentha Restructuring were appointed Receivers and Managers of the Group on 19 November 2017. Following this appointment, the Group's directors made attempts to secure finance from third parties to repay the Group's primary lender, First Class Securities (**the Secured Creditor**). The directors were unable to secure additional finance and therefore resolved to appoint Simon Theobald, Melissa Humann and Stephen Longley as joint and several Administrators of the Group on 21 November 2017, pursuant to s436A of the Act.

The Receivers and Managers continued to trade the ATM business operated by the Group, whilst undertaking a sale campaign for its business and assets.

The Receivers and Managers identified a preferred purchaser for the business and assets in early January 2018. A sale agreement for the business and assets of the Group was executed with Star Funding No 1 Pty Ltd, Cashpoint Payment Solutions Pty Ltd and Switchlink Payment Technology Pty Ltd (**the Purchaser**) on 12 March 2018.

While we have not yet received a copy of the sale agreement, we understand that:

- employee entitlements will be paid in full by the Receivers and Managers.
- consideration received from the sale is insufficient to repay the Secured Creditor's outstanding debt in full. Accordingly, there will be no surplus funds available for unsecured creditors.

2.1 Future of SGL

In the next week, we intend commencing a campaign seeking expressions of interest for the recapitalisation of SGL (ASX: STL). We have already been contacted by a number of parties interested in pursuing such a recapitalisation.

We intend to seek creditor approval to adjourn the upcoming Second Meeting of SGL's creditors to provide up to 45 business days to receive and review proposals for the recapitalisation. If a suitable proposal is received, we will provide details to the creditors and reconvene the Second Meeting to enable it to be voted on. In the absence of a suitable proposal being received, it is likely that SGL will proceed into liquidation.

2.2 Future of SIL, SAT and SPS

We recommend that the creditors of SIL, SAT and SPS resolve to place these companies into liquidation at the upcoming Second Meeting of Creditors.

Further details of our activities and findings to date in the administrations of the Group are described in this report.

2.3 Report's purpose

The purpose of this report is to table the findings of our investigations into the Group's business, property, affairs and financial circumstances, as well as provide our opinion on the options available to creditors in deciding the future of the Group.

2.4 Administrators' recommendation – SGL

We recommend that it is in SGL's creditors' interests that:

- in the absence of creditors resolving to adjourn the second creditors meeting for up to 45 days per IPR 75-140(3) of the Act, that SGL be placed into liquidation. The purpose of the proposed adjournment is to allow time to seek expressions of interest for the recapitalisation of SGL which might provide a better return to creditors than immediate liquidation of the company.

2.5 Administrators' Recommendation - SAT, SIL and SPS

We recommend that it is in the interests of SAT, SIL and SPS's creditors that these companies be placed into liquidation.

These recommendations are discussed further in this report.

2.6 Second meeting of creditors – SGL

The second meeting of creditors will be held on:

Date: Monday 26 March 2018
Registration: 10.45am AWST
Meeting time: 11.00am AWST
Location: PPB Advisory
Level 1, 140 St Georges Terrace
Perth WA 6000

To register attendance and be entitled to vote at the Second Meeting, creditors must complete and submit the following forms attached at **Appendix A**:

- Form 532 – Appointment of Proxy
- Proof of Debt form.

Forms must be submitted by no later than 4.00pm AWST on Friday 23 March 2018 to this office or by email to cmorrissey@ppbadvisory.com.

Creditors are reminded they should only attend the meeting of the company for which they are a creditor.

2.7 Second meeting of creditors – SAT, SIL and SPS

The second meeting of creditors will be held on:

Date: Monday 26 March 2018
Registration: 9.15am AWST
Meeting time: 9.30am AWST
Location: PPB Advisory
Level 1, 140 St Georges Terrace
Perth WA 6000

To register attendance and be entitled to vote at the Second Meeting, creditors must complete and submit the following forms attached at **Appendix A**:

- Form 532 – Appointment of Proxy
- Proof of Debt form.

Forms must be submitted by no later than 4.00pm AWST on Friday 23 March 2018 to this office or by email to cmorrissey@ppbadvisory.com.

Creditors are reminded they should only attend the meeting of the company for which they are a creditor.

2.8 Offences and liquidation recoveries

Our preliminary view is that the Group traded whilst insolvent.

We have identified a number of potential offences and liquidation recoveries which require further investigation. As our investigations are ongoing, and in order not to prejudice any potential recoveries, we cannot specify potential offences or estimated liquidation recoveries. However, we note that the potential offences include a number of specific instances about which we are currently communicating with the Group's directors for further information.

2.9 Conduct of administration

Full details of the work performed since our appointment are provided in **Section 5**.

The key tasks include:

- undertaking preliminary investigations into the Group's activities leading up to our appointment
- liaising with and assisting the Receivers and Managers on the sale process for the Group's business and assets
- preparing an application to the Court to extend the convening period of the four administrations, to facilitate the additional time required by the Receivers and Managers to complete the sale process
- commencing the review and sale process for the SGL listed entity
- attending to statutory obligations and ASX compliance matters
- preparing a report to creditors for the Second Meeting.

2.10 Remuneration

We are seeking approval for our remuneration at the Second Meeting as summarised below:

Company	Voluntary Administration		Deed (if applicable)	Liquidation (if applicable)
	Resolution 1: 21 November 2017 to 15 March 2018	Resolution 2: 16 March to 26 March 2018	Resolution 3: 27 March 2018 to completion of the Deed	27 March 2018 to completion of the Liquidation
SIL	15,879.90	5,015.00	-	30,000.00
SAT	16,008.50	5,015.00	-	30,000.00
SPS	18,146.50	5,015.00	-	50,000.00

Please refer to our Remuneration Reports at **Appendix B** for full details of key activities undertaken by us, our partners and staff and the remuneration approval sought.

We will seek approval for our remuneration for SGL at the adjourned second creditors meeting, once a more accurate estimated outcome is known.

3. Introduction

3.1 Appointment information

As advised in **Section 2.1**, our appointment as Administrators on 21 November 2017 followed the appointment of Receivers and Managers on 19 November 2017.

The Receivers and Managers were appointed by First Class Securities Pty Ltd (**Secured Creditor**) following the Group's inability to meet a repayment demand issued by the Secured Creditor on 17 November 2017 under its facility agreement. This followed several events of default by the Group under the facility agreement, including;

- missed interest repayments in October and November 2017
- SGL's ASX listing being suspended for a period greater than 14 days (from 17 October 2017 through to appointment of Receivers and Managers).

Pursuant to the security pledged by the Group, the Receivers and Managers were appointed and took control of the Group's assets and operations. As a result, the directors could no longer operate the businesses. The directors made urgent attempts to secure funding that would enable them to repay the Secured Creditor. However, this was unsuccessful and they subsequently appointed Administrators.

3.2 Declaration of Independence, Relevant Relationships and Indemnities

Our Declaration of Independence, Relevant Relationships and Indemnities (**DIRRI**) is provided at **Appendix C**. The DIRRI discloses information regarding any prior personal or professional relationships the Administrators and PPB Advisory had with the Group (or related parties), our independence and any indemnities received relating to this appointment.

3.3 Report's purpose

An administrator is required to investigate a company's business, property, affairs and financial circumstances and report to creditors on:

- the administrator's opinion on the options available to creditors, being that:
 - the company execute a Deed
 - the company be wound up (liquidation)
 - the administration should end (with control reverting to the respective company's directors).
- investigations conducted, and potential offences identified
- assets available for realisation.

3.4 Purpose of second meeting

The Second Meeting will:

- address the contents of this Report
- respond to questions from creditors
- determine each company's future by resolving one of the available options
- consider for each Group Company:
 - the appointment of Deed Administrators or Liquidators (as applicable). The current Administrators automatically become the Deed Administrators or Liquidators unless creditors resolve to replace them
 - the formation of a Committee of Inspection (COI)
 - remuneration for:
 - Administrators
 - Deed Administrators or Liquidators (as applicable).

The options available to creditors and the Administrators' opinion on each option are set out in detail in **Section 9**.

As detailed in **Section 10**, we recommend that:

- the second meeting of creditors for SGL be adjourned for a period of up to 45 days per IPR 75-140(3) of the Act to allow for time to seek proposals for the recapitalisation of SGL
- in the absence of adjournment of the meeting, that SGL be placed into liquidation
- SIL, SAT and SPS be placed into liquidation.

3.5 Second meeting convening period

The Act stipulates the timing of the Second Meeting. Generally, the Second Meeting must be convened between 15-25 business days (or 20-30 business days at Christmas and Easter) from the date the administration begins. The Court may extend the convening period if circumstances require.

We successfully applied to the Supreme Court of Western Australia to have the convening period extended until 19 March 2018. We sought the convening period extension in order to provide the Receivers and Managers with sufficient time to seek and review proposals for the sale of the Group's business and assets.

3.6 Second meeting details

3.6.1 SGL

As advised at **section 2.6**, the Second Meeting for SGL will be held on Monday, 26 March 2018 at 11:00AM AWST. Formal notification Form 529 – Notice of Meeting of Creditors is attached at **Appendix D**.

3.6.2 SIL, SAT and SPS

As advised at **section 2.7**, the Second Meeting for Sil, SAT and SPS will be held on Monday, 26 March 2018 at 9:30AM AWST. Formal notification Form 529 – Notice of Meeting of Creditors is attached at **Appendix D**.

3.7 Meeting registration

To register attendance and be entitled to vote at the Second Meeting, creditors must complete and submit the following forms attached at **Appendix A**:

Registration forms	Information
Form 532 – Appointment of Proxy	A new proxy form is required to be completed for each creditors' meeting (ie previous meeting proxy forms are invalid for the Second Meeting). If a corporate creditor wants to be represented at the Second Meeting, it must appoint an individual to act on its behalf by providing an executed proxy form. Individuals may choose to appoint a representative to vote on their behalf by executing a proxy form. If an individual is attending in person a proxy form is not required.
Proof of Debt or Claim Form	This form is required to be completed to entitle a creditor to vote at the Second Meeting. Documents to support the amount claimed (e.g. unpaid invoices) must also be provided. There is no requirement to resubmit a proof of debt form if previously provided unless the amount claimed has changed. Please take care when completing the form to ensure the correct party is named as the creditor. As an example, this may include XYZ Pty Ltd as trustee for the ABC Family Superannuation Fund.

Only creditors of each company are entitled to vote at the Second Meeting.

Creditors are encouraged to arrive as early as possible after the registration time to enable the orderly registration of attendees so that the meeting can commence on time.

3.8 Committee of Inspection (COI)

Creditors may wish to establish COI's at the Second Meeting, typically to assist and guide the liquidator or deed administrator (as applicable). A minimum of two members is required to form a COI.

Creditors should consider whether they are in a position to be a COI member, as membership of a COI requires attendance at meetings (telephone facilities will be made available so members do not have to attend in person). Members of the COI must have regard for the creditor group's interest, not their own interests.

Importantly, for a creditor to be eligible for appointment as a member of a COI, they must either:

- be in attendance at the Second Meeting
- appoint a general power of attorney to attend the Second Meeting on their behalf
- authorise a person in writing to be a member of the COI on their behalf.

3.9 Further information

To assist creditors, employees, and shareholders to understand the voluntary administration process, ASIC has released a package of insolvency information sheets endorsed by ARITA.

Enclosed at **Appendix E** is ASIC's publication Insolvency information for directors, employees, creditors and shareholders, which provides an index of all the information sheets that are available. You can download these information sheets from:

- www.asic.gov.au
- www.arita.com.au

4. Company background

4.1 Group overview

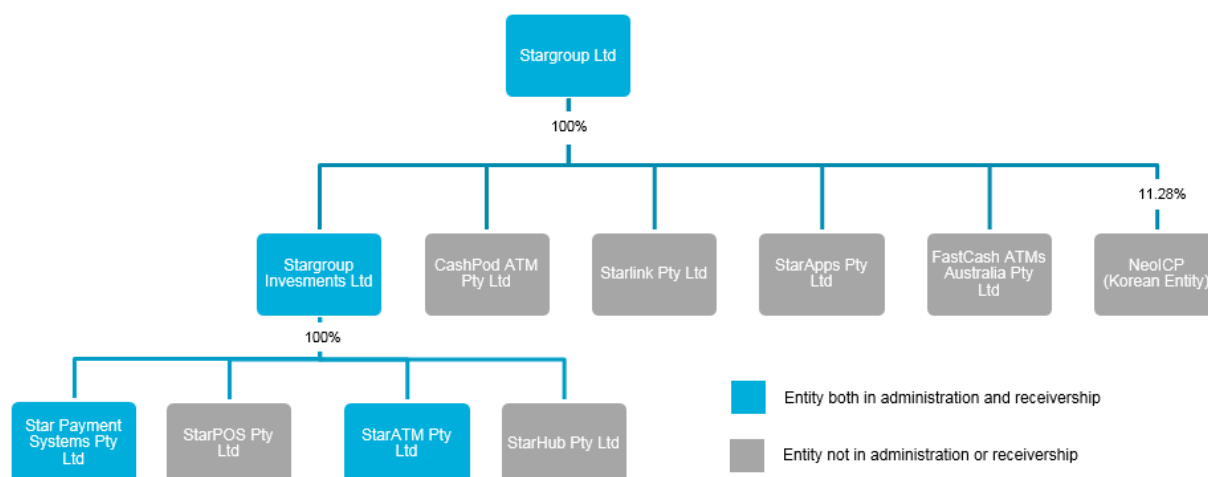
Key comments

- SIL was incorporated in 2013 and together with its subsidiaries, operated a network of ATM's in Western Australia, Queensland and NSW
- SIL's business was combined with that of ICash Payment Systems Limited (ICP) in mid-2015. ICP was an existing ATM operator, listed on the Australian Stock Exchange (ASX)
- The transaction between SIL and ICP represented a reverse takeover given the respective company sizes. Accordingly, on completion ICP changed its name to Stargroup Limited (SGL)
- Post the reverse takeover of ICP, the Group undertook an aggressive growth by acquisition strategy to expand the Group's ATM network and services provided
- During the period FY16 to FY17, the Group acquired the following ATM networks and associated contracts:
 - Cash Plus
 - CMATM
 - Indue
 - FastCash
- The above acquisitions saw Group revenue increase from \$589k in FY15 to \$8.4m in FY17
- In June 2017, the Group purchased FastCash's 134 ATMs expanding its ATM network to over 500 ATMs. The acquisition was funded by securing a \$6.5m loan facility with the Secured Creditor (previous acquisitions of ATM networks had been funded either fully or in part via capital raisings).
- The \$6.5m facility was fully drawn in August 2017. The first two monthly fee and interest payments were made by the Group in August and September 2017. However, October and November's fee and interest payments were missed.
- In late October, the directors suspended trading of SGL's securities on the ASX whilst they unsuccessfully attempted to refinance the Group's debt to the Secured Creditor.
- The Secured Creditor issued a notice of demand to the Group on 16 November 2017 requiring it to repay all amounts outstanding under the agreement by 17 November 2017.
- The notice of demand was not complied with, and the Secured Creditor appointed the Receivers and Managers over certain entities in the Group on 19 November 2017 (see diagram overleaf).

Group Structure

The Group operates a vertically integrated banking technology business, principally deriving revenue from the sale, deployment and operation of ATMs and other banking equipment in Australia.

The Group structure is set out below:



The companies subject to both administration and receivership appointments are listed below:

Company	ACN	Abbreviation
Stargroup Ltd	061 041 281	SGL
Stargroup Investments Ltd	166 089 149	SIL
Star Payment Systems Pty Ltd	165 514 205	SPS
StarATM Pty Ltd	164 924 547	SAT

SGL is listed on the ASX, with its head office located in Perth, Western Australia. SGL had a market capitalisation of c\$14M at the time its shares were suspended from trading on ASX.

Operations

Since 2015, the Group has undertaken an aggressive growth by acquisition strategy, seeking to acquire various ATM networks across Australia to increase revenue.

As at 19 November 2017, the Group had:

- 520 deployed ATMs
- 65 inventoried ATMs in warehouses located in Western Australia, Queensland and New South Wales
- rights to the net revenue of 2,414 ATMs under an agreement with Indue
- various other assets including modems and spare parts
- various agreements for the development of other technologies including EFTPOS terminals, Bitcoin ATMs and recycling ATMs.

The Group operates collectively, with each Group Company operating a segment of the business as follows:

- SGL – listed holding company
- SIL - previous holding company for the Group, and has 100% ownership of SAT, SPS, StarHUB Pty Ltd and StarPOS Pty Ltd
- SPS – ATM deployment and revenue collection, and principal employer of Group staff
- SAT – ATM and software sales and support, including exclusive distributor of CashPod range (manufactured by NeolCP).

Other companies relevant to the operations of the Group (and not subject to administration and/or receivership appointments) include:

- StarPOS Pty Ltd and StarApps Pty Ltd - EFTPOS services and revenue collection
- StarLink Pty Ltd – acquired the Indue ATM business and is involved in attracting new ATM deployers to the Group.

While the above companies were not placed under control of the Receivers and Managers, the directors of the companies were changed to be an employee of the Receivers and Managers. The purpose of this was to provide control of the companies to the Receivers and Managers/Secured Creditor to allow their businesses/assets to be included in the sale ultimately completed.

Revenue Stream

The majority of the Group's revenue (approximately 85%) was generated through SPS, via transaction fees charged for use of ATMs within the Group's network.

Generally, a fee was charged to the customer utilising the ATM, of which:

- a portion was rebated to the merchant (i.e. the owner of the premise where the ATM was held)
- a portion was retained by Indue (depending on specifics of the deployment agreement)
- the residual amount (after deducting the amounts above) was paid to SPS.

SPS used this residual to pay all costs of operating and cashing the ATM's.

Each deployment agreement was specific to the merchant, and therefore the distribution of funds varied per each agreement. ATMs were deployed at various merchants across Australia, predominately in restaurants, pubs, shopping centres and service stations.

Aside from ATM transaction fees, the Group also drew revenue from other aspects of the ATM and EFTPOS process, including ATM switching revenue from third party ATMs, sale and installation of ATMs, EFTPOS terminals, parts and software and development of new ATM and cash facility technology.

Information regarding the Company's financial background is discussed in **Section 6**.

4.2 Timeline of key developments and recent events

Below is a brief outline of key developments since the purchase of SGL by listed entity ICP in August 2015:

Date	Event
7 August 2015	SGL purchased by ICP, with the purpose of combining and trading the businesses as a collective unit, and the Group is renamed as Stargroup
1 October 2015	Announced a \$6.5M acquisition of Cash Plus
19 October 2015	Entered into a three-year agreement with South Australian Tourism Commission to provide ATMs to the Clipsal 500 event
18 November 2015	StarPOS signed a joint venture agreement with Retail Merchant Advance
24 November 2015	A Collaborative Projects and Development Agreement was entered into with Anthem Software Pty Ltd and Claim Co Pty Ltd to develop software and accelerate the rollout of EFTPOS devices
4 February 2016	Key operating costs were reduced by 52.9%, largely attributable to renegotiation of key contracts
30 May 2016	Entered a trading halt due to corporate acquisition
3 June 2016	Trading halt ceased post announcement of CMATM acquisition
5 July 2016	Capital raising and acquisition of CMATM Network completed
18 August 2016	2.5m fully paid ordinary shares for key management personnel vested six months early
25 August 2016	Mr Shaun Sutton, Chief Operating Officer and Executive Director resigned
30 August 2016	Announcement of a five-year distribution agreement deal for EFTPOS terminals and software with West International AB
13 September 2016	Signed a 3 year, \$15M ATM Cash Convenience Agreement with Goldfields. In addition, ATM machines were provided to Goldfields
28 September 2016	Acquired ATM switching, settlement, processing, telecommunications and ATM reseller business from Indue for \$6.5M
2 December 2016	Further acquisition of ATM businesses from Indue for \$15m funded by a Sydney credit provider
February 2017	Funding not provided by Sydney credit provider
March 2017	Deed of Variation entered with Indue for purchase of the businesses. Payment of \$2.6M due by 28 April 2017 with further funding of \$3m to be received from a major shareholder (NeolCP) to assist in finalising the acquisition
27 April 2017	Entered into a trading halt as SGL intended on announcing a share placement to professional and sophisticated investors in order to raise funds for completion of the Indue ATM businesses acquisition
1 May 2017	Capital of \$3.4M was raised and used to finalise Indue acquisition
8 May 2017	Indue transaction successfully executed
1 June 2017	Acquired Fast Cash ATM network via funding from Secured Creditor
26 June 2017	Announced that ASX Listing Rule 10.11 (approval required for an issue of securities to related party) had been breached, with corrective action required by the ASX completed on 29 June
15 August 2017	Release of new products including casino table deposit solution
24 October 2017	Mr Todd Zani resigned as Chairman and Managing Director of SGL
October - November 2017	Various trading halts and announcements regarding attempted restructure of debt facilities
19 November 2017	Appointment of Recievers and Managers
21 November 2017	Appointment of Voluntary Administrators.

4.3 Statutory information

A search of ASIC's database reveals the following details of the Group and its directors, other officers and shareholders.

