

23 June 2022

TO THE CREDITOR AS ADDRESSED

Dear Sir/Madam

**WBHO Australia Pty Ltd ACN 095 983 681
And the subsidiaries listed in Appendix A
(All Administrators Appointed)
(the Probuild Group)
(Trading as Probuild and Monaco Hickey)**

We, Sal Algeri, Jason Tracy, Matthew Donnelly and David Orr, were appointed on 23 February 2022 as Joint and Several Administrators to the Companies listed in the attached report pursuant to provisions of Section 436A of the *Corporations Act 2001* (Cth).

Please find attached a report for your information that details progress of the administration, information about the Companies' business, property and financial affairs and our opinion of what would be in the best interests of creditors for the future of the Companies, being that creditors approve the deed of company arrangement that has been proposed.

The future of the Companies is to be decided by the creditors at a meeting being to be held at **11:00am AEST on 30 June 2022**.

To assist creditors, we have provided an executive summary and responses to frequently asked questions (FAQ) at pages 12 to 14.

Should you have any queries regarding this report or the administration in general, please email us at:

Probuild1@deloitte.com.au

Yours faithfully



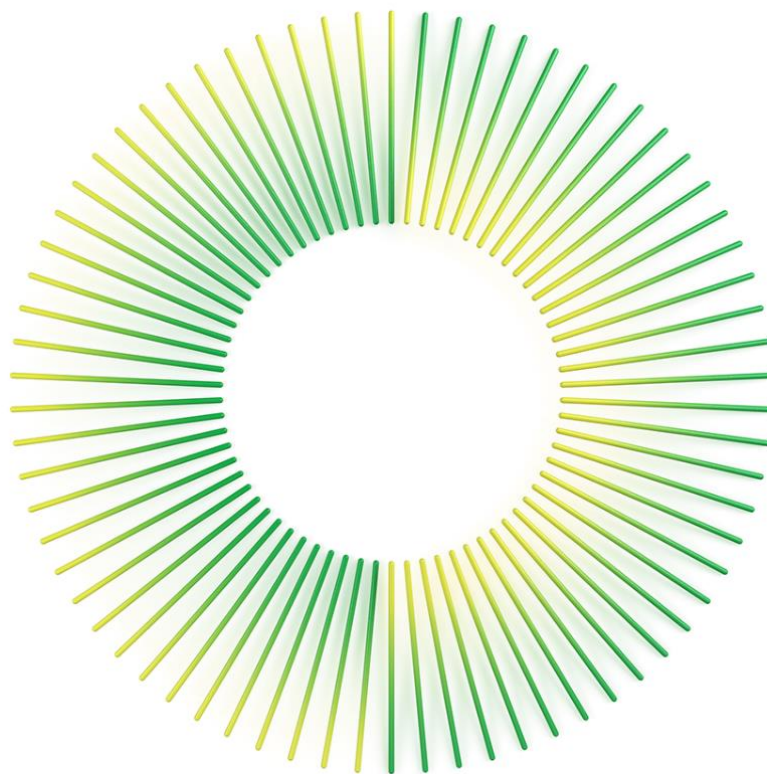
Sal Algeri
Joint and Several Administrator

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Report to Creditors pursuant to section 75-225 of the Insolvency Practice Rules (Corporations)

WBHO AUSTRALIA PTY LTD ACN 095 983 681
and subsidiaries listed in Appendix A
(all Administrators Appointed)

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Important notice

In the time available to us, we have undertaken the following to prepare this report and formulate our opinions:

- Communicated with the Companies' Directors and Management regarding the status of the Companies and their assets and liabilities.
- Undertaken searches of databases such as ASIC, the PPSR, ATO and other statutory agencies.
- Engaged solicitors to assist with the administration as required.
- Reviewed certain books and records including, but not limited to:
 - Consolidated audited financial statements for the period FY18 to FY21
 - Monthly management accounts from July 2018 to January 2022
 - Board minutes and board papers from February 2017 to February 2022
 - Financial agreements and contracts
 - Material supplier, equipment, and real property agreements
 - Employee contracts and information
 - Trade debtors and trade creditors.
- Where relevant, communicated with and obtained information from third parties, including creditors, suppliers, lessors, financiers, industry regulators and government bodies.
- Reviewed amounts owed to creditors and used assumptions and commercial judgement to estimate existing, contingent and future debts.
- Reviewed the Reports on Company Activities and Property provided by the Directors.

Creditors should be aware that we have relied upon the above sources of information in preparing our report. We have done so in good faith in the belief that such statements, records and opinions are not false and misleading. Consequently, the report's accuracy and reliability is dependent on the quality of the information produced by these parties.

While we have endeavoured to verify the accuracy of the records, the financial accounts and other documentation pertaining to the Companies' affairs, in the amount of time available under the Act, we give no warranty as to the accuracy, completeness or reliability of same.

We have not conducted an audit of the books and records, financial accounts and other documentation pertaining to the Companies' affairs. We undertake no responsibility arising in any way whatsoever to any person for errors or omissions however caused by way of this report or accompanying documents.

Whilst we have no reason to doubt any information contained in this report, we reserve the right to alter our conclusions should the underlying data prove to be inaccurate or materially change from the date of this report. After issuing our report, if we become aware of any additional information which may be material to the creditors' decision on how they will vote at the second creditors' meeting, we may provide a further written report and/or table the information at the second meeting.

Investigations undertaken

In the time available our investigations of the Companies' affairs have been detailed but are still only preliminary. Our statements and opinions are based on those preliminary investigations of the Companies' affairs, undertaken in a limited timeframe. A liquidator would undertake further investigations if appointed.

Our assessment of potential claims and offences are made on a preliminary basis on information available to us at the date of this report. We reserve our right to alter our assessment if further relevant information is provided after the date of this report or as a result of further investigations in the event any entities within the Group are wound up.

Return to creditors

In providing an estimated return (dividend) to creditors, we have made forecasts of asset realisations, trading income and liabilities, Voluntary Administrators' liabilities and the estimated total value of creditors' claims. These forecasts and estimates are based on the information available to us at the time of preparing our estimate and may change as events occur and claims are received from creditors. Whilst the forecasts and estimates are the result of our best assessment in the circumstances, creditors should note that the outcome for creditors may differ from the information provided in this report.

1 Executive summary

It is the opinion of the Voluntary Administrators that it is in the creditors' interests to vote in favour of the DOCA proposed by WBHO Construction SA as detailed in this report as it provides for:

- *Employee entitlements to be paid in full;*
- *Employee entitlements to be paid earlier than in a liquidation scenario;*
- *A distribution to ordinary unsecured creditors of an estimated \$9.4 million to \$45.1 million, subject to future recoveries.*

1.1 Appointment

We, Sal Algeri, Jason Tracy, Matthew Donnelly and David Orr, were appointed on 23 February 2022 as Joint and Several Administrators to the entities listed in **Appendix A** of this report pursuant to provisions of Section 436A of the *Corporations Act 2001* (Cth).

Our appointment as Voluntary Administrators was ratified by creditors at the concurrent first meeting of creditors held on 4 March 2022.

The entities subject to voluntary administration will be referred to as the **Probuild Group or Companies** and includes WBHO Australia Pty Ltd (**WBHOA**). References to the **Group** includes the Probuild Group entities and the WBHOI Group entities.

1.2 The role of voluntary administrators and purpose of this report

The purpose of the appointment of voluntary administrators is to allow for independent insolvency practitioners to take control of and investigate the affairs of a company. Creditors' claims are put on hold as at the date of the administrators' appointment and remain so for the duration of the voluntary administration.

The intention of a voluntary administration is to maximise the prospects of a company, or as much as possible of its business, continuing in existence, or, if that is not possible, then to achieve better returns to creditors than what would have been achieved by its immediate liquidation. The voluntary administrator must investigate the company's affairs and report to creditors on the alternative options available to the company. A voluntary administrator has all the powers of a director, including the power to sell the business of the company or individual assets in the lead up to the second meeting of creditors.

These options are voted on at a meeting of creditors, known as the second meeting of creditors. At this meeting creditors can decide to return the company to the directors' control, accept a deed of company arrangement (**DOCA**), or put the company into liquidation.

The purpose of this report is to provide creditors with information regarding the Probuild Group's business, property, affairs and financial circumstances (including our opinion) to assist creditors to make an informed decision at the second meeting.

1.3 Conduct of administration

Upon appointment, we took immediate steps to control the Companies' assets, assess the commercial and financial position of the Probuild Group's various projects, and continued to carry on the Companies' business.

We immediately sought expressions of interest for the sale of the Probuild Group. In order to provide us with sufficient time to conduct the sale process and complete our investigations, we applied to the Court for an extension of the time in which we needed to hold the second meeting of creditors (**Convening Period**).

Our application was heard on 16 March 2022 and the Court granted orders for an extension of the Convening Period until 24 June 2022. Further details for the reasons and benefits for the extension of the Convening Period are set out in **section 2.6**.

As at the date of our appointment the Probuild Group held 383 subcontractor performance bank guarantees totalling \$71.6m as well as \$12.9m of cash retentions on trust in NSW pursuant to the Building and Construction Industry Security of Payment Regulation 2020 for NSW subcontractors only. We have to date, returned / approved for return 88 subcontractor performance guarantees totalling \$21.2m and are working through the NSW projects where cash retentions are held to either transfer them to the Principals on projects where the subcontracts have been novated or alternatively returning cash retentions to subcontractors where possible. The balance of securities are held for the following reasons:

- the project to which the security relates is in the defect liability period;
- the subcontract to which the security relates is subject to novation which is in progress;
- there are defects outstanding in relation to the project which are subject to ongoing review by the Administrators; or
- the project is being completed by the Administrators subject to a works continuation agreement.

1.4 Sale of business

An accelerated public sale of business and recapitalisation campaign for the Probuild Group was conducted over a 6 week period with initial expressions of interest (**EOI**) closing on 2 March 2022. The sale timetable was accelerated as we had limited cash available and therefore time to complete a transaction. From EOI close, there was a further 4 weeks of due diligence and negotiations between the interested party, the Voluntary Administrators and a range of other stakeholders including Principals, lenders, subcontractors, unions and employees culminating in us exercising our power of sale as Voluntary Administrators and signing binding transaction documents including an Asset Sale Agreement (**ASA**) for the sale of certain business assets to Roberts Co (Vic) Pty Limited (**Roberts**) (**Roberts Transaction**) on 4 April 2022.

Our strategy of continuing to trade the business, recommending certain key projects, whilst also pursuing an accelerated sale of the business, ultimately facilitated the sale achieved and resulted in a significant reduction in overall creditor claims of approximately \$270m across employees, subcontractors, suppliers, Principals and bank guarantee/surety providers which is summarised in the table below. These actions also saved jobs for 193 employees and ensured ongoing construction of six key developments.

Table 1: Liability reduction from Roberts Transaction and other actions.

Liabilities ² (\$'000)	Liability as at 23 February 2022	Roberts Transaction and other novations	WCA's	Other payments ³	WBHO Construction SA funded payments	Estimated liabilities as at 10 June 2022
Subcontractors	(145,610)	6,605	47,408	40,855	8,727	(42,015)
Suppliers	(11,450)	690	1,890	815	286	(7,769)
Employees	(28,075)	12,212	-	-	-	(15,863)
Performance guarantees ⁴	(255,330)	25,737	-	-	30,509	(199,084)
Other liabilities	(6,446)	-	-	-	-	(6,446)
Potential claims of Principals	(170,509)	94,488 ⁴	-	-	-	(76,021)
Total	(617,420)	139,732	49,298	41,670	39,522	(347,198)

¹ Gross face value. ² Low scenario estimates. ³ Amounts assumed paid direct to creditors on other projects handed over. ⁴ Estimated based on maximum liquidated damages provisions under the relevant contracts

If we had not executed on this strategy and delivered the sale outcome, the total estimated liabilities as at the 23 February 2022 s would otherwise have crystallised on our appointment. We are not aware of any other tier one construction company that has ever successfully continued to trade and be sold during a voluntary administration. This was a highly complex matter that ultimately provided a very good outcome for many stakeholders in the Probuild Group including employees, Principals, lenders, subcontractors, suppliers and bank guarantee/surety providers. Importantly for the Probuild Group's stakeholders, this successful trade on and sale has avoided any significant industry contagion as was widely anticipated upon the commencement of the administration of the Probuild Group.

We thank all those who worked with us to achieve this outcome, including Probuild Group employees, unions, Principals, lenders, subcontractors, suppliers, bank guarantee/surety providers, WBHO Construction SA and the relevant government regulatory agencies.

1.5 Deed of company arrangement

WBHO Construction SA has proposed a DOCA (**WBHO Construction SA DOCA**) involving a single pooled DOCA covering all the entities in voluntary administration.

For the DOCA to come into effect, the majority of creditors present at the second meeting of creditors of each entity, who also hold the majority in value regarding their claims will need to pass a resolution voting in favour of the WBHO Construction SA DOCA at the meeting.

The WBHO Construction SA DOCA provides for a total contribution of value to Probuild Group creditors in the range of \$15.0m to \$28.8m, made up as follows:

Table 2: DOCA value

\$m	High	Low
Cash contributions		
Cash contribution	6.0	6.0
Operating expenditure contribution	0.6	0.6
Project Contingent Payment contribution	0.5	-
Small Creditor cash contribution	2.5	2.5
Total cash contributions	9.6	9.1
Other value		
Assignment of Proponent's potential distribution from the WBHOI Group Creditors' Trust	5.1	3.2
Proponent agreement not to participate in distribution from the DOCA and/or procure agreement from CBA not to participate	14.1	2.7
Total other value	19.2	5.9
Total value to Probuild Group creditors	28.8	15.0

The key terms of the DOCA proposal comprise the following:

- a single pooled DOCA covering all entities under administration, so that all assets, recoveries, contributions and creditor claims will be pooled. A creditor of one of the Companies will be treated under the DOCA as a creditor of all the Companies, without the need for creditors to prove their claim separately against each entity. All intercompany payables and receivables between the Probuild Group companies (including claims against WBHO Construction SA) are to be released or extinguished on and from the DOCA's commencement date
- the DOCA comprises 4 pools, Pool A through to Pool D. The purpose and make-up of each pool is summarised as follows:

Table 3: DOCA pools

Pool Description	Assets available	Application of pool funds
A Employee entitlement pool	Except for the Small Creditor cash contribution (which is paid directly into Pool B), all other monies and asset realisations	First to pay Administrators' liabilities (to the extent not already paid in full), then to meet employee entitlements which are to be paid in full on or after the date that is 10 weeks from the Commencement Date (being the date of execution of the DOCA) and then to allocate funds to Pool D as described below. Any surplus funds (including future asset realisations once the Administrators' liabilities, employee entitlements and Pool D allocation are paid in full) are to be immediately transferred to Pool C.
B Small Creditor pool	\$2.5m Small Creditors cash contribution	To pay creditors with claims of less than \$25,000 including GST (Small Creditor). The distribution to Small Creditors is to be paid on a pro rata basis and within 45 days after employees have been paid in full. Any surplus Pool B funds are to be transferred to Pool A.
C General pool	Amounts remaining in Pool A after the Pool A payments have been made	First to pay Deed Administrators' liabilities, with the remainder available for distribution to all other unsecured creditors and insurance bond creditors on a <i>pro rata</i> basis. This structure means that the Deed Administrators remuneration will not be paid until after employee entitlements and Administrators' liabilities are paid in full.
D ATO pool	Allocation from Pool A of the proceeds of asset realisations that the ATO would have access to in liquidation as the only (known) potential creditor in the relevant entities	To pay the ATO in respect of GST and Income tax claims in particular Group entities in which the ATO is the only (known) potential creditor.

- potential recoveries from project Principals of monies related to securities issued under the CBA bank guarantee facility, and the recovery of a loan owing to PCA by Mr Brad Duggan are assigned to the Proponent
- the Administrators will be appointed Deed Administrators under the DOCA
- upon complete performance of the DOCA, all claims of creditors arising on or before 23 February 2022 (the date of the Administrators' appointment) will be extinguished.

The WBHO Construction SA DOCA proposal is discussed in further detail in **Section 9** of this report.

1.6 Estimated return to creditors

We estimate that creditors will receive a higher return on their outstanding debts in the event the WBHO Construction SA DOCA proposal is approved by creditors as compared to liquidation.

A summary of the estimated average returns to unsecured creditors is provided in the following table.

Table 4: Summary of estimated average returns to unsecured creditors

Probuild Group		WBHO Construction SA DOCA		Liquidation	
Creditor Group		High	Low	High	Low
Priority creditors/employees	%	100.0	100.0	100.0	75.1 - 100.0
Small Creditors (<\$25k)	%	71.0	50.0	0.3 – 13.4	Nil – 1.2
Other unsecured creditors / average return ¹	%	24.6	3.9	0.3 – 13.4	Nil – 1.2
Other unsecured creditors – funds available for distribution after costs	\$m	45.1	9.4	41.9	3.1

¹ Excludes returns in entities in which there is only one known external creditor, in which cases the DOCA provides for direct access to the relevant assets to those creditors to align the \$ returns to those creditors between the DOCA and Liquidation

A detailed comparison of returns to creditors under the WBHO Construction SA DOCA proposal and liquidation are set out in the estimated statement of position (**ESOP**) at **section 10**.

As outlined in the table above, based on current estimates we expect that under the WBHO Construction SA DOCA employees will be paid in full in both the high and low scenarios. However, the achievement of this (as well as all creditor outcomes) remains subject to future asset realisations and it is therefore subject to the risk that the value achieved from the realisation of the Probuild Group's assets falls below our current expectations which would result in lower returns to creditors in both the DOCA and liquidation scenarios.

We estimate that the DOCA will provide an average return to Small Creditors of between 71.0% and 50.0% and to other creditors between 24.6% and 3.9% under a high scenario and a low scenario respectively.

