

16 October 2020

## TO CREDITORS

Dear Sir/Madam

### AXL Entities Creditors' Trust

I refer to our previous correspondence and the interim distribution paid to creditors on 1 May 2020.

The purpose of this circular is to provide an update on the progress of finalising outstanding matters in the AXL Entities Creditors' Trust. As advised in previous communications, the Trust was established for the purpose of administering a distribution to creditors of the following entities, following a sale of the business of these entities via a voluntary administration and deed of company arrangement (DOCA): A.C.N. 603 323 182 Limited (formerly Axesstoday Limited); ACN 603 303 126 Pty Limited; Axesstoday Retail Pty Ltd; and Axesstoday Operations (AXL Operations) (together the AXL Group).

#### 1. Interim distribution

As advised above an interim distribution (dividend) was paid on 1 May 2020 to creditors whose claims had been admitted in the Trust. The dividend rate was 27 cents in the dollar. As at the date of this distribution there remained a small number of claims that were still being reviewed by us. We are continuing to work with the creditors to finalise these claims.

#### 2. Sale of A.C.N. 603 323 182 Limited (formerly Axesstoday Limited)

Creditors have previously been advised that the Deed Administrators had entered into an agreement to sell A.C.N. 603 323 182 Limited (**the Company**) to Equivalent Liberty Fintech Corporation (or its nominee) (**ELFC**) by way of an issue of shares to ELFC for a purchase price of \$660,000.

Under the terms of the deeds of company arrangement for the AXL Group, proceeds from the sale were to be paid into the Creditors' Trust for the benefit of creditors of the AXL Group.

On 14 August 2020 the sale of the Company was completed and the deed of company arrangement was finalised. On that date control of the Company passed from the Deed Administrators to the new directors that had been approved by shareholders at an extraordinary general meeting on 7 August 2020. The Company has subsequently changed its name to Universal Equivalent Technology Limited.

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The purchase price for the transaction was initially agreed at \$660,000, however this sum was re-negotiated to \$60,000 following the de-listing of the Company by the ASX. As advised in an ASX announcement on 28 February 2020, while ASIC extended the Company's deadline for lodgement of its outstanding financial accounts, the ASX had advised that no extension would be granted under the ASX Listing Rules. The ASX also advised that all financial accounts would need to be provided on a 'going concern' basis. Consequently, the Deed Administrators were unable to prepare and lodge the outstanding financial reports in a manner which would enable the Company to remain listed.

### **3. Sale of 1114604 BC Ltd**

1114604 BC Ltd was a wholly-owned subsidiary of the Company. It was established in September 2017 to provide financing products to the hospitality sector in Canada. Operations of 1114604 BC Ltd ceased in August 2018 and the business was in wind down. Under the terms of the DOCA, any returns to the Company from this subsidiary were to be paid into the Creditors' Trust. We have been working with the Director to realise the assets of this entity and dissolve it. The remaining loans in this entity were sold to a third party in December 2019 and work is being undertaken to finalise its affairs and obligations with the objective of transferring any surplus realisations into the Creditors' Trust. Given this process is ongoing, we are unable to confirm the final amount to be transferred into the Creditors' Trust at this time.

### **4. 50388865 BL Pty Ltd**

50388865 BL Pty Ltd is also a wholly-owned subsidiary of the Company. It was established in early 2017 to provide short term business loans. In October 2018 operations ceased due to poor performance. The entity contains a small number of business loans in run-off and was otherwise not trading. On 25 November 2019, Andrew Sallway of BDO was appointed Liquidator of this entity. The Liquidator provided an estimated return to creditors of this entity of between 16 to 36 cents in the dollar. Given this entity is insolvent, there will be no return to the Company and consequently, no funds flowing into the Creditors' Trust.

### **5. Insured Claims under DOCA**

We had previously advised creditors that the terms of the DOCA preserved any claims of creditors that met the definition of "Insured Claim" under the DOCA and that we had received queries from creditors wanting to assert Insured Claims and had been liaising with the Company's insurers in relation to these. We have not been advised by any party in respect of proceedings that are being claimed as an Insured Claim under the DOCA.

Section 9.3.3 of the Voluntary Administrators' Report to Creditors dated 20 August 2019 provides further explanation on Insured Claims. A copy of the report can be found on our website here:

<https://www2.deloitte.com/au/en/pages/finance/articles/axsesstodaylimited.html>

### **6. Other proceedings**

In mid July 2020 we subsequently received correspondence that indicated that a class action was being proposed by investors who purchased simple corporate bonds. The proceedings were to be commenced against the Company's accounting adviser, PWC and the investors would seek recovery of losses allegedly suffered by them as a consequence of their purchased interest in the simple corporate bonds issued by the Company. The class action was to be funded by Therium Capital, with the legal representatives for the class being Hicksons Lawyers. On 21 August 2020 we became aware that a representative proceeding (class action) had been commenced in the Federal Court of Australia not only against PWC but also naming the Company as a respondent. As noted above, we retired as Deed Administrators of the Company on 14 August 2020. Given that the Company has now passed from the Deed Administrators to the new directors, we have not participated in the proceedings.

## 7. Residual trading and other matters

There remain a number of trading and other matters (including requests from regulators) that have required some involvement from us which may be ongoing. We continue to work with the new owners of the business to resolve residual trading and transfer of business issues as well as meeting any requests from the regulators and any other matters that require our involvement.

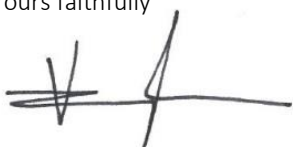
## 8. Further dividends

The majority of the funds held in the Creditors' Trust were distributed in the interim dividend. A smaller, final dividend will be paid to distribute remaining funds held in the Creditors' Trust once we have realised the balance of outstanding proceeds to be paid into the Trust from the dissolution of 1114604 BC Ltd, and finalised all creditor claims and any outstanding liabilities and matters from the voluntary administration, deed of company arrangement and Creditors' Trust.

At this time we are unable to confirm a timing or amount of the final dividend but do not anticipate that it will be before end of the calendar year.

Should you require any further information, please contact Samantha Edney of this office on (02) 8260 6434 or by email to [axesstoday@deloitte.com.au](mailto:axesstoday@deloitte.com.au).

Yours faithfully

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

**Vaughan Strawbridge**

Trustee – Axesstoday Creditors' Trust