SGL

Company details	
Date of incorporation	23 December 1993
Registered office	Unit 1, 25 Montgomery Way, Malaga WA 6090
Principal place of business	Unit 1, 25 Montgomery Way, Malaga WA 6090

Directors' details	Appointment from/to
Jong Ho Kim	21 August 2013 – current
Evan Maxwell McGregor	25 August 2016 – current
Cameron Ross	6 November 2017 – current
Todd Zani (former director)	1 July 2015 – 20 October 2017
Shaun Sutton (former director)	7 August 2015 to 25 August 2016
Taejin Kim (former director)	7 August 2015 to 30 April 2016
David Dickinson (former director)	30 November 2015 to 20 April 2016
Zaffer Soemya (former director)	7 August 2015 to 29 February 2016
Ghi Kim (former director)	3 April 2014 to 7 August 2015
Sungskon Kim (former director)	2 April 2015 to 7 August 2015
Sungki Lee (former director)	21 August 2013 to 1 April 2015

Secretary's details	Appointment from/to
Sungki Lee	22 August 2013 – current
Alistair McKeough	10 July 2013 to 30 August 2013

Note – director and secretary movements have only been included since 2013 given that SGL was incorporated in 23 December 1993. Full details of historical directors is provided at **Appendix H**.

As at 27 September 2017 (date provided in the most recent audited annual report), SGL had issued 727,405,574 ordinary paid shares. The Company's top 20 shareholders as at 27 September 2017 are listed below:

No.	Shareholder name	Total shares held ('000)	% of shares held
1	Hover Holdings Pty Ltd	109,846,980	15.10%
2	NeolCP Korea Inc	32,000,549	4.40%
3	Tomialcocl Pty Ltd <Tomialcocl Family A/C>	26,500,000	3.64%
4	Palm Villa Pty Ltd	21,781,712	2.99%
5	Mr David Frederick Oakley <DFO Investment A/C>	16,499,999	2.27%
6	Dream Bright Nominees Pty Ltd	15,500,000	2.13%
7	Citicorp Nominees Pty Ltd	14,033,753	1.93%
8	Slade Technologies Pty Ltd <Embrey Family S/Fund A/C>	12,312,171	1.69%
9	Towns Corporation Pty Ltd <Pae Family A/C>	12,225,000	1.68%
10	Arthur Ogneris + Helen Ogneris + Vick Ogneris <Ogneris Super Fund A/C>	9,887,314	1.36%
11	Mr Andrew John Pearson	9,700,000	1.33%
12	Mr David Frederick Oakley	9,499,999	1.31%
13	Mr Jason Mathew Warren	8,778,423	1.21%
14	Mrs Maureen Lee Baker	7,779,318	1.07%
15	Meiktila Pty Ltd <ZS Family A/C>	7,589,130	1.04%
16	Yunki Pty Limited <The Gray Superfund A/C>	7,000,000	0.96%
17	Comsec Nominees Pty Ltd	6,802,981	0.94%
18	Sea Dragon Enterprises Pty Ltd <Penguin A/C>	6,771,430	0.93%
19	Mr Radek Bures	6,350,000	0.87%
20	Mr Robert Scott Minney	6,231,629	0.86%
Top 20 holders of issued capital		347,090,388	47.72%
Total remaining holders balance		380,315,186	52.28%

Source: 2017 Annual Report

SIL

Company details	
Date of incorporation	2 October 2013
Registered office	Unit 1, 25 Montgomery Way, Malaga WA 6090
Principal place of business	Unit 1, 25 Montgomery Way, Malaga WA 6090

Directors' details	Appointment from/to
Cameron Ross	6 November 2017 – current
Todd Zani (former director)	13 October 2014 – 20 October 2017
Shaun Sutton (former director)	16 May 2014 to 25 August 2016
Zaffer Soemya (former director)	2 October 2013 to 29 February 2016
Arthur Ognenis (former director)	18 March 2014 to 13 October 2014
George Seth (former director)	10 February 2014 to 16 May 2014
Blanche Gunst (former director)	3 February 2014 to 18 March 2014
Mike Fairclough (former director)	2 October 2013 to 31 January 2014
Ian MacIver (former director)	19 December 2013 to 15 January 2014

Secretary's details	Appointment from/to
Sungki Lee	29 July 2015 – current
Henko Vos (former secretary)	18 August 2014 to 29 July 2015
Darren Crawte (former secretary)	2 October 2013 to 10 October 2014

As at the date of our appointment, SIL had issued 61,050,000 ordinary shares, which are 100% owned by SGL.

SAT

Company details	
Date of incorporation	10 September 2013
Registered office	Unit 1, 25 Montgomery Way, Malaga WA 6090
Principal place of business	Unit 1, 25 Montgomery Way, Malaga WA 6090

Directors' details	Appointment from/to
Cameron Ross	6 November 2017 – current
Todd Zani (former director)	13 October 2014 – 20 October 2017
Shaun Sutton (former director)	16 May 2014 to 25 August 2016
Zaffer Soemya (former director)	10 September 2013 to 29 February 2016
Arthur Ognenis (former director)	7 May 2014 to 13 October 2014
George Seth (former director)	10 February 2014 to 16 May 2014
Blanche Gunst (former director)	3 February 2014 to 7 May 2014
Mike Fairclough (former director)	10 September 2013 to 31 January 2014

Secretary's details	Appointment from/to
Sungki Lee	29 July 2015 – current
Henko Vos (former secretary)	18 August 2014 to 29 July 2015
Darren Crawte (former secretary)	10 September 2013 to 10 October 2014

As at the date of our appointment, SAT had issued 100 ordinary paid shares, which are 100% owned by SIL, which in turn is 100% owned by SGL.

SPS

Company details	
Date of incorporation	10 September 2013
Registered office	Unit 1, 25 Montgomery Way, Malaga WA 6090
Principal place of business	Unit 1, 25 Montgomery Way, Malaga WA 6090

Directors' details	Appointment from/to
Cameron Ross	6 November 2017 – current
Todd Zani (former director)	13 October 2014 to 20 October 2017
Shaun Sutton (former director)	16 May 2014 to 25 August 2016
Zaffer Soemya (former director)	10 September 2013 to 29 February 2016
Arthur Ognenis (former director)	7 May 2014 to 13 October 2014
George Seth (former director)	10 February 2014 to 16 May 2014
Blanche Gunst (former director)	3 February 2014 to 7 May 2014
Mike Fairclough (former director)	10 September 2013 to 31 January 2014

Secretary's details	Appointment from/to
Sungki Lee	29 July 2015 – current
Henko Vos (former secretary)	18 August 2014 to 29 July 2015
Darren Crawte (former secretary)	10 September 2013 to 10 October 2014

As at the date of our appointment, SPS had issued 10,000 ordinary shares, which are 100% owned by SIL, which in turn is 100% owned by SGL.

4.4 Creditors' claims

The following table summarises estimated claims by creditors against each company in the Group (as at the date of appointment).

These amounts have been derived from the:

- Report as to Affairs (**RATA**) provided by the directors (**Section 6.6**)
- books and records
- proof of debt or claim forms submitted by creditors.

Creditor type	SGL	SIL	SAT	SPS	TOTAL	
	Amount (\$)	Amount (\$)	Amount (\$)	Amount (\$)	No. of creditors	Amount (\$)
Secured creditors						
Circulating and non-circulating (ALLPAAP)	7,212,067	-	-	-	1	7,212,067
Circulating only	-	-	-	1,586,156	2	1,586,156
Non-circulating only	384,162	-	-	379,090	8	763,252
Employee entitlements	-	-	-	-	-	-
Priority creditors	-	-	-	128,684	16	128,684
Excluded employee entitlements (unsecured creditors)	-	-	-	182,484	2	182,484
Unsecured creditors	-	-	-	-	-	-
Trade/External creditors	4,370,865	16,420	1,005,552	1,773,367	94	7,166,203
Related entities	145,239	1,777,940	961,546	21,981,105	12	24,865,830
Total creditor claims	12,112,333	1,794,360	1,967,097	26,030,887	135	41,904,677

We note:

- majority (in number) of trade creditors are held in SPS (68)
- all Group employees were employed by SPS, however we understand that pre-appointment employee entitlements (aside from excluded employees) were paid on completion of the sale transaction for the business and assets by the Receivers and Managers (discussed further at **section 4.4.2**)
- some creditor amounts may have been reduced or paid in full following the completion of the sale transaction for the business and assets.

4.4.1 Secured creditors

A 'secured creditor' is a creditor that holds a security interest over some or all of a company's assets. To be valid, the security interest must generally be registered on the Personal Property Securities Register (PPSR) or, in the case of land and buildings, at the relevant Land Titles Office. Security interests can be over:

- circulating assets (formerly known as 'floating' assets) eg debtors, stock and cash
- non-circulating assets (formerly known as 'fixed' assets) eg property, plant and equipment, land, goodwill and rights to dividends.

A list of security interests registered against the Group on the PPSR is provided at **Appendix F**.

The Secured Creditor has a general security agreement over all of the assets of the Group. However, the primary borrower in respect of the Secured Creditor's debt is SGL. In addition, Indue have security over certain ATMs which were financed via a hire purchase agreement, and there are a number of hire purchase agreements over motor vehicles leased to the Group.

We understand that, as a result of the sale transactions completed by the Receivers and Managers, the Secured Creditor's debt has been substantially (but not entirely) repaid and Indue's debt has been discharged in full.

4.4.2 Employees

Outstanding employee entitlements have a statutory priority for payment over other creditors (except from the proceeds of non-circulating asset realisations).

As advised above, all of the Group's employees were employed by SPS.

The Receivers and Managers have advised that:

- all employee entitlements will be paid by the Receivers and Managers from the proceeds of the sale of the Group's business and assets, aside from amounts above the statutory cap owing to excluded employees (excluded employees are defined below)
- total pre-appointment employee entitlements were \$491,548
- the total amounts payable includes amounts owing to employees who have:
 - been terminated on completion of the sale
 - transferred to the purchaser on completion of the sale
 - resigned prior to appointment of the Receivers and Managers
 - resigned during the appointment of the Receivers and Managers.

We do not have a breakdown of the above figure at this time.

Excluded employees

Excluded employees are defined in the Act as directors and their spouses or relatives (s556(2)).

Outstanding priority employee entitlements for excluded employees are limited to \$2,000 for wages (including superannuation) and \$1,500 for unpaid annual leave and long service leave. The balance of their entitlements rank as an unsecured claim (s556(1A) and (1B)) of the Act.

The Receivers and Managers have confirmed that the balance of director entitlements of c\$182k will not be paid from proceeds of sale, and will therefore rank as unsecured creditors.

FEG

If a company is placed into liquidation, an employee may be eligible for payment of any shortfall in their employee entitlements (excluding superannuation) under FEG. Former employees must meet eligibility requirements outlined in the *Fair Entitlements Guarantee Act 2012*.

FEG advances are repaid to the Government if funds become available, in the same priority as employees' claims (<http://employment.gov.au/fair-entitlements-guarantee-feg>).

4.4.3 Unsecured Creditors

At the date of our appointment, the claims of the Group's unsecured creditors totalled \$32,032,033, of which \$24,865,830 (78%) was owed to related entities. Amounts owing to external creditors totalled \$7,166,203 as summarised below:

Entity	Trade/external creditors		Related entities		Total	
	No.	Amount (\$)	No.	Amount (\$)	No.	Amount (\$)
SGL	23	4,370,865	2	145,239	25	4,516,104
SIL	1	16,420	2	1,777,940	3	1,794,360
SAT	2	1,005,552	5	961,546	7	1,967,097
SPS	68	1,773,367	3	21,981,105	71	23,754,472
Total Group unsecured creditor claims	94	7,166,203	12	24,865,830	106	32,032,033

These figures are derived from the Company's books and records/directors' RATA and advised amounts by creditors. We note unsecured claims have not yet been verified/adjudicated on.

4.4.4 Related entities

The related entities and the quantum of their claims per the Group's records at the date of appointment are summarised below:

Related entity (creditor)	Relationship	SGL	SIL	SPS	SAT	Total
		Amount (\$)	Amount (\$)	Amount (\$)	Amount (\$)	Amount (\$)
Todd Zani	Director	142,775	-	-	-	142,775
Evan McGregor	Director	2,464	-	-	-	2,464
SGL	Holding company	-	1,726,340	14,852,413	881,718	17,460,471
SIL	Subsidiary entity of SGL	-	-	6,132,557	52,182	6,184,739
SPS	Subsidiary entity of SIL (100% owned by SGL)	-	-	-	-	-
SAT	Subsidiary entity of SIL (100% owned by SGL)	-	-	996,135	-	996,135
Starlink	Subsidiary entity of SGL	-	51,600	-	27,284	78,884
CashPOD	Subsidiary entity of SGL	-	-	-	29	29
StarPOS	Subsidiary entity of SGL	-	-	-	333	333
Total related entity claims		145,239	1,777,940	21,981,105	961,546	24,865,830

Related entity claims have not been verified or adjudicated upon. Based on our preliminary review of the Group records, these claims appear to have arisen from:

- related entity loans
- intercompany services/goods provided.

As a result of the sale transaction completed by the Receivers and Managers, related party loans have been compromised. Accordingly, total related entity claims are now nil.

5. Conduct of administration

5.1 First meeting of creditors

The First Meeting of creditors of the Group was held on 1 December 2017, pursuant to s436E of the Act.

A general update was provided to creditors at this meeting. Creditors did not resolve to appoint a COI at the meeting.

A copy of the first meeting minutes may be obtained from ASIC's website.

5.2 Conduct of the administration

5.2.1 Sales of the Group's Business and Assets

Following their appointment, the Receivers and Managers commenced a campaign for the sale of the Group's business and assets. We understand that a number of parties presented offers, with a preferred party identified and sale agreement drawn up in January 2018. We understand the transaction was completed on 12 March 2018 which resulted in the Group's business and assets being purchased by Star Funding No 1 Pty Ltd, Cashpoint Payment Solutions Pty Ltd and Switchlink Payment Technology Pty Ltd ("the Purchasers").

Star Funding is a related party to the Secured Creditor.

As a result of the sale, the Group's remaining employees have been transferred to the Purchasers. The Receivers and Managers have advised that pre-appointment employee entitlements will be paid in full.

We have requested further details concerning the sale transaction, including copies of the sale agreements etc... from the Receivers and Managers.

5.2.2 Recapitalisation of SGL

As the sale of the Group's business and assets has now completed, we will shortly be seeking expressions of interest for the recapitalisation of SGL.

In our experience, listed entities often hold value when sold to a purchaser with interests in utilising the vehicle as a funding mechanism for new or existing businesses.

Given the sale of business transaction process has taken the majority of the administration period to finalise, we have been unable to commence marketing the recapitalisation opportunity until this transaction completed. We have commenced an expression of interest marketing campaign and will provide creditors with an update at the Second Meeting.

If/when a preferred DOCA proposal is presented to the Administrators and is deemed suitable by us, we will write to creditors of SGL with details of the DOCA and notice of the adjourned meeting to enable creditors to consider and vote on the proposal

5.2.3 Continued trading

The Receivers and Managers continued to trade the business throughout their appointment. We did not take part in the Group's ongoing trading and have not yet been provided with details of its financial performance during this period.

6. Company financial background

Our preliminary investigations into the financial performance of the Group included a review of:

- the FY15 to FY17 audited financial statements
- FY16 and FY17 management accounts for each Group Company
- management accounts from July 2017 to 19 November 2017 (date of appointment of the Receivers and Managers) for each Group Company
- consolidated management accounts for FY18 YTD 31 October 2017.

As at the date of our appointment, the financial statements were up to date (FY17 annual report was released on 29 September 2017).

SGL prepared consolidated financial statements including all subsidiaries. As such, reference to 'Group' in **Section 6** includes all entities in the Group's corporate structure, as represented in **Section 4.1** with the exception of NeolCP which the Group held a minority (11.1%) interest in.

6.1 Group's financial performance – key comments

Key Comments
<ul style="list-style-type: none">• The Group's key performance objective appeared to be increasing revenue. Following the reverse takeover of ICP in August 2015, operating income increased from \$930k in FY15 to \$8.4m in FY17• The Group achieved gross profit margins for FY15 to FY17 between 25-30%. However, revenue and gross profit did not reach sufficient levels to enable the Group to meet its overheads, in particular payroll expense• While Group revenue was rapidly increasing, the Group recorded negative EBITDA and net operating losses between FY15 and FY17. The FY18 YTD consolidated management accounts indicated a net loss of \$2.9m for YTD 31 October• Other income for FY16 and FY17 predominantly represents revaluation increments recorded on completion of acquisitions• During most of FY16 and FY17, acquisitions of other ATM networks predominately occurred via capital raisings. However, the most recent acquisition (Fast Cash, completed in June 2017) was funded via debt financing leading to increased finance / interest cost• Staff costs represented the Group's largest overhead, accounting for c.40% of total administration expense.

6.1.1 Group financial performance / Profit and Loss

The Group's audited financial performance (Profit and Loss) for FY15 – FY17 is summarised below, together with FY18 YTD 31 October consolidated management accounts. We have provided further analysis at an individual company level (for those companies in administration) in **Sections 6.2 to 6.6**.

\$'000s	31 Oct 2017 (Mgmt)	FY17	FY16	FY15
Revenue from operations	3,377	8,358	3,659	589
Cost of goods sold	(2,303)	(6,290)	(2,608)	(439)
Gross Profit	1,075	2,068	1,051	151
<i>Margin (%)</i>	32%	25%	29%	26%
Other income	-	1,098	2,165	-
Administrative expenses	(1,879)	(4,178)	(3,367)	(1,352)
Impairment	-	(111)	-	-
EBITDA	(804)	(1,123)	(151)	(1,202)
Depreciation and amortisation	(1,624)	(4,210)	(1,088)	(1,675)
EBIT	(2,428)	(5,333)	(1,239)	(2,876)
Finance (costs) / income	(459)	(553)	(19)	1
Income tax (expense) / benefit	-	-	-	-
Net Profit/(Loss) After Tax	(2,887)	(5,886)	(1,258)	(2,876)

The following table summarises the financial performance of each company in administration for the period July – October 2017 as reported in the Group's unaudited management accounts. Commentary on the financial performance of each company is provided in **Section 6.2 to 6.6**.

\$'000s	SGL	SIL	SPS	SAT	Total
Revenue from operations	-	-	2,780	156	2,936
Cost of goods sold	-	-	(1,914)	(93)	(2,007)
Gross Profit	-	-	865	63	929
<i>Margin (%)</i>	0%	0%	31%	41%	32%
Other income	0	-	4	14	18
Staff costs	(37)	-	(887)	-	(924)
Other expenses	(516)	(55)	(366)	(50)	(986)
Impairment	-	-	-	-	-
EBITDA	(552)	(55)	(383)	28	(963)
Depreciation and amortisation	(80)	-	(1,088)	(25)	(1,193)
EBIT	(632)	(55)	(1,471)	3	(2,156)
Interest	(415)	(0)	(19)	-	(434)
Income tax (expense) / benefit	-	-	-	-	-
Net Profit/(Loss) After Tax	(1,047)	(55)	(1,490)	3	(2,590)

6.1.2 Group financial position / Balance Sheet

Key Comments

- The Group's principal asset is intangibles, being contracts with Cash Plus, Cash My ATM and Fast Cash (ie the right to deploy ATM's at various venues). The Group valued these at cost on acquisition and amortised them over five years
- While the Group maintained a consolidated positive net asset balance, SPS's individual balance sheet showed a net asset deficiency since FY16
- The value of intangibles recorded on the Group's balance sheet (c\$16m) is questionable in light of the values achieved from their sale by the Receivers and Managers (\$8.5m transaction value achieved on sale of all of the Group's assets)
- Despite undertaking regular capital raisings to fund acquisitions, the Group was experiencing tight liquidity during FY17. The Group's net working capital at 30 June 2017 was negative \$6.9m (liquidity ratio 0.32)
- As noted earlier, the Group entered into a finance facility with the Secured Creditor on 1 June 2017. \$5.3m of the facility was drawn at 30 June 2017. In addition, the Group borrowed \$3m from NeolCP in March 2017. Both loans were to assist in funding acquisitions.

The Group's consolidated financial position (Balance Sheet) for FY15 – FY17 and management accounts to 31 October 2017 are summarised below:

\$'000s	31 Oct 2017 (Mgmt)	FY17 (Audited)	FY16 (Audited)	FY15 (Audited)
Current assets				
Cash and cash equivalents	1,297	1,632	2,657	289
Receivables	531	256	1,103	139
Inventories	1,217	869	496	485
Other assets	975	444	586	18
Total current assets	4,020	3,200	4,842	931
Non-current assets				
Property, plant and equipment	3,316	3,578	2,135	190
Intangible assets	14,959	16,309	9,319	-
Other financial assets	2,691	2,691	2,140	951
Total non-current assets	20,967	22,578	13,594	1,141
Total assets	24,986	25,778	18,436	2,072
Current liabilities				
Borrowings	365	5,655	49	-
Trade and other payables	5,299	4,354	3,625	171
Provisions	150	125	82	16
Total current liabilities	5,814	10,135	3,757	187
Non-current liabilities				
Borrowings	9,848	3,481	162	-
Total non-current liabilities	9,848	3,481	162	-
Total liabilities	15,662	13,616	3,919	187
Net assets	9,324	12,161	14,517	1,885
Equity	9,324	12,161	14,517	1,885

We note that the variance in current and non-current borrowings between FY17 and 31 Oct 2017 relates to the Secured Creditor loan of \$6.5m being recognised as a non-current liability at 31 October 2017. While the Group negotiated to have the repayment date of the facility extended to 30 September 2018, as at 31 October 2017, the borrowings were payable within twelve months and should have been classified as a current liability.

Our preliminary analysis of each Group company is set out below in **Sections 6.2 to 6.6**.