The timing of a dividend being paid to unsecured creditors has been estimated under the scenarios as follows:

- **(DOCA)** employees will be paid on or after the date that is 10 weeks from the Commencement Date (being the date of execution of the DOCA), subject to availability of funds; the Pool B Small Creditor distribution is to be paid within 45 days after employees have been paid in full; and 12 months for all other creditors. If the WBHO Construction SA DOCA is approved, the Deed Administrators intend to pay at a minimum an interim dividend to employee creditors by 30 September 2022 in an amount exceeding the amounts (in total) that would be paid to employees by FEG in liquidation. The quantum of this payment will be subject to the level of forecast asset realisations achieved by that time.
- **(Liquidation)** approximately 12 months for employees (noting claims under the Fair Entitlement Guarantee Scheme (**FEG**) would see employees paid in approximately 12 to 16 weeks) and all other creditors regardless of size, in a liquidation scenario.

We note that FEG will pay: up to 13 weeks in unpaid wages; unpaid annual leave and long service leave; up to five weeks pay in lieu of notice; and up to 4 weeks per year of service for redundancy pay; and the amount paid is capped at a maximum weekly wage of \$2,451. FEG does not cover superannuation liabilities. In a low liquidation scenario, employees (or FEG as a subrogated creditor) may only receive (on average) 75.1% of their entitlements.

1.7 Investigation, offences, voidable transactions

Our investigations are preliminary and at an early stage, however it is our view that the Probuild Group had become insolvent by 1 February 2022, but possibly earlier. Upon further analysis, we may determine that the Probuild Group was possibly insolvent earlier. Causes of action for trading whilst insolvent and related breach of director duties may potentially exist.

In addition to a possible claim for insolvent trading against the Probuild Group's directors and parent entities, the letter of support provided by WBHO Construction SA may provide the basis for causes of action for the recovery of losses suffered by the Probuild Group and creditors.

Despite the relatively short period of insolvency of the Probuild Group, we have also investigated whether there would be any other insolvent voidable transactions recoverable by a liquidator in the event the Group is wound up. We have not identified any transactions that would have a material impact on the return to creditors if the Companies were placed into liquidation, when compared to the return to creditors under the DOCA proposed by WBHO Construction SA. Further investigations will be required in relation to all potential claims/breaches should a liquidator be appointed.

In our opinion the Probuild Group's collapse can ultimately be attributed to:

- large losses on the Queen St project and The Western Ringroad Upgrade project (**WRU**) which is a project within WHBOI;
- the cumulative impact of smaller losses on other projects;
- the withdrawal of shareholder support; and
- increasing costs to complete contracts due to COVID-19 effects on margins and resultant project delays.

1.8 Voluntary Administrators' opinion

In respect to the entities subject to the WBHO Construction SA DOCA proposal and in accordance with Section 75-225(3) of the Insolvency Practice Rules (**IPR**) we provide the following statement:

- it is our opinion that it is in the creditors' interests to approve the DOCA proposed by WBHO Construction SA as this will result in a greater return to creditors than would be achieved if the Companies were wound up.
- it is our opinion that it is not in the creditors' interests for the voluntary administration of the Companies to end.
- it is our opinion that it is not in the creditors' interests for the Companies to be wound up.

The reasons for our opinion are contained in **section 10** and **section 11**. The details of the DOCA proposed by WBHO Construction SA are contained in **section 1** of this report.

1.9 Second meeting of creditors

Pursuant to Section 439A of the Act, **the second meeting of creditors** for each of the Companies will be held at **11:00am AEST on Thursday 30 June 2022**. Each meeting will be held concurrently.

The meeting will be a virtual, online meeting hosted on the Microsoft Teams Live Events platform. Given the geographic spread of creditors it would be inappropriate to convene a physical meeting. Amendments to the legislation that governs insolvent administrations provides that meetings of creditors may be held virtually, using technology that will give all persons entitled to attend a reasonable opportunity to participate without being physically present in the same place.

To attend the meeting, please register your attendance at: <https://aurestructuring.deloitte-halo.com/probuild>.

Attached at **Appendix B** is the notice of meeting.

Instructions as to how to attend this meeting are contained at **section 13** and **Appendix C** of this report.

1.10 WBHOI Group

This report does not consider WBHO Infrastructure Pty Ltd (**WBHOI**) or Carr Civil Contracting Pty Ltd (**CCC**) (together the **WBHOI Group**). These companies have already been dealt with separately via a separate report to creditors and meeting of creditors. Although the WBHOI Group was a majority owned subsidiary of the Probuild Group, the WBHOI Group operated a distinctly different and separate business to that undertaken by the Probuild Group. On 30 March 2022 creditors of WBHOI voted in favour of the DOCA (**SRG DOCA**) proposed by SRG Global Civil Pty Ltd (**SRG**).

The impact and key terms of the SRG DOCA included:

- the effective sale and transfer of ownership of Probuild Group's interest in the WBHOI Group's business and assets to SRG. As the WBHOI Group was insolvent with an estimated deficiency on insolvency of c\$200m, Probuild Group's interest in the WBHOI Group had no value
- resulted in the continued employment of 225 of WBHOI Group's 288 employees
- SRG paid \$20.2m by way of contribution, less c\$5.0m in adopted employee entitlements for employees that continued their employment
- repayment in full of secured creditors relating to hire purchase contracts
- repayment in full or adoption of all employee entitlements
- on 31 March 2022 the SRG DOCA was effectuated and a Creditors Trust was created
- the Creditors Trust fund is estimated to total at least \$11.7m plus the potential benefit from future litigation and includes:
 - the net contribution made by SRG after the repayment of hire purchase liabilities
 - cash held by the former Administrators of the WBHOI Group
 - plant and equipment owned by WBHOI in Victoria and Queensland
 - work in progress and receivables as at 31 March 2022
 - the potential benefit of future litigation
 - the property at 45 Hope Valley Rd, Naval Base, Western Australia
- our preliminary view is that the Probuild Group (except for Northcoast Holdings Pty Ltd (**Northcoast**)), which is owed \$42m by the WBHOI Group, may not be able to participate as a beneficiary of the WBHOI Creditors Trust (along with other unsecured creditors of the WBHOI Group) until such time that the financiers of performance guarantees and bonds are paid in full. This is unlikely. In any event the return to unsecured creditors of WBHOI is dependent upon a number of factors, including the quantification of substantial contingent claims.

Further information on WBHOI can be obtained by reading the WBHOI Report to Creditors prepared pursuant to Section 75-225 and saved at <http://www.deloitte.com/au/probuild>.

Whilst this report does not directly deal with the WBHOI Group, we acknowledge that references throughout this report to the WBHOI Group are in some cases unavoidable and necessary. The SRG DOCA did not include the wholly owned subsidiary, Northcoast. Accordingly, Northcoast is included within this report as it remains in Administration.

1.11 Frequently asked questions

Question	Response
1. Why am I receiving this report?	You are receiving this report because you have been identified as being owed money by the Probuild Group. The Probuild Group is under a voluntary administration regime and we have been appointed Voluntary Administrators. More information on the voluntary administration process can be found on the Australian Securities and Investments website here: https://asic.gov.au/regulatory-resources/insolvency/insolvency-for-creditors/voluntary-administration-a-guide-for-creditors/
2. Who is in control of the Group?	The Voluntary Administrators are in control of the Probuild Group. They are working with certain remaining Management to manage the operations of the Group. The Directors are providing assistance to the Voluntary Administrators. Pursuant to the ASA entered into with Roberts, Probuild's construction contracts for certain contracts have been novated to Roberts. Refer section 7.1.1.1 and section 8.4 .
3. When will I get paid the money I am owed?	Under the voluntary administration process described in the website referred to in question 1, repayment of any money owed to creditors is put on hold until the future of a company can be resolved at the second meeting of creditors.

Question	Response
	The estimated outcomes for different types of creditors is summarised at section 1.6 and explained in more detail at section 10 .
4. What is the second meeting of creditors for?	<p>Under the law that governs how voluntary administrations are conducted, after investigating the affairs of the company and forming an opinion on each of the three options available to creditors (below), including an opinion as to which option is in the best interests of creditors, the administrator must call a second creditors' meeting. At this meeting, creditors are given the opportunity to decide the future of the companies in the Probuild Group. Creditors can decide at this meeting to:</p> <ol style="list-style-type: none"> 1. return the company to the control of the directors; or 2. accept a deed of company arrangement; or 3. put the company into liquidation.
5. What is the Voluntary Administrators' opinion on the three options?	<p>We have provided our opinion and reasons for our opinion at section 1.8 and section 11. We recommend creditors read these sections carefully.</p> <p>Our opinion is that the DOCA proposal put forward by WBHO Construction SA is in the best interest of creditors and it provides for the timely and complete payment of employee entitlements (subject to asset realisation estimates being achieved), early payment of Small Creditors and a return to ordinary unsecured creditors of between 3.9c and 24.6c in the dollar.</p>
6. When is the second meeting of creditors?	The second meeting of creditors will be a virtual, online meeting and will be scheduled for 11:00am AEST on Thursday 30 June 2022. Further information is contained at section 13 .
7. Do I need to attend the meeting?	Attendance at the meeting is not compulsory. You may submit a vote prior to the meeting or arrange for a person to represent you at the meeting by way of a proxy. A proxy is a document containing instructions to the Voluntary Administrators on who you want to represent you at the meeting and how you wish to vote. Instructions on how to submit a proxy are detailed in section 13 and Appendix C .
8. What is a DOCA?	<p>A DOCA is a binding arrangement between a company and its creditors governing how the company's affairs will be dealt with, which may be agreed to as a result of the company entering voluntary administration. It provides the agreement and process by which a company will pay all or part of its debts and then be free of those debts. It aims to maximise the chances of the company, or as much as possible of its business, continuing, or to provide a better return for creditors than an immediate winding up of the company, or both. More information on DOCAs can be found on the Australian Securities and Investments Commission website below. The terms of the DOCAs are described in section 1.</p> <p>https://asic.gov.au/regulatory-resources/insolvency/insolvency-for-creditors/creditors-deed-of-company-arrangement/</p>
9. Why do some creditors get different returns in the DOCAs?	<p>The law governing the voluntary administration process, the Corporations Act, specifies the ranking of different classes of creditors in voluntary administrations and liquidations. These rankings may be amended under a DOCA. If a DOCA is approved by creditors at a meeting of creditors, then unsecured creditors will be bound by the terms of the DOCA.</p> <p>WBHO Construction SA has proposed the terms of the DOCA including the amount they are willing to contribute to the different classes of creditors.</p>
10. Why don't creditors get to vote on the offers received to buy the business?	The Corporations Act sets down how the voluntary administration process works, the powers and obligations of the Voluntary Administrators and the role and rights of creditors. Subject to the overriding obligation to act in the best interests of the company and its creditors, a voluntary administrator has the statutory power to sell a company's business or to sell individual assets in the lead up to the second meeting. At the second meeting, the law specifies the three options available to creditors: end the voluntary administration and return the company to the directors' control; approve a deed of company arrangement;

Question	Response
	<p>or wind up a company and appoint a liquidator. A voluntary administrator must give their opinion as to which of these options is in the creditors' interest.</p> <p>On 4 April 2022 we signed binding transaction documents with Roberts to sell, by exercising our power of sale, certain business assets of the Probuild Group to Roberts. Based on information available to us and our review of the interest received for the purchase of the Probuild Group's assets we concluded that the Roberts offer was the best offer received.</p>
11. What happens to the entitlements owed to employees?	Under the WBHO Construction SA DOCA proposal, we estimate all employee entitlements will be met in full and that an interim distribution in an amount exceeding the amounts (in total) that would be paid to employees by FEG in liquidation by 30 September 2022.
12. How can I vote at the second meeting?	The voting process is described in section 13 and Appendix C .
13. Can I vote at the second meeting even though I can't attend?	Yes you can lodge a vote by submitting a proxy through the Deloitte Halo platform https://aurestructuring.deloitte-halo.com/probuild . You must be registered and have lodged a claim on the Deloitte Halo platform that has been admitted for voting purposes by the Voluntary Administrators in order to be able to submit a proxy through the Deloitte Halo platform. A proxy is a document containing instructions to the Voluntary Administrators on who you want to represent you at the meeting and how you wish to vote. Instructions on how to submit a proxy are detailed in section 13 and Appendix C .
14. How does the voting work?	The voting process is described in Appendix C . All votes taken will be taken on a poll, not a show of hands. This means that, to calculate the outcome of each resolution, the administrator must calculate the number and dollar value of each vote in favour together with the number and dollar value of each vote against. A resolution is taken to have passed if a majority in both number and dollar value have voted in favour.
15. Will I still be bound by the DOCA even if I don't vote in favour of it?	A DOCA binds all unsecured creditors, even if they voted against it. It also binds owners of property, those who lease property to the Companies and secured creditors, if they voted in favour of the DOCA.
16. Why did the company fail?	Our reasons for failure of the Probuild Group and the explanation by the Directors is detailed in section 5.7 .
17. Have the Voluntary Administrators identified any offences and funds that could be recovered?	The results of our investigations are summarised at section 1.7 and explained in detail at section 1 .
18. What happens next if the DOCA is approved at the meeting?	<p>If creditors vote for a proposal that the Companies enter a deed of company arrangement, the Companies must sign the deed within 15 business days of the creditors' meeting, unless the Court allows a longer time. If this doesn't happen, the company will automatically go into liquidation, with the voluntary administrator becoming the liquidator.</p> <p>Upon execution of the DOCA, employees will be paid on or after a date that is 10 weeks from the Commencement Date (subject to the availability of funds). We intend on paying at a minimum an interim distribution to employees by 30 September 2022 in an amount exceeding the amounts (in total) that would be paid to employees by FEG in a liquidation. Small Creditors will be paid a dividend within 45 days after employees have been paid in full. We will continue to realise the assets of the Probuild Group, adjudicate the claims of creditors, attend to the recovery of performance guarantees and collect amounts owed to the Companies. Once the assets have been realised a dividend will be paid to all other creditors and the Companies will be handed back to the Directors to be deregistered. This may take more than 12 months to complete.</p>

2 Introduction

2.1 Appointment

We, Sal Algeri, Jason Tracy, Matthew Donnelly and David Orr, were appointed on 23 February 2022 as Joint and Several Administrators to the entities listed in **Appendix A** pursuant to provisions of Section 436A of the *Corporations Act 2001* (Cth). Our appointment as Voluntary Administrators was ratified by creditors at the concurrent first meeting of creditors held on 4 March 2022.

We have not been appointed to all the entities that are part of the broader group and subsidiaries of WBHOA for financial reporting purposes, most notably, some of the entities that are joint venture participants or hold an investment asset (**Prodev Investment Entities**). We have also not been appointed to ACP Venture Investments Pty Ltd (**ACP**) which formerly held an immaterial investment in a construction technology asset. We have not been appointed to the Group's dormant New Zealand entity, Probuild Constructions (NZ) Pty Ltd (**PCNZ**).

Our appointment as Administrators to the related WBHOI Group entities ended on 31 March 2022.

The effect of our appointment to 16 entities in the Probuild Group has given us control of the businesses operated by the Probuild Group.

2.2 Purpose of the appointment and report

The purpose of the appointment of voluntary administrators is to allow for independent insolvency practitioners to take control of and investigate the affairs of a company. Creditors' claims are put on hold as at the date of the administrators' appointment and remain so for the duration of the voluntary administration.

Voluntary Administrators are empowered by the Act to assume control of the company, superseding the powers of the directors and officers, and deal with the company's assets in the interests of creditors.

The intention of a voluntary administration is to maximise the prospects of a company, or as much as possible of its business, continuing in existence (including via a DOCA or sale of the company's business), or, if that is not possible, then to achieve better returns to creditors than what would have been achieved by its immediate liquidation.

Voluntary Administrators are required to provide creditors with enough information and their opinion to assist them in making an informed decision on a company's future.

The purpose of this report is to provide creditors with information regarding the Probuild Group's business, property, affairs and financial circumstances (including our opinion on which of the three alternatives open to creditors as to the future of companies is in their best interests) to assist creditors to make an informed decision on the Companies' future. This report provides information on the following:

- background information about the Probuild Group
- the results of our investigations into the affairs of the Probuild Group
- the estimated returns to creditors
- details of the DOCA proposed by WBHO Construction SA
- the options available to creditors and our opinion on each of these options.

Although each of the companies under voluntary administration are part of the group of companies that are consolidated for financial reporting purposes, we are required to provide information and consider the position of each entity individually in forming our opinion as to what would be in the best interest of creditors.

The provision of this report is a requirement under section 75-225 of the IPR. The professional body for insolvency practitioners, the Australian Restructuring Insolvency Turnaround Association (**ARITA**), provides guidance on what should be included in this report under Practice Statement Insolvency 4. Due to the size and complexity of the Probuild Group we have not included all matters recommended in this guidance. **Appendix E** notes these matters.

To assist creditors to understand the voluntary administration process and impact it may have on them, the Australian Securities and Investments Commission (**ASIC**) provides a number of information sheets which can be found on their website here: <https://asic.gov.au/regulatory-resources/insolvency/insolvency-for-creditors/>

2.3 First meeting of creditors

On 4 March 2022 a concurrent meeting of all companies within the Probuild Group was held in accordance with section 436E of the Act.

Minutes of the first meetings of creditors have been lodged with the ASIC and are available on our Probuild Deloitte website here: <http://www.deloitte.com/au/probuild>.

2.4 Committee of Inspection

At the meeting held on 4 March 2022 it was resolved that a committee of inspection (**COI**) be formed in relation to Probuild Constructions (Aust) Pty Ltd (**PCA**) only, being the principal trading entity within the Probuild Group.

Pursuant to section 80-35 of the Insolvency Practice Schedule (Corporations) 2016 (**IPS**), the function of the COI is:

- to advise and assist the voluntary administrators of the Probuild Group
- to give directions to the voluntary administrators of the Probuild Group
- to monitor the conduct of the voluntary administrators of the Probuild Group
- such other functions as are conferred on the committee by the Act
- to do anything incidental or conducive to the performance of any of the above functions.

On 24 February 2022, creditors were requested to nominate members to be elected for the COI. In determining who was to be represented on the COI, we sought to have representation across all groups of creditors. We received 28 nominations from creditors for various entities within the Group, however we received only sufficient nominations to form a committee for PCA.

A full list of the final creditors and their representative that were elected as members of the committee is provided below:

Table 5: Committee of inspection

	Company / Creditor being represented	Representative
1.	Lighthouse Engineering Pty Ltd	Donald King
2.	Osborne Park Commercial Pty Ltd, Bowen & Pomeroy Pty Ltd, Silicon Scaffolding Stilcon Holdings Pty Ltd	Raj Shan (QBE)
3.	Aluline Commercial Pty Ltd	Tim Agushi
4.	Rebecca Lunardello	Herself
5.	Michael Curtis	Himself
6.	EA & Associates	Sam Ebeid

	Company / Creditor being represented	Representative
7.	Buildcorp Group	Ben McEvoy
8.	Vicinity Group	Jenna Scott (Norton Rose Fulbright)
9.	AE Smith & Sons	Jacob Gunzburg
10.	Jacaranda Industries	Andrew Southwood
11.	CBUS	Adrian Pozzo
12.	Commonwealth of Australia (Observer)	Henry Carr

We have convened 2 meetings of the COI to date which were held on the following dates to update the COI on the administration generally and to approve our remuneration:

- 11 March 2022
- 9 May 2022.

We would like to take this opportunity to thank the COI members for their attendance at these meetings and their input.

Minutes of the COI meetings have been lodged with the ASIC and are available on our Probuild Deloitte website here: <http://www.deloitte.com/au/probuild>.

2.5 Court orders

Given the size and complexity of managing the voluntary administration of 16 entities, we applied to Court on 2 occasions for directions and guidance on various aspects of the voluntary administrations. A summary of these orders is set out in the table below:

Table 6: Court orders obtained

Date of order	Matter	Order
2 March 2022	Limitation of liabilities – leases and section 443B of the Act	<ul style="list-style-type: none"> Pursuant to sections 443B(8) and 447A(1) of the Act, the personal liability of the Administrators under sections 443A(1)(c) and 443B(2) of the Act begins on 24 March 2022, such that the Administrators are not personally liable for any liability with respect to any property leased, used or occupied by any of the Companies (including amounts payable pursuant to any leases entered into by any of the companies) in the period 23 February 2022 to 23 March 2022 inclusive.
2 March 2022	Electronic proxy forms	<ul style="list-style-type: none"> Pursuant to section 90-15 of the IPS, permitting the use of electronic proxy forms via the Halo Platforms.
2 March 2022	Notice requirements	<ul style="list-style-type: none"> Pursuant to section 447A(1) of the Act, section 436E(3) to operate such that notice of the first meeting to be provided by 5.00pm on 2 March 2022.
2 March 2022	Virtual meetings	<ul style="list-style-type: none"> Pursuant to section 90-15 of the IPS the Halo Platform satisfies the requirements of section 75-75(1) of the IPR.
16 March 2022	Extension of the Convening Period	<ul style="list-style-type: none"> Pursuant to section 439A(6) of the Act, the period required to call the second meeting of creditors (Convening Period) has been extended until 24 June 2022. Pursuant to section 447A(1) of the Act, the second meeting of the creditors of any of the companies required under section 439A may be convened at any time during, or within five business days after the end of, the Convening Period, as extended, provided that creditors are given 5 business days' notice.

Date of order	Matter	Order
16 March 2022	COI Member Profit	<ul style="list-style-type: none"> Pursuant to sections 80-55(5) and 90-15 of the IPS and 447A(1) of the Act, to grant leave regarding derived profit to the members of the COI and ancillary orders.

2.6 Extension of convening period

Voluntary Administrators are required by the Act to convene a second meeting of creditors within 20 business days of the date of their appointment, and to hold this meeting within five business days either side of the end of this Convening Period. Given the size and nature of the Probuild Group's business and our objective to maximise the prospects for the sale and/or recapitalisation of the business, this period was considered too short.

Accordingly, we applied to the Court for orders extending the length of the Convening Period until 24 June 2022. On 16 March 2022, the Court granted the orders. A copy of these orders is available at <http://www.deloitte.com/au/probuild>.

2.7 Electronic communication

Section 600G of the Act allows administrators to make communications and notifications available for creditors to access electronically, such as via a creditors' portal. The administrators must notify creditors when information is made available electronically and provide instructions on how it can be accessed.

We have established the following mechanisms for communicating with creditors:

- provision of information including circulars, copies of court orders and reports, via the Deloitte Probuild website: <http://www.deloitte.com/au/probuild>
- lodgement of claims and proxy forms, via the Deloitte Halo website: <https://aurestructuring.deloitte-halo.com/probuild>.

2.8 Second meeting of creditors

Pursuant to Section 439A(3) of the Act and Section 75-225 of the IPR, attached is a notice convening the concurrent second meeting of creditors to be held on **Thursday 30 June 2022 at 11:00am AEST**. The notice of meeting is enclosed at **Appendix B**.

Recent amendments to the legislation that governs insolvent administrations provides that meetings of creditors may be held virtually, using technology that will give all persons entitled to attend a reasonable opportunity to participate without being physically present in the same place. Furthermore, the Probuild Group's creditors are geographically dispersed around Australia and elsewhere. To this end, the meeting will be held using the Microsoft Teams Live Events platform.

Further information for creditors who wish to attend the meeting and vote is contained at **Section 13** of this report.

2.9 Voluntary Administrators' independence, relationships and indemnities

2.9.1 Declaration of Independence, Relevant Relationships and Indemnities

In accordance with Section 436DA of the Act, a Declaration of Independence, Relevant Relationships and Indemnities (**DIRRI**) was provided with the first report to creditors dated 24 February 2022 and was also tabled at the first meeting of creditors. The DIRRI disclosed information regarding our independence, prior personal or professional relationships with the Group and any indemnities received in relation to these appointments (in this case there were none).

We conduct ongoing assessments as to whether any potential conflict of interest issues develop during the voluntary administration. Our initial DIRRI was dated 23 February 2022. On 13 April 2022 we amended our DIRRI and sent this to creditors in our update dated 14 April 2022. Our DIRRI was updated to reflect feedback from ASIC and to include a prior relationship with Insurance Australia Group Ltd (**IAG**) that had inadvertently been omitted from our original DIRRI, but disclosed at the first meeting of creditors held on 4 March 2022. The key changes also included:

- we have engaged Johnson Winter & Slattery (**JWS**) to act as legal advisors in relation to any investigations into any potential claims against the Directors and officers of the Group.
- confirmation that none of the prior engagements (whether individually or cumulatively) by ourselves or our firm Deloitte constituted engagements to provide safe harbour advice to the Group or its Directors. For the avoidance of any doubt neither Deloitte nor ourselves has provided any safe harbour advice or services to the Group or its officers.

For the reasons outlined in our updated DIRRI attached as **Appendix F**, we do not consider that these changes cause a real or potential risk to our independence.

There have been no other changes to circumstances or new information identified that cause a real or potential risk to our professional independence that requires us to update our DIRRI dated 13 April 2022 and attached as **Appendix F**.

2.9.2 Conflict checking

We followed the following dual-track conflict checking process prior to agreeing to accept the appointment as voluntary administrators to the Group to ensure a complete and comprehensive independence and conflict check was undertaken:

- conflict check searches of external and internal databases were conducted on 17 and 18 February 2022 which involved a specialist internal conflicts team within Deloitte conducting searches of public registers (ASIC, PPSR and Land Titles) and Deloitte engagement and relationship management systems for relevant entities and associated individuals (e.g. Directors, major shareholders). As part of this process, the conflicts team also sought to identify additional information relevant to the conflict check, such as information relating to overseas domiciled entities not contained in Deloitte's local systems;
- while awaiting the results of the searches referred to above, searches conducted by a senior member of Deloitte's Turnaround & Restructuring team of Deloitte's engagement and relationship management systems in order to enable faster identification and analysis of any current or previous relationships with Deloitte that may be material to the appointees' consideration of their independence. These searches included searches for all 23 Australian domiciled entities in the Group (including the 18 entities to which the proposed appointees were ultimately appointed on 23 February 2022).

The results of the conflict checks were reviewed by both Deloitte's conflicts team and by a Deloitte Quality & Risk Partner, both of whom confirmed to us that conflict check clearance of the proposed voluntary administration appointments would be provided.

We met on 17 and 18 February 2022 to review the conflict check results to determine which of the relationships disclosed by those results was required to be disclosed in our DIRRI. The outcomes of those deliberations regarding the nature, extent and relevance of those relationships to consideration of the proposed appointees' independence were set out in the Administrators' original DIRRI dated 23 February 2022.

3 Background information

3.1 History of the Companies

Below is a brief summary of the background of the Probuild Group.

3.1.1 Operations of the Companies

The Probuild Group's Australian parent entity is WBHO Australia Pty Ltd (**WBHOA**). WBHOA and the Probuild Group is 100% owned by WBHO Construction (Pty) Ltd (**WBHO Construction SA**) a subsidiary of the listed (Johannesburg Stock Exchange (**JSE**)) Wilson Bayly Holmes-Ovcon Ltd (**WBHO-SA**). WBSHO-SA is a construction and civil engineering company with operations in Africa, Australia and the United Kingdom.

WBHOA also acted as parent to the WBHOI Group, which operated a civil engineering and construction business.

The Probuild Group is comprised of the Probuild and Monaco Hickey construction businesses. Probuild is one of Australia's largest builders having been involved in some of the country's largest office/residential tower, shopping centre and hotel developments. Monaco Hickey has a focus on construction of smaller multi residential and specialised commercial projects, in particular for the healthcare and pharmaceutical industries.

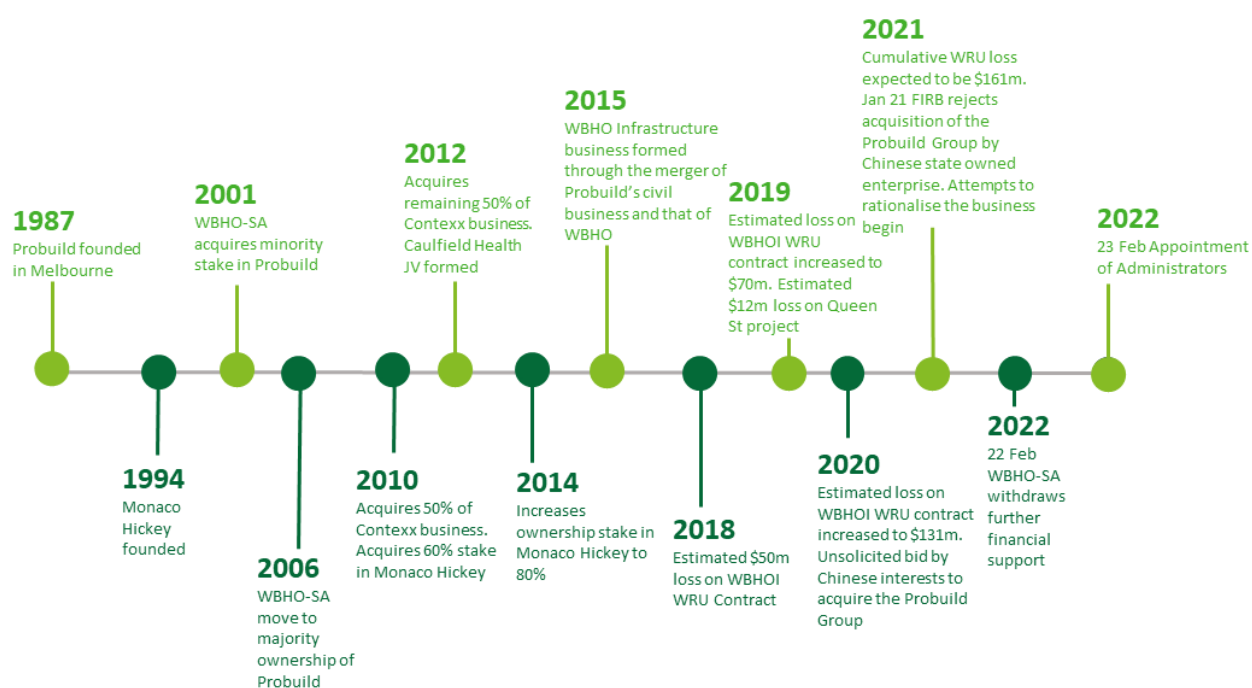
The Probuild Group's head office is located from leased premises at level 10, 580 St Kilda Road, Melbourne Victoria. The Probuild Group also maintained a satellite office in New South Wales and a presence in Western Australia and Queensland. The majority of the support and administrative functions were undertaken from the Melbourne head office.

At the date of our appointment the Probuild Group was undertaking 20 projects across Australia, which are discussed in further detail at **section 7.1.1.1**.

3.1.2 History of the Group

A brief history of the Group is illustrated below.

Figure 1: Probuild Group History



3.2 Group structure

The corporate structure for the Group is as follows:

- the listed (JSE) ultimate parent company WBHO-SA, which is a South African registered public company. WBHO-SA held its interest in the Group via the South African registered WBHO Construction SA
- the Australian registered parent company WBHOA
- WBHOA did not trade, its purpose was acting as the holding company for the WBHOI Group and Probuild Group
- 23 controlled entities forming the Probuild Group at the date of Administration (excluding the WBHOI Group)
- three main trading entities Probuild Constructions (Aust) Pty Ltd (**PCA**), PCA (Qld) Pty Ltd (**PCAQ**) and Monaco Hickey Pty Ltd (**MH**)
- two employing entities, being PCA and MH
- all other entities were effectively dormant or holding companies
- Prodev Investments 4 Pty Ltd (**PI4**), which holds the Probuild Group's interest in the Elwood Park joint venture
- as of 31 March 2022, WBHOI and CCC of the WBHOI Group were no longer in administration following effectuation of the SRG DOCA. Northcoast was not subject to the SRG DOCA and its shares were transferred to WBHOA as part of the SRG DOCA.
- a New Zealand subsidiary, Probuild Constructions (NZ) Pty Ltd (**PCNZ**) which is not in administration and is dormant.
- five other entities not in administration:
 - Prodev Investments Pty Ltd (**PI**) – held the Probuild Group's interest in the Caulfield Village joint venture
 - Prodev Investments 2 Holdings Pty Ltd (**PI2H**) – holding company for Prodev Investments 2 Pty Ltd (**PI2**), which holds the Probuild Group's interest in the Sky Garden joint venture (the joint venture interests are discussed at **section 3.2.1**)
 - Prodev Investments 3 Pty Ltd (**PI3**)
 - ACP, which is dormant and had previously invested in a construction technology start-up business.
- Rhombus Holdings Pty Ltd, which is a holding company for a 7.4% shareholding in PCA and is a legacy shareholding vehicle from the previous owners of the Probuild business.

The Probuild Group had 2 business segments:

- Probuild construction business
- Monaco Hickey business.

The Probuild Group was operated and managed on a group basis, in particular there was a central shared head office administration function and funds would be loaned between group entities.

3.2.1 Joint venture interests

The Probuild Group held interests in three joint ventures involved in property development.

3.2.1.1 Caulfield Village

The Probuild Group (via PI) held a 30% interest in BPG Caulfield Village Pty Ltd, which is developing the Caulfield Village project with Beck Property Group. Caulfield Village is a master planned to comprise 8 buildings, with the current stage (2 North) being a 437 residential apartment build to rent development, in metropolitan Melbourne, Victoria. The Probuild Group's involvement was as builder and investor. The project is currently at the third of 4 stages.

The Principal has taken the works out of Probuild's hands, and is now undertaking the works itself. The Probuild Group's joint venture interest was transferred to Roberts as part of the Roberts Transaction, by way of sale of shares in PI.

3.2.1.2 Sky Garden

The Probuild Group holds (via PI2) a 20% interest in a partnership, which has developed a 536 residential apartments over 3 towers in metropolitan Melbourne. Construction completed in November 2020 and at the time of reporting, approximately 28% of apartments remain unsold.

The directors of PI2 intend to negotiate an accelerated exit and return of PI2's interest in the partnership, that will then flow up to PCA via its shareholding in PI2 (after PI2 settles any of its own liabilities). We understand that negotiations for PI2's accelerated exit have yet to commence and therefore the likely value available to Probuild is difficult to assess.

3.2.1.3 Elwood Park

The Elwood Park development is 13 apartments in the inner Melbourne suburb of Elwood. The project was constructed by PCA and is now complete and all apartments sold. The Probuild Group's investment (held via PI4) is in the form of a partnership whereby the Probuild Group is to earn a preferred interest return of 16% with second mortgage security held over the land and buildings, with Probuild Group's equity and interest required to be paid before any return to the developer.

Prior to the administration the Probuild Group had negotiated with the developer for an accelerated return of Probuild Group's equity and interest for \$460k. PI4 has entered into binding transaction documents with the Elwood Park joint venture partner to effect the payment of a \$460k profit distribution to PI4, sale of PI4's equity in the incorporated joint venture company (which acts as nominee of the partnership) to the joint venture partner for nominal consideration, and termination of related project contracts

3.2.2 Group structure diagram

The Group structure is illustrated at **Figure 2**. We have retained the WBHOI Group within the structure to reflect the ownership position of the Group prior to the sale and recapitalisation of WBHOI and CCC via the SRG DOCA. These entities are no longer part of the Group with ownership now being held by SRG. In addition, we have retained PI within the structure to reflect the ownership position of the Group prior to the sale of the Group's shareholding in PI to Roberts.

(This section has been deliberately left blank)

PROBUILD

WBHO
INFRASTRUCTURE PTY LTD

MONACO HICKEY

Key:

- South African parent entities
- Entities in Voluntary Administration
- Entities not in administration
- New Zealand entity not in administration
- Primary trading entities

3.3 Statutory information

- registration date
- officers
- shareholders
- security interests.

We are not aware of any winding up applications outstanding as at the date of our appointment.