6.2 SGL Financial Statements

6.2.1 SGL profit and loss

\$'000s	Notes	July - Oct '17 (mgmt)	FY17 (mgmt)	FY16 (mgmt)
Revenue from operations	1	-	-	122
Cost of goods sold		-	-	(16)
Gross Profit		-	-	106
<i>Margin (%)</i>		0%	0%	87%
Other income	2	0	737	899
Staff costs		(37)	(115)	(365)
Other expenses	3	(516)	(751)	(1,005)
Impairment		-	-	-
EBITDA	4	(552)	(129)	(366)
Depreciation and amortisation		(80)	(184)	(25)
EBIT		(632)	(313)	(391)
Interest	5	(415)	(431)	(17)
Income tax (expense) / benefit		-	-	2,210
Net Profit/(Loss) After Tax		(1,047)	(744)	1,802

Notes

1. SGL operated as the ultimate holding company and did not generate trading revenue (although some residual EMV development income was recognised in early FY16 in SGL).
2. Other income includes interest, dividends, insurance recovery, revaluation increment and proceeds from the sale of shares.
3. Operating expenses mainly comprise motor vehicle expenses, head office costs and compliance costs. The decrease in expenses between FY16 and FY17 mostly relates to a decrease in costs associated with capital raising such as share registry expenses and corporate advisory fees, and bad debt expenses (FY16: \$137K).
4. Interest expenses increased by \$414K between FY16 and FY17 following SGL borrowing funds to meet the purchase of further ATM networks.

6.2.2 SGL balance sheet

\$'000s	Notes	19 Nov 2017 (Mgmt)	FY17 (Mgmt)	FY16 (Mgmt)
Current assets				
Cash and cash equivalents		271	3	732
Receivables		293	1	885
Inventories		-	-	-
Loans	1	23,417	22,606	10,727
Other assets	2	653	372	2,385
Total current assets		24,634	22,982	14,729
Non-current assets				
Property, plant and equipment		740	858	287
Intangible assets		-	-	-
Other financial assets	3	2,634	2,634	2,000
Total non-current assets		3,374	3,491	2,287
Total assets		28,008	26,473	17,016
Current liabilities				
Borrowings	4	6,947	5,749	49
Loans		145	41	7
Trade and other payables	5	1,557	344	286
Provisions		-	-	-
Total current liabilities		8,649	6,134	342
Non-current liabilities				
Borrowings	4	3,262	3,303	162
Sundry creditors		-	-	-
Total non-current liabilities		3,262	3,303	162
Total liabilities		11,911	9,437	505
Net assets		16,097	17,036	16,512
Equity		16,097	17,036	16,512

Notes

1. Intercompany loans which are unlikely to be repaid. SGL conducted all capital raising and entered into debt financing arrangements on behalf of the Group, with funds raised being provided to Group subsidiaries to conduct operations. When the intercompany loans are removed, SGL has a negative net asset position.
2. FY16 includes a deferred tax asset of \$2.2m.
3. Other financial assets comprise SGL's 11% shareholding in NeolCP. NeolCP is a Korean-based ATM manufacturer and a substantial shareholder in SGL.
4. Borrowings increased significantly in FY17, as a result of the facilities entered into with the Secured Creditor (\$6m + interest + fees) and NeolCP (\$3m + interest + fees) to facilitate the purchase of the Indue and Fast Cash ATM networks. The Secured Creditor's debt was initially repayable at 30 June 2017. However, in August 2017 this was extended to 30 September 2018 and the loan facility was increased to \$6.5m.
5. Increase in trade creditors between end of FY17 and current management accounts comprise a \$500k loan from Hover Holdings, and c\$545k increase in trade creditors. Hover Holdings was SGL's largest shareholder according to SGL's FY17 annual report.

6.3 SIL Financial Statements

6.3.1 SIL profit and loss

\$'000s	Notes	July - Oct '17 (mgmt)	FY17 (mgmt)	FY16 (mgmt)
Revenue from operations		-	-	-
Cost of goods sold		-	-	-
Gross Profit		-	-	-
Margin (%)		0%	0%	0%
Other income		-	-	6
Staff costs		-	-	-
Other expenses	1	(55)	(1)	(40)
Impairment		-	-	-
EBITDA		(55)	(1)	(34)
Depreciation and amortisation		-	-	-
EBIT		(55)	(1)	(34)
Interest		(0)	(0)	(0)
Income tax (expense) / benefit		-	-	-
Net Profit/(Loss) After Tax		(55)	(1)	(34)

Notes

1. Other expenses are the Corporate Traveller account, which has been carried over from when SIL was the main holding company for the Group. Otherwise, SIL is effectively dormant and remains in place given its role as holding company of various Group subsidiaries.

6.3.2 SIL balance sheet

\$'000s	Notes	19 Nov 2017 (Mgmt)	FY17 (Mgmt)	FY16 (Mgmt)
Current assets				
Cash and cash equivalents		0	0	1
Receivables		1	-	0
Inventories		-	-	-
Loans	1	6,227	6,256	6,236
Other assets		3	8	3
Total current assets		6,232	6,264	6,240
Non-current assets				
Other financial assets		0	0	0
Total non-current assets		0	0	0
Total assets		6,232	6,265	6,240
Current liabilities				
Borrowings		5	5	0
Loans	2	1,778	1,735	1,717
Trade and other payables		7	13	10
Total current liabilities		1,790	1,753	1,727
Total liabilities		1,790	1,753	1,727
Net assets		4,442	4,512	4,513
Equity		4,442	4,512	4,513

Notes

1. Intercompany loans which are unlikely to be repaid.
2. Intercompany loan.

6.4 SAT Financial Statements

6.4.1 SAT profit and loss

\$'000s	Notes	July - Oct '17 (mgmt)	FY17 (mgmt)	FY16 (mgmt)
Revenue from operations	1	170	940	51
Cost of goods sold		(93)	(448)	(33)
Gross Profit		77	492	18
<i>Margin (%)</i>		45%	52%	35%
Other income		-	61	1
Staff costs		-	-	-
Other expenses	2	(50)	(28)	(2)
Impairment		-	-	-
EBITDA		28	525	17
Depreciation and amortisation		(25)	(67)	(23)
EBIT		3	458	(6)
Interest		-	-	-
Income tax (expense) / benefit		-	-	-
Net Profit/(Loss) After Tax		3	458	(6)

Notes

1. SAT generated revenue from the sale of ATM's and ATM parts. SAT's main supplier was NeolCP.
2. Expenses predominately made up of interest payments of \$25k per month on NeolCP's loan to SGL (\$3m). Two interest repayments for June and July 2017 were made by SAT on behalf of SGL. However, we are unsure why these were made by SAT and not SGL. It does not appear that any other Group company (under administration) made any other interest repayments to NeolCP.

6.4.2 SAT balance sheet

\$'000s	Notes	19 Nov 2017 (Mgmt)	FY17 (Mgmt)	FY16 (Mgmt)
Current assets				
Cash and cash equivalents		3	2	6
Receivables		59	34	0
Inventories	1	1,183	874	496
Loans	2	991	906	-
Other assets		95	143	340
Total current assets		2,331	1,958	842
Non-current assets				
Property, plant and equipment		31	29	36
Intangible assets		84	91	114
Other financial assets		-	-	-
Total non-current assets		115	120	149
Total assets		2,446	2,078	992
Current liabilities				
Borrowings		-	-	2
Trade and other payables	3	1,014	665	10
Provisions		-	-	-
Total current liabilities		1,014	665	11
Non-current liabilities				
Borrowings		-	-	-
Loans	2	971	962	988
Total non-current liabilities		971	962	988
Total liabilities		1,985	1,627	999
Net assets		461	451	(7)
Equity		461	451	(7)

Notes

1. Increase in inventory relates to steady increase in stock on hand (ATM and ATM parts) over period of past two FY's. We have not completed an in-depth analysis of the valuation or saleability of the stock held. However, these items were sold by the Receivers and Managers. We note that stock on hand at 19 November 2017 was greater than total sales for FY17 indicating that SAT may have been holding more stock than necessary.

2. Intercompany loans.

3. Majority of trade payables made up of purchases of ATM's and ATM parts from NeoICP (c\$1m as at the date of our appointment).

6.5 SPS Financial Statements

6.5.1 SPS profit and loss

\$'000s	Notes	July - Oct '17 (mgmt)	FY17 (mgmt)	FY16 (mgmt)
Revenue from operations	1	2,679	6,970	3,370
Cost of goods sold	2	(1,914)	(5,564)	(2,496)
Gross Profit		765	1,406	874
<i>Margin (%)</i>		29%	20%	26%
Other income		104	35	275
Staff costs	3	(887)	(1,977)	(1,498)
Other expenses	4	(366)	(1,327)	(656)
Impairment		-	-	-
EBITDA	5	(383)	(1,863)	(1,005)
Depreciation and amortisation		(1,088)	(3,690)	(1,035)
EBIT		(1,471)	(5,553)	(2,040)
Interest		(19)	(98)	(14)
Income tax (expense) / benefit		-	-	-
Net Profit/(Loss) After Tax		(1,490)	(5,650)	(2,054)

Notes

1. Approx. 98% of sales is direct charge revenue from ATM network fees.
2. Major costs include merchant rebates (c\$2.94m in FY17), ATM bailment and CIT expenses (c\$1.8m in FY17), Indue switching costs (c\$537k in FY17) and ATM repairs and maintenance (c\$163k).
3. Staff costs comprise SPS's largest operating expense. Administration staff costs increased by 41% between FY16 to FY17, totalling c\$1.55m in FY17. As has been previously noted, SPS was the sole employing entity (other than the directors' fees paid by SGL).
4. Major other expenses in FY17 included:

Expense	Amount \$'000s
Travel costs	275
Motor vehicle and personnel costs	217
Advertising and marketing	170
Consultancy fees	138
Rent	111
Insurance	100
Total	1,011

5. Insufficient gross margin generated from operations to cover ongoing overheads and expenses (insufficient to cover staff costs alone).

6.5.2 SPS balance sheet

\$'000s	Notes	19 Nov 2017 (Mgmt)	FY17 (Mgmt)	FY16 (Mgmt)
Current assets				
Cash and cash equivalents		1,100	1,828	2,161
Receivables		53	67	193
Inventories		-	-	-
Loans	1	396	446	201
Other assets		204	264	15
Total current assets		1,754	2,605	2,570
Non-current assets				
Property, plant and equipment	2	2,506	2,659	1,812
Intangible assets	3	8,974	9,879	9,205
Other financial assets		-	-	-
Total non-current assets		11,480	12,538	11,018
Total assets		13,234	15,143	13,587
Current liabilities				
Borrowings	4	459	698	4
Trade and other payables		2,302	3,218	3,424
Loans	1	15,877	14,867	8,208
Provisions	5	150	125	87
Total current liabilities		18,787	18,908	11,722
Non-current liabilities				
Loans		-	-	-
Total non-current liabilities		6,133	6,145	6,125
Total liabilities		24,920	25,053	17,847
Net assets		(11,686)	(9,910)	(4,259)
Equity		(11,686)	(9,910)	(4,259)

Notes

- Intercompany loans that are unlikely to be repaid.
- Value of ATMs, parts and associated software as follows:

	Cost	Accumulated depreciation	Book Value
ATMs and parts	3,263,142	(952,081)	2,311,061
IT equipment and software	234,484	(140,759)	93,724
Plant and equipment	61,818	(18,388)	43,430
Motor vehicles	76,432	(19,130)	57,302
Total	3,635,876	(1,130,359)	2,505,517

- Intangible assets made up of value of key supply contracts purchased with ATM networks, including Cash Plus, CMATM and FastCash. We note that we have not completed an independent valuation of the contract values or their realisable value.
- Borrowings made up of current portion of Indue loan and hire purchase liabilities for company vehicles.
- Provision for annual leave. As advised in **section 4.4.2**, actual employee entitlements are \$491,548.

6.6 Directors' Report as to Affairs (RATA)

A company director must provide an administrator with a RATA outlining the company's business, property, affairs and financial circumstances at the appointment date (s438B). The RATA should include:

- net asset book values (based on historical financial records)
- estimated asset realisable values
- known liabilities.

The directors have provided us with a RATA in accordance with his/their responsibilities under the Act.

Detailed below is the information provided in the directors' RATA.

6.6.1 SGL

	Notes	Book value	Estimated value
Assets subject to specific security interests		-	-
Relevant secured creditor claims	1	10,045,959	10,045,959
Surplus / (Deficit) on specific security interests		(10,045,959)	(10,045,959)
Other Assets			
Interest in land		-	-
Sundry debtors		-	-
Cash on hand		-	-
Cash at bank		5,263	5,263
Stock		-	-
Work in progress		-	-
Plant and equipment		51,103	500,000
Inter-entity loans	2	23,416,978	10,000,000
Investment (NeolCP)	3	2,633,661	2,633,661
Prepaid expenses		554,418	-
Other		67,213	67,213
Surplus / (Deficit) on specific security interests (from above)		(10,045,959)	(10,045,959)
Sub Total		17,382,677	3,160,178
<i>Less other creditor claims:</i>			
Employee entitlements		-	-
Preferential creditors		-	-
General security interest holders		-	-
Unsecured creditors	4	1,734,213	1,459,213
Surplus / (Deficiency) to creditors		15,648,464	1,700,965
<i>Plus Contingent assets</i>		-	-
<i>Less Contingent liabilities</i>		-	-
Surplus / (Deficiency) to creditors after contingencies		15,648,464	1,700,965

Notes

1. The directors' RATA does not provide details of the identity of the secured creditor. However, we assume they are referring to First Class Securities.
2. The management accounts and the supporting documentation provided by the directors for total intercompany loan accounts do not reconcile. According to the management accounts, the intercompany loan position is as follows:

Company	Amount \$
SIL	1,726,340
StarATM Pty Ltd	881,718
CashPod ATM Pty Ltd	10
StarPOS Pty Ltd	20,569
StarApps Pty Ltd	280
StarLink Pty Ltd	5,930,639
SPS	14,857,748
Total	23,417,304

3. Equity interest in NeolCP Korea. This represented an 11.1% holding in NeolCP at 30 June 2017.
4. The variance between book value and estimated value of \$250K plus GST is due to advised disputed invoice. The directors did not provide details of the dispute. Unsecured creditors consist of the following:

Description	Amount \$
Todd Zani	122,275
Evan McGregor	2,000
Hover Holdings	520,000
ATO refund	(27,179)
Brad Prout	325,000
Hunter Premium Funding	44,457
Aged Payables	747,660
Total	1,734,213

The majority (67%) of aged payables are at least two months overdue.

6.6.2 SIL

	Notes	Book value	Estimated value
Assets subject to specific security interests		-	-
Relevant secured creditor claims		-	-
Surplus / (Deficit) on specific security interests		-	-
Other Assets		-	-
Interest in land		-	-
Sundry debtors		2,531	2,531
Cash on hand		-	-
Cash at bank		444	444
Stock		-	-
Work in progress		-	-
Plant and equipment		-	-
Inter-entity loans	1	6,227,356	-
Intangible assets		-	-
Prepaid expenses		-	-
Other		300	300
Surplus / (Deficit) on specific security interests (from above)		-	-
Sub Total		6,230,631	3,275
<i>Less other creditor claims:</i>			
Employee entitlements		-	-
Preferential creditors		-	-
General security interest holders		-	-
Unsecured creditors	2	1,788,024	10,584
Surplus / (Deficiency) to creditors		4,442,607	(7,309)
<i>Plus</i> Contingent assets		-	-
<i>Less</i> Contingent liabilities		-	-
Surplus / (Deficiency) to creditors after contingencies		4,442,607	(7,309)

Notes

1. According to the management accounts, the intercompany loan position is as follows:

Company	Amount \$
Investments in subsidiaries	300
StarATM Pty Ltd	52,182
CashPod ATM Pty Ltd	20
StarPOS Pty Ltd	41,097
Star Payment Systems	6,133,758
Total	6,227,357

2. The majority of the unsecured creditor balance is intercompany loans. As such, the directors' estimated value of unsecured creditors of \$10,584 consists of the following:

Description	Amount \$
Dream Bright Nominees Pty Ltd	5,000
ATO refund	(1,314)
Corporate Traveller	6,898
Total	10,584

6.6.3 SAT

	Notes	Book value	Estimated value
Assets subject to specific security interests		-	-
Relevant secured creditor claims	1	999,535	8,702
Surplus / (Deficit) on specific security interests		(999,535)	(8,702)
Other Assets			
Interest in land		-	-
Sundry debtors		50,678	50,678
Cash on hand		-	-
Cash at bank		7,189	7,189
Stock	2	599,122	599,122
Work in progress		-	-
Plant and equipment		37,793	37,793
Inter-entity loans	3	999,455	-
Intangible assets (EMV software)		82,050	-
Prepaid expenses		-	-
Other		95,483	1,890
Surplus / (Deficit) on specific security interests (from above)		(999,535)	(8,702)
Sub Total		872,235	687,970
<i>Less other creditor claims:</i>			
Employee entitlements		-	-
Preferential creditors		-	-
General security interest holders		-	-
Unsecured creditors	4	984,651	8,702
Surplus / (Deficiency) to creditors		(112,416)	679,268
<i>Plus</i> Contingent assets		-	-
<i>Less</i> Contingent liabilities		-	-
Surplus / (Deficiency) to creditors after contingencies		(112,416)	679,268

Notes

1. It is unclear what secured debt the directors' RATA refers to. The directors did not provide further details to the above values.
2. Relates to various ATMs and equipment.
3. Intercompany loan receivable from SPS.
4. The majority of the unsecured creditor book value balance is intercompany loans. As such, the directors' estimated value of unsecured creditors of \$8,702 consists of the following:

Description	Amount \$
ATO	3,377
Ezetax Pty Ltd	165
Triton ATM – North America	5,160
Total	8,702

6.6.4 SPS

	Notes	Book value	Estimated value
Assets subject to specific security interests		-	-
Relevant secured creditor claims	1	1,101,937	1,101,937
Surplus / (Deficit) on specific security interests		(1,101,937)	(1,101,937)
Other Assets			
Interest in land		-	-
Sundry debtors		52,928	52,928
Cash on hand		100	100
Cash at bank		4,103	4,103
Stock		-	-
Work in progress		-	-
Plant and equipment		2,472,068	2,472,068
Inter-entity loans	2	350,906	-
Intangible assets		8,974,243	8,000,000
Prepaid expenses		72,147	-
Other		228,492	228,492
Surplus / (Deficit) on specific security interests (from above)		(1,101,937)	(1,101,937)
Sub Total		11,053,050	9,655,755
<i>Less other creditor claims:</i>			
Employee entitlements	3	147,538	147,538
Preferential creditors	4	29,995	29,995
General security interest holders		-	-
Unsecured creditors	5	22,704,919	687,424
Surplus / (Deficiency) to creditors		(11,829,402)	8,790,797
<i>Plus Contingent assets</i>		-	-
<i>Less Contingent liabilities</i>		-	-
Surplus / (Deficiency) to creditors after contingencies		(11,829,402)	8,790,797

Notes

1. Advised amount owing to the Secured Creditor. The directors did not provide further details to the above values.
2. According to SPS's balance sheet at 19 November 2017, the intercompany loan position is as follows:

Company	Amount \$
StarLink Pty Ltd	159,023
StarApps Pty Ltd	99,487
Cashpod	797
StarPOS Pty Ltd	91,599
Total	350,906

3. Per MYOB records for employees (including directors) annual leave. Refer to **section 4.4.2**.
4. Advised superannuation outstanding. Refer to **section 4.4.2**.

5. The majority of the unsecured creditor book value balance is intercompany loans. As such, the directors' estimated value of unsecured creditors of \$687,424 consists of the following:

Description	Amount \$
ATO	84,330
Workcover QLD	9,424
Hover Holdings	80,000
Aged payables	513,671
Total	687,424

46% of aged payables are 90+ days overdue.

RATA figures may differ from actual realisable values as:

- net book values are based on historical financial records
- asset values are not market tested
- creditor claims are not yet adjudicated upon or quantified.

7. Investigations

Key Comments

While our investigations are ongoing, we summarise our initial findings below:

- The Group's failure would appear to be the result of:
 - insufficient cashflow
 - difficulty servicing debt from mid FY17 onwards
 - ongoing trading losses
 - the announcement by major Australian banks to remove fees on utilising their ATMs in September 2017 may have adversely affected investor sentiment towards the Group and therefore its ability to raise capital from the share market.
- Despite reporting increasing revenue, gross profit continued to be insufficient to meet ongoing operating costs indicating the Group's ATM network failed to reach the critical mass required for the Group to be profitable.
- Our preliminary view is that the Group was trading whilst insolvent from June 2017.

We have conducted investigations into the reasons for the Group's failure to the extent possible in the available time. Further investigations will be conducted should creditors vote to wind up the Group companies at the Second Meeting. A liquidator has greater powers to undertake investigations and pursue recoveries than an administrator or deed administrator.

We have based our investigations and opinions on information obtained from:

- books and records, including management reports and board reports
- electronic financial systems
- accounting and database information systems used within the business
- directors, officers, management and key staff members
- external professional reports, including audit reports
- publicly available information e.g. ASIC, ASX.

We note that the Receivers and Managers have held the Group's books and records since our appointment, and therefore our investigations have been completed based on the information provided to us to date (which we believe is largely sufficient for the purposes of this report). Given the sale transaction for the business and assets has now been completed, we expect the Receivers and Managers will provide all of the Group's remaining records to us shortly, which we will utilise to complete more thorough investigations should the Group companies proceed into liquidation.

7.1 Directors' explanation for the Group's difficulties

The directors attribute the Group's current financial position to:

- increasing operating costs
- insufficient cashflow
- difficulties raising capital post announcement by major banks regarding no ATM fees
- inability to re-finance existing debt
- dispute among directors/key management/shareholders
- lack of visibility about Group performance and position with overreliance placed on Managing Director
- increased EMV fraud on ATM network
- failed completion to purchase CashPoint ATM network.

7.2 Administrators' explanation for the Group's difficulties

Our investigations to date indicate that the Group likely became insolvent following the acquisition of the Indue and the Fast Cash ATM businesses in May 2017.