4 Historical financial performance

4.1 Overview

The ultimate Australian parent entity WBHOA prepared annual audited consolidated financial statements, which included consolidation of all controlled entities within the Probuild and WBHOI Groups. The Probuild Group prepared its own consolidated financial information. To provide creditors with greater insight into the Probuild Group we have focussed upon the Probuild Group consolidated financial information, as it excludes the WBHOI Group. PCA prepared annual audited consolidated financial statements. These encompass the financial performance of the Probuild, and Monaco Hickey business units.

As WBHOA is one of the Companies the subject of this report we have also included analysis of its historical financial performance but note that its reported consolidated financial information includes not only that of the Probuild Group but also the WBHOI Group.

Summarised below are Probuild Group's and WBHOA's audited statement of profit and loss, balance sheet and statement of cash flows for FY18 to FY21. We have also included internal management accounts for year to date 31 January 2022 (YTDJan22) for the Probuild Group and WBHOA. Caution should be taken when comparing these to the audited financial statements due to the unaudited nature of the accounts and the differing purposes of the reports. Given their purpose as internal documents, they have not been prepared to meet the reporting requirements applicable to general purpose financial reports prepared in accordance with the Act.

Preliminary analysis and commentary is provided below at **section 4.4** and further at **section 1** as part of our findings from our investigations into the affairs of the Companies.

4.2 Probuild Group financial statements

Probuild Group's audited statement of profit and loss, balance sheet and statement of cash flows for FY18 to FY21, are summarised in **sections 4.2.1 to 4.2.3** below.

4.2.1 Probuild Group profit & loss

Table 7: Probuild Group consolidated profit & loss

\$m	FY18	FY19	FY20	FY21
Revenue and income				
Revenue from construction contracts	1,839.7	1,669.0	1,688.2	1,365.3
Other income	2.5	3.1	8.2	5.0
Total revenue and income	1,842.2	1,672.1	1,696.4	1,370.3
Cost of goods sold	(1,789.4)	(1,604.1)	(1,664.5)	(1,333.8)
Gross profit	52.8	68.0	31.9	36.5
Gross profit (%)	2.9%	4.1%	1.9%	2.7%
Administration costs				
Depreciation	(1.8)	(3.5)	(4.2)	(4.6)
Auditor remuneration	(0.1)	(0.2)	(0.2)	(0.2)
Net loss on disposal of plant and equipment	(0.1)	(0.1)	(0.1)	(0.1)
Employee costs	(31.3)	(33.4)	(30.1)	(26.8)
Other costs	(1.8)	(6.0)	(2.3)	(0.8)

\$m	FY18	FY19	FY20	FY21
Total administration costs	(35.1)	(43.2)	(36.9)	(32.5)
Share of profit/(loss) from associates	2.5	(9.3)	-	-
Profit/Loss before tax	20.2	15.5	(5.0)	4.0
Income tax (expense)/benefit	(4.5)	(6.7)	2.3	(0.9)
Profit/Loss after tax	15.7	8.8	(2.7)	3.1

Source: Audited annual financial accounts.

4.2.2 Probuild Group balance sheet

Table 8: Probuild Group balance sheet

\$m	FY18	FY19	FY20	FY21
Current assets				
Cash and cash equivalents	231.5	213.4	251.0	164.1
Receivables	213.3	176.3	158.4	166.7
Inventories/contract assets	54.3	25.7	17.9	18.8
Derivative financial instruments	1.1	0.9	0.1	0.5
Tax receivable	0.4	3.6	2.4	0.8
Loans to Associates	-	-	13.6	29.5
Loans to related parties	-	-	-	5.2
Other	5.3	0.5	0.9	1.0
Total current assets	505.9	420.4	444.3	386.6
Non-current assets				
Investments in associates	9.7	-	-	-
Other financial assets	20.9	33.6	19.8	9.5
Net related party receivables	11.9	13.7	15.0	10.1
Deferred tax assets	9.9	7.0	10.3	10.6
Property, plant and equipment	11.4	15.3	23.4	20.5
Intangible assets	35.9	35.9	36.0	35.9
Other	-	-	1.1	0.7
Total non-current assets	99.7	105.5	105.6	87.3
Total assets	605.6	525.9	549.9	473.9
Current liabilities				
Trade and other payables	(396.4)	(351.1)	(308.5)	(267.8)
Contract liability	(69.0)	(37.2)	(85.5)	(46.4)
Provisions	(19.5)	(22.3)	(35.8)	(29.2)
Lease liabilities	-	-	(2.2)	(1.8)
Total current liabilities	(484.9)	(410.6)	(432.0)	(345.2)

\$m	FY18	FY19	FY20	FY21
Non-current liabilities				
Trade and other payables	(15.6)	(19.9)	(20.7)	(25.8)
Deferred tax liabilities	(1.4)	(1.0)	-	-
Provisions	(2.6)	(3.5)	(4.8)	(9.1)
Lease liabilities	-	-	(4.7)	(3.4)
Total non-current liabilities	(19.6)	(24.4)	(30.2)	(38.3)
Total liabilities	(504.5)	(435.0)	(462.2)	(383.5)
Net assets	101.2	90.9	87.7	90.4
Equity				
Share capital	48.2	35.4	34.6	34.7
Other equity	(31.2)	(31.2)	(31.2)	(31.2)
Reserves	1.3	4.0	4.3	4.7
Retained earnings	81.9	81.1	78.1	80.5
Equity attributable to the owners of the Company	100.2	89.3	85.8	88.7
Non-controlling interests	1.0	1.6	1.9	1.7
Total equity	101.2	90.9	87.7	90.4

Source: Audited annual financial accounts.

4.2.3 Probuild Group cash flow

Table 9: Consolidated Group statement of cash flows

\$m	FY18	FY19	FY20	FY21
Cash flows from operating activities				
Cash receipts from customers	1,849.6	1,734.0	1,882.8	1,488.1
Cash payments to suppliers and employees	(1,776.6)	(1,714.8)	(1,849.9)	(1,574.9)
Interest received	1.9	2.8	0.5	0.9
Income taxes (paid)/refunded	(11.0)	(5.2)	4.1	0.5
Net cash from operating activities	63.9	16.8	37.5	(85.4)
Cash flows from investing activities				
Acquisition of property, plant and equipment	(2.8)	(3.4)	(2.7)	(1.7)
Net (payment)/return of funding for investments	(13.3)	(12.3)	21.4	14.6
Loans to/(repayments from) related parties	1.5	(1.7)	(15.8)	(11.0)
Net cash used in investing activities	(14.6)	(17.4)	2.9	1.9
Cash flows from financing activities				
Proceeds from disposal of non-controlling interest	0.1	0.4	-	-
Proceeds from issue of shares	0.3	-	-	-
Repayment of redeemable preference shares	-	(10.0)	-	-
Minority interest transactions	-	-	(0.6)	(0.9)

\$m	FY18	FY19	FY20	FY21
Payment for share buy-back	(4.6)	(3.9)	-	-
Dividends	(8.3)	(4.0)	-	-
Principal component of finance lease payments	-	-	(2.3)	(2.5)
Payment of equity raising costs	(0.1)	-	-	-
Net cash from/(used in) financing activities	(12.6)	(17.5)	(2.9)	(3.4)
Net increase/(decrease) in cash and cash equivalents	36.7	(18.1)	37.5	(86.9)
Cash and cash equivalents at 1 July	194.8	231.5	213.4	250.9
Cash and cash equivalents at the end of the financial year	231.5	213.4	250.9	164.0

Source: Audited annual financial accounts.

4.3 Probuild Group internal management accounts

4.3.1 Probuild Group profit & loss

Table 10: Probuild Group profit & loss YTDJan22

\$m	YTDJan22
Total revenue and income	602.1
Cost of goods sold	(647.0)
Gross Margin	(44.9)
Overheads and other costs	(16.6)
Other income	1.8
Profit/Loss before tax	(59.8)
Income tax expense	17.9
Profit/Loss after tax	(41.9)

Source: Unaudited management information

4.3.2 Probuild Group balance sheet

Table 11: Probuild Group balance sheet YTDJan22

\$m	31 Jan 22
Current assets	209.9
Non-current assets	87.1
Total assets	297.0
Current liabilities	(209.1)
Non-current liabilities	(39.2)
Total liabilities	(248.3)
Net assets	48.7
Total equity	48.7

Source: Unaudited management information

4.4 Commentary

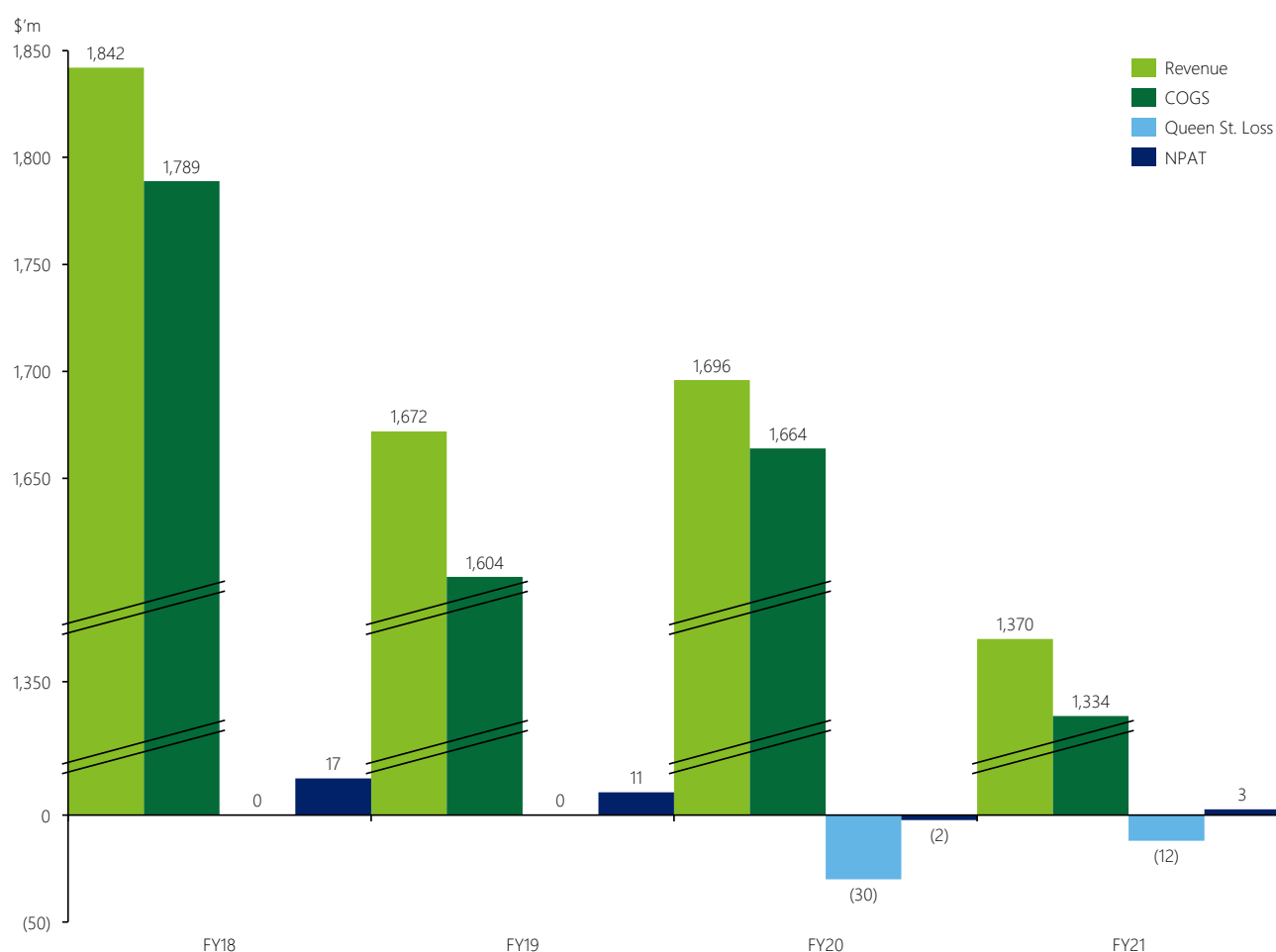
4.4.1 Profit and loss

Commentary contained within the FY20 financial statements states that the loss suffered in FY20 of \$2.7m was attributable to a single loss-making contract being the 443 Queen Street (**Queen St**) project, a residential tower in the Brisbane CBD. A loss provision of \$30m was raised in 2020 and a further provision of \$12m was raised in FY21 impacting gross margin. Losses on Queen St were attributed by Management to:

- underestimation at the time of bidding on the time required to execute certain sections of the contract, in particular excavation of the site
- industrial action in the state of Queensland that was significantly disproportionate to operations in other states
- impact of the announcement in May 2019 of the Probuild Group's intent to discontinue operations in Queensland, including costs of retaining staff and subcontractors following that announcement
- significant weather events including flooding and smoke disruption from bush fires
- legislative changes to the number of work days in the state of Queensland
- COVID-19 supply chain disruptions.

The cumulative loss on this project is expected to be \$55m before the application of liquidated damages of \$19m. At the time of Administration, the client for Queen Street had issued a moratorium on the application of liquidated damages.

Figure 3 Probuild Group – NPAT impact from Queen St



Source: Audited annual financial accounts. WBHO-SA Integrated Report FY21

In 2019, in response to the Queen St and other losses in Queensland, the Probuild Group had decided to exit the Queensland market. Following the unsuccessful sale of the Probuild Group in FY21 Management decided to focus on the historically more profitable Victorian operations and projects in NSW and to exit the WA and Queensland markets.

A further significant loss of \$42m was incurred for the 7 months YTD Jan22 for the Probuild Group. This was attributable to margin deterioration on multiple projects, including Queens St. This period included a further \$13m provision for Queen St and deteriorations in the margin of the West Side Place project (\$20m) and MLC project (\$25m), which

Management attribute to COVID-19 disruptions to supply chains and government restrictions. This period also included a \$9m loss on the Exchange project in Western Australia which management similarly attributed to COVID-19 disruptions and to the decision to exit the Western Australian market.

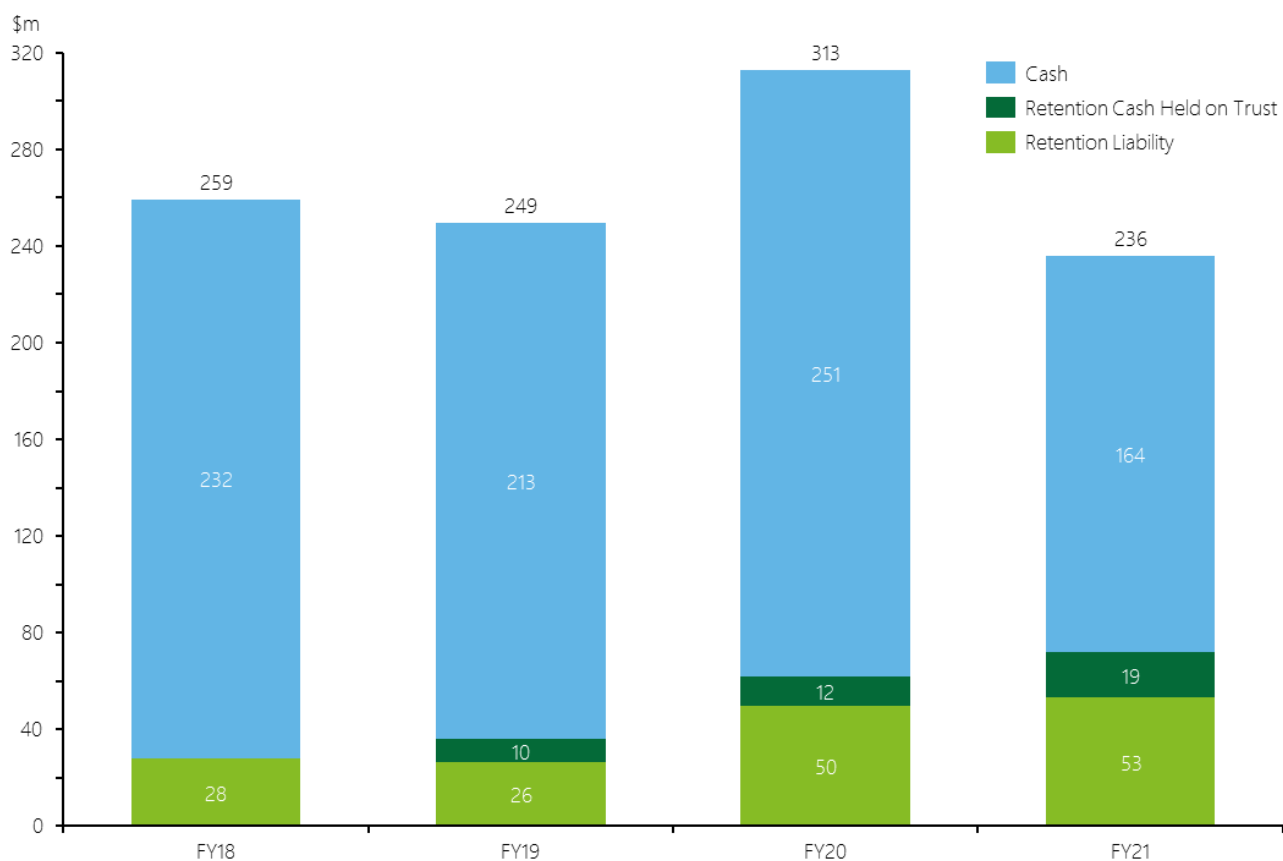
4.4.2 Balance sheet

The largest asset classes are comprised of cash and receivables, whilst liabilities mainly consist of trade payables to sub-contractors and suppliers.

The reported cash balances included funds held in subcontractor retention trust accounts (for NSW related projects only), which are held for corresponding retention liabilities and are not available for general working capital purposes. Within current and non-current trade payables are retentions due to sub-contractors. As at 31 January 22 there was \$49.9m of sub-contractor retentions recorded on the balance sheet.

In respect to retentions owed to the Probuild Group, there is a relatively nominal cash retention balance owed from councils and other parties. The Probuild Group utilised off balance sheet performance guarantee instruments for client retentions rather than cash retentions (refer also **section 5.3.3** for further discussion on performance guarantees and bonds).