Following the reverse takeover of ICP on 7 August 2015, the Group commenced an aggressive growth strategy with the acquisition of two major ATM networks, being:

- Cash Plus on 1 October 2015 (\$6.5m)
- CMATM on 5 July 2016 (\$4.54m).

The majority of the value attributed to these transactions was for the future value of the contracts underlying the respective ATM networks. The physical ATM's were collectively valued at \$932K. Both acquisitions were funded via capital raisings and share issuance.

The acquisition of the additional ATM's (104 and 91 respectively) appear to have added little to the ongoing operational profitability of the Group which recorded negative EBITDA and net operating cashflow for both FY15 and FY16.

We consider a key contributor to the Group's insolvency was the lack of working capital held over from the capital raisings or debt facilities associated with the acquisitions to fund the day to day operations of the Group, particularly the additional employee requirements associated with operating the larger ATM network.

The Group continued its growth strategy throughout FY17, via the acquisition of the Indue ATM business on 8 May 2017 for \$6.5M and the Fast Cash ATM network on 1 June 2017 for \$6.5M.

The Indue transaction was significantly delayed due to difficulties experienced by the Group in obtaining finance from the Secured Creditor. The transaction was first announced on 28 September 2016 and was intended to complete by 31 December 2016 (completion ultimately occurred 5 May 2017). In addition, the Group announced on 2 December 2016 that it had secured a \$15m finance facility from the Secured Creditor to assist with acquisitions. This facility was subsequently reduced to \$6.0m and not made available until 1 June 2017.

Following the Indue and Fast Cash acquisition, the Group's ATM network had grown to over 500 ATM's and on 1 June 2017 the Group announced that it had annualised revenue of more than \$13.5m. We note that, based on the Group's consolidated management accounts to 31 October 2017, FY18 revenue was tracking at \$10.1m.

Although there was a significant increase in the size (and therefore associated revenue) of the business post the Indue and Fast Cash acquisitions, this did not lead to improved profitability.

	FY18 (Mgmt) YTD (Ann)	FY18 (Mgmt) YTD (Oct 17)	FY17 (audited)	FY16 (audited)	FY15 (audited)
\$000's					
Revenue	10,131	3,377	8,358	3,659	589
Gross Profit	3,222	1,074	2,067	1,051	151
EBITDA	(2,412)	(804)	(2,110)	(2,316)	(1,202)
NPBT	(8,661)	(2,887)	(5,866)	(1,258)	(2,876)

It appears that the following pressure points caused particular strain on the Group's cash flow/solvency:

- the increased costs associated with "cashing" the ATMs (arranging third party contractors to provide cash for the ATMs), causing an increase in current liabilities
- gross profit from operations was incapable of meeting the steadily increasing administrative costs, particularly wages. The Group incurred trading losses throughout its existence and therefore could not rely on net profit to generate cashflow to service its obligations

- introduction of debt finance and associated interest payments. We note that the Group failed to meet interest payments on the Secured Creditor's loan facility in October and November 2017, i.e. the Group defaulted on the facility 4 months after it had been drawn.

7.3 Insolvency

Our preliminary view is that the Group was trading whilst insolvent.

The methods of testing solvency include but are not limited to the Cash Flow Test and the Balance Sheet Test, which are examined below.

A company is insolvent if it is unable to pay its debts as and when they become due and payable. Liquidators are required to demonstrate that a company is insolvent in order to pursue certain recovery proceedings (**Section 8**).

Creditors should note that insolvent trading claims are difficult and costly to pursue, and even if successful they may not generate an additional return for creditors.

7.3.1 Cash Flow Test

The Cash Flow Test is a measure of a company's ability to pay its liabilities from available resources as and when they fall due. The cash flow test is the preferred test used by the Courts in assessing the solvency/insolvency of a company/group of companies.

The available books and records indicate that the Group was not generally able to pay its debts as and when they fell due during the period under review:

- by 30 June 2017, the Group's current ratio had fallen to 0.32 indicating that the Group did not have sufficient liquidity available to meet its current liabilities
- due to the continuing loss-making nature of the Group's operations, it could not rely on trading profits to assist it meet its obligations. In addition, the ongoing losses exacerbated the extent of Group's liquidity issues
- on appointment, aged payables exceeding 90 days made up almost half of all trade creditors (\$1.48m, or 49% of total trade creditors), and the total number of trade creditors had increased
- the Group struggled to meet ongoing tax liabilities from June 2016 onwards (mainly PAYG in SPS), resulting in a number of payment plans and garnishee orders made by the ATO. The first garnishee notice for \$178,222 was issued by the ATO on 18 October 2016. As at the date of appointment, the Group's management accounts indicated c.\$167k in outstanding PAYG and superannuation tax
- the Group defaulted on its finance facility repayment obligations in October when it failed to meet an interest payment
- we do not suspect the financial reports are materially misstated.

Working capital and net current assets

Working capital is an indicator of liquid assets available to pay debts due within 12 months. A working capital ratio of less than one indicates that a company may not be able to pay its debts as and when they fall due.

Our preliminary analysis of the Group's records relating to working capital and net current assets indicated that the Group was experiencing liquidity issues from at least June 2017. The Group's consolidated working capital is shown below:

Consolidated

\$'000s	July - Oct 17 (mgmt)	FY17 (audited)	FY16 (audited)	FY15 (audited)
Current Assets				
Cash and cash equivalents	1,297	1,632	2,657	289
Receivables	531	256	1,103	139
Inventories	1,217	869	496	485
Other assets	975	444	586	18
Total Current Assets	4,020	3,200	4,842	931
Current Liabilities				
Borrowings	365	5,655	49	0
Trade and other payables	5,299	4,354	3,625	171
Provisions	150	125	82	16
Total Current Liabilities	5,814	10,135	3,757	187
Working Capital (Current Assets less Current Liabilities)	(1,794)	(6,935)	1,085	744
Working Capital / Liquidity Ratio (Current Assets/Current Liabilities)	0.69	0.32	1.29	4.98

We make the following comments in respect of the Group's working capital position:

- the Group's working capital position has been negative since June 2017 onwards
- the cash position of the Group fluctuated due to:
 - funds held in settlement each month for fees owing to contract holders for ATM agreements
 - funds received immediately post capital raising or receipt of financing for acquisitions of ATM networks, and subsequent payment of the acquisition consideration
- majority of inventory held is made up of ATMs and parts held in SAT
- trade payables as at 31 October 2017 includes:
 - \$2.82m in trade creditors
 - \$865k in prepaid revenue (ATM rebates)
 - \$815k in accrued expenses
 - \$500k loan to Hover Holdings (major shareholder)
 - \$297k in loans owed to Group directors
- as noted at **section 6.1.2**, the variance in current and non-current borrowings between FY17 and 31 October 2017 relates to the Secured Creditor loan of \$6.5m being recognised as a non-current liability at 31 October 2017. While the Group negotiated to have the repayment date of the facility extended to 30 September 2018, as at 31 October 2017, the borrowings were payable within twelve months and should have been classified as a current liability

- Provisions are made up of annual leave liability (\$150k as at 31 October 2017). Remaining employee entitlements were paid out by the Receivers and Managers via the sale transaction for the business and assets.

Short term cash flow forecast

The audit report included with the Group's FY17 annual report notes that the auditors reviewed Management's three-year cash flow forecast to 30 June 2020.

Whilst we have not discussed this forecast with the Group's management, we note the following from our review:

- the forecast was prepared on the basis of the Group seeking to acquire Cashpoint Payment Solutions No 1 Pty Ltd (**Cashpoint**), however this transaction did not proceed. The proposed transaction never reached a sufficient stage to justify an announcement to the market, and required significant additional capital to be raised to be completed
- Management expected the Group to commence producing a net EBIT in October 2017 (assumed to be significantly weighted on the successful acquisition of Cashpoint)
- the improved financial position appears to have been attributed to:
 - increased monthly transactional revenue from October 2017 of c240% (assumedly the first month after the Cashpoint acquisition was intended to be completed)
 - slowly increasing gross margin from 49% in early FY18 to 55% in FY20. Actual margin for the Group historically sat between 25% – 30%
 - very limited increases in overhead administrative costs post the Cashpoint acquisition through to FY20.

Aside from this forecast, the Receivers and Managers have advised that they are unaware of other short-term cash flow forecasting having been prepared for the Group. We are not in a position to verify this as we are not yet in control of the Group's financial records.

Annual Reports

Funding and liquidity were identified by the Group's auditor as key audit matters for attention in the Group's FY17 annual report, noting "the adequacy of funding and liquidity as well as the potential effects on the going concern assumption is a key audit matter as the Group's operations have not yet reached a stage to generate sufficient cash inflows to fund its future operations".

Notwithstanding the above, the auditor provided an unqualified audit opinion for FY17, with the audit report signed on 29 September 2017 (approximately 2 months prior to the appointment of the Receivers and Managers and Administrators).

The FY17 annual report includes the following factors (amongst others) identified by the Group's directors as relevant to their belief that the Group's business was a going concern:

- The Board has seen a significant transformation in the business since the reverse takeover of ICP, and revenues from continuing operations had increased 1,318% since 30 June 2015
- The Group had successfully raised in excess of \$17M to fund a number of high quality acquisitions and during the course of performing such capital raisings the offers were always oversubscribed
- The revenues of the business will significantly increase again in the 2018 year.

While we agree that the Group was experiencing rapid revenue growth, this was not translating into profitability and positive cash flow: the Group was incurring significant trading losses and negative cash flow.

We also note that the Group's last capital raising was completed on 1 May 2017 (raising \$3.7m) and the Group may have struggled to raise further capital given the declining share price performance and

the impact on market sentiment following the announcement by the Big 4 Australian banks that they would no longer be charging ATM withdrawal fees in September 2017.

7.3.2 Balance Sheet test

The Balance Sheet Test assesses the solvency of a company with reference to the company's net asset position (i.e. the level of total assets relative to total liabilities). Where assets exceed liabilities, the company (or group) under review can be said to be prima facie solvent on a balance sheet basis.

Consolidated

\$'000s	31 Oct 2017 (Mgmt)	FY17 (Audited)	FY16 (Audited)	FY15 (Audited)
Current assets				
Cash and cash equivalents	1,297	1,632	2,657	289
Receivables	531	256	1,103	139
Inventories	1,217	869	496	485
Other assets	975	444	586	18
Total current assets	4,020	3,200	4,842	931
Non-current assets				
Property, plant and equipment	3,316	3,578	2,135	190
Intangible assets	14,959	16,309	9,319	-
Other financial assets	2,691	2,691	2,140	951
Total non-current assets	20,967	22,578	13,594	1,141
Total assets	24,986	25,778	18,436	2,072
Current liabilities				
Borrowings	365	5,655	49	-
Trade and other payables	5,299	4,354	3,625	171
Provisions	150	125	82	16
Total current liabilities	5,814	10,135	3,757	187
Non-current liabilities				
Borrowings	9,848	3,481	162	-
Total non-current liabilities	9,848	3,481	162	-
Total liabilities	15,662	13,616	3,919	187
Net assets	9,324	12,161	14,517	1,885
Equity	9,324	12,161	14,517	1,885

We make the following comments concerning the Group's consolidated net assets:

- The Group recorded positive net assets throughout the period reviewed, albeit net assets were declining since 30 June 2016 attributable to ongoing trading losses and reasonably aggressive amortisation of intangibles (amortisation over 5 years).
- The Group's key balance sheet item was its intangible assets which comprised 60% of total asset value at 31 October 2017.
- As noted earlier in our report, the Receivers and Managers recently completed a sale transaction in respect of the Group's business and assets. We have not yet received full details of this transaction although we understand the total transaction value to be \$8.5m indicating that the realisable value of the Group's assets was well below their book value of nearly \$25m at 31 October.
- While the Balance Sheet Test is of assistance, the Courts' preferred test of insolvency is the Cashflow Test.

7.3.3 Other Indicators of Insolvency

Determining whether a company is insolvent (and the date at which insolvency occurred) is often difficult and is ultimately a matter for the courts to decide. The courts have identified fourteen general indicators of insolvency that are considered further in ASIC Regulatory Guide 217.

Our investigations to date have identified that nine of these indicators apply, or may apply, to the Group, as summarised below:

Indicator	Present	Comment
Continuing trading losses	Yes	The Group incurred continuing trading losses from July 2015 through to November 2017. Refer to section 6.1.1.
Liquidity ratio below one	Yes	The Group's liquidity ratios were below one from June 2017 onwards. Refer to section 7.3.1.
Overdue Commonwealth and state taxes	Yes	The Group had outstanding amounts owing to ATO.
Poor relationship with borrower/financier including inability to borrow additional funds	Yes	The Group failed to meet its interest payment due in October and November 2017 (4 months after funds were advanced by the Secured Creditor). The Secured Creditor appointed an investigative accountant to review the Group's financial position and ultimately appointed Receivers and Managers to the Group.
No access to alternative finance	Yes	Evidenced by attempts by directors to refinance existing finance facilities just prior to appointment of Receivers and Managers. We also note that the facility negotiated with the Secured Creditor was first announced as being for \$15m in December 2016 but was ultimately reduced to \$6.0m and not made available until 1 June 2017.
Inability to raise further equity	Yes	The Group had previously raised equity to fund acquisitions. However, the last capital raising occurred in May 2017 and the Group was unable to raise any further equity.
Supplier placing debtor on COD terms, otherwise demanding special payments before resuming supply	No	None evidenced, however Receivers and Managers hold the majority of Group records.
Creditors outside trading terms	Yes	Aged payables identifies creditors being paid outside of 30 days
Issuing of post-dated cheques	No	None evidenced, however Receivers and Managers hold the majority of Group records.
Dishonoured cheques	No	None evidenced, however Receivers and Managers hold the majority of Group records.
Special arrangements with selected creditors	Yes	ATO running balance account (RBA) indicates a repayment plan in place for some Group companies.
Legal action threatened or commenced, or judgements entered against the company	No	None evidenced.
Payments to creditors of rounded figures, which are irreconcilable to specific invoices	Yes	Various instances of rounded lump sum transactions being paid have been identified within the Group's bank accounts.
Inability to produce timely and accurate financial information to display the Company's trading performance and financial position, and make reliable forecasts	No	Our preliminary view is that the Group has maintained adequate records. Refer to section 7.6.

7.3.4 Proving Insolvency

Further investigations into the Group's insolvency will be conducted by a liquidator should any of the Group companies be wound up.

Determining when a company became insolvent can be a costly and complex exercise, involving a detailed review of the company's financial position, cash flow, and other relevant information.

Creditors should note that whilst the Act defines statutory requirements to complete investigations, the Group companies are in the most part without assets meaning intensive investigations may prove uncommercial for a liquidator to pursue.

7.4 Legal/class actions

We are unaware of any legal proceedings against the Group.

7.5 Outstanding or previous winding up applications

We are not aware of any outstanding or previous winding up applications against the Group.

7.6 Books and records

As noted above, whilst the majority of the Group's books and records are held by the Receivers and Managers, our preliminary view is that the Group has maintained adequate books and records.

S286 of the Act requires a company to keep written financial records for seven that:

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

Directors are responsible for ensuring that adequate financial records are maintained. Directors who fail to take all reasonable steps to ensure compliance with this requirement may be subject to a civil penalty order. This includes shadow and de facto directors.

Failure to maintain books and records may give rise to a presumption of insolvency (pursuant to s588E of the Act) (discussed above at **Section 7.3**)

A liquidator (if appointed) will continue investigations into whether any breaches of the Act have occurred in relation to the maintenance of proper books and records, including:

- failure to keep proper financial records (s286 of the Act)
- failure to take all reasonable steps to comply with financial records reporting requirements (s344 of the Act)
- requiring officers to exercise a reasonable degree of care and diligence in the exercise of their powers and discharge of their duties (s180 of the Act).

8. Offences and liquidation recoveries

Key Comments

While our investigations are ongoing, we summarise our preliminary findings below:

Insolvent trading

- Based on our investigations, we have concluded that the Company is likely to have traded while insolvent from June 2017. Therefore, debt incurred following this date may form part of an insolvent trading claim. As described above, a liquidator (if appointed) will complete further investigation and has the power to pursue these claims if they determined they are commercial to pursue.

Voidable transactions

- We have not finalised our investigations into voidable transactions, and we are yet to form a conclusive view on the exact date of insolvency. However, we have identified a number of transactions that may be voidable and will require further investigation. A liquidator (if appointed) will complete further investigation into these transactions and has the power to pursue those claims if they determined they are commercial to pursue.

Other claims

- We have identified further potential breaches that require additional investigation, primarily involving the cashing processes associated with the ATM network of SPS (and indirectly SGL and SAT). So as to not prejudice the potential outcome of these claims, we cannot provide further details at this point. However we will continue to investigate the claims should the relevant Group companies be placed in liquidation. We will also report these potential breaches to ASIC via our statutory reporting obligations under s438D of the Act and take any other steps we deem appropriate in our capacity as Administrators to address the potential breaches.

A liquidator has the ability pursue certain claims that may result in recoveries for creditors. Importantly, these claims are not available to a deed administrator should creditors vote to execute a Deed proposal.

To compare the likely return to creditors under each of a Deed of Company Arrangement and liquidation scenario, administrators identify claims that a liquidator could pursue, including:

- voidable transactions and other potential recoveries
- recoveries against past or present directors, secretaries, other officers and Company advisors.

Enclosed at **Appendix G** is a *Creditor Information Sheet: Offences, Recoverable Transactions and Insolvent Trading* published by ARITA, which provides general information for creditors on the types of claims that a liquidator can pursue.

8.1 Voidable transactions

The Act requires an administrator to specify whether there are any transactions that appear to the administrator to be voidable transactions in respect of which money, property or other benefits may be recoverable by a liquidator under the Act.

We have identified a number of potential voidable transactions which require further investigation, totalling approximately \$550k across the Group companies in administration. At this stage, the transactions being investigated relate predominately to SPS and SGL (including a number of payments made to the ATO, following correspondence between the ATO and the Group both pre and post the insolvency date, and the implementation of payment plans).

As our investigations into the insolvency date are ongoing, we cannot definitively estimate the value of the potential voidable transaction recoveries.

8.2 Insolvent trading

Based on our investigations as detailed in **Section 7.3**, the Group is likely to have traded whilst insolvent since June 2017. Our investigations into the date of insolvency are ongoing, however assuming a June 2017 insolvency date, preliminary estimates indicate over \$1.5m of debts were incurred post this insolvency date. A liquidator (if appointed) will conduct more thorough investigations in this regard.

Insolvent trading occurs when a company incurs a debt at a time when:

- the company was insolvent or became insolvent by incurring the debt
- there were reasonable grounds to suspect the Company was insolvent or would become so as a result of incurring the debt.

Company directors have a duty to prevent insolvent trading by not incurring debt when there are reasonable grounds for suspecting that the company is or will be unable to pay its debts as and when they fall due.

The objective test or standard of measure in deciding whether insolvent trading has occurred is whether a director can demonstrate that their actions are at the same degree and level that would be required of an ordinary reasonable person holding a similar position and responsibility in the same circumstances.

A director who fails to prevent a company from incurring a debt at a time when there are reasonable grounds for suspecting that the company is insolvent, or will become insolvent by incurring that debt, contravenes s588G of the Act.

Creditors should note that only a liquidator or an individual creditor with the liquidator's permission can bring an action against a director for breach of s588G. An administrator or deed administrator cannot pursue a director for recoveries from contraventions of s588G of the Act.

A liquidator may recover from a director the amount of loss or damages suffered by a creditor (s588M).

8.2.1 Director defences

Our investigations regarding whether the directors may have breached their statutory obligations or general law fiduciary duties are continuing.

Defences available to directors under the Act in regard to allegations of insolvent trading are:

- the director had reasonable grounds to expect, and did expect, that the company was solvent at that time and would continue to be solvent if it incurred the debt.
- the director had reasonable grounds to believe that a competent and reliable person was responsible for providing adequate information about whether the company was solvent and that person was fulfilling the responsibility and it was expected, that on the basis of the information provided, that the company was solvent and would continue to be solvent when the debt was incurred.
- at the time the debt was incurred the director, due to illness or other good reason, did not take part in the management of the company.
- the director took all reasonable steps to prevent the company from incurring the debt.

8.2.2 Holding company liability

An insolvent trading claim can be brought by the liquidator of a subsidiary company against the holding company where there are reasonable grounds for suspecting that the holding company or its directors knew of the subsidiary's insolvency. Accordingly, SGL as the parent entity may be liable for any insolvent trading of the Group.

Section 588W of the Act deals with the recovery of compensation for loss resulting from any insolvent trading claim, noting that a company's liquidator may recover from the holding entity an amount equal to the amount of the loss or damage. It should be noted, however, that the holding company may offset any monies owing under an intercompany loan account. We note that SGL is owed substantial debts from its subsidiaries having provided them with funding.

8.3 Offences

Directors and others have duties, obligations and responsibilities in relation to common law and statute.

8.3.1 Corporations Act 2001

Our preliminary investigations have identified that offences may have been committed in relation to the Group's cashing procedures. As advised above, so as to not prejudice any potential outcome of these claims, we are withholding disclosure of specific details.

A liquidator can conduct more thorough investigations and identify potential offences and recoveries (if any).

If a director breaches any duties, obligations and responsibilities, they may be subject to civil and criminal penalties including:

- compensation to the associated company for damages resulting from the contravention
- fines (up to \$200,000)
- imprisonment (up to 5 years)
- disqualification from managing corporations.

8.3.2 Other Legislation

In addition to offences under the Act, directors and others may commit offences in respect of the Company under other legislation, for example:

- Taxation laws
- Trade Practices Act
- Fair Trading Act.

Our preliminary investigations have not identified any other breaches.