Figure 4 Probuild Group – subcontractor retentions and restricted cash



Source: Audited annual financial accounts. WBHO-SA Integrated Report FY21

Financial assets represent predominantly the Probuild Group's interest in the joint ventures discussed at section 3.2. The reduction in this asset over time reflects the return of equity and wind down of the joint ventures. The reduction of investments in associates of \$9.7m from FY18 to FY19 reflects the impairment on the carrying value of the 23.41% shareholding in WBHOI as a result of the loss on the WRU project discussed further at **section 4.5** below.

The Probuild Group provided WBHOI with loans of \$13.6m (FY20) and \$15.9m (FY21) to assist with WBHOI's losses on the WRU and other projects. A further \$5.2m was loaned to shareholders and other related parties in FY21. Management assert that the loans to WBHOI were necessary as the WBHOI and Probuild Groups were parties (as obligors and/or guarantors) to some of the same performance guarantee facilities and accordingly, the Probuild Group could not afford the contagion risk impact from a collapse of WBHOI.

The increase in provisions from FY18 to FY22 reflects predominantly the impact of the loss on Queen St.

It appears that in FY19, \$10m in redeemable preference shares held by WBHOA were redeemed for cash.

Funding of further losses YTDJan22 resulted in a significant drop in cash balances at 31 January 22 and working capital (as measured by current assets less current liabilities).

4.4.3 Cash flow

The Probuild Group suffered a significant \$85.4m cash shortfall from operations in FY21, which led to the large reduction in cash balances as at FY21 and trade payables. The cash shortfall from operations was attributable mainly to losses on the Queen St and MLC projects. Management also note that whilst the sale of the Probuild Group was being considered in FY21, the Probuild Group did not enter into any new work and this and the effect of COVID-19 impacted cash flow. Management further assert that COVID-19 disruptions meant project time lines extended and revenue fell, whilst staffing levels were not significantly reduced, and the Probuild Group was unable to fully recoup the negative cash impact from clients.

4.5 WBHOA financial position and commentary

As discussed at section 4.1 the WBHOA consolidated financials include the Probuild and WBHOI Groups. The WBHOI Group is no longer in Administration (refer **section 1.10**) having been sold to SRG via the SRG DOCA. Accordingly, creditors should bear this in mind when considering the financial information for WBHOA that is presented at **Appendix L** and discussed below.

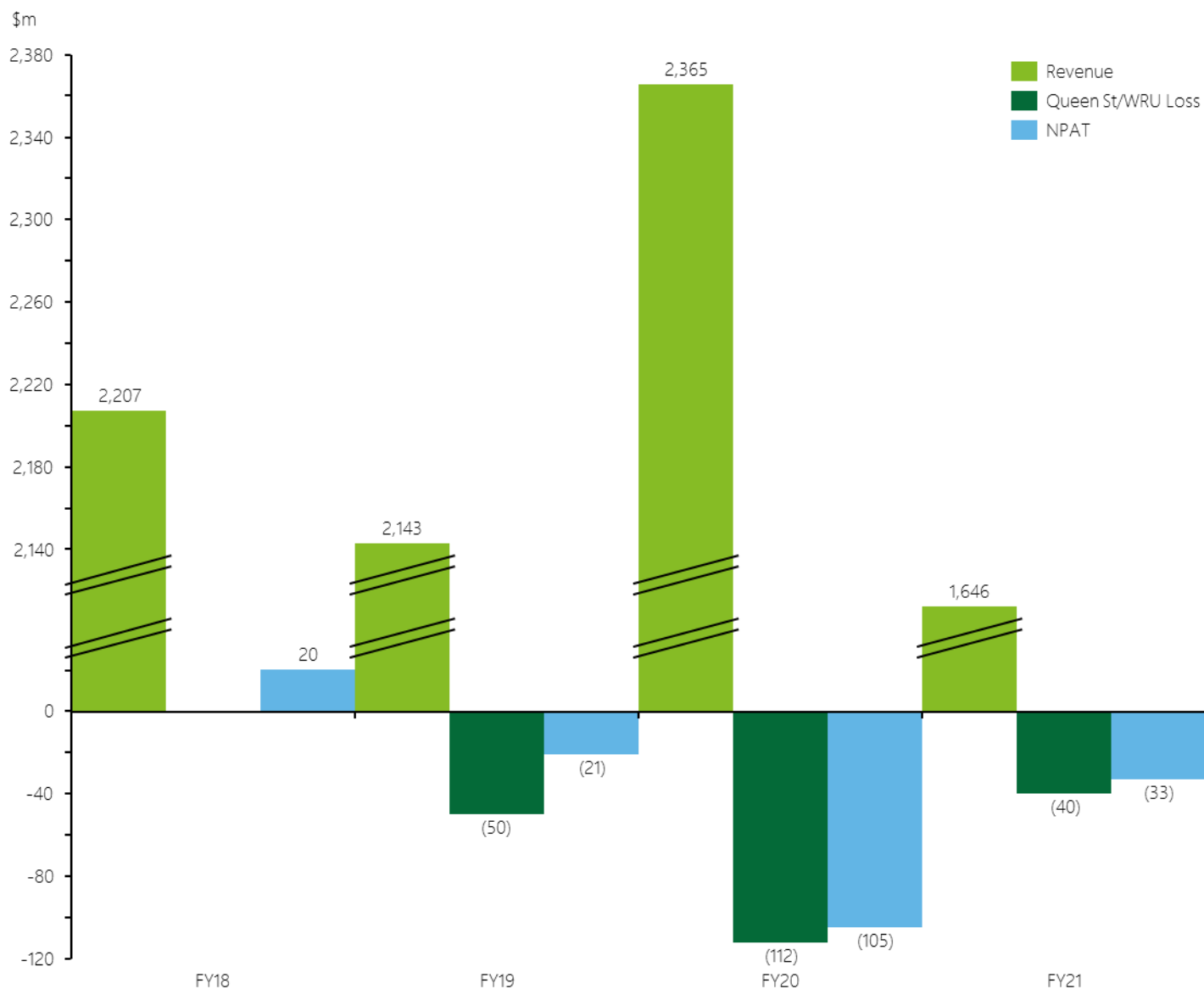
4.5.1 Profit and loss

During FY21 the eastern Australian business of the WBHOI Group was wound down, as was the Probuild business in WA and Queensland. As mentioned above, the decision to exit the Queensland market had been made in 2019, however the delay in completing the Queen St project meant that the exit from this market was also delayed. Management noted the impact of COVID-19 being reductions in margins and project delay due to supply chain disruption and decreased availability of labour due to quarantining and lockdown rules.

Losses in FY19 to FY21 were caused by significant provisions on the WRU, Stockyard Hill, Telfer 8 and Mondium Syncline projects undertaken by the WBHOI Group and losses on Queen St undertaken by the Probuild Group. Management assert in the notes to these accounts that earnings would otherwise have been positive had it not been for the two loss making contracts of WRU and Queen St during that period.

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Figure 5 WBHOA – NPAT impact from Queen St and WRU



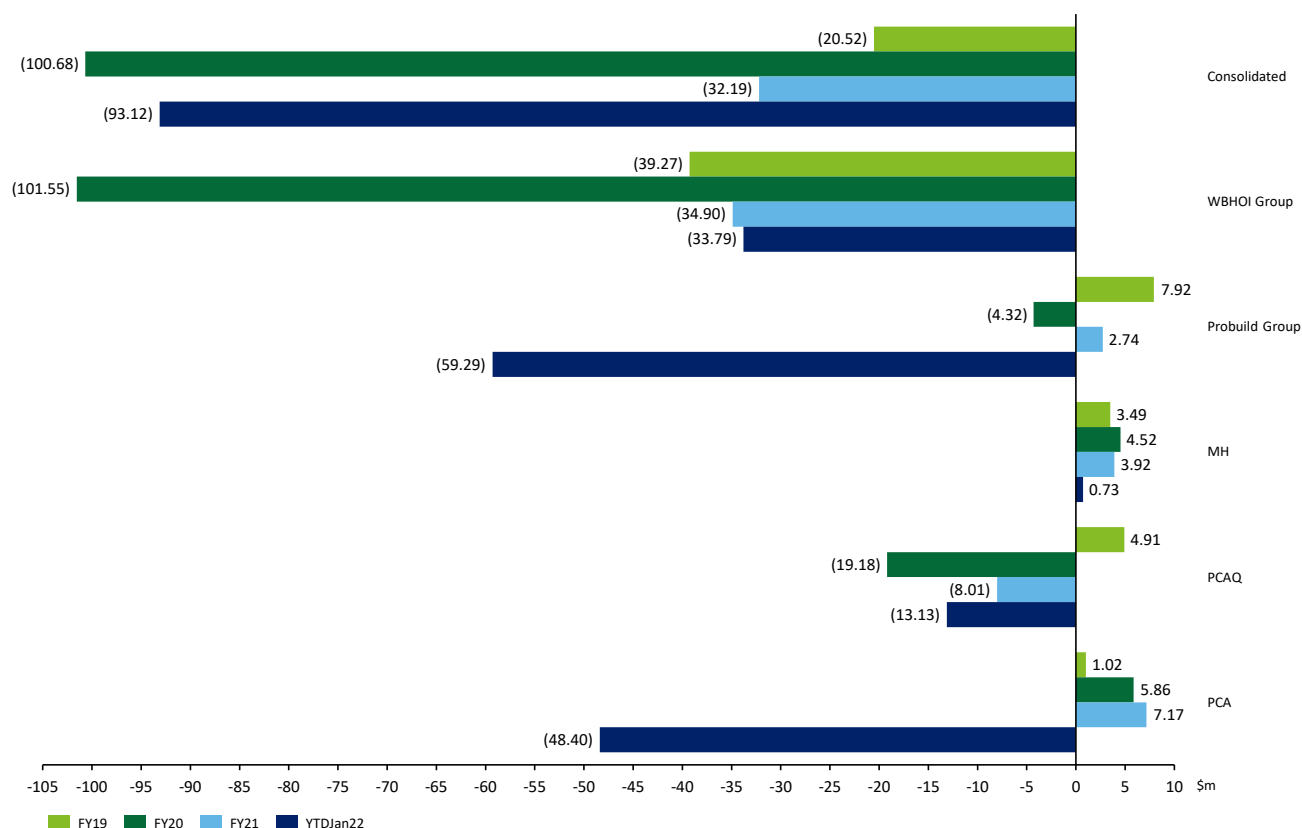
Source: Audited annual financial accounts. WBHO-SA Integrated Report FY21

WBHOA also suffered a \$75.7m loss after tax in the 7 months to YTDJan22. This included a loss after tax of \$42.0m in the Probuild Group (discussed at **section 4.4.1**) and \$33.8m loss in the WBHOI Group.

The financial statements in all years were prepared on a going concern basis. In the FY19 to FY21 financial statements Management noted that the accounts were able to be prepared on a going concern on the basis of letters of continuous support for periods of at least 12 months, from the parent entity WBHO Construction SA.

The chart below illustrates that WBHOA's overall performance was significantly impacted by that of the WBHOI Group.

Figure 6 WBHOA – Segment Profit/(Loss)



Source: Management accounts

4.5.2 Balance sheet

A loan of \$54m was made to WBHO Construction SA in FY20 that was reduced to \$18m in FY21 and according to the notes to the FY21 financial statements was cleared in full during September 2021. This loan was created as part of the injection of capital by WBHO Construction SA whereby redeemable preference shares were issued and the receivable representing the subscription amount payable on those shares. This receivable was subsequently cleared in full. Intangibles represent goodwill at cost, upon historical business acquisition. No impairments were made to goodwill despite losses being suffered.

As is the case with the Probuild Group, WBHOA including the WBHOI Group utilised off balance sheet performance guarantee facilities to support contractual surety obligations. At FY21 there was \$358m in contingent liabilities reflecting the contingent exposure under various performance guarantees.

The expected losses on Queen St, WRU and other projects is reflected in an increase in provisions.

Share capital increased by \$108m in FY20 as WBHO Construction SA injected equity into WBHOA by way of redeemable preference shares. A further \$51m in redeemable preference shares were issued to WBHO Construction SA in FY21. The issue of these shares being to recapitalise the Group after it suffered significant losses. The loans to WBHO Construction SA discussed immediately above reflect amounts owed but not yet paid on the issuance of the redeemable preference shares.

The parent support for the Group discussed at **section 5.7.2** of \$191m since FY19 to 31 January 2022 was provided by way of the subscription for redeemable preference shares in WBHOA. These funds were in turn injected into WBHOI via the subscription of redeemable preference shares.

Funding of further losses YTDJan22 resulted in a significant drop in cash balances and working capital at 31 January 2022.

4.5.3 Cash flow

The cash flow statements reflect the \$153m recapitalisation of WBHOA during FY19 to FY21 by way of the proceeds from the issue of redeemable preference shares. This was necessary to fund \$173m in cash losses from operation from FY18 to FY21.

4.6 Related parties

4.6.1 Transactions with related parties

Note 4 of the FY21 WBHOA financial statements provides information on related parties and Note 12 lists those subsidiaries that are included in the Group's consolidated reporting. The WBHOA consolidated financial statements eliminates transactions and balances with subsidiaries. It is stated in the FY21 financial statements at Note 4 that transactions with related entities are made on normal commercial terms and conditions that are no more favourable than those available to other parties, unless stated otherwise.

An inter-company loan matrix as at 23 February 2022 is included at **Annexure G**.

Of relevance to creditors of the Probuild Group, are inter-company balances with entities that are not subject to the Administration and WBHOI, as well as loans to shareholders, which are discussed below.

The outstanding balances of related parties, outside of the Group entities as at 23 February 2022 is as follows:

Table 12: Related parties balances – entities outside of the Group (not in Administration)

\$m	PCA	MH	Northcoast	TOTAL
Receivables				
Shareholder/employee loans	15.8	0.1	-	15.9
WBHOI	42.2		4.0	46.2
PNZ	1.8		-	1.8
Total	59.8	0.1	4.0	63.9
Payables	Nil		Nil	Nil
PI	(5.8)		-	(5.8)
Total	(5.8)		Nil	(5.8)

Source: Companies' Inter-company loan matrix and Company information

As stated in **section 3.2** the Probuild Group operated on a group basis with some entities reliant on others for continued trading.

4.6.2 Shareholder/employee loans

4.6.2.1 Shareholder loans

The Probuild Group provided 21 loans with a value of \$14.5m (\$14.4m PCA and \$0.1m MH) to senior staff members to enable them to purchase shares in the Probuild Group. The loans, which were interest bearing, did not represent the physical loan of cash but represented the value of the shares issued from which the issue price would be repaid from future dividends. The amount yet to be repaid from distributions reflecting the loan amount upon the balance sheet. Our preliminary investigation into these loans indicates that full recovery may be problematic due to:

- some loans possibly being non-recourse and/or recourse only to the value of the shares, which now have no value
- some loans are to interposed nominee holding companies that may have limited capacity to meet any demand for repayment.

- agreements have been made by the Administrators with some critical key staff to waive the loans in order to facilitate their cooperation in the Administration and achieve the sale outcome.

Our investigations are continuing. At this stage we do not foresee any significant recovery on these loans.

4.6.2.2 Employee loans

PCA made cash advances to 6 senior employees, which have a value of \$1.4m. Our preliminary investigations indicate that of this amount at least \$181k has either been paid or forgiven prior to our appointment. Our investigations and recovery actions for the balance of these loans is continuing. At this stage, we have conservatively estimated a return of \$135k in a low scenario and \$265k in a high scenario.

4.6.3 WBHOI

Represents predominantly cash loans to support the loss making WBHOI business, as well as the inter-company recharge of Group costs. As discussed at **section 1.10** recovery on this loan is unlikely.

4.6.4 PCNZ

PCNZ is a dormant New Zealand entity that does not trade. PCNZ was registered to tender on works in Christchurch, New Zealand following the earthquakes. The tender was unsuccessful and PCNZ has not since operated. The amount owed is considered unrecoverable.

5 Directors' report on company activities and property

5.1 Summary

Under section 438B of the Act, directors are required to provide a Report on Company Activities and Property (**ROCAP**) to voluntary administrators within five business days of receipt of the request from the administrators or such longer period as the administrators allow.

As a result of the complexity of the Probuild Group and workloads of Probuild Group finance staff, the Directors requested 3 extensions of time for the submission of the ROCAPs pursuant to Section 438B(2) of the Act. All extensions were granted.

On 17 March 2022, 4 May 2022, 16 May 2022 and 17 May 2022, the Directors submitted the ROCAPs for each of the Companies in Administration. All ROCAPs were lodged with ASIC on 23 March 2022, 11 May 2022 and 20 May 2022.

Creditors may inspect Part A of the ROCAPs for each of the Companies by emailing probuild1@deloitte.com.au.

The ROCAPs represent the Directors' views of the Companies' asset and liability positions as at the date of our appointment as Voluntary Administrators and consequently do not represent potential returns to creditors. Estimated returns to creditors are detailed at **section 10** of this report.

Below is a summary of the information provided in Part A of the ROCAPs. Summaries for non-trading Other Entities are contained at **Appendix I**.

Table 13: Summary of ROCAPs

ROCAP question \$000	Note	PCA	PCAQ	MH	Other Entities	Total
A4 Do the companies owe money to their employees?	5.2	(23,207)	-	(824)	-	(24,031)
A5 Do the companies owe money, goods or services to others (other than employees)?	5.3					
Subcontractors		(61,972)	(7,792)	(2,131)	-	(71,896)
Suppliers		(8,648)	(1,806)	(480)	-	(10,934)
Other creditors		-	-		(460)	(460)
Total question A5		(70,620)	(9,598)	(2,611)	(460)	(83,289)
A6 Are the companies owed money?	5.4					
Contract debtors		32,500	3,754	-	-	36,254
A7 Do the companies own any assets?	5.5					
Bank accounts		44,323	27	982	165	45,496
Land & buildings		12,791	-	-	-	12,791
Plant & equipment		14,526	-	-	-	14,526
Property held on trust		12,775	-	-	-	12,775

ROCAP question \$'000	Note	PCA	PCAQ	MH	Other Entities	Total
Other assets						
Inter-company receivables		39,006	9,558	10,900	24,977	84,441
Shareholder/employee loans		15,959	-	129	-	16,088
Prepayments		3,882	-	803	-	4,685
Joint venture interests		11,211	-	-	494	11,705
Other receivables		11,306	1,095	-	-	12,401
Other		1,153	-	-	-	1,153
Total other assets		82,517	10,653	11,832	25,471	130,473
Total question A7		166,932	10,680	12,814	25,636	216,062

Source: Directors' ROCAPs

The lodged ROCAPs record the following entities as having no assets or liabilities:

- WBHOC
- PCV
- PCW
- PCQ
- CH
- ACN

Our comments on the information provided in the ROCAPs are set out below.

5.2 Does the company owe money to its employees?

The claims of the employees represent a priority claim pursuant to section 556 of the Act. This means employees have the right to be paid their outstanding entitlements in priority to other unsecured creditors. They also have a priority over secured creditors in respect to any realisations of certain types of assets known as circulating assets. Circulating assets are assets that a Company can use, dispose and deal with in the ordinary course of business, such as debtors and inventory.

The ROCAPs for PCA and MH disclose combined employee claims of \$24m as at 23 February 2022. There were no outstanding employee entitlements in other Companies in administration. The breakdown is summarised below:

Table 14: Summary of employee entitlements from ROCAPs

Employee entitlements (\$'000)	PCA	MH	Total
Wages & RDOs	(317)	-	(317)
Annual leave	(6,656)	(335)	(6,991)
Long service leave	(3,716)	-	(3,716)
Sick leave	(12,518)	(489)	(13,008)
Redundancy	-	-	-
Other	-	-	-
Total	(23,207)	(824)	(24,031)

Source: Companies' ROCAPs

As at the date of our appointment the Probuild Group had 474 employees (447 PCA and 27 MH). As a result of the Roberts Transaction and the novation of other project contracts by the Administrators, 193 employees were transferred to Roberts and other parties. Saving these jobs reduced the potential crystallisation of employee entitlements by \$12.2m (difference between \$28.1m and \$15.9m in Table 13 below).

In the table below we have estimated the amount that would have been payable to employees if the Probuild Group had ceased trading on our appointment and without the Roberts Transaction and other contract novations. This includes redundancy payments, pay in lieu of notice and the crystallisations of long service leave entitlements.

Table 15: Administrators' estimate of employee entitlements as at 23 February 2022 and 10 June 2022

Employee entitlements (\$'000)	PCA at 23/2/2022	PCA post transfers	MH at 23/2/22	MH post transfers	Total at 23/2/22	Total post transfers
Wages & incentives	(1,881)	(1,881)	-	-	(1,881)	(1,881)
Superannuation	(12)	(12)	-	-	(12)	(12)
Annual leave & RDO	(6,826)	(3,709)	(364)	(169)	(7,190)	(3,878)
Long service leave	(4,035)	(1,901)	(201)	(28)	(4,236)	(1,929)
Pay in lieu of notice and superannuation thereon	(5,395)	(3,517)	(279)	(144)	(5,674)	(3,661)
Redundancy	(8,611)	(4,356)	(469)	(144)	(9,080)	(4,500)
Sick leave	(2)	(2)	-	-	(2)	(2)
Total	(26,762)	(15,378)	(1,313)	(484)	(28,075)	(15,863)

Source: Administrators' assessment and company records

The redundancy amount listed refers to employees made redundant and not yet paid their entitlements prior to voluntary administration.

The variances in figures between our estimate and the ROCAPs are principally due to the Directors including sick leave accrual (which predominantly is not payable on redundancy), and the Directors not calculating the liability for pay in lieu of notice, incentives and redundancy.

We note that included in the table above is \$196k of employee entitlements relating to the Ivanhoe project that were paid for by the project Principal, Frasers Property Ivanhoe Pty Ltd. Frasers Property Ivanhoe Pty Ltd now has a subrogated claim for this amount and enjoys the same priority as that of the employees they paid.

Under the WBHO Construction SA DOCA (if approved by creditors) we estimate that the \$15.9m in remaining employee entitlements will be paid in full on or after the date that is 10 weeks from the Commencement Date. Achievement of this return is subject to actual asset realisations being in line with our current estimates. It is the Administrators current expectation that they will be in a position to pay at a minimum an interim distribution to employees by 30 September 2022 in an amount exceeding the amounts (in total) that would be paid to employees by FEG in liquidation. The quantum of this payment will be subject to the level of forecast asset realisations achieved by that time.

In the event the DOCA is not approved there may be a shortfall to employees of PCA in liquidation in a low scenario. This would mean that the only near-term avenue available to PCA employees to receive all that they are owed for any unpaid entitlements would be through an application to the federal government under the Fair Entitlements Guarantee Scheme (FEG). FEG is a government scheme of last resort that provides financial assistance for certain unpaid employee entitlements when a company is insolvent and there are no other sources of funds to pay entitlements of employees made redundant. We note that FEG will reimburse: up to 13 weeks in unpaid wages; unpaid annual leave and long service leave; up to five weeks pay in lieu of notice; and up to 4 weeks per year of service for redundancy pay; and the amount paid is capped at a maximum weekly wage of \$2,451. FEG does not cover superannuation liabilities. There are conditions that need to be met to be eligible.

All post-appointment wages, superannuation and annual leave incurred in the normal course of trading have continued to be paid and/or accrued by us.

5.2.1.1 Excluded employees

Excluded employees are Directors or relatives of Directors of the Companies (collectively **Excluded Employees**). In total there are 8 Excluded Employees, all of whom are either current Directors of the employing entity or Directors who have retired within the previous 12 months or close relatives thereof.

The priority claims for excluded employees are capped at different amounts for different classes of entitlements pursuant to section 556 of the Act, with the balance being classed as an unsecured claim against the relevant Companies. The maximum amount an excluded employee can receive via a distribution to priority creditors is \$3.5k each. This is made up of a capped amount of \$2.0k for wages and superannuation and \$1.5k for annual leave and long service leave, with the balance of claims ranking as an unsecured claim against the relevant Company.

After deducting the priority claims each excluded employee is entitled to, the balance of their employee entitlements claims, is classed as an unsecured claim against PCA and MH. This amount is estimated to total \$654k for PCA and \$103k for MH.

5.3 Does the company owe money, goods or services to others (other than employees)?

The Directors have categorised creditors (other than employees) into subcontractors and suppliers only. The ROCAPs (other than that for Northcoast) did not include amounts for taxation or any other liabilities. The ROCAPs do not capture liabilities that have crystallised as a result of the Administration, in particular:

- claims of financiers of performance guarantee facilities that have been called since the Administration commenced
- contingent claims of financiers of performance guarantees that have yet to be called
- contingent claims of Principals for increased costs, liquidated damages and other losses (above the value of performance guarantees held) as a result of projects being delayed and/or project contracts terminated.

The creditor position for the Probuild Group is subject to significant uncertainty regarding the above claims, which may not be finally quantified for many months. The table below summarises our estimated range for creditor claims as at 10 June 2022, excluding inter-company liabilities.

Table 16: Administrators' estimate of liabilities as at 10 June 2022

Liabilities (\$'000)	ROCAP Values					Administrators' Estimate	
	PCA	PCAQ	MH	Other Entities	Probuild Group Total	Probuild Group Low	Probuild Group High
Subcontractors	(61,972)	(7,792)	(2,131)	-	(71,895)	(42,014)	(42,014)
Suppliers	(8,648)	(1,806)	(480)	-	(10,934)	(7,769)	(7,769)
Taxation	-	-	-	(460)	(460)	(4,987)	(4,487)
Credit cards	-	-	-	-	-	(1,459)	(1,459)
Estimated crystallisation of performance guarantees*	-	-	-	-	-	(209,451)	(184,113)
Claims of Principals above performance guarantees	-	-	-	-	-	(76,021)	(29,955)
Total	(70,620)	(9,598)	(2,611)	(460)	(83,289)	(341,701)	(269,797)

Source: ROCAPs, Administrators' analysis and company records. *Includes \$25.6m High and \$31m Low of WBHOI Group performance guarantee liability pursuant to facility guarantee obligations

The ROCAPs did not include inter-company payables but did include inter-company receivables. Refer **section 4.6** for further detail on the inter-company loans.

A summary breakdown of the Administrators' estimates by entity is included at **Appendix M**.

5.3.1 Subcontractors and suppliers

Following submission of the ROCAPs, Management undertook further analysis and provided us with revised amounts for subcontractor and supplier liabilities as at the date of Administration.

As demonstrated in the following table we have achieved a significant reduction in the claims of subcontractors and suppliers as result of the Roberts Transaction, other contract novations, and payments under Works Continuation Agreements (**WCA**) whereby works were recommenced by the Administrators on certain projects. Some subcontractor and suppliers have been funded by WBHO Construction SA pursuant to WBHO Construction SA's guarantee liability for certain performance guarantees and is captured within the amounts discussed at **section 5.3.3**. Such payments create a corresponding liability by the Probuild Group to WBHO Construction SA.

The data in this section excludes subcontractor retentions held on trust, which are discussed at **section 5.5.4**.

Table 17: Administrators' estimate of subcontractor liabilities as at 10 June 2022

Subcontractor liabilities (\$'000)	Subcontractors as at 23 February 2022	Roberts Transaction	WCA's	Other novations and payments	WBHO Construction SA funded payments	Total subcontractors as at 10 June 2022
PCA	(131,637)	6,605	47,408	40,855	8,727	(28,042)
MH	(4,535)	-	-	-	-	(4,535)
PCAQ	(9,438)	-	-	-	-	(9,437)
Total	(145,610)	6,605	47,408	40,855	8,727	(42,014)

Source: Administrators' and Management analysis and company records

Table 18: Administrators' estimate of supplier liabilities as at 10 June 2022

Supplier liabilities (\$'000)	Suppliers as at 23 February 2022	Roberts Transaction	WCA's	Other novation and payments	WBHO Construction SA funded payments	Total suppliers as at 10 June 2022
PCA	(10,531)	690	1,890	815	286	(6,850)
MH	(237)	-	-	-	-	(237)
PCAQ	(682)	-	-	-	-	(682)
Total	(11,450)	690	1,890	815	286	(7,769)

Source: Administrators' and Management assessment and company records

Assessing the liability position for subcontractors is complex. The claims of subcontractors when submitted require verification and often claims may be disputed and require negotiation and legal determination. The above amounts are therefore estimates only, and the final amounts owed will likely differ to our estimates.

5.3.2 Taxation liabilities

We understand that the Probuild Group maintained 3 GST Groups, one each for MH and WBHOA and one for all other subsidiaries of PCA. The effect of this being that all entities within each GST Group are jointly and severally liable for the GST liabilities of each other. The WBHOI Group maintained its own GST Group. The GST and PAYG position of the Companies is being finalised and at this stage the taxation obligations for the Probuild Group is estimated as follows on an individual company basis before allowing for tax grouping obligations:

Table 19: Administrators' estimate of taxation liabilities as at 10 June 2022

Taxation liabilities (\$'000)	Income tax	GST Low	GST High	PAYG Low	PAYG High	Total taxation liability as at 10 June 2022 Low	Total taxation liability as at 10 June 2022 High
PCA (PCA GST Group)	-	(1,000)	(500)	(3,173)	(3,173)	(4,173)	(3,673)
MH (MH GST Group)	-	(200)	(200)	(154)	(154)	(354)	(354)
Northcoast	(460)	-	-	-	-	(460)	(460)
WBHOA (WBHOA GST Group)	-	-	-	-	-	-	-
All other entities (PCA GST Group)*	-	Unknown	Unknown	-	-	Unknown	Unknown
Total	(460)	(1,200)	(700)	(3,327)	(3,327)	(4,987)	(4,487)

Source: Administrators' estimates and company records

*All other entities will be jointly and severally liable for the GST obligations of PCA. The amount of GST payable by the PCA GST Group is unknown.

At the time of reporting the Probuild Group's taxation affairs had not been finalised and, accordingly the above amounts are subject to change.

5.3.3 Estimated crystallisation of performance guarantees

The Probuild Group was required to provide project counterparties with performance guarantees or bonds. The guarantees and bonds were typically in the form of guarantees or bonds from banks and other surety providers. If the Probuild Group failed to complete a project or attend to the remedy of defects a Principal could call upon the financier of the guarantee or bond to make payment to the Principal up to the amount of the performance guarantee or bond. This in turn creates a debt owed by the Probuild Group to the financier of the guarantee.

We have provided at **Appendix D** a schedule of the performance guarantee financiers, and the relevant Companies that are parties to the various associated facilities and the guarantors thereto.

Since our appointment some project Principals have called the performance guarantees and bonds held in response to perceived events of default caused by the Administration. We have sought to mitigate the possible calls upon performance guarantees by:

- entering into the Roberts transaction and other project novations
- seeking to hand back projects to Principals as quickly as possible
- negotiations with Principals as to defect liability rectification
- negotiations with Principals on called guarantees for the potential return of some, or all, of the guarantee called.

The table below summarises the estimated liability for performance guarantees which have already been called or may crystallise, including liabilities as both primary obligor and as a guarantor. This table also includes the estimated obligations of the individual Companies as guarantor for performance guarantee facilities of \$34.6m provided for WBHOI Group projects that have already or may crystallise.

Table 20: Administrators' estimate of crystallisation of performance guarantees as at 10 June 2022

Performance guarantees (\$'000)	Guarantees at 23/2/22	Guarantees called	Crystallisation Low*	Crystallisation High*
PCA	(233,420)	(94,308)	(186,101)	(164,514)
MH	(3,161)	(901)	(134,282)	(118,770)
PCAQ	(18,479)	(7,849)	(153,031)	(136,870)
Total	(255,330)	(103,058)	-	-

Source: Administrators' and Management assessment and company records. *Includes guarantee obligations for other Probuild Group entities and WBHOI

The total estimated liability for the Probuild Group is \$209.5m in a low creditor return scenario and \$184.1m in a high creditor return scenario.

We note that WBHO Construction SA has guaranteed \$119m of performance guarantees provided under the Probuild Group and WBHOI Group's Commonwealth Bank of Australia Ltd (**CBA**) performance guarantee facility. We understand that WBHO Construction SA has already paid an amount into a suspense account sufficient to cover its liability as guarantor for performance guarantees that have been called. Actual claims that may crystallise under the CBA facility on guarantees called, will trigger a corresponding claim by either WBHO Construction SA or CBA in the Administration. Under the WBHO Construction DOCA, WBHO Construction SA has agreed not to assert a claim in the Administration and to procure the same agreement from CBA.

Most of the guarantees and bonding facilities were provided on an unsecured basis. Facilities by the National Australia Bank Ltd (**NAB**) and Australia and New Zealand Banking Group Ltd (**ANZ**) were secured by term deposits and one of CBA's sub-facilities has cash cover in the amount of \$250k. At this stage, it is possible that funds held on deposit (or as cash cover) of up to \$1.4m could be released as a result of the return of performance guarantees.

As at the date of our appointment the Probuild Group held 383 subcontractor performance bank guarantees totalling \$71.6m as well as \$12.9m of cash retentions on trust in NSW pursuant to the Building and Construction Industry Security of Payment Regulation 2020 for NSW subcontractors only. We have to date, returned / approved for return 88 subcontractor performance guarantees worth \$21.2m and are working through the NSW projects where cash retentions are held to either transfer them to the Principals on projects where the subcontracts have been novated or alternatively returning cash retentions to subcontractors where possible. The balance of securities are held for the following reasons:

- the project to which the security relates is in the defect liability period;
- the subcontract to which the security relates is subject to novation which is in progress;
- there are defects outstanding in relation to the project which are subject to ongoing review by the Administrators; or
- the project is being completed by the Administrators subject to a works continuation agreement.

The Probuild Group currently holds \$46.6m in subcontractor performance bank guarantees, as well as \$12.9m cash retentions on trust.

5.3.4 Claims of Principals

It is likely that some Principals may have suffered losses that are greater than the performance guarantee amount. Such amounts will represent an unsecured claim in the Administration. The final quantification of such amounts may not be possible for many months until after projects are completed. Accordingly, at this stage we have formed an estimate based upon current project status, of net Principal claims of between \$30m and \$76m. This estimate is highly uncertain and is subject to change.

5.4 Are the Companies owed money?

The amounts disclosed by the Directors in the ROCAPs at section A6 includes contract debtors, being amounts owed on projects by Principals. In the table below we have summarised our estimates of the contract debtors as per the ROCAPs and likely recovery thereon. The ROCAPs also discussed other types of amounts owed to the Probuild Group at section A7 and we discuss these at **section 5.6**

Table 21: Administrators' estimate of contract debtors as at 10 June 2022

Contract debtors (\$'000)	ROCAP	Administrators' estimate Low	Administrators' estimate High	Recovered
PCA	32,500	1,557	5,006	933
PCAQ	3,754	-	-	-
MH	-	648	648	648
Total	36,254	2,205	5,654	1,581

Source: Administrators' and Management assessment and company records

The large difference between the ROCAP values reported by the Directors and our estimate of recovery is due to disputes with Principals, claims of set-off by Principals, payments made directly to subcontractors by Principals, and contract debtors subject to WCAs entered by the Administrators whereby receipts would also be available direct to subcontractors. It is noted that the direction of contract debtor receipts to subcontractors reduced potential claims in the Administration by approximately \$11.5m.

5.5 Do the Companies own any assets?

5.5.1 Cash at bank

The ROCAPs recorded cash at bank of \$45.5m, after excluding cash held on trust for subcontractor retentions. This included restricted cash of \$22.9m, that was held as security for NAB, ANZ and CBA performance guarantee facilities. Actual cash available in the Administration at our appointment was \$23.1m.