8.4 Directors and officers insurance policy

A Directors and Officers insurance policy (**D&O Policy**) offers liability cover for company officers to protect them from claims which may arise from the decisions and actions taken within the scope of their regular duties. Such policies cover the personal liability of company directors and officers.

At the date of our appointment, the Group held D&O policies for the directors. To avoid prejudicing any potential claims, we are not disclosing the terms of the D&O policies, however note these may be available in the liquidation for potential claims.

8.5 Directors' personal financial position

When a liquidator assesses the commercial merit of pursuing a claim, a key consideration is the capacity of the defending party to satisfy the claim.

We have not yet requested that the directors provide a statement of personal financial position. Should any of the Group companies be placed into liquidation, we will request that the relevant directors provide a statement of personal financial position.

Should creditors resolve to place the Company into liquidation at the Second Meeting, a liquidator would continue investigating the directors' personal financial position.

8.6 Auditor claim

Based on our initial investigations and given our concerns regarding the insolvency of the Group, there is the possibility that the Group's auditor may not have fully complied with their obligations under Australian Auditing Standards.

Creditors should note that formal legal proceedings are subject to significant uncertainty, and such a claim could take in excess of three years, or possibly longer, to reach a conclusion.

A liquidator would review these matters in more detail and consider the merits of bringing a claim for damages against the auditor, noting the uncertainties mentioned above.

8.7 Public examinations

The Act provides that an 'eligible applicant', such as a liquidator, may examine officers of a company about its 'examinable affairs' and any other person who may be able to provide information relating to such affairs. 'Examinable affairs' is a comprehensive term with wide ranging application and includes:

- the promotion, formation, management, administration or winding up of the company
- other affairs of the company
- the business affairs of a connected company of the company insofar as they appear to be relevant to the company or its affairs.

If the Court is satisfied that a summons for examination should be issued, the examinee is usually required to produce at the examination any specified books that are in the person's possession and relate to the corporation.

It should be noted that public examinations are expensive, involving:

- issuing summonses requiring relevant parties to attend
- interviewing parties associated with voidable transactions
- reviewing the company's books and records, etc.

At this point, whilst we are corresponding with the directors regarding our investigations, we do not believe there would be any material benefit to creditors in examining the directors or other possible persons of interest at this stage. However, should the directors or other possible persons of interest become uncooperative, we will consider the option of a public examination to provide further information into potential offences.

8.8 Reporting of offences to ASIC

Administrators are required to complete and lodge a report with ASIC pursuant to s438D of the Act where it appears that:

- a past or present officer of a company may have committed an offence
- money or property has been misapplied or retained
- a party is guilty of negligence, default, breach of duty or breach of trust in relation to a company.

A liquidator is required to lodge a report of his findings with ASIC, pursuant to s533 of the Act.

Creditors should also be aware that any report lodged pursuant to s438D (or an investigative report lodged by a liquidator pursuant to s533 of the Act) is not available to the public.

As described at **section 8.3**, we are currently investigating and corresponding with the directors regarding potential offences, which we will be required to report to ASIC.

Before the Second Meeting, we will lodge a report with ASIC in accordance with s438D of the Act which covers the issues raised in this Report.

8.9 Costs of investigations and pursuing recovery actions

Creditors should note that recovery actions:

- can be expensive, lengthy and have uncertain outcomes
- should not be commenced unless defendants have the financial resources to satisfy any judgement (this is often difficult to establish)
- must be funded by existing assets, creditor funding or external litigation funders. Litigation funders are likely to require a significant share of the proceeds of any judgement as a condition of funding the litigation).

8.10 Funding investigations and recoveries

Should creditors resolve that any of the Group companies under administration be wound up and a liquidator appointed, it is likely the liquidator will be substantially without funds to meet the costs of any recovery actions that may be available to pursue, given the lack of realisable assets available after the sale of the business and assets by the Receivers and Managers.

In these circumstances, the liquidator may invite creditors to consider providing funding to conduct further investigations.

Alternatively, a liquidator may seek external funding from a litigation funder in exchange for a share of any recovered proceeds.

9. Estimated return to creditors

It should be noted that, given the sale of business and assets completed by the Receivers and Managers sold all material assets of the Group companies under administration, the prospect of any return to creditors of SIL, SAT and SPS is entirely contingent on any potential recoveries from a liquidator's investigations and subsequent pursuit of potential claims. It should be noted that there are very limited potential transactions in both SIL and SAT identified, therefore a return to creditors of these companies is deemed highly unlikely.

The prospect of any return to creditors of SGL is in the most part based on the potential consideration proposed by an interested party for the recapitalisation of the listed shell. If the sale process is unsuccessful, the prospect of any return will also be contingent on any potential recoveries from a liquidator's investigations and subsequent pursuit of potential claims.

Based on the assumptions detailed in the notes below, our estimated return to creditors is as follows:

	Report section and notes	SGL		SIL	SAT	SPS
		Adjournment (and subsequent DOCA)	Liquidation	Liquidation		
Recapitalisation of listed shell	2.1	TBC	N/A	N/A	N/A	N/A
Voidable transaction claims	8.1	TBC	TBC	TBC	TBC	TBC
Insolvent trading claims	8.2	TBC	TBC	TBC	TBC	TBC
Other claims		TBC	TBC	TBC	TBC	TBC
Surplus from secured creditors	Note 1	-	-	-	-	-
Total assets		-	-	-	-	-
<i>Less:</i>						
Administrators' costs	Note 2	126,272	126,272	20,805	21,024	23,162
Deed						
Administrator/Liquidators' costs		150,000	150,000	30,000	30,000	50,000
Total assets less costs		(276,272)	(276,272)	(50,805)	(51,024)	(73,162)
Priority employee claims	Note 3	-	-	-	-	-
Return to employees from circulating assets (cents in the dollar)	4.4.2	-	-	-	-	-
Surplus / (Shortfall) to unsecured creditors		Unknown	Unknown	Unknown	Unknown	Unknown
Unsecured creditor claims:						
Trade creditors	4.4.3	4,370,865	4,370,865	16,420	1,005,552	1,773,367
Excluded employees	4.4.2	-	-	-	-	49,215
Related entities	4.4.4	145,239	145,239	1,777,940	961,546	21,981,105
Return to other creditors from circulating assets (cents in the dollar)		TBC	TBC	TBC	TBC	TBC

Notes

1. The Receivers and Managers have confirmed that on completion of the sale of business and assets on 12 March 2018, there remains a shortfall to the Secured Creditor. Therefore, there is no surplus available from the sale transaction.

2. Administrators' costs for SGL includes unreviewed WIP to 15 March 2018 (\$66,271.50), and our estimate of time costs for the period 16 March 2018 to appointment of a Deed Administrator or Liquidator. All other companies include the amounts for the administration periods (see Annexure B).
3. The Receivers and Managers have confirmed that all outstanding employee entitlements have been paid via the sale transaction on 12 March 2018 (aside from entitlements to excluded employees above their statutory caps that rank as unsecured claims).

10. Administrators' recommendation

We recommend that it is in the creditors' interests that:

SGL:

- If the second meeting of creditors is not adjourned for a period of up to 45 days) to allow for further time to seek and present a DOCA proposal for the sale of the listed shell of SGL, that SGL be placed into liquidation.

SIL, SAT and SPS:

- place SIL, SAT and SPS into liquidation.

Our opinion on each option available to creditors is discussed below.

10.1 SIL, SAT and SPS

We are of the opinion that it is in the best interest of creditors that SIL, SAT and SPS be wound up.

Our preliminary view is that the Group may have traded whilst insolvent, but significant further investigation would be required by a liquidator in order to reach a conclusion on this issue. Creditors should note that insolvent trading claims are difficult and costly to pursue, and even if successful they may not generate an additional return for creditors.

A liquidator (if appointed) would be in a position to conduct detailed investigations into the circumstances leading up to the appointment of the Administrators.

A liquidator will be empowered to:

- pursue various potential recoveries under the Act, such as voidable transactions (Section 8)
- distribute recoveries made in accordance with the priority provisions of the Act
- complete thorough investigations into:
 - the Group's dealings and affairs
 - actions of the directors
- report findings to ASIC pursuant to the Act.

There are no assets available for realisation and distribution to creditors in SIL, SAT or SPS. Any potential return to creditors of SIL, SAT and SPS is entirely subject to any potential recoveries stemming from investigations into possible voidable transactions and insolvent trading claims.

10.2 SGL

As discussed earlier in this report, given the sale process and transaction to sell the business and assets took the majority of the extended convening period to complete, there has been insufficient time to properly market and receive proposals for the recapitalisation of SGL.

To this end, we have not received any Deed proposals for SGL and therefore cannot recommend this option. However, if creditors agree to adjourn the Second Meeting, this will provide the additional 45 business days allowed under the Act to:

- Seek expressions of interest and receive and review any proposals for a DOCA to recapitalise SGL
- report to creditors on any DOCA proposals received and reconvene the Second Meeting prior to the end of the 45 business days to allow creditors of SGL to vote on the DOCA proposal, which may provide a better return to creditors than immediate liquidation.

If creditors do not agree to adjourn the Second Meeting, we recommend that SGL be placed into liquidation. However, we note that the ability to recapitalise SGL will be greatly reduced, meaning the only ability to achieve a return to creditors will be pursuing recoveries from insolvent transactions.

10.3 Administration to end

The third option when concluding a voluntary administration is that the creditors resolve at the Second Meeting that the administration is ended and control of the company is handed back to its directors.

We are of the opinion that it is not in the best interest of creditors to end any of the administrations in this manner.

Whilst our investigations are continuing, it is evident that the Group is currently insolvent and unable to pay its debts as and when they fall due (**Section 7.3**). Accordingly, returning control of the Group companies under administration to the directors would be inappropriate in the present circumstances.

11. Enquiries

Should you have any enquiries please contact the PPB Advisory Perth office on 08 9216 7600 or by email at cmorrissey@ppbadvisory.com.

DATED this 19th day of March 2018



Simon Theobald, Melissa Humann and Stephen Longley
Administrators

**A. Form 532 - Appointment of Proxy, Form 535 -
Proof of Debt or Claim**

**FORM 532
APPOINTMENT OF PROXY**

**Stargroup Investments Limited (Receivers and Managers Appointed)
(Administrators Appointed) (the Company)
ACN 166 089 149**

A. Appointment of a proxy

I/We,
(If a company, strike out "I" and set out full name of the company)

of
(address)

a creditor of the Company appoint
as my/our proxy, or in his/her absence....., to vote at the meeting of
creditors to be held on Monday 26 March 2018 at Level 21, 140 St Georges Terrace, Perth WA 6000 at
9.30am or at any adjournment of that meeting.

B. Voting directions

Option 1: ☐ If appointed as a general proxy, as he/she determines on my/our behalf
(Please proceed to section C ie do not complete the table below)

and/or

Option 2: ☐ If appointed as a special proxy in the manner set out below:
(Please complete the table below before proceeding to section C)

No	Resolution	For	Against	Abstain
1	To approve the Administrators' remuneration for the period 21 November 2017 to 15 March 2018 of \$15,789.90 plus GST, as set out in the Remuneration Report dated 19 March 2018.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	To approve the Administrators' remuneration for the period 16 March 2018 to the conclusion of the Administration up to a maximum of \$5,015.00 plus GST, as set out in the Remuneration Report dated 19 March 2018.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	To approve the Liquidators' remuneration for the period 26 March 2018 to the conclusion of the Liquidation up to a maximum of \$30,005.00 plus GST, as set out in the Remuneration Report dated 19 March 2018.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	The Company be wound up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	The Company to execute a Deed of Company Arrangement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	The Administration should end (and control revert back to the Company director(s))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	If the Company is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	If the Company is wound up, to approve early destruction of the Company's books and records six months after finalisation subject to authorisation from ASIC.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	If the Company is wound up, to authorise the Liquidators to compromise debts greater than \$100,000, pursuant to section 477(2A) of the Corporations Act 2001.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	If the Company is wound up, to authorise the Liquidators to	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	enter into contracts with a duration of longer than three months, pursuant to section 477(2B) of the Corporations Act 2001.			
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C. Signature (in accordance with Sections 127 or 250D of the Corporations Act 2001)

If the creditor is an individual

.....

If the creditor is a Company

.....

Director/Company Secretary

.....

Print name

Dated this day of 2018

CERTIFICATE OF WITNESS

Please Note: *This certificate is to be completed only where the person giving the proxy is blind or incapable of writing. The signature of the creditor is not to be attested by the person nominated as proxy.*

I, _____ of _____ certify that
the

Above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

Signature of witness: _____

FORM 532
APPOINTMENT OF PROXY

StarATM Pty Ltd (Receivers and Managers Appointed)
(Administrators Appointed) (the Company)
ACN 164 924 547

A. Appointment of a proxy

I/We,
(If a company, strike out "I" and set out full name of the company)

of
(address)

a creditor of the Company appoint
as my/our proxy, or in his/her absence....., to vote at the meeting of
creditors to be held on Monday 26 March 2018 at Level 21, 140 St Georges Terrace, Perth WA 6000 at
9.30am or at any adjournment of that meeting.

B. Voting directions

Option 1: ☐ If appointed as a general proxy, as he/she determines on my/our behalf
(Please proceed to section C ie do not complete the table below)

and/or

Option 2: ☐ If appointed as a special proxy in the manner set out below:
(Please complete the table below before proceeding to section C)

No	Resolution	For	Against	Abstain
1	To approve the Administrators' remuneration for the period 21 November 2017 to 15 March 2018 of \$16,008.50 plus GST, as set out in the Remuneration Report dated 19 March 2018.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	To approve the Administrators' remuneration for the period 16 March 2018 to the conclusion of the Administration up to a maximum of \$5,015.00 plus GST, as set out in the Remuneration Report dated 19 March 2018.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	To approve the Liquidators' remuneration for the period 26 March 2018 to the conclusion of the Liquidation up to a maximum of \$30,005.00 plus GST, as set out in the Remuneration Report dated 19 March 2018.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	The Company be wound up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	The Company to execute a Deed of Company Arrangement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	The Administration should end (and control revert back to the Company director(s))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	If the Company is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	If the Company is wound up, to approve early destruction of the Company's books and records six months after finalisation subject to authorisation from ASIC.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	If the Company is wound up, to authorise the Liquidators to compromise debts greater than \$100,000, pursuant to section 477(2A) of the Corporations Act 2001.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10	If the Company is wound up, to authorise the Liquidators to enter into contracts with a duration of longer than three months, pursuant to section 477(2B) of the Corporations Act 2001.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
----	---	--------------------------	--------------------------	--------------------------

C. Signature *(in accordance with Sections 127 or 250D of the Corporations Act 2001)*

If the creditor is an individual

If the creditor is a Company

.....

.....

Director/Company Secretary

.....

Print name

Dated this day of 2018

CERTIFICATE OF WITNESS

Please Note: *This certificate is to be completed only where the person giving the proxy is blind or incapable of writing. The signature of the creditor is not to be attested by the person nominated as proxy.*

I, _____ of _____ certify that
the

Above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

Signature of witness: _____

FORM 532
APPOINTMENT OF PROXY

Star Payment Systems Pty Ltd (Receivers and Managers Appointed)
(Administrators Appointed) (the Company)
ACN 165 514 205

A. Appointment of a proxy

I/We,
(If a company, strike out "I" and set out full name of the company)

of
(address)

a creditor of the Company appoint
as my/our proxy, or in his/her absence....., to vote at the meeting of
creditors to be held on Monday 26 March 2018 at Level 21, 140 St Georges Terrace, Perth WA 6000 at
9.30am or at any adjournment of that meeting.

B. Voting directions

Option 1: ☐ If appointed as a general proxy, as he/she determines on my/our behalf
(Please proceed to section C ie do not complete the table below)

and/or

Option 2: ☐ If appointed as a special proxy in the manner set out below:
(Please complete the table below before proceeding to section C)

No	Resolution	For	Against	Abstain
1	To approve the Administrators' remuneration for the period 21 November 2017 to 15 March 2018 of \$18,146.50 plus GST, as set out in the Remuneration Report dated 19 March 2018.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	To approve the Administrators' remuneration for the period 16 March 2018 to the conclusion of the Administration up to a maximum of \$5,015.00 plus GST, as set out in the Remuneration Report dated 19 March 2018.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	To approve the Liquidators' remuneration for the period 26 March 2018 to the conclusion of the Liquidation up to a maximum of \$50,025.00 plus GST, as set out in the Remuneration Report dated 19 March 2018.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	The Company be wound up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	The Company to execute a Deed of Company Arrangement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	The Administration should end (and control revert back to the Company director(s))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	If the Company is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	If the Company is wound up, to approve early destruction of the Company's books and records six months after finalisation subject to authorisation from ASIC.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	If the Company is wound up, to authorise the Liquidators to compromise debts greater than \$100,000, pursuant to section 477(2A) of the Corporations Act 2001.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10	If the Company is wound up, to authorise the Liquidators to enter into contracts with a duration of longer than three months, pursuant to section 477(2B) of the Corporations Act 2001.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
----	---	--------------------------	--------------------------	--------------------------

C. Signature *(in accordance with Sections 127 or 250D of the Corporations Act 2001)*

If the creditor is an individual

If the creditor is a Company

.....

.....

Director/Company Secretary

.....

Print name

Dated this day of 2018

CERTIFICATE OF WITNESS

Please Note: *This certificate is to be completed only where the person giving the proxy is blind or incapable of writing. The signature of the creditor is not to be attested by the person nominated as proxy.*

I, _____ of _____ certify that the

Above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

Signature of witness: _____

FORM 532
APPOINTMENT OF PROXY

Stargroup Limited (Receivers and Managers Appointed)
(Administrators Appointed) (the Company)
ACN 061 041 281

A. Appointment of a proxy

I/We,
(If a company, strike out "I" and set out full name of the company)

of
(address)

a creditor of the Company appoint
as my/our proxy, or in his/her absence....., to vote at the meeting of
creditors to be held on Monday 26 March 2018 at Level 21, 140 St Georges Terrace, Perth WA 6000 at
11.00am or at any adjournment of that meeting.

B. Voting directions

Option 1: ☐ If appointed as a general proxy, as he/she determines on my/our behalf
(Please proceed to section C ie do not complete the table below)

and/or

Option 2: ☐ If appointed as a special proxy in the manner set out below:
(Please complete the table below before proceeding to section C)

No	Resolution	For	Against	Abstain
1	That the meeting be adjourned for a period up to 45 business days per IPR 75-140.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	The Company be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	The Company to execute a Deed of Company Arrangement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	The Administration should end (and control revert back to the Company director(s)).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	If the Company is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	If the Company is wound up, to approve early destruction of the Company's books and records six months after finalisation subject to authorisation from ASIC.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	If the Company is wound up, to authorise the Liquidators to compromise debts greater than \$100,000, pursuant to section 477(2A) of the Corporations Act 2001.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	If the Company is wound up, to authorise the Liquidators to enter into contracts with a duration of longer than three months, pursuant to section 477(2B) of the Corporations Act 2001.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

C. Signature (in accordance with Sections 127 or 250D of the Corporations Act 2001)

If the creditor is an individual

.....

If the creditor is a Company

.....
Director/Company Secretary

.....
Print name

Dated this day of 2018

CERTIFICATE OF WITNESS

Please Note: *This certificate is to be completed only where the person giving the proxy is blind or incapable of writing.
The signature of the creditor is not to be attested by the person nominated as proxy.*

I, _____ of _____ certify that
the

Above instrument appointing a proxy was completed by me in the presence of and at the request of the person
appointing the proxy and read to him before he attached his signature or mark to the instrument.

Signature of witness: _____

FORM 535
Corporations Act 2001

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Administrators of:

Company (all Receivers & Managers Appointed (all Administrators Appointed))	ACN	Creditor of (tick)
Stargroup Limited	061 041 281	
Stargroup Investments Limited	166 089 149	
Star Payment Systems Pty Ltd	165 514 205	
StarATM Pty Ltd	164 924 547	

1. This is to state that the above-detailed company was on 21 November 2017, and still is, justly and truly indebted

to(creditor)
(name of creditor)

of
(address of creditor)

for \$.....

Particulars of the debt are:

Date (date when the debt arose)	Consideration (state how debt arose and attach supporting documentation)	Amount (\$)	Remarks (include details of voucher substantiating payment)

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following
(insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form).

Date	Drawer	Acceptor	Amount (\$c)	Due Date

- *3A. I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.
- *3B. I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

** Items 3A & 3B - delete both if the creditor is a natural person and this proof is made by the creditor personally. In other cases, if, for example, you are the director of a corporate creditor or the solicitor or accountant of the creditor, you sign this form as the creditor's authorised agent (delete item 3A). If you are an authorised employee of the creditor (credit manager etc), delete item 3B.*

I have attached the following documents (tick as many as appropriate):

- | | | | |
|---|---|---|---|
| <input type="checkbox"/> Invoices | <input type="checkbox"/> Judgement from Court | <input type="checkbox"/> Letters of demand | <input type="checkbox"/> Orders from Company |
| <input type="checkbox"/> Monthly statements | <input type="checkbox"/> Statutory demand | <input type="checkbox"/> Credit application | <input type="checkbox"/> Guarantee from Company |
| <input type="checkbox"/> Creditors authority letter | <input type="checkbox"/> Other documents | | |

Dated/...../..... NameSignatory.....

Phone Email address.....

Office use only – for voting purposes Accept ☐ Reject ☐

B. Remuneration reports

Remuneration Approval report

Stargroup Investments Limited
(Receivers and Managers
Appointed)
(Administrators Appointed) (the
Company)
ACN 166 089 149

1. Declaration
2. Executive summary
3. Remuneration
4. Disbursements
5. Summary of receipts and payments
6. Queries

This remuneration approval report provides you with the information you need to be able to make an informed decision regarding the approval of our remuneration.

You should read this report and the other documentation that we have sent you and then attend the meeting of creditors in order to voice your opinion by casting your vote on the resolutions put to the meeting. The meeting will also give you an opportunity to ask any questions that you may have.

Alternatively, you are also able to appoint a representative to attend on your behalf by lodging a proxy form. Lodging a specific proxy form allows you to specify how your proxy must vote. Lodging a general proxy form allows your representative to choose how your vote is exercised.

Information about the meeting of creditors is provided at Section 3 of our Administrators Report.

1. Declaration

We, Melissa Humann, Simon Theobald and Stephen Longley of PPB Advisory, have undertaken a proper assessment of this remuneration claim for our appointment as joint and several Administrators of Stargroup Investments Limited (Receivers and Managers Appointed) in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the administration.

Dated this 19th day of March 2018



Melissa Humann, Simon Theobald and Stephen Longley

Administrators

Stargroup Investments Limited

2. Executive summary

This report should be read in conjunction with the remuneration reports of the other related entities we are appointed over. These are:

- Stargroup Limited (Receivers and Managers Appointed) (Administrators Appointed)
- Star Payment Systems Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed)
- StarATM Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed).

Collectively the four companies are referred to as “the Companies”.

To date, no remuneration has been approved and paid in this administration.

The total remuneration for this appointment is estimated to be \$20,804.90. This is consistent with our previous estimated total remuneration of \$50k to \$200k for the Companies (see section 3.3 for a summary of our remuneration across all of the Companies).

Remuneration currently claimed is summarised below:

Period	Report Reference	Amount (ex GST)
Current remuneration claim:		
Voluntary Administration		
Resolution 1: 21 November 2017 to 15 March 2018	3	\$15,789.90
Resolution 2: 16 March 2018 to 26 March 2018	3	\$5,015.00
Total		\$20,804.90
Liquidation		
Resolution 3: 26 March 2018 to finalisation of the liquidation	3	\$30,005.00
Total		\$30,005.00
* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the administration. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.		

Please refer to report section references detailed in the above table for full details of the calculation and composition of the remuneration approval sought.

3. Remuneration

3.1 Remuneration claim resolutions

At the second meeting of creditors to be held on Monday 26 March 2018, we will be seeking approval of the following resolutions to approve our remuneration. Details to support these resolutions are included in section 3.2 and the attached schedules.

Resolution 1

“To approve the Administrators’ remuneration for the period 21 November 2017 to 15 March 2018 of \$15,789.90 plus GST, as set out in the Remuneration Report dated 19 March 2018.”

Resolution 2

“To approve the Administrators’ remuneration for the period 16 March 2018 to the conclusion of the Administration up to a maximum of \$5,015.00 plus GST, as set out in the Remuneration Report dated 19 March 2018.”

Resolution 3 (if applicable)

“To approve the Liquidators’ remuneration for the period 26 March 2018 to the conclusion of the Liquidation up to a maximum of \$30,005.00 plus GST, as set out in the Remuneration Report dated 19 March 2018.”

Future remuneration is approved subject to a maximum or cap. Sometimes the actual cost of the administration will exceed the maximum which has been approved, in which case, we may seek another resolution for additional remuneration. We will not pay any amount exceeding the maximum without this approval.

Where funds are available, we will usually pay approved remuneration at intervals not less than one month. Where funds are not available, remuneration will not be paid.

3.2 Details of remuneration

The basis of calculating the remuneration claims are summarised in **Appendix A**.

The details of the major tasks performed and the costs associated with each of those major tasks are contained in **Appendix B**.

3.3 Total remuneration reconciliation

We estimate that the total remuneration for this Voluntary Administration will be \$20,804.90. This is consistent with the estimate provided in the Initial Remuneration Notice dated 23 November 2017, which estimated remuneration of \$150,000 to \$200,000 (excluding GST) collectively for the Companies.

The estimated total remuneration for the voluntary administrations of the Companies is \$191,261.40, as summarised below:

Period	Amount (ex GST)
Stargroup Limited	
21 November 2017 to 15 March 2018 (current unreviewed WIP)*	\$66,271.50
16 March 2018 to appointment of Deed Administrator or Liquidator (estimate)**	\$60,000.00
Sub-total	\$126,271.50
Stargroup Investments Limited	
Resolution 1: 21 November 2017 to 15 March 2018	\$15,789.90
Resolution 2: 16 March 2018 to 26 March 2018	\$5,015.00
Sub-total	\$20,804.90
StarATM Pty Ltd	
Resolution 1: 21 November 2017 to 15 March 2018	\$16,008.50
Resolution 2: 16 March 2018 to 26 March 2018	\$5,015.00
Sub-total	\$21,023.50
Star Payment Systems Pty Ltd	
Resolution 1: 21 November 2017 to 15 March 2018	\$18,146.50
Resolution 2: 16 March 2018 to 26 March 2018	\$5,015.00
Sub-total	\$23,161.50
Total	\$191,261.40

*As referred to at section 3 of Administrators Report, we will seek creditor approval for our remuneration for Stargroup Limited from the commencement of the Administration period through to the date of the adjourned second meeting of creditors at that meeting (if applicable). This figure is included to provide an indication of approximate time costs incurred to date for Stargroup Limited.

**This is subject to the creditors of Stargroup Limited resolving to adjourn the second meeting of creditors for up to 45 business days to allow the Administrators time to explore a sale of the listed shell.

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

In preparing this remuneration approval report, we have made our best estimate at what we believe the Voluntary Administration will cost to complete and we do not anticipate that we will have to ask creditors to approve any further remuneration. However, should the Voluntary Administration not proceed as expected, we will advise creditors and we may seek approval of further remuneration and provide details on why the remuneration has changed.

3.4 Likely impact on dividends

The Corporations Act sets the order for payment of claims against the company and it provides for remuneration of the Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Administrator's 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.

Please refer to section 10 of the Administrators Report for our estimated return to creditors.

3.5 Remuneration recovered from external sources

To facilitate the sale of business process, the Receivers and Managers requested we apply to the Court to extend the convening periods of the administrations of the Companies. Legal costs of \$9,972.08 including GST were incurred for preparing and lodging the application to extend the convening periods. As we were without funding or realisable assets in the administrations at the time, the Receivers and Managers paid these legal fees via funding from their appointor, FCS.

4. Disbursements

Disbursements are divided into three types:

- Externally provided professional services – these are recovered at cost. An example of an externally provided professional 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 courier costs and postage. These disbursements, if charged to the administration, would be charged at cost.

We have undertaken a proper assessment of disbursements claimed for the Company in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

4.1 Internal disbursements

Disbursements incurred by our firm will be charged to the administration on the following basis:

Internal Disbursements	Rate (Excl GST)
Advertising	At cost
Courier	At cost
Photocopy/Printing/Scanning	Nil
Postage	At cost
Staff vehicle use	At prescribed ATO rates

Rates applicable as at 1 January 2015

5. Summary of receipts and payments

No transactions have occurred during our appointment.

6. Queries

Please contact Caitlin Morrissey on +61 8 9216 7603 or by email on cmorrissey@ppbadvisory.com should you have any queries or require any further information.

You can access additional information on the following websites:

- ARITA at www.arita.com.au/creditors
- ASIC at <http://asic.gov.au/regulatory-resources/insolvency/insolvency-information-sheets/>

A. **Calculations of remuneration schedules**

Remuneration for the period 21 November 2017 to 15 March 2018

Employee	Position	Rate (Ex GST)	Total Hours	Total \$	Assets		Creditors		Trade-on		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
MHUMANN	Partner	620.00	0.9	558.00	-	-	.9	558.0	-	-	-	-	-	-
STHEOBALD	Partner	620.00	4.2	2,604.00	-	-	2.7	1,674.0	.2	124.0	-	-	1.3	806.0
AHARPER	Senior Manager	490.00	0.1	48.90	-	-	-	-	-	-	-	-	.1	48.9
MCLARKSON	Assistant Manager	385.00	23.2	8,932.00	-	-	19.1	7,353.5	-	-	3.7	1,424.5	.4	154.0
RDALAL	Assistant Manager	385.00	1.6	616.00	-	-	.9	346.5	-	-	-	-	.7	269.5
CMORRISSEY	Consultant	265.00	10.6	2,809.00	.3	79.5	7.7	2,040.5	-	-	-	-	2.6	689.0
SIERINO	Graduate	210.00	0.2	42.00	-	-	-	-	-	-	-	-	.2	42.0
	Senior Bookkeeper	150.00	1.2	180.00	-	-	-	-	-	-	-	-	1.2	180.0
Total			42.0	15,789.90	.3	79.50	31.3	11,972.50	.20	124.00	3.7	1,424.50	6.5	2,189.40
GST				1,578.99										
Total (Including GST)				17,368.89										
Average rate (excluding GST)				375.95										

Remuneration for the period 16 March 2018 to 26 March 2018

Employee	Position	Rate (Ex GST)	Total Hours	Total \$	Creditors		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$
STHEOBALD	Partner	620.00	1.5	930.00	1.0	620.0	-	-	.5	310.0
AHARPER	Senior Manager	490.00	0.5	245.00	-	-	-	-	.5	245.0
MCLARKSON	Assistant Manager	385.00	5.5	2,117.50	2.5	962.5	3.0	1,155.0	-	-
CMORRISSEY	Consultant	265.00	6.5	1,722.50	5.0	1,325.0	-	-	1.5	397.5
Total			14.0	5,015.00	8.5	2,907.50	3.0	1,155.00	2.5	952.50
GST				501.50						
Total (Including GST)				5,516.50						
Average rate (excluding GST)				358.21						

Remuneration for the period 26 March 2018 to conclusion of the liquidation

Employee	Position	Rate (Ex GST)	Total Hours	Total \$	Creditors		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$
STHEOBALD	Partner	620.00	6.0	3,720.00	1.5	930.0	3.0	1,860.0	1.5	930.0
AHARPER	Senior Manager	490.00	15.0	7,350.00	3.0	1,470.0	7.0	3,430.0	5.0	2,450.0
MCLARKSON	Assistant Manager	385.00	32.0	12,320.00	5.0	1,925.0	27.0	10,395.0	-	-
SIERINO	Graduate	210.00	31.5	6,615.00	7.5	1,575.0	13.0	2,730.0	11.0	2,310.0
Total			84.5	30,005.00	17.0	5,900.00	50.0	18,415.00	17.5	5,690.00
GST				3,000.50						
Total (Including GST)				33,005.50						
Average rate (excluding GST)				355.09						

B. Tables of major tasks for remuneration

Schedule B1

Resolution 1

Summary of work to be undertaken by Simon Theobald, Melissa Humann and Stephen Longley, Administrators of the Company and their staff for the for the period 21 November 2017 to 15 March 2018.

Task Area	General Description	Includes
Assets 0.3 hours \$79.50	Assets subject to specific charges	Search the PPSA register Notify PMSI creditors identified from PPSA register All tasks associated with realising a charged asset
	Other Assets	Completion of proxy forms for intercompany loans
Creditors 31.3 hours \$11,972.50	Creditor reports	Preparing section 439A report, investigation, meeting and general reports to creditors
	Dealing with proofs of debt	Receipting and filing proofs of debt
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Conducting first meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
Trade On 0.2 hours \$124.00	Trade On Management	Discussions regarding legal fees to be incurred relating to extension of convening period
Investigation 3.7 hours \$1,424.50	Conducting investigation	Collection of company books and records Reviewing company's books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of comparative financial statements Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with directors regarding certain transactions Investigations to identify indicators of insolvency and possible claims for insolvent trading Preparation of investigation file
Administration 6.5 hours \$2,189.40	Correspondence	General correspondence as and when required
	Insurance	Review and confirmation of adequacy of cover
	Bank account administration	Preparing correspondence opening accounts Requesting bank statements Bank account reconciliations
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505
	ATO and other statutory reporting	Notification of appointment Preparing BAS

Task Area	General Description	Includes
	Planning / Review	Discussions regarding status of administration
Total 42.0 hours \$15,789.90		

Schedule B2

Resolution 2

Summary of work to be undertaken by Simon Theobald, Melissa Humann and Stephen Longley, Administrators of the Company and their staff for the period 16 March 2018 to 26 March 2018.

Task Area	General Description	Includes
Creditors 8.5 hours \$2,907.50	Creditor Enquiries	Deal with creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives
	Creditor reports	Preparing section 439A report to creditors
	Dealing with proofs of debt	Receipting and filing proofs of debt
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Conducting second meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
Investigation 3.0 hours \$1,155.00	Conducting investigation	Reviewing company's books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of comparative financial statements Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Investigations to identify indicators of insolvency and possible claims for insolvent trading
Administration 2.5 hours \$952.50	Correspondence	General correspondence as and when required
	Document maintenance/file review/checklist	Regular administration review Filing of documents Updating checklists
	Bank account administration	Bank account reconciliations
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505
	ATO and other statutory reporting	Preparing BAS
	Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists
Total 14.0 hours \$5,015.00	Planning / Review	Discussions regarding status of administration

Schedule B3

Resolution 3

Summary of work to be undertaken by Simon Theobald, Melissa Humann and Stephen Longley, Liquidators' of the Company and their staff for the period 26 March 2018 to finalisation of the liquidation.

Task Area	General Description	Includes
Creditors 17.0 hours \$5,900.00	Creditor Enquiries	Deal with creditor enquiries Review and prepare correspondence to creditors and their representatives
	Creditor reports	Preparing section general reports to creditors
	Dealing with proofs of debt	Receipting and filing proof of debts when not related to a dividend
	Meeting of Creditors (if applicable)	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Conducting meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
Investigation 50.0 hours \$18,415.00	Conducting investigation	Reviewing company's books and records Preparation of comparative financial statements Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with directors regarding certain transactions Investigations to identify indicators of insolvency and possible claims for insolvent trading Preparation of investigation file
	Examinations	Preparing brief to solicitor Liaising with solicitor(s) regarding examinations Attendance at examination Reviewing examination transcripts Liaising with solicitor(s) regarding outcome of examinations and further actions available
	Litigation / Recoveries	Preparing brief to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations Attending to settlement matters
	ASIC reporting	Preparing statutory investigation reports Liaising with ASIC
	Correspondence	General correspondence as and when required

Task Area	General Description	Includes
Administration 17.5 hours \$5,690.00	Document maintenance/file review/checklist	Regular administration review Filing of documents Updating checklists
	Bank account administration	Preparing correspondence closing accounts Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505 Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment Preparing BAS
	Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage
Total 84.5 hours \$30,005.00		

Remuneration Approval report

StarATM Pty Ltd (Receivers and
Managers Appointed)
(Administrators Appointed) (the
Company)
ACN 164 924 547

1. Declaration
2. Executive summary
3. Remuneration
4. Disbursements
5. Summary of receipts and payments
6. Queries

This remuneration approval report provides you with the information you need to be able to make an informed decision regarding the approval of our remuneration.

You should read this report and the other documentation that we have sent you and then attend the meeting of creditors in order to voice your opinion by casting your vote on the resolutions put to the meeting. The meeting will also give you an opportunity to ask any questions that you may have.

Alternatively, you are also able to appoint a representative to attend on your behalf by lodging a proxy form. Lodging a specific proxy form allows you to specify how your proxy must vote. Lodging a general proxy form allows your representative to choose how your vote is exercised.

Information about the meeting of creditors is provided at Section 3 of our Administrators Report.

1. Declaration

We, Simon Theobald, Melissa Humann and Stephen Longley of PPB Advisory, have undertaken a proper assessment of this remuneration claim for our appointment as joint and several Administrators of StarATM Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the administration.

Dated this 19th day of March 2018



Simon Theobald, Melissa Humann and Stephen Longley

Administrators
StarATM Pty Ltd

2. Executive summary

This report should be read in conjunction with the remuneration reports of the other related entities we are appointed over. These are:

- Stargroup Limited (Receivers and Managers Appointed) (Administrators Appointed)
- Stargroup Investments (Receivers and Managers Appointed) (Administrators Appointed)
- Star Payment Systems Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed).

Collectively the four companies are referred to as “the Companies”.

To date, no remuneration has been approved and paid in this administration.

The total remuneration for this appointment is estimated to be \$21,023.50. This is consistent with our previous estimated total remuneration of \$50k to \$200k for the Companies (see section 3.3 for a summary of our remuneration across all of the Companies).

Period	Report Reference	Amount (ex GST)
Current remuneration claim:		
Voluntary Administration		
Resolution 1: 21 November 2017 to 15 March 2018	3	\$16,008.50
Resolution 2: 16 March 2018 to 26 March 2018	3	\$5,015.00
Total		\$21,023.50
Liquidation		
Resolution 3: 26 March 2018 to finalisation of the liquidation	3	\$30,005.00
Total		\$30,005.00
* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the administration. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.		

Please refer to report section references detailed in the above table for full details of the calculation and composition of the remuneration approval sought.

3. Remuneration

3.1 Remuneration claim resolutions

At the second meeting of creditors to be held on Monday 26 March 2018, we will be seeking approval of the following resolutions to approve our remuneration. Details to support these resolutions are included in section 3.2 and the attached schedules.

Resolution 1

“To approve the Administrators’ remuneration for the period 21 November 2017 to 15 March 2018 of \$16,008.50 plus GST, as set out in the Remuneration Report dated 19 March 2018.”

Resolution 2

“To approve the Administrators’ remuneration for the period 16 March 2018 to the conclusion of the Administration up to a maximum of \$5,015.00 plus GST, as set out in the Remuneration Report dated 19 March 2018.”

Resolution 3 (if applicable)

“To approve the Liquidators’ remuneration for the period 26 March 2018 to the conclusion of the Liquidation up to a maximum of \$30,005.00 plus GST, as set out in the Remuneration Report dated 19 March 2018.”

Future remuneration is approved subject to a maximum or cap. Sometimes the actual cost of the administration will exceed the maximum which has been approved, in which case, we may seek another resolution for additional remuneration. We will not pay any amount exceeding the maximum without this approval.

Where funds are available, we will usually pay approved remuneration at intervals not less than one month. Where funds are not available, remuneration will not be paid.

3.2 Details of remuneration

The basis of calculating the remuneration claims are summarised in **Appendix A**.

The details of the major tasks performed and the costs associated with each of those major tasks are contained in **Appendix B**.

3.3 Total remuneration reconciliation

We estimate that the total remuneration for this Voluntary Administration will be \$21,023.50. This is consistent with the estimate provided in the Initial Remuneration Notice dated 23 November 2017, which estimated remuneration of \$150,000 to \$200,000 (excluding GST) collectively for the companies.

The estimated total remuneration for the voluntary administrations of the Companies is \$191,261.40, as summarised below:

Period	Amount (ex GST)
Stargroup Limited	
21 November 2017 to 15 March 2018 (current unreviewed WIP)*	\$66,271.50
16 March 2018 to appointment of Deed Administrator or Liquidator (estimate)**	\$60,000.00
Sub-total	\$126,271.50
Stargroup Investments Limited	
Resolution 1: 21 November 2017 to 15 March 2018	\$15,789.90
Resolution 2: 16 March 2018 to 26 March 2018	\$5,015.00
Sub-total	\$20,804.90
StarATM Pty Ltd	
Resolution 1: 21 November 2017 to 15 March 2018	\$16,008.50
Resolution 2: 16 March 2018 to 26 March 2018	\$5,015.00
Sub-total	\$21,023.50
Star Payment Systems Pty Ltd	
Resolution 1: 21 November 2017 to 15 March 2018	\$18,146.50
Resolution 2: 16 March 2018 to 26 March 2018	\$5,015.00
Sub-total	\$23,161.50
Total	\$191,261.40

*As referred to at section 3 of Administrators Report, we will seek creditor approval for our remuneration for Stargroup Limited from the commencement of the Administration period through to the date of the adjourned second meeting of creditors at that meeting (if applicable). This figure is included to provide an indication of approximate time costs incurred to date for Stargroup Limited.

**This is subject to the creditors of Stargroup Limited resolving to adjourn the second meeting of creditors for up to 45 business days to allow the Administrators time to explore a sale of the listed shell.

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

In preparing this remuneration approval report, we have made our best estimate at what we believe the Voluntary Administration will cost to complete and we do not anticipate that we will have to ask creditors to approve any further remuneration. However, should the Voluntary Administration not proceed as expected, we will advise creditors and we may seek approval of further remuneration and provide details on why the remuneration has changed.

3.4 Likely impact on dividends

The Corporations Act sets the order for payment of claims against the company and it provides for remuneration of the Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Administrator's 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.

Please refer to section 10 of the Administrators Report for our estimated return to creditors.

3.5 Remuneration recovered from external sources

To facilitate the sale of business process, the Receivers and Managers requested we apply to the Court to extend the convening periods of the administrations of the Companies. Legal costs of \$9,972.08 including GST were incurred for preparing and lodging the application to extend the convening periods. As we were without funding or realisable assets in the administrations at the time, the Receivers and Managers paid these legal fees via funding from their appointor, FCS.

4. Disbursements

Disbursements are divided into three types:

- Externally provided professional services – these are recovered at cost. An example of an externally provided professional 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 courier costs and postage. These disbursements, if charged to the administration, would be charged at cost.

We have undertaken a proper assessment of disbursements claimed for the Company in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

We will be seeking creditor approval to pay our disbursements from creditors.

4.1 Internal disbursements

Disbursements incurred by our firm will be charged to the administration on the following basis:

Internal Disbursements	Rate (Excl GST)
Advertising	At cost
Courier	At cost
Photocopy/Printing/Scanning	Nil
Postage	At cost
Staff vehicle use	At prescribed ATO rates

Rates applicable as at 1 January 2015

5. Summary of receipts and payments

No transactions have occurred during our appointment.