Table 22: Cash at bank at the date of Administration

Cash at bank (\$'000)	Balance
PCA	21,768
PCAQ	27
MH	1,344
Total	23,139

Source: Administrators' records and bank advice

5.5.2 Land & buildings

PCA owns the premises at 85 McLachlan Avenue, Rushcutters Bay, NSW (Sydney Office), from which the Sydney office of the Probuild Group operated. The ROCAP disclosed a book value of \$12.8m. As the Sydney Office was surplus to requirements and unlikely to be retained in any recapitalisation or sale transaction, we arranged for these premises to be vacated, valued and placed on the market for sale.

The Sydney Office was placed on the market on 26 April 2022 and a public auction was undertaken on 26 May 2022. The Sydney Office was sold at auction for \$10m. Settlement of the sale is contracted for 26 June 2022, and we estimate a net return of \$9.9m after selling costs.

5.5.3 Plant & equipment

The Probuild Group's plant and equipment, owned by PCA and PCAQ, is comprised of office equipment, furniture and construction equipment previously located at the Probuild Group's various offices and project sites. The ROCAPs disclosed a value of \$14.5m representing book value. Of this amount \$12.9m consisted of computer equipment. Upon our appointment we arranged for valuers (Gordon Brothers) to attend the various sites and to prepare a listing and valuation of realisable plant and equipment. Realisable plant and equipment for which it was economical to collect and sell was valued at \$700k. Most of this plant and equipment was transferred to Roberts as part of the Roberts Transaction.

The remaining plant and equipment has been transported to Gordon Brothers locations for sale. We estimate remaining plant and equipment to be worth between \$159k in a low scenario and \$329k in a high scenario.

Table 23: Plant and equipment

Plant & equipment (\$'000)	ERV Low	ERV High
PCA	93	263
PCAQ	23	23
Northcoast	43	43
Total	159	329

Source: Administrators' assessment and Gordon Brothers valuation

5.5.4 Property held on trust

Property held on trust consists of subcontractor retentions for NSW projects only under that state's building and construction industry security of payment requirements. The Probuild Group currently holds \$12.9m as trustee for NSW based subcontractors who had valid retention sums deducted. These funds are not available to the creditors of the Probuild Group, other than those NSW subcontractors that have funds held on trust for them.

The amount held on trust predominantly relates to the Greenland, Ribbon and MLC projects. We are in the process of novating contracts for Ribbon and MLC and the associated funds on trust will be transferred and held on trust by the Principal or replacement builder on these projects. The remaining amounts relating to Greenland are subject to defects liability period and will either be withheld to meet defect obligations or otherwise paid to subcontractors.

5.5.5 Other assets

5.5.5.1 Inter-company receivables

The ROCAPs listed \$84.4m in inter-company receivables. The ROCAPs did not record corresponding inter-company liabilities. Inter-company receivables from entities outside of the Probuild Group are of most relevance to creditors. As discussed at **section 4.6** we do not consider there to be any recovery likely on inter-company receivables.

5.5.5.2 Shareholder/employee loans

Refer to **section 4.6.2**.

5.5.5.3 Prepayments

The ROCAPs listed \$4.7m in prepayments as an asset of the Probuild Group. Prepayments were listed at book value and comprised amounts paid for various items such as computer software and other subscriptions. Such prepayments are usually unable to be transferred or refunds obtained. Accordingly, no meaningful ERV has been ascribed for these assets.

5.5.5.4 Joint venture interests

The ROCAPs have disclosed interests in joint ventures at book value, which is not necessarily reflective of ERV. The Probuild Group's interest in various joint ventures is discussed at **section 3.2.1**. As negotiations are continuing we have not provided in this report an estimated net return to PCA (via its shareholdings in the various subsidiary companies holding the joint venture interests).

5.5.5.5 Other receivables

The Directors have recorded \$12.4m in other receivables as potentially being owed to the Probuild Group. In this amount, the ROCAP's list the book value of lease receivables and other short-term receivables, which generally represent amounts due to the Probuild Group on projects outside of contract debtors, as well as other refunds and miscellaneous amounts owed.

The table below summarises our ERV for Other Receivables broken down by Miscellaneous Receivables and Sundry Debtors.

Table 24: Other receivables

Other receivables (\$'000)	Miscellaneous Receivables Low	Miscellaneous Receivables High	Sundry Debtors Low	Sundry Debtors High	Total Low	Total High
PCA	1,351	1,351	1,085	1,843	2,436	3,194
PCAQ	228	228	-	-	228	228
MH	62	62	-	25	62	87
Total	1,641	1,641	1,085	1,868	2,726	3,509

Source: Administrators' records and analysis

All Miscellaneous Receivables have been collected to date whilst no Sundry Debtors have been collected.

5.5.5.6 Other

The ROCAPs listed \$1.1m for derivative financial instruments. These instruments represent forward foreign exchange contracts that were originally entered into for the purchase of construction materials from China. The mark to market value of the contracts is estimated to be approximately \$1m. The benefit of these contracts will be assigned to Roberts.

5.6 Other assets

In addition to the assets identified above we have identified other potential sources of recovery, as detailed in the table below.

Table 25: Other assets

Other assets (\$'000)	Deposits Low	Deposits High	Security Recovery Low	Security Recovery High	Insurance Recovery Low	Insurance Recovery High
PCA	601	1,312	1,501	12,189	2,839	4,960
PCAQ	130	142	-	-	-	-
Total	731	1,454	1,501	12,189	2,839	4,960

Source: Administrators' records and analysis

Deposits are comprised of various bonds and permit fees paid to various councils, authorities and other parties. To date we have recovered \$124k in deposits due to PCAQ. Security recoveries represent the potential return of cash security provided for various performance guarantees and bonds. As at the date of reporting we have received \$376k in cash security in PCA. As at the date of our appointment the Probuild Group was waiting upon the resolution of various insurance claims made in relation to various project works. To date we have recovered \$466k in insurance payments relating to PCA.

PCA is a party to four formal claims for the recovery of amounts due on various projects. These claims are at various stages in the legal adjudication and recovery process. Litigation and recovery of amounts due are uncertain, especially so in cases involving construction contracts. We have not disclosed the quantum of the face value of the claims in the interests of commercial sensitivity.

5.7 Reasons for failure

5.7.1 Directors' explanation

To assist voluntary administrators in their role in investigating the affairs of a company, the ROCAP form issued by ASIC includes a question "Did the business fail?" and, if so, asks for reasons. The Directors answered "Yes" to this question and provided the reason for failure as *"inadequate liquidity due to unplanned cessation of ultimate parent company support."*

In an accompanying Questionnaire for Directors and Officers the following causes of failure of the Probuild Group were provided:

- *"Underlying market conditions"*
- *"COVID-19 pandemic"*
- *"Impact of failed transaction in 2020 and 2021"*
- *"Cash flow support to common subsidiary of WBHO Australia Pty Ltd, being WBHO Infrastructure Pty Ltd"*
- *"All of the above resulted in greater reliance on ultimate parent support in the form of financial accommodation"*
- *"Retraction of all ultimate parent support in form of financial accommodation on 22/2/2022".*

WBHO-SA articulated the factors for the withdrawal of financial support in a presentation (of its unaudited results for the 6 months ended 31 December 2021, published 1 March 2022) to its shareholders as including:

- the Group had been underperforming for a number of years
- the last 4 years had been particularly poor "... exacerbated by material losses of \$223m on the WRU and Queen St projects."
- the failed transaction to sell the Group in 2020/2021, meant that the Group missed the opportunity to recapitalise the WBHOI business
- attempts to restore profitability through simplification and cost reduction were negated by the impact of COVID-19, in particular lock downs, border closures and labour constraints which led to project delays and unrecoverable project costs
- losses in the YTDJan22 of \$94m
- substantial assessed contingent risk comprising unpaid variation orders and extension of time claims as well as legacy issues on completed projects
- historically WBHO Construction SA has provided significant financial support in the form of equity injections and guarantees to ensure that the Group could maintain its performance guarantee facilities. The extension of these facilities was proving difficult as a result of the cumulation of past losses causing a weakened balance sheet
- a concerning industry outlook, including COVID-19, lower number of projects that the Group would traditionally have bid upon, Australian-Chinese geopolitical tension, and rising material and labour prices in a fixed price environment.

The Board of WBHO Construction SA indicated that in light of the above factors, it was not prepared to:

- provide an immediate and substantial upfront cash injection to recapitalise the Group, as well as provide guarantee support for performance guarantee facilities
- provide additional medium term working capital funding, and guarantee support for performance guarantee facilities
- be further exposed to downside market risk and contingent risks within the Group.

5.7.2 Voluntary Administrators' opinion

As this report considers WBHOA, the parent of the WBHOI and Probuild Groups, it is necessary to consider the causes of failure of both the WBHOI and Probuild businesses. Based on our preliminary investigations, our view is that the Group's difficulties were ultimately due to the inability of the Group's balance sheet to withstand the financial impact caused by several substantial loss-making projects, which led to the withdrawal of financial support from the Group's ultimate majority shareholder, WBHO-SA.

The award of the WRU project was historically the WBHOI Group's largest single contract. As a result of a reported material bidding error, combined with other unforeseen delays the WBHOI Group suffered an approximately \$202m cash loss on the WRU Project. This loss was reported by WBHO-SA, as being unprecedented in its entire global operations. From FY18 to YTDJan22 the WBHOI Group coincidentally reported cumulative net losses of the same amount.

As illustrated at **section 4.5.1** the historical year on year losses of the WBHOI Group significantly impacted the overall performance and position of WBHOA.

Whilst the WBHOI Group was suffering losses on the WRU Project and smaller losses on other projects, the Probuild Group was suffering its own issues on the Queen St Project where cumulative losses of at least \$55m are expected (before any liquidated damages). These losses had also been reported as being due to bidding errors, supply chain disruptions and other uncontrollable delays and consequential cost increases. The Probuild Group reported cumulative net losses from FY18 to 31 January 2022 of \$17m.

Losses on WRU and Queen St were exacerbated by smaller but cumulatively significant losses on other projects within the Probuild business. Management has attributed the losses on projects to aggressive tendering, in particular by adopting optimistic timing estimates. In some cases, projects took much longer than anticipated to complete, which was exacerbated by COVID-19 disruptions and rain delays.

The combined effect of these losses appears to have caused performance guarantee financiers to be concerned with the Probuild Group's capability to operationally deliver profitable projects, as well as to financially fund losses. Guarantee facilities were unable to be increased and/or were in run off by financiers. During YTDJan22 limited headroom in its guarantee facilities restricted the Probuild Group's capacity to tender for new work.

The restrictions in winning new work meant that the Probuild Group was limited in its ability to access traditionally positive cash flows from early-stage projects, whilst addressing negative cash flows from legacy projects. Furthermore, from around April 2020 through to December 2020, the Probuild Group did not win any new work whilst it was undertaking the proposed, but ultimately unsuccessful, sale to Chinese interests.

Loss-making projects for construction companies are not unusual or unexpected, as such companies will take a portfolio approach, with profitable projects hopefully outweighing loss-making ones. Unfortunately, this was not the case for the Probuild Group as new work was not won and the impact of past aggressive tendering was felt.

Whilst not a determinative of cause of failure, COVID-19 restrictions and industry cost and labour issues were not conducive to a business seeking to cope with significant loss-making projects.

By December 2021, the Group was forecasting that significant further support from its shareholder was likely to be necessary through at least the balance of FY22 and into FY23 before any return to WBHO Construction SA was likely.

The losses from the Australian businesses of WBHO-SA were substantial to the Group's parent, as the non-Australian WBHO-SA's business units made operating profits of only \$216m from FY19 to YTDJan22, whilst making equity injections of \$191m into WBHOI (via WBHOA) during this time. Ultimately, it appears that WBHO-SA was no longer willing to invest in its Australian business given substantial past funding into WBHOI, and the associated risks, required investment and time frame for a successful turnaround.

We are therefore of the view that the Group's financial difficulties were due to a balance sheet that was unable to fund continuing losses from historical and ongoing projects without continuing shareholder support.

6 Investigations

6.1 Introduction

Section 438A of the Act requires that as soon as practicable after an administration begins the administrator must investigate the company's business, property, affairs and financial circumstances and form an opinion as to whether it would be in the interests of the company's creditors for:

- the company to execute a DOCA;
- the administration to end; or
- the company to be wound up (that is, placed in liquidation).

Pursuant to Section 75-225(3) of the Insolvency Practice Rules the administrator is also required to prepare a report which outlines the above investigations and opinions and which must also state (amongst other things) 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 Part 5.7B of the Act should creditors resolve that the company be wound up.

In addition to recovery of voidable transactions, a liquidator has the power to pursue the directors of a company in respect of certain offences under the Act. For a high-level explanation of the actions that a liquidator has the power to pursue, see **Appendix J**. This information sheet has been prepared by ARITA. Creditors who are not familiar with the nature of these actions should refer to **Appendix J** for further explanation. Creditors should contact our office if further explanation is required regarding the material contained in **Appendix J** or in this report.

In this section of the report, we outline the various causes of action that may be available to a liquidator of the entities in the Probuild Group and the potential for any recoveries, noting that such recoveries would be subject to the defendants to any such cause of action having the ability to meet any orders for compensation and the costs of the litigation.

6.2 Overview of investigation

In the time available to us, we have undertaken the following investigations to prepare this report and formulate our opinions:

- ASIC and real property searches
- Personal Property Securities Register searches
- review of certain books and records of the Companies under administration
- review of the ROCAPs Parts A and B completed by the Directors
- discussions with certain members of Management
- review of the financial accounts of the Probuild Group.

Whilst we have no reason to doubt any information contained in this report, we reserve the right to alter our conclusions should the underlying data prove to be inaccurate or materially change from the date of this report.

Our investigations concern the Probuild Group, including its immediate parent WBHOA. It does not directly concern WBHOI and CCC, as a report to creditors for WBHOI and CCC has already been issued and a DOCA proposal approved and effectuated for those companies. WBHOI and CCC are relevant in so far as the financial performance and position of these entities is reflected in the consolidated financial performance and position of WBHOA.

Our analysis and investigations are based predominantly on consolidated financial information of the Probuild Group. This is because:

- Probuild Group was operated and managed on a group basis, largely separate to the WBHOI Group
- the entities within Probuild Group were financially interdependent. Funds would be loaned between group entities
- WBHOA did not trade in its own right, or, incur liabilities. The financial position of WBHOA other than the Probuild Group, consisted of the WBHOI Group. WBHOA (i.e. WBHOI Group and Probuild Groups combined) has been considered only in so far as it could provide financial support to the Probuild Group.

6.3 Voidable transactions

Section 75-225(3)(b)(vi) of the Insolvency Practice Rules requires an administrator to specify in their report to creditors 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 Part 5.7B of the Act.

This issue is relevant to creditors of a company in administration if they are being asked by an administrator to decide whether to vote in favour of a proposed DOCA (if a DOCA is proposed) or instead, in favour of liquidation, because any voidable transactions can only be pursued by a liquidator if the company goes into liquidation.

Voidable transactions include:

- Unfair preferences (Section 588FA).
- Uncommercial transactions (Section 588FB).
- Unfair loans to a company (Section 588FD).
- Arrangements to avoid employee entitlements (Section 596AB).
- Unreasonable director-related transactions (Section 588FDA).
- Transactions with the purpose of defeating creditors (Section 588FE(5)).
- Discharging a debt of a Related Entity (Section 588FH).
- Voidable security interests (Section 588FJ).

Further detail regarding these transactions is set out in **Appendix J**.

It is important to note that some of the transactions listed above will only be voidable if they are found to be "insolvent transactions" of the company (that is, broadly, that they were entered into at a time when the company was insolvent or the company became insolvent as a result of entry into the transaction). Accordingly, for a liquidator to recover amounts in respect of these transactions, it would first be necessary to establish that the company was in fact insolvent at the time of the transaction or became insolvent as a result of entry into the transaction.

In our view, the date of the insolvency of the Companies under administration was likely, 1 February 2022, but it may have been as early as 31 October 2021. In this regard, we refer creditors to **section 6.4** of this report where we outline our investigations. Upon further investigation we may determine the date of insolvency was earlier than 1 February 2022.

Generally, actions by liquidators to recover voidable transactions are expensive and are likely to require Court applications. Therefore, in the event that there are inadequate funds available to the liquidator, subject to the availability of funding, the liquidator may consider it uncommercial or not in the creditors' best interests to commence or pursue such recovery actions.

In these circumstances, any creditors wishing to fund any such actions themselves may do so. Should any funds be recovered from these creditor-funded actions, those creditors providing the funding may be entitled to receive their contribution in priority to any other creditors.

Litigation funding or insurance may also be available to fund these actions. Litigation funders only invest in actions if they meet their criteria and this funding is expensive as they may take 30% to 40% of realisations. We have yet to approach any litigation funders in relation to any of the potential actions relating to voidable transactions.

A summary of our preliminary investigations is detailed below.

Table 26: Summary of investigations of voidable transactions

Types of voidable transactions	Commentary
Unfair Preferences Payments (section 588FA)	<p>Our preliminary investigations indicate that whilst the Companies made payments to creditors in the normal course of trading after the date of insolvency (discussed at section 6.4 below), we have not seen any evidence to suggest the recipients of these payments would not have reasonable grounds to assert a defence to such a claim.</p> <p>In the event that the Companies under voluntary administration are subsequently placed into liquidation, the liquidator will need to prove (amongst other things) that the Companies under voluntary administration were insolvent at the time each transaction was entered into or that the Companies under voluntary administration became insolvent as a result of entry into a transaction. The liquidator will also need to be prepared to put on evidence to refute any defence raised by a creditor that it did not have reasonable grounds to suspect that the company was insolvent at the time the payments were made. Significant investigative work would need to be undertaken and the commerciality of any recovery action would need to be considered together with the likely costs of recovery.</p> <p>Our findings in this regard are further detailed in section 6.3.1 below.</p>
Unfair Loans (section 588FD)	Our investigations have not revealed that the Companies entered into loans with parties which committed them to extortionate terms.
Uncommercial Transactions (section 588FB)	Our investigations have not identified any transactions that would constitute an uncommercial transaction of any of the Companies.
Discharging a Debt of a Related Entity (section 588FH)	Any related party transactions that may be of this type were to entities in voluntary administration or entities that would not have the financial capacity to meet a claim, or the Probuild Group is otherwise prevented from making a claim. There are no payments pursuant to this section of the Act that would be available for successful recovery by a liquidator.
Unreasonable Director-Related Transactions (section 588FDA)	Our investigations have not to date identified any unreasonable director related transactions.
Arrangements to Avoid Employee Entitlements (section 596AB)	We have not to date identified any transactions of this nature.
Transactions with the Purpose of Defeating Creditors (section 588FE(5))	We have not identified any transactions that appear to have been undertaken for purpose of defeating creditors.
Circulating security interests created within six months (section 588FJ)	A search of the PPSR reveals that only one possible circulating security interest was registered on the PPSR in respect of the assets of the Companies during the six months prior to the relation back day. We are not aware however of any security interest being enforced in respect to this interest to the prejudice of creditors. On this basis, it would appear that there are no transactions of this nature.