6. Queries

Please contact Caitlin Morrissey on +61 8 9216 7603 or by email on cmorrissey@ppbadvisory.com should you have any queries or require any further information.

You can access additional information on the following websites:

- ARITA at www.arita.com.au/creditors
- ASIC at <http://asic.gov.au/regulatory-resources/insolvency/insolvency-information-sheets/>

A. **Calculations of remuneration schedules**

Remuneration for the period 21 November 2017 to 15 March 2018

Employee	Position	Rate (Ex GST)	Total Hours	Total \$	Assets		Creditors		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
MHUMANN	Partner	620.00	0.9	558.00	-	-	.9	558.0	-	-	-	-
STHEOBALD	Partner	620.00	3.7	2,294.00	-	-	2.7	1,674.0	-	-	1.0	620.0
MCLARKSON	Assistant Manager	385.00	23.4	9,009.00	-	-	19.1	7,353.5	3.9	1,501.5	.4	154.0
RDALAL	Assistant Manager	385.00	1.7	654.50	-	-	.9	346.5	-	-	.8	308.0
CMORRISSEY	Consultant	265.00	12.4	3,286.00	.1	26.5	9.8	2,597.0	-	-	2.5	662.5
SIERINO	Graduate	210.00	0.2	42.00	-	-	-	-	-	-	.2	42.0
	Senior Bookkeeper	150.00	1.1	165.00	-	-	-	-	-	-	1.1	165.0
Total			43.4	16,008.50	.1	26.50	33.4	12,529.00	3.9	1,501.50	6.0	1,951.50
GST				1,600.85								
Total (Including GST)				17,609.35								
Average rate (excluding GST)				368.86								

Remuneration for the period 16 March 2018 to 26 March 2018

Employee	Position	Rate (Ex GST)	Total Hours	Total \$	Creditors		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$
STHEOBALD	Partner	620.00	1.5	930.00	1.0	620.0	-	-	.5	310.0
AHARPER	Senior Manager	490.00	0.5	245.00	-	-	-	-	.5	245.0
MCLARKSON	Assistant Manager	385.00	5.5	2,117.50	2.5	962.5	3.0	1,155.0	-	-
CMORRISSEY	Consultant	265.00	6.5	1,722.50	5.0	1,325.0	-	-	1.5	397.5
Total			14.0	5,015.00	8.5	2,907.50	3.0	1,155.00	2.5	952.50
GST				501.50						
Total (Including GST)				5,516.50						
Average rate (excluding GST)				358.21						

Remuneration for the period 26 March 2018 to conclusion of the liquidation

Employee	Position	Rate (Ex GST)	Total Hours	Total \$	Creditors		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$
STHEOBALD	Partner	620.00	6.0	3,720.00	1.5	930.0	3.0	1,860.0	1.5	930.0
AHARPER	Senior Manager	490.00	15.0	7,350.00	3.0	1,470.0	7.0	3,430.0	5.0	2,450.0
MCLARKSON	Assistant Manager	385.00	32.0	12,320.00	5.0	1,925.0	27.0	10,395.0	-	-
SIERINO	Graduate	210.00	31.5	6,615.00	7.5	1,575.0	13.0	2,730.0	11.0	2,310.0
Total			84.5	30,005.00	17.0	5,900.00	50.0	18,415.00	17.5	5,690.00
GST				3,000.50						
Total (Including GST)				33,005.50						
Average rate (excluding GST)				355.09						

B. Tables of major tasks for remuneration

Schedule B1

Resolution 1

Summary of work to be undertaken by Simon Theobald, Melissa Humann and Stephen Longley, Administrators of the Company and their staff for the for the period 21 November 2017 to 15 March 2018.

Task Area	General Description	Includes
Assets 0.1 hours \$26.50	Assets subject to specific charges	Search the PPSA register Notify PMSI creditors identified from PPSA register All tasks associated with realising a charged asset
Creditors 33.4 hours \$12,529.00	Creditor reports	Preparing section 439A report, investigation, meeting and general reports to creditors
	Dealing with proofs of debt	Receipting and filing proofs of debt
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Conducting first meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
Investigation 3.9 hours \$1,501.50	Conducting investigation	Reviewing company's books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of comparative financial statements Preparation of deficiency statement Review of specific transactions Liaising with directors regarding certain transactions Investigations to identify indicators of insolvency and possible claims for insolvent trading Preparation of investigation file
Administration 6.0 hours \$1,951.50	Correspondence	General correspondence as and when required
	Insurance	Review and confirmation of adequacy of cover
	Bank account administration	Preparing correspondence opening accounts Requesting bank statements Bank account reconciliations
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505 and 507
	ATO and other statutory reporting	Notification of appointment Preparing BAS
	Planning / Review	Discussions regarding status of administration
Total 43.4 hours \$16,008.50		

Schedule B2

Resolution 2

Summary of work to be undertaken by Simon Theobald, Melissa Humann and Stephen Longley, Administrators of the Company and their staff for the period 16 March 2018 to 26 March 2018.

Task Area	General Description	Includes
Creditors 8.5 hours \$2,907.50	Creditor Enquiries	Deal with creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives
	Creditor reports	Preparing section 439A report to creditors
	Dealing with proofs of debt	Receipting and filing proofs of debt
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Conducting second meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
Investigation 3.0 hours \$1,155.00	Conducting investigation	Reviewing company's books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of comparative financial statements Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Investigations to identify indicators of insolvency and possible claims for insolvent trading
Administration 2.5 hours \$952.50	Correspondence	General correspondence as and when required
	Document maintenance/file review/checklist	Regular administration review Filing of documents Updating checklists
	Bank account administration	Bank account reconciliations
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505
	ATO and other statutory reporting	Preparing BAS
	Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists
	Planning / Review	Discussions regarding status of administration
Total 14.0 hours \$5,015.00		

Schedule B3

Resolution 3

Summary of work to be undertaken by Simon Theobald, Melissa Humann and Stephen Longley, Liquidators' of the Company and their staff for the period 26 March 2018 to finalisation of the liquidation.

Task Area	General Description	Includes
Creditors 17.0 hours \$5,900.00	Creditor Enquiries	Deal with creditor enquiries Review and prepare correspondence to creditors and their representatives
	Creditor reports	Preparing section general reports to creditors
	Dealing with proofs of debt	Receipting and filing proof of debts when not related to a dividend
	Meeting of Creditors (if applicable)	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Conducting meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
Investigation 50.0 hours \$18,415.00	Conducting investigation	Reviewing company's books and records Preparation of comparative financial statements Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with directors regarding certain transactions Investigations to identify indicators of insolvency and possible claims for insolvent trading Preparation of investigation file
	Examinations	Preparing brief to solicitor Liaising with solicitor(s) regarding examinations Attendance at examination Reviewing examination transcripts Liaising with solicitor(s) regarding outcome of examinations and further actions available
	Litigation / Recoveries	Preparing brief to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations Attending to settlement matters
	ASIC reporting	Preparing statutory investigation reports Liaising with ASIC
	Correspondence	General correspondence as and when required

Task Area	General Description	Includes
Administration 17.5 hours \$5,690.00	Document maintenance/file review/checklist	Regular administration review Filing of documents Updating checklists
	Bank account administration	Preparing correspondence closing accounts Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505 Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment Preparing BAS
	Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage
Total 84.5 hours \$30,005.00		

Remuneration Approval report

Star Payment Systems Pty Ltd
(Receivers and Managers
Appointed)
(Administrators Appointed) (the
Company)
ACN 165 514 205

1. Declaration
2. Executive summary
3. Remuneration
4. Disbursements
5. Summary of receipts and payments
6. Queries

This remuneration approval report provides you with the information you need to be able to make an informed decision regarding the approval of our remuneration.

You should read this report and the other documentation that we have sent you and then attend the meeting of creditors in order to voice your opinion by casting your vote on the resolutions put to the meeting. The meeting will also give you an opportunity to ask any questions that you may have.

Alternatively, you are also able to appoint a representative to attend on your behalf by lodging a proxy form. Lodging a specific proxy form allows you to specify how your proxy must vote. Lodging a general proxy form allows your representative to choose how your vote is exercised.

Information about the meeting of creditors is provided at Section 3 of our Administrators Report.

1. Declaration

We, Simon Theobald, Melissa Humann and Stephen Longley of PPB Advisory, have undertaken a proper assessment of this remuneration claim for our appointment as joint and several Administrators of Star Payment Systems Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the administration.

Dated this 19th day of March 2018



Simon Theobald, Melissa Humann and Stephen Longley

Administrators

Star Payment Systems Pty Ltd

2. Executive summary

In addition to Star Payments Systems Pty Ltd, we are also appointed administrators over three related entities. These are:

- Stargroup Limited (Receivers and Managers Appointed) (Administrators Appointed)
- Stargroup Investments (Receivers and Managers Appointed) (Administrators Appointed)
- StarATM Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed).

Collectively the four companies are referred to as “the Companies”.

To date, no remuneration has been approved and paid in this administration.

The total remuneration for this appointment is estimated to be \$23,161.50. This is consistent with our previous estimated total remuneration of \$50k to \$200k for the Companies (see section 3.3 for a summary of our remuneration across all of the Companies).

Remuneration currently claimed is summarised below:

Period	Report Reference	Amount (ex GST)
Current remuneration claim:		
Voluntary Administration		
Resolution 1: 21 November 2017 to 15 March 2018	3	\$18,146.50
Resolution 2: 16 March 2018 to 26 March 2018	3	\$5,015.00
Total		\$23,161.50
Liquidation		
Resolution 3: 26 March 2018 to finalisation of the liquidation	3	\$50,025.00
Total		\$50,025.00
* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the administration. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.		

Please refer to report section references detailed in the above table for full details of the calculation and composition of the remuneration approval sought.

3. Remuneration

3.1 Remuneration claim resolutions

At the second meeting of creditors to be held on Monday 26 March 2018, we will be seeking approval of the following resolutions to approve our remuneration. Details to support these resolutions are included in section 3.2 and the attached schedules.

Resolution 1

“To approve the Administrators’ remuneration for the period 21 November 2017 to 15 March 2018 of \$18,146.50 plus GST, as set out in the Remuneration Report dated 19 March 2018.”

Resolution 2

“To approve the Administrators’ remuneration for the period 16 March 2018 to the conclusion of the Administration up to a maximum of \$5,015.00 plus GST, as set out in the Remuneration Report dated 19 March 2018.”

Resolution 3 (if applicable)

“To approve the Liquidators’ remuneration for the period 26 March 2018 to the conclusion of the Liquidation up to a maximum of \$50,025.00 plus GST, as set out in the Remuneration Report dated 19 March 2018.”

Future remuneration is approved subject to a maximum or cap. Sometimes the actual cost of the administration will exceed the maximum which has been approved, in which case, we may seek another resolution for additional remuneration. We will not pay any amount exceeding the maximum without this approval.

Where funds are available, we will usually pay approved remuneration at intervals not less than one month. Where funds are not available, remuneration will not be paid.

3.2 Details of remuneration

The basis of calculating the remuneration claims are summarised in **Appendix A**.

The details of the major tasks performed and the costs associated with each of those major tasks are contained in **Appendix B**.

3.3 Total remuneration reconciliation

We estimate that the total remuneration for this Voluntary Administration will be \$23,161.50. This is consistent with the estimate provided in the Initial Remuneration Notice dated 23 November 2017, which estimated remuneration of \$150,000 to \$200,000 (excluding GST) collectively for the Companies.

The estimated total remuneration for the voluntary administrations of the Companies is \$191,261.40, as summarised below:

Period	Amount (ex GST)
Stargroup Limited	
21 November 2017 to 15 March 2018 (current unreviewed WIP)*	\$66,271.50
16 March 2018 to appointment of Deed Administrator or Liquidator (estimate)**	\$60,000.00
Sub-total	\$126,271.50
Stargroup Investments Limited	
Resolution 1: 21 November 2017 to 15 March 2018	\$15,789.90
Resolution 2: 16 March 2018 to 26 March 2018	\$5,015.00
Sub-total	\$20,804.90
StarATM Pty Ltd	
Resolution 1: 21 November 2017 to 15 March 2018	\$16,008.50
Resolution 2: 16 March 2018 to 26 March 2018	\$5,015.00
Sub-total	\$21,023.50
Star Payment Systems Pty Ltd	
Resolution 1: 21 November 2017 to 15 March 2018	\$18,146.50
Resolution 2: 16 March 2018 to 26 March 2018	\$5,015.00
Sub-total	\$23,161.50
Total	\$191,261.40

*As referred to at section 3 of Administrators Report, we will seek creditor approval for our remuneration for Stargroup Limited from the commencement of the Administration period through to the date of the adjourned second meeting of creditors at that meeting (if applicable). This figure is included to provide an indication of approximate time costs incurred to date for Stargroup Limited.

**This is subject to the creditors of Stargroup Limited resolving to adjourn the second meeting of creditors for up to 45 business days to allow the Administrators time to explore a sale of the listed shell.

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

In preparing this remuneration approval report, we have made our best estimate at what we believe the Voluntary Administration will cost to complete and we do not anticipate that we will have to ask creditors to approve any further remuneration. However, should the Voluntary Administration not proceed as expected, we will advise creditors and we may seek approval of further remuneration and provide details on why the remuneration has changed.

3.4 Likely impact on dividends

The Corporations Act sets the order for payment of claims against the company and it provides for remuneration of the Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Administrator's 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.

Please refer to section 10 of the Administrators Report for our estimated return to creditors.

3.5 Remuneration recovered from external sources

To facilitate the sale of business process, the Receivers and Managers requested we apply to the Court to extend the convening periods of the administrations of the Companies. Legal costs of \$9,972.08 including GST were incurred for preparing and lodging the application to extend the convening periods. As we were without funding or realisable assets in the administrations at the time, the Receivers and Managers paid these legal fees via funding from their appointor, FCS.

4. Disbursements

Disbursements are divided into three types:

- Externally provided professional services – these are recovered at cost. An example of an externally provided professional 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 courier costs and postage. These disbursements, if charged to the administration, would be charged at cost.

We have undertaken a proper assessment of disbursements claimed for the Company in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

4.1 Internal disbursements

Disbursements incurred by our firm will be charged to the administration on the following basis:

Internal Disbursements	Rate (Excl GST)
Advertising	At cost
Courier	At cost
Photocopy/Printing/Scanning	Nil
Postage	At cost
Staff vehicle use	At prescribed ATO rates

Rates applicable as at 1 January 2015

5. Summary of receipts and payments

No transactions have occurred during our appointment.

6. Queries

Please contact Caitlin Morrissey on +61 8 9216 7603 or by email on cmorrissey@ppbadvisory.com should you have any queries or require any further information.

You can access additional information on the following websites:

- ARITA at www.arita.com.au/creditors
- ASIC at <http://asic.gov.au/regulatory-resources/insolvency/insolvency-information-sheets/>

A. **Calculations of remuneration schedules**

Remuneration for the period 21 November 2017 to 15 March 2018

Employee	Position	Rate (Ex GST)	Total Hours	Total \$	Assets		Creditors		Employees		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
MHUMANN	Partner	620.00	1.4	868.00	-	-	1.4	868.0	-	-	-	-	-	-
STHEOBALD	Partner	620.00	3.7	2,294.00	-	-	2.7	1,674.0	-	-	-	-	1.0	620.0
MCLARKSON	Assistant Manager	385.00	28.7	11,049.50	-	-	21.3	8,200.5	1.8	693.0	4.9	1,886.5	.7	269.5
RDALAL	Assistant Manager	385.00	1.7	654.50	-	-	.9	346.5	-	-	-	-	.8	308.0
CMORRISSEY	Consultant	265.00	11.7	3,100.50	.3	79.5	8.0	2,120.0	.4	106.0	-	-	3.0	795.0
	Senior Bookkeeper	150.00	1.2	180.00	-	-	-	-	-	-	-	-	1.2	180.0
Total			48.4	18,146.50	.3	79.50	34.3	13,209.00	2.20	799.00	4.9	1,886.50	6.7	2,172.50
GST				1,814.65										
Total (Including GST)				19,961.15										
Average rate (excluding GST)				374.93										

Remuneration for the period 16 March 2018 to 26 March 2018

Employee	Position	Rate (Ex GST)	Total Hours	Total \$	Creditors		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$
STHEOBALD	Partner	620.00	1.5	930.00	1.0	620.0	-	-	.5	310.0
AHARPER	Senior Manager	490.00	0.5	245.00	-	-	-	-	.5	245.0
MCLARKSON	Assistant Manager	385.00	5.5	2,117.50	2.5	962.5	3.0	1,155.0	-	-
CMORRISSEY	Consultant	265.00	6.5	1,722.50	5.0	1,325.0	-	-	1.5	397.5
Total			14.0	5,015.00	8.5	2,907.50	3.0	1,155.00	2.5	952.50
GST				501.50						
Total (Including GST)				5,516.50						
Average rate (excluding GST)				358.21						

Remuneration for the period 26 March 2018 to conclusion of the liquidation

Employee	Position	Rate (Ex GST)	Total Hours	Total \$	Creditors		Investigation		Dividend		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
STHEOBALD	Partner	620.00	16.5	10,230.00	1.5	930.0	10.0	6,200.0	3.5	2,170.0	1.5	930.0
AHARPER	Senior Manager	490.00	29.0	14,210.00	3.0	1,470.0	15.0	7,350.0	6.0	2,940.0	5.0	2,450.0
MCLARKSON	Assistant Manager	385.00	40.0	15,400.00	5.0	1,925.0	30.0	11,550.0	-	-	5.0	1,925.0
SIERINO	Graduate	210.00	48.5	10,185.00	7.5	1,575.0	20.0	4,200.0	10.0	2,100.0	11.0	2,310.0
Total			134.0	50,025.00	17.0	5,900.00	75.0	29,300.00	19.5	7,210.00	22.5	7,615.00
GST				5,002.50								
Total (Including GST)				55,027.50								
Average rate (excluding GST)				373.32								

B. Tables of major tasks for remuneration

Schedule B1

Resolution 1

Summary of work to be undertaken by Simon Theobald, Melissa Humann and Stephen Longley, Administrators of the Company and their staff for the for the period 21 November 2017 to 15 March 2018.

Task Area	General Description	Includes
Assets 0.3 hours \$79.50	Assets subject to specific charges	Search the PPSA register Notify PMSI creditors identified from PPSA register All tasks associated with realising a charged asset
Creditors 34.3 hours \$13,209.00	Creditor Enquiries	Deal with creditor enquiries Review and prepare correspondence to creditors and their representatives
	Secured creditor reporting	Liaising with Receivers and Managers regarding security documents
	Creditor reports	Preparing section 439A report, investigation, meeting and general reports to creditors
	Dealing with proofs of debt	Receipting and filing proofs of debt
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Conducting first meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
Employees 2.2 hours \$799.00	Employees enquiries	Receive and follow up employee enquiries
	Other employee issues	Review and prepare correspondence to employees and their representatives re appointment of Administrators and appointment of Receivers and Managers
Investigation 4.9 hours \$1,886.50	Conducting investigation	Collection of company books and records Reviewing company's books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of comparative financial statements Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with directors regarding certain transactions Investigations to identify indicators of insolvency and possible claims for insolvent trading Preparation of investigation file
	Correspondence	General correspondence as and when required
	Insurance	Review and confirmation of adequacy of cover

Task Area	General Description	Includes
Administration 6.7 hours \$2,172.50	Bank account administration	Preparing correspondence opening accounts Requesting bank statements Bank account reconciliations
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505
	ATO and other statutory reporting	Notification of appointment Preparing BAS
	Planning / Review	Discussions regarding status of administration
Total 48.4 hours \$18,146.50		

Schedule B2

Resolution 2

Summary of work to be undertaken by Simon Theobald, Melissa Humann and Stephen Longley, Administrators of the Company and their staff for the period 16 March 2018 to 26 March 2018.

Task Area	General Description	Includes
Creditors 8.5 hours \$2,907.50	Creditor Enquiries	Deal with creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives
	Creditor reports	Preparing section 439A report to creditors
	Dealing with proofs of debt	Receipting and filing proofs of debt
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Conducting second meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
Investigation 3.0 hours \$1,155.00	Conducting investigation	Reviewing company's books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of comparative financial statements Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Investigations to identify indicators of insolvency and possible claims for insolvent trading
Administration 2.5 hours \$952.50	Correspondence	General correspondence as and when required
	Document maintenance/file review/checklist	Regular administration review Filing of documents Updating checklists
	Bank account administration	Bank account reconciliations
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505
	ATO and other statutory reporting	Preparing BAS
	Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists
	Planning / Review	Discussions regarding status of administration
Total 14.0 hours \$5,015.00		

Schedule B3

Resolution 3

Summary of work to be undertaken by Simon Theobald, Melissa Humann and Stephen Longley, Liquidators' of the Company and their staff for the period 26 March 2018 to finalisation of the liquidation.

Task Area	General Description	Includes
Creditors 17.0 hours \$5,900.00	Creditor Enquiries	Deal with creditor enquiries Review and prepare correspondence to creditors and their representatives
	Creditor reports	Preparing section general reports to creditors
	Dealing with proofs of debt	Receipting and filing proof of debts when not related to a dividend
	Meeting of Creditors (if applicable)	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Conducting meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
Investigation 75.0 hours \$29,300.00	Conducting investigation	Reviewing company's books and records Preparation of comparative financial statements Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with directors regarding certain transactions Investigations to identify indicators of insolvency and possible claims for insolvent trading Preparation of investigation file
	Examinations	Preparing brief to solicitor Liaising with solicitor(s) regarding examinations Attendance at examination Reviewing examination transcripts Liaising with solicitor(s) regarding outcome of examinations and further actions available
	Litigation / Recoveries	Preparing brief to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations Attending to settlement matters
	ASIC reporting	Preparing statutory investigation reports Liaising with ASIC
Dividend 19.5 hours \$7,210.00	Processing proofs of debt	Preparation of correspondence to potential creditors inviting lodgement of POD Receipt of POD Maintain POD register

Task Area	General Description	Includes
		Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication
	Dividend procedures	Preparation of correspondence to creditors advising of intention to declare dividend Advertisement of intention to declare dividend Obtain clearance from ATO to allow distribution of company's assets Preparation of dividend calculation Preparation of correspondence to creditors announcing declaration of dividend Advertise announcement of dividend Preparation of distribution Preparation of dividend file Preparation of payment vouchers to pay dividend Preparation of correspondence to creditors enclosing payment of dividend
Administration 22.5 hours \$7,615.00	Correspondence	General correspondence as and when required
	Document maintenance/file review/checklist	Regular administration review Filing of documents Updating checklists
	Bank account administration	Preparing correspondence closing accounts Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505 Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment Preparing BAS
	Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage
Total 134.0 hours \$50,025.00		

c. Declaration of Independence, Relevant Relationships and Indemnities

Declaration of Independence, Relevant Relationships and Indemnities

Stargroup Limited ACN 061 041 281
Stargroup Investments Limited ACN 166 089 149
Star Payment Systems Pty Ltd ACN 165 514 205
StarATM Pty Ltd ACN 164 924 547
(all Receivers & Managers Appointed)
(all Administrators Appointed)
(Collectively 'the Companies')

A Practitioner appointed to an insolvent entity is required to make declarations as to:

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

This declaration is made in respect of us, our partners, PPB Advisory and the related entities of PPB Advisory.

The Companies represent four entities within the wider group.

A. Independence

We, Simon Theobald, Melissa Humann and Stephen Longley of PPB Advisory, Level 21, 140 St Georges Terrace, Perth WA 6000, have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Administrators of the Companies in accordance with the law and applicable professional standards.

This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting these appointments.

In the event that any conflict arises, we will seek independent legal advice or court directions if appropriate.

In the event that this declaration needs to be updated we will issue written notice to all known creditors as per the Companies' records and provide the update on our creditor webpage.

A list of the related entities of PPB Advisory is included in Schedule A at the end of this document.

B. Declaration of Relationships

i. Circumstances of appointment

Martin Ford of PPB Advisory was initially contacted by Mr Scott Butler of McCullough Robertson Lawyers (**MRL**) on or around 31 October 2017 to discuss a potential engagement as voluntary administrator over Stargroup Limited. Mr Butler of MRL acts for the Companies' major secured creditor, First Class Securities Pty Ltd (**FCS**).

Mr Ford had a telephone conversation with Brad Prout of FCS on 31 October 2017. Mr Theobald had a telephone conversation with Brad Prout of FCS on 1 November 2017.

Robert Ditrich of PPB Advisory was independently contacted by Mr Evan Stents of HWL Ebsworth Lawyers (**HWLE**) on or around 15 November 2017. Mr Stents acts as an adviser to Mr Evan McGregor, a director of Stargroup Limited.

Mr McGregor then contacted Ms Melissa Humann of PPB Advisory on or around 16 November 2017. Since that time, and right up to the appointment of Administrators on 21 November 2017, there have been numerous communications (emails and telephone conversations) with the Companies and its directors. These communications were held for the purposes of:

1. understanding the financial situation of the insolvent
2. explaining the consequences of insolvency and
3. clarifying the alternative courses of action available to the insolvent in the case of insolvency.

In our opinion, these communications do not affect our independence, as the advice was given to the Companies and not to the directors personally. Further, the advice:

- was restricted to the limitations imposed by Principle 2 of the Code of Professional Practice in relation to pre-appointment advice
- provided is unlikely to be subject to review during the administration and would not impact on compliance with our statutory and fiduciary duties. It is for these reasons that the advice does not, in our opinion, give rise to a conflict of interest or duty.

We did not receive any remuneration for this advice.

We have not provided other information or advice to the Companies', its directors and advisors prior to our appointment, beyond that outlined in this Declaration of Independence, Relevant Relationships and Indemnities (**DIRRI**).

ii. Relevant relationships (excluding professional services to the insolvent)

We, or a member of our firm, have, or have had within the preceding 24 months, a relationship with:

HWL Ebsworth Lawyers (HWLE)

Nature of relationship	Reasons why no conflict of interest or duty
HWLE is an adviser to one of the directors of Stargroup Limited, and referred the director to us for professional advice regarding the Companies. We have had previous professional relationships with HWLE and/or a number of its staff for a number of years. We have previously undertaken formal and informal assignments on companies referred to us by HWLE.	<p>We believe that this relationship does not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none">• Our previous relationships with HWLE were not in relation to the Companies' and/or the directors' affairs, or related parties of the Companies and/or the directors.• We have a wide referral base and HWLE is one of our many referrers of work in the past 24 months.• Referrals from solicitors, business advisors or accountants are commonplace and do not impact on our independence in carrying out our duties as Administrators.

Nature of relationship	Reasons why no conflict of interest or duty
Various Practitioners within PPB Advisory are members of panels for appointments as liquidators and bankruptcy trustees, including the ATO.	We believe that these relationships do not result in a conflict of interest or duty. Our previous relationship with unsecured creditors has not been and is not in relation to the Companies' affairs and/or the Companies' directors or related parties of the Companies.

iii. Prior professional services to the insolvent

Neither we, nor our firm, have provided any professional services to the Companies in the previous 24 months.

iv. Prior professional services to the insolvent

We are concurrently appointed as voluntary administrators to the Companies. We do not believe that this relationship gives rise to a conflict of duty or interest because:

- the Companies operate their business together
- the nature of the business operations and the Companies' assets and liabilities mean the administrations can be conducted more efficiently by the same administrators.
- we have not identified any matters or circumstances which may give rise to issues of dispute, controversy or conflict, as between any of the Companies as would need to be resolved by us as administrators.

Notwithstanding that we have made enquiries regarding threats to independence from group appointment, if a conflict does arise, we will keep creditors informed and take appropriate action to resolve the conflict.

v. No other relevant relationships to disclose

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

C. Indemnities and up-front payments

We have not been indemnified in relation to these administrations, other than any indemnities that we may be entitled to under statute.

We note that to facilitate the sale of business process, the Receivers and Managers requested we apply to the Court to extend the convening periods of the administrations. Legal costs of \$9,972.08 including GST were incurred for preparing and lodging the application to extend the convening periods. As we were without funding or realisable assets in the administrations at the time, the Receivers and Managers paid these legal fees via funding from their appointor, FCS.

We have not received any other indemnities or upfront payments that should be disclosed.

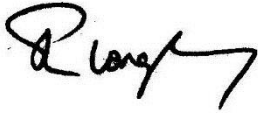
Dated this 15th day of March 2018



Simon Theobald
Administrator



Melissa Humann
Administrator



Stephen Longley
Administrator

Note:

1. *If circumstances change, or new information is identified, we are required under the Corporations Act 2001 and the Australian Restructuring Insolvency & Turnaround Association (ARITA) Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors.*
2. *Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.*

Schedule A – related entities of PPB Advisory

All Australian incorporated related entities of PPB Advisory

PPB Pty Limited, Australia

subsidiaries

PPB Advisory Agribusiness Management Pty Ltd, Australia

PPB Advisory Funds Management Holding Pty Limited, Australia

PPB Corporate Finance Pty Limited, Australia

PPB Corporate Services Pty Ltd, Australia

PPB NZ Holdings Pty Limited, Australia

PPB Advisory Funds Management Limited, Australia

PPB Property Administration Pty Ltd, Australia

PPB Property Pty Limited, Australia

PPB Real Estate Pty Ltd, Australia

PPB NZ Limited As Nominee For PPB NZ Partnership

PPB NZ Property Limited

PPB NZ Equity Limited

Tiago Advisory Pty Limited, Australia

A.C.N 142 632 479 Pty Limited, Australia

PPB Funding Pty Ltd, Australia

Litmus Group entities which merged with PPB Advisory as of 1 March 2016

LITMUS Group Pte Limited, Singapore

TRUE North Advantage Pte Limited, Singapore

D. Notice of meeting of creditors

NOTICE OF CONCURRENT SECOND MEETINGS OF CREDITORS

Stargroup Investments Limited ACN 166 089 149
Star Payment Systems Pty Ltd ACN 165 514 205
StarATM Pty Ltd ACN 164 924 547
(all Receivers and Managers Appointed) (all Administrators Appointed)
(collectively the Companies)

Notice is given that concurrent meetings of the creditors of the Companies will be held at Level 21, 140 St Georges Terrace, Perth WA 6000, on Monday 26 March 2018, at 9:30am AWST.

Agenda

1. To receive the report by the joint and several Administrators concerning the Companies' business, property, affairs and financial circumstances.
2. To receive an updated Declaration of Independence, Relevant Relationships and Indemnities from the Administrators.
3. For creditors to consider the options available and to resolve that:
 - (a) the relevant company execute a Deed of Company Arrangement, or
 - (b) the administration should end, or
 - (c) the relevant company be wound up.
4. To approve:
 - (a) the Administrators' remuneration
 - (b) the Deed Administrators' remuneration, or
 - (c) the Liquidators' remuneration, if appointed.
5. If the Companies are wound up, to consider the appointment of Committees of Inspection and, if so, who are to be the committee members.
6. If the Companies are wound up, to approve early destruction of the Companies' books and records six months after finalisation subject to authorisation from ASIC.
7. If the Companies are wound up, to authorise the Liquidators to compromise debts greater than \$100,000, pursuant to section 477(2A) of the Corporations Act 2001.
8. If the Companies are wound up, to authorise the Liquidators to enter into contracts with a duration of longer than three months, pursuant to section 477(2B) of the Corporations Act 2001.
9. Any other business.

There will be access to telephone conference facilities for creditors who cannot attend the meeting. Please contact Caitlin Morrissey by Friday 23 March 2018 if you require access to telephone facilities.

Creditors wishing to attend and vote are advised that proof of debts and proxies must be submitted to the Administrators by 4.00pm AWST Friday 23 March 2018.

Dated this 19th day of March 2018



Simon Theobald, Melissa Humann and Stephen Longley
Administrators

Section 75-85 of the Insolvency Practice Rules (Corporations) sets out the 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 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

NOTICE OF MEETING OF CREDITORS

**Stargroup Limited (Receivers and Managers Appointed)
(Administrators Appointed) (the Company)
ACN 061 041 281**

Notice is given that a meeting of the creditors of the Company will be held at at Level 21, 140 St Georges Terrace, Perth WA 6000, on Monday 26 March 2018, at 11:00am AWST.

Agenda

1. To receive the report by the joint and several Administrators concerning the Companies' business, property, affairs and financial circumstances.
2. To receive an updated Declaration of Independence, Relevant Relationships and Indemnities from the Administrators.
3. To consider the adjournment of the meeting for a period up to 45 business days to allow for a sale of the listed shell entity and receive any deed proposals.
4. Should the meeting not be adjourned, for creditors to consider the options available and to resolve that:
 - (a) the Company execute a Deed of Company Arrangement, or
 - (b) the administration should end, or
 - (c) the Company be wound up.
5. To approve:
 - (a) the Administrators' remuneration
 - (b) the Deed Administrators' remuneration, or
 - (c) the Liquidators' remuneration, if appointed.
6. If the Company is wound up, to consider the appointment of Committee of Inspection and, if so, who are to be the committee members.
7. If the Company is wound up, to approve early destruction of the Company's books and records six months after finalisation subject to authorisation from ASIC.
8. If the Company is wound up, to authorise the Liquidators to compromise debts greater than \$100,000, pursuant to section 477(2A) of the Corporations Act 2001.
9. If the Company is wound up, to authorise the Liquidators to enter into contracts with a duration of longer than three months, pursuant to section 477(2B) of the Corporations Act 2001.
10. Any other business.

There will be access to telephone conference facilities for creditors who cannot attend the meeting. Please contact Caitlin Morrissey by Friday 23 March 2018 if you require access to telephone facilities.

Creditors wishing to attend and vote are advised that proof of debts and proxies must be submitted to the Administrators by 4.00pm AWST Friday 23 March 2018.

Dated this 19th day of March 2018



Simon Theobald, Melissa Humann and Stephen Longley
Administrators

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- (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 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

E. ASIC Publication: Insolvency information for directors, employees, creditors and shareholders



ASIC

Australian Securities & Investments Commission

Insolvency information for directors, employees, creditors and shareholders

ASIC has 11 insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There is an information sheet on the independence of external administrators and one that explains the process for approving the fees of external administrators. A glossary of commonly used insolvency terms is also provided.

The Insolvency Practitioners Association (IPA), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

List of information sheets

- INFO 41 *Insolvency: a glossary of terms*
- INFO 74 *Voluntary administration: a guide for creditors*
- INFO 75 *Voluntary administration: a guide for employees*
- 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 43 *Insolvency: a guide for shareholders*
- INFO 42 *Insolvency: a guide for directors*
- INFO 84 *Independence of external administrators: a guide for creditors*
- INFO 85 *Approving fees: a guide for creditors*

Getting copies of the information sheets

To get copies of the information sheets, visit ASIC's website at www.asic.gov.au/insolvencyinfosheets. The information sheets are also available from the IPA website at www.ipaa.com.au. The IPA website also contains the IPA's Code of Professional Practice for Insolvency Professionals, which applies to IPA members.

Important note: The information sheets contain 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. These documents may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.

F. Details of identified secured creditors

SGL

PPSR Claimant Name	Reigstration Number	Start Date	Item Description
CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	201405010006051	1/05/2014	Motor Vehicle
CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	201605060000978	6/05/2016	Motor Vehicle
CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	201605070001367	7/05/2016	Motor Vehicle
CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	201605120002430	12/05/2016	Motor Vehicle
CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	201607270002210	27/07/2016	Motor Vehicle
CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	201609290001849	29/09/2016	Motor Vehicle
CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	201609290002009	29/09/2016	Motor Vehicle
CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	201609300001636	30/09/2016	Motor Vehicle
FIRST CLASS SECURITIES PTY LTD ACN 161 056 435	2016122900050416	29/12/2016	All Pap No Except
JB HI-FI GROUP PTY LTD ACN 00 093 114 286; CLIVE ANTHONYS PTY LTD ACN 00 073 359 010	201701130011406	13/01/2017	Other Goods
NISSAN FINANCIAL SERVICES AUSTRALIA PTY LTD ACN 130 046 794	201701310092856	31/01/2017	Motor Vehicle
FIRST CLASS SECURITIES PTY LTD ACN 161 056 435	201702010042771	1/02/2017	All Pap No Except
METRO FINANCE PTY LIMITED ACN 600 674 093	201702010069900	1/02/2017	Motor Vehicle
NISSAN FINANCIAL SERVICES AUSTRALIA PTY LTD ACN 130 046 794	201702060034481	6/02/2017	Motor Vehicle
AUTOMOTIVE HOLDINGS GROUP LIMITED ACN 00 111 470 038	201708160041125	16/08/2017	Other Goods

SIL

PPSR Claimant Name	Reigstration Number	Start Date	Item Description
FIRST CLASS SECURITIES PTY LTD ACN 161 056 435	201702030006761	3/02/2017	All Pap No Except

SAT

PPSR Claimant Name	Reigstration Number	Start Date	Item Description
FIRST CLASS SECURITIES PTY LTD ACN 161 056 435	201702030006761	3/02/2017	All Pap No Except

SPS

PPSR Claimant Name	Reigstration Number	Start Date	Item Description
INDUE LTD ACN 00 087 822 464	201311210044227	21/11/2013	General Intangible
INDUE LTD ACN 00 087 822 464	201311260077167	26/11/2013	Other Goods
FIRST CLASS SECURITIES PTY LTD ACN 161 056 435; ATF ATM Bailment Trust	201501280022672	28/01/2015	All Pap With Except
INDUE LTD ACN 00 087 822 464	201608260057650	26/08/2016	Other Goods
INDUE LTD ACN 00 087 822 464	201609220042716	22/09/2016	Other Goods
INDUE LTD ACN 00 087 822 464	201611010054795	1/11/2016	Other Goods
FIRST CLASS SECURITIES PTY LTD ACN 161 056 435	201702030006761	3/02/2017	All Pap No Except
LINDE MATERIAL HANDLING PTY LIMITED ACN 00 000 768 776	201703240116660	24/03/2017	Motor Vehicle
KYOCERA DOCUMENT SOLUTIONS AUSTRALIA PTY LTD ACN 003 852 444	201706300001653	30/06/2017	Other Goods

**G. ARITA Publication: Creditor information sheet:
Offences, recoverable transactions and
insolvent trading**

Creditor Information Sheet

Offences, Recoverable transactions and Insolvent Trading



Offences

A summary of offences that may be identified by the administrator:

Section	Offence
180	Failure by officer to exercise a reasonable degree of care and diligence in the exercise of his powers and the discharge of his duties.
181	Failure to act in good faith.
182	Making improper use of position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of his position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for proper purpose. Use of position or information dishonestly to gain advantage or cause detriment.
206A	Contravening an order against taking part in management of a corporation.
206A, B	Taking part in management of corporation while being an insolvent under an administration.
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 auditor.
314-7	Failure to comply with requirements for financial statement preparation.
437C	Performing or exercising a function or power as officer while a company is under administration.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to administrator.
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.

Voidable Transactions

Preferences

A preference is a transaction such as a payment between the company and one or more of its creditors, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant time period is six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent as a result of the transaction.

Where a creditor receives a preferred payment, 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 either the Corporations Act.

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 time period is four years and if the intention of the transaction is to defeat creditors, the time period is ten years.

The company must have been insolvent at the time of the transaction, or become insolvent as a result 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 have to have been entered into any time on or before the day when 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. It will only be necessary to satisfy the court that there was a breach on the balance of probabilities. There is no time limit on when the transaction occurred.

Unreasonable payments to directors

Liquidators have the power to reclaim "unreasonable payments" made to directors by companies prior to liquidation. The provision relates to transactions made to, on behalf of, or for the benefit of, a director or close associate of a director. To fall within the scope of the section, 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 are voidable by a liquidator:

- Circulating security interest created with six months of the liquidation unless it secures a subsequent advance;
- Unregistered charges; and
- Charges in favour of related parties who attempt to enforce the charge within 6 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 actually 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 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.

H. Historical director listing - SGL

Directors' details	Start date	Cease date
Cameron Ross	6/11/2017	N/a
Evan Maxwell McGregor	25/08/2016	N/a
Jong Ho Kim	21/08/2013	N/a
David Thomas Dickinson	30/11/2015	20/04/2016
Shaun Matthew Sutton	7/08/2015	25/08/2016
Taejin Kim	7/08/2015	30/04/2016
Zaffer Soemya	7/08/2015	29/02/2016
Todd Zani	1/07/2015	20/10/2017
Sungkon Kim	2/04/2015	7/08/2015
Ghi Jin Kim	3/04/2014	7/08/2015
Sungki Lee	21/08/2013	1/04/2015
Barry Sechos	22/05/2013	21/08/2013
Daniel Edward Altiok-Brown	22/05/2013	21/08/2013
Christopher John Charlton	26/06/2012	18/12/2013
Julia King	26/06/2012	21/08/2013
Kenneth Martin Carr	12/03/2012	26/06/2012
Barry George Sechos	9/08/2010	26/06/2012
Kyung Shik Ham	8/09/2009	30/06/2015
Kim Adrian Stewart	27/06/2008	3/07/2012
Sin Pyng Teng	18/04/2007	31/03/2012
Marcus Richard Einfield	26/04/2006	27/11/2006
James Andrew Manny	28/09/2005	31/03/2012
Sean Agnew	9/08/2005	30/09/2005
Kerry James Jewel	23/05/2005	7/09/2005
Frits Mare	23/05/2005	24/04/2006
Richard Mare	23/05/2005	20/04/2007
David Richard McDonald	27/01/2005	30/06/2008
John William Farey	16/06/2004	21/07/2004
Howard George Tily	26/05/2004	24/05/2005
Ian David Roberts	26/05/2004	9/08/2005
John Barratt Burrows	10/10/2003	26/05/2004
Peter Michael Martin	10/10/2003	26/05/2004
James William Cundall	1/01/2003	26/05/2004
Frederika Laurie	10/09/2002	12/11/2003
Murray James Stapleton	10/11/2000	30/04/2003
Andrew Somerville Kay	10/11/2000	30/04/2004
James William McPherson	10/11/2000	7/12/2004
Bruce William Mcleod	20/09/1999	23/05/2005
Douglas James Derham	30/04/1999	15/10/1999
David Henty Sutton	8/04/1997	10/11/2000
Peter John Arden	2/02/1996	15/10/1999
Peter Lyle McCarthy	8/02/1994	5/12/1997
Richard John Sandner	23/12/1993	15/10/1999
David Tasman Andrew	23/12/1993	3/11/2003

Alternate Director details	Start date	Cease date
David Henty Sutton	24/11/2000	08/02/2001

Secretary details	Start date	Cease date
Sungki Lee	22/08/2013	N/a
Alistair Gregory McKeough	10/07/2012	30/08/2013
Christian Jack Shaw	30/03/2012	10/07/2012
Sin Pyng Teng	7/01/2008	19/04/2012
David Laurence Hughes	1/07/2005	7/01/2008
David Tasman Andrew	21/07/2004	11/01/2006
Malcolm Edward Lucas-Smith	5/11/2003	21/07/2004
Sol Wise	1/07/2002	5/11/2003
Howard George Tily	10/11/2000	7/12/2000
Kenneth John Belfrage	23/12/1993	10/11/2000