6.3.1 Unfair preference payments (Section 588FA)

We have conducted an investigation into payments made by the Companies from the date we assessed the Companies became insolvent, to determine those that may potentially be considered unfair preferences. However, our investigations are only preliminary at this stage.

In the event that a transaction was identified by a subsequently appointed liquidator as being an unfair preference, that liquidator will need to prove (amongst other things) that:

- the relevant Company was insolvent at the time the transaction was entered into or became insolvent as a result of entry into that transaction; and
- the receipt of the payment constitutes a better outcome for the relevant creditor than it would receive in a liquidation of the relevant company.

There would need to be significant investigative work undertaken to establish whether:

- the Company was insolvent at the time the transaction occurred
- the creditor that received the payment had no reasonable grounds to suspect that the Company was insolvent or would become insolvent because of the transaction (and that a reasonable person in the creditor's circumstances would have had no such grounds for so suspecting)
- the creditor has sufficient assets to settle any successful claims
- the cost of commencing the recovery action is greater than the possible return
- there are sufficient funds available to the liquidator (subject to the approval of creditors) to pursue the proposed preference recovery action.

As noted above, recovery of a preference payment is dependent upon a liquidator proving or refuting (amongst other things) the matters discussed above. This would require a detailed investigation by a liquidator and, more likely than not, the commencement of legal action in court (assuming the parties did not agree with the liquidator's assertions). In response to such a claim, two common defences or responses are:

- that the payment was received in good faith and the creditor receiving the payment had no reasonable grounds for suspecting that the relevant company was insolvent at the time the payment was received (or would become insolvent because of the transaction); and
- a running account existed between the creditor and the company, which contained a series of mutual credits and debits, and therefore, that the sum of the voidable transaction claimed by the liquidator should be reduced in whole or part. In our experience, it is common for a trade creditor to argue that a running account existed when an unfair preference is claimed.

It is also important to note that if any amount is recoverable from a creditor as a preference payment, that creditor will have an unsecured claim against the relevant entity for an equivalent amount in the liquidation and may lodge a proof of debt for that amount plus any other outstanding debts.

The above potential claims may be reduced by a portion of the cost of taking the action as, generally, not all costs are recoverable from a defendant creditor even if the liquidator is successful.

Our view is that, given the short period of time the Companies were insolvent, our preliminary investigations, and the defences available to creditors, that there is unlikely to be any significant recoveries compared to the overall quantum of creditor claims which would provide a material increase to any returns to creditors if the Companies were placed into liquidation and when compared to a return under the WBHO Construction SA DOCA proposal.

6.4 Insolvent trading (section 588G)

Directors have a positive duty to prevent a company from trading whilst it is insolvent (section 588G of the Act). If a director is found to have contravened section 588G he or she may be ordered to pay an amount of compensation to the company equal to the amount of loss or damage suffered by creditors of the company as a result of the contravention.

Information about possible insolvent trading is relevant to creditors when making a decision about the future of the company as directors of the company can only be pursued for insolvent trading if the company is in liquidation.

As with the voidable transaction analysis above, creditors have to assess the advantages to them of voting in favour of a DOCA (which relevantly will not include any amounts that might be recoverable by a liquidator from insolvent trading actions) and compare this with the likely return in a liquidation which would include such amounts.

It is important to note that a director can raise a number of possible defences to a claim for insolvent trading, including (section 588H of the Act):

- the director had reasonable grounds to expect, and did expect, that the company was solvent and would remain solvent
- the director:
 - had reasonable grounds to believe, and did believe, that a competent and reliable person was responsible for providing adequate information to the director about the company's solvency and that person was fulfilling that responsibility; and
 - expected, on the basis of that information, that the company was solvent and would remain solvent;
- the director, because of illness or for some other good reason, did not take part in the management of the company at the relevant time; and
- the director took all reasonable steps to prevent the company from incurring the debts in question.

On 19 September 2017, the *Treasury Laws Amendment (2017 Enterprise Incentives No. 2) Act 2017* came into effect, which provides protection to directors under the safe harbour amendments made to the existing insolvent trading laws in certain circumstances (see section 588GA of the Corporations Act 2001).

6.4.1 Administrators' conclusions regarding solvency

Our investigations into the solvency of each of the Companies under administration have been extensive, but are preliminary. We have set out in the following sections our analysis of the various indicators of insolvency, which have led to our conclusions noted in this section.

We reviewed the indicators of insolvency (detailed in **section 6.4.2**) and concluded our preliminary views on whether the Companies under administration were insolvent prior to the date of our appointment, including the date they may have become insolvent.

According to materials that we have reviewed, October 2021 represented the first month in the Probuild Group's history whereby subcontractors were not paid within a month after making a payment claim. Although Management asserts that subcontractors were generally accepting of the deferral in payment, this is nevertheless a key historical financial event indicative of financial distress. Other indicia of insolvency began to become increasingly apparent from 31 October 2021:

- **Continuing losses** – as detailed at **section 6.4.3** the Probuild Group (exclusive of WBHOA) made losses after tax of \$42m for the 7 months YTDJan22.
- **Working capital** – as detailed at **section 6.4.5** the Probuild Group's (exclusive of WBHOA) current ratio declined from July 2021 up until Administration.
- **Cash balances** – as detailed at **section 6.4.5** the Probuild Group's balances of unrestricted cash began to deteriorate from June 2021 up until Administration.
- **Access to funding** – by seeking support from its shareholder (WBHO Construction SA) (**Parent Support**), the Probuild Group was acknowledging its existing and forecast cash was insufficient.
- **Ability to raise capital** – as detailed at **section 6.4.7**, the Probuild Group had limited capacity to raise capital.

By December 2021, Management were increasingly focussed on the liquidity of the Probuild Group. Management had also formulated a Liquidity Management Plan to address solvency concerns.

From at least December 2021 through to the date that Parent Support was withdrawn on 22 February 2022 it appears the Probuild Group's ultimate shareholder was in the process of understanding the financial position and outlook for its Australian businesses. WBHO Construction SA had injected \$191m into WBHOA since FY19. This includes a final amount of \$5m being injected in early January 2022. On or around 7 February 2022, WBHO Construction SA was provided with an updated earnings forecast that demonstrated a further substantial deterioration from previous forecasts that had been provided. No further injections of capital by WBHO Construction SA took place after January 2022. On 22 February 2022 WBHO Construction SA formally withdrew Parent Support and the Probuild Group entered voluntary administration on 23 February 2022.

It is our preliminary view therefore that the deteriorating financial position and increasing indicia of insolvency were such that the Probuild Group was likely to be insolvent by 1 February 2022.

However, there exist potential defences available to the Directors as discussed at **section 6.5.3**.

On the assumption that defences were not available, our preliminary analysis is that the potential insolvent trading claim may be approximately \$1m. This amount is relatively small, as the majority of the liabilities incurred by the Probuild Group after 1 February 2022 relate to subcontractor agreements that were entered into before 1 February 2022 and therefore the new liabilities incurred were relatively small. This is our preliminary view at this point in time and based upon our investigations to date. Upon further investigation we may determine an earlier insolvency date, whereby the potential claim may be as much as \$8m. However, further investigations are needed to form a view as to when the Directors ought to have recognised the insolvency of the Probuild Group. If it is our preliminary view that this is in all likelihood before 1 February 2022 and as a result the insolvent trading claim would increase to between \$6m to \$8m.

In instances where insolvency can be proven, a liquidator would investigate further the possibility of commencing action against the Directors of the Companies under administration for breaches of their duties to prevent insolvent trading. If it is established that a director has breached his or her duties to prevent the company from incurring debts whilst it was insolvent, and there are no defences or exceptions available to the director (for example, under the safe harbour regime), then a liquidator could recover from those directors an amount equal to the loss that has been suffered by the creditors whose debts were incurred in the relevant period but remain unpaid.

If a liquidator chooses to pursue an insolvent trading action, creditors are prevented from taking their own action against the director(s) for compensation. If a liquidator chooses not to take any action in this regard, a creditor may commence proceedings on its own behalf but only with the consent of the liquidator or the Court.

6.4.2 Tests of a company's solvency

Under section 95A of the Act, a person (including a company) is solvent "if and only if the person is able to pay all the person's debts, as and when they become due and payable." A company is therefore insolvent if it cannot pay its debts as and when they become due and payable.

The ability to pay such debts is determined in the circumstances as they were known, or ought to have been known, at the time. That is, without the benefit of hindsight. Not only are considerations at the time relevant, but also the immediate future. How far into the future depends on the circumstances of the company's business and its known future liabilities. Liabilities into the future that were reasonably unexpected, whether as to incidence or quantity, would be excluded from the proper analysis of the ability to pay debts that were then reasonably known. To that end, sources of funding from the sale of assets or external funding are allowed to be taken into account, including debt funding. However, in the case of debt funding, the assessment of that funding being available to pay debts is assessed in the context of the terms on which it is lent, for example, whether it is secured or unsecured funding and whether the time for its repayment is such that the financier does not itself become a creditor whose debt cannot be repaid.

Whether a company is able to pay its debts as and when they become due and payable is essentially a "cash flow" test rather than a "balance sheet" test (however a company's balance sheet is relevant to the analysis). Proving insolvency generally involves the assessment of the presence of a range of indicia of insolvency. The relevant indicia of insolvency are discussed further in this section.

When considering insolvent trading a liquidator must consider a range of factors to determine whether a company was insolvent and the date that the company became insolvent. No factor by itself is definitive of insolvency rather the factors must be considered in totality.

Where possible we have considered the below analysis at the Probuild Group level, which excludes the WBHOI Group. Where relevant we have considered the potential support that may have been available to the Probuild Group from WBHOI Group.

Our preliminary investigations have revealed the following in relation to the relevant indicators of insolvency:

Table 27: Summary of indicators of insolvency

Indicators of insolvency	Section reference	Commentary
<u>Financial</u>		
Continuing losses	6.4.3	From September 2018 to January 2022, 15 of 41 months were loss making for a total net loss after tax of \$56m. Most of the loss for the period was incurred in only 6 of the 15 loss making months. Losses were sporadic but became more frequent and larger from October 2021 .
Balance sheet test	6.4.4	Based on our review of the monthly management account balance sheets, the Probuild Group's balance sheets were not in deficit between 1 September 2018 and 31 January 2022.
Working capital	6.4.5	The Probuild Group historically, irrespective of financial performance, recorded working capital measures that in other industries and/or businesses may be considered marginal. Accordingly, in this case, when considering working capital as an indicia of insolvency, a deteriorating trend would be an indicator of liquidity problems. The Probuild Group's working capital, quick and cash ratio's suffer a deteriorating trend from at least August 2021 .
<u>Operations and cash flow</u>		
Monthly trade creditor payments	6.4.6	The aging profile of trade suppliers only (no data for subcontractors) does not indicate systemic solvency issues. Whilst no analysis was available for subcontractor aging, we note that October 2021 was the first month in the Probuild Group's history that subcontractors were not paid on time and were deferred to the following month.
Overdue Commonwealth and State taxes		The GST and PAYG obligations for the Probuild Group remained up to date and sometimes paid in advance from July 2018 until January 2022. All lodgements appear to have been made on time (outside of some deferral requests made due to COVID-19) including the final BAS lodged for the month of January 2022. Otherwise, no discernible indicia of insolvency.
Inability to borrow further funds/ no access to further funds and/or inability to raise further equity capital	6.4.7	The only realistic source of material capital for the Probuild Group was in the form of injections of cash from WBHO Construction SA. There may have been a reasonable belief to assume ongoing support would be forthcoming until 22 February 2022 when it was announced that WBHO Construction SA would no longer provide financial support to the Probuild Group. We note that \$5m in funding was provided in January 2022.
Suppliers placing the company on C.O.D or demanding special payments before		We are not aware of any suppliers placing the Companies under administration on "cash on delivery" terms or special payment plans prior to the date of appointment.

Indicators of insolvency	Section reference	Commentary
resuming supply/creditors unpaid outside trading terms		
Special payments with selected creditors/payments to creditors of rounded sums which are not reconcilable to specific invoices		We are not aware of any widespread cases of special payments to suppliers/creditors prior to the date of appointment other than the deferral of subcontractor payments from October 2021.
Solicitors letters, summons, judgments entered or warrants issued		We are not aware of any claims of this nature or judgements entered against any of the Companies.
Overdue employee wage payments		According to the books and records, there were no material overdue wages owing to employees as at the date of the appointment.
Overdue landlord payments		Our investigations did not reveal any significantly overdue amounts payable to the lessors on appointment.
Inability to produce timely and accurate financial information to display the company's trading performance and financial position, and make reliable forecasts		The Companies prepared monthly management accounts and information for the Board of Directors. We are of the view that it maintained adequate financial records in accordance with Section 286 of the Act. Detailed cash flow forecasts appear to have been prepared and generally forecasting was accurate.

Further detail in respect of the above indicators is set out in the sections to follow.

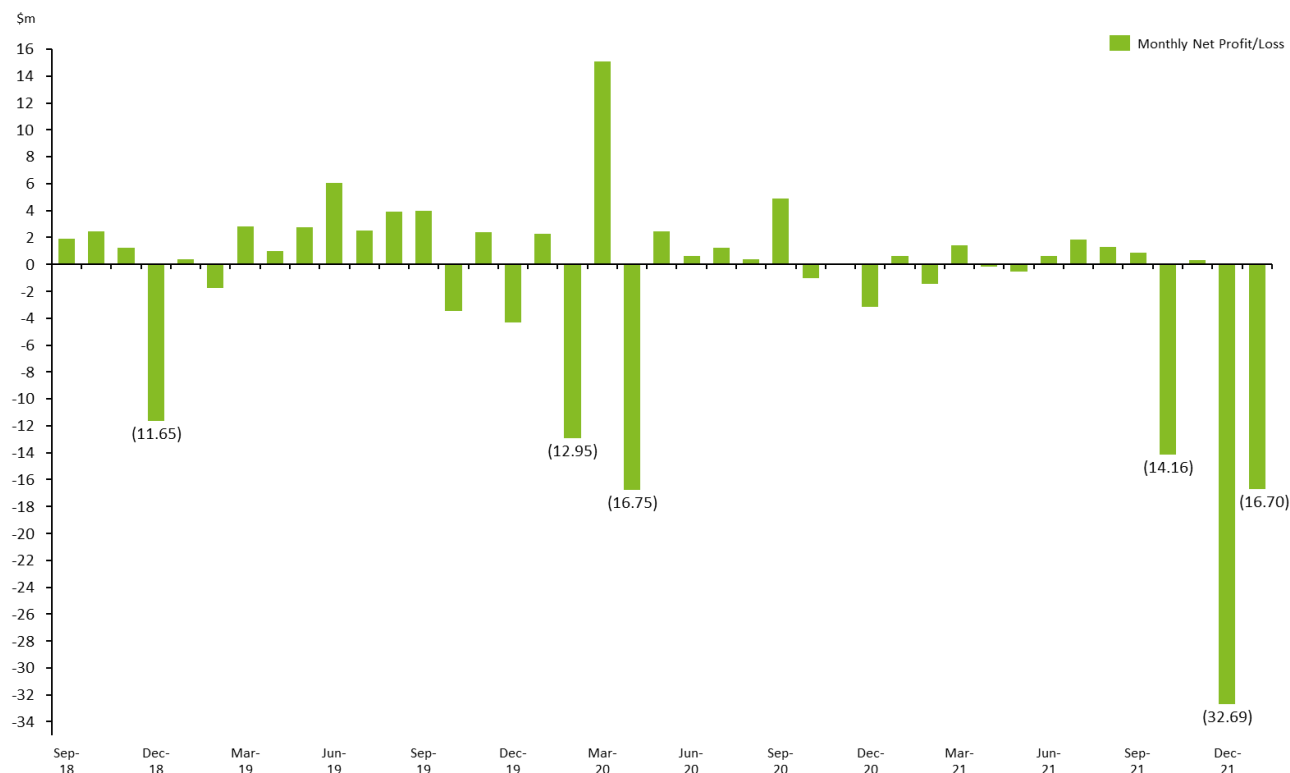
6.4.3 Continuing losses from trading

The Probuild Group's management accounts reported a Net Profit after Tax of \$7.9m for FY19, a Net Loss after Tax of \$4.3m for FY20 and a Net Profit after Tax of \$2.7m for FY21. The Probuild Group trading performance deteriorated and sustained substantial losses in the months of October 2021, December 2021 and January 2022 which ultimately contributed to a Net Loss after Tax of \$42m for YTDJan22.

For the purpose of assessing the solvency of the Probuild Group, we reviewed the monthly earnings profile over the period of September 2018 to January 2022 below:

(This section has been deliberately left blank)

Figure 7: Trading performance of the Probuild Group



Source: Management accounts

In respect of the internal monthly management accounts, we note the following:

- 15 out of 41 months from September 2018 to January 2022 were loss making
- the total cumulative net loss after tax was \$52.9m for the period September 2018 to January 2022
- the trading performance deteriorated significantly since the beginning of FY22. The Probuild Group sustained substantial losses after tax of \$42m for YTDJan22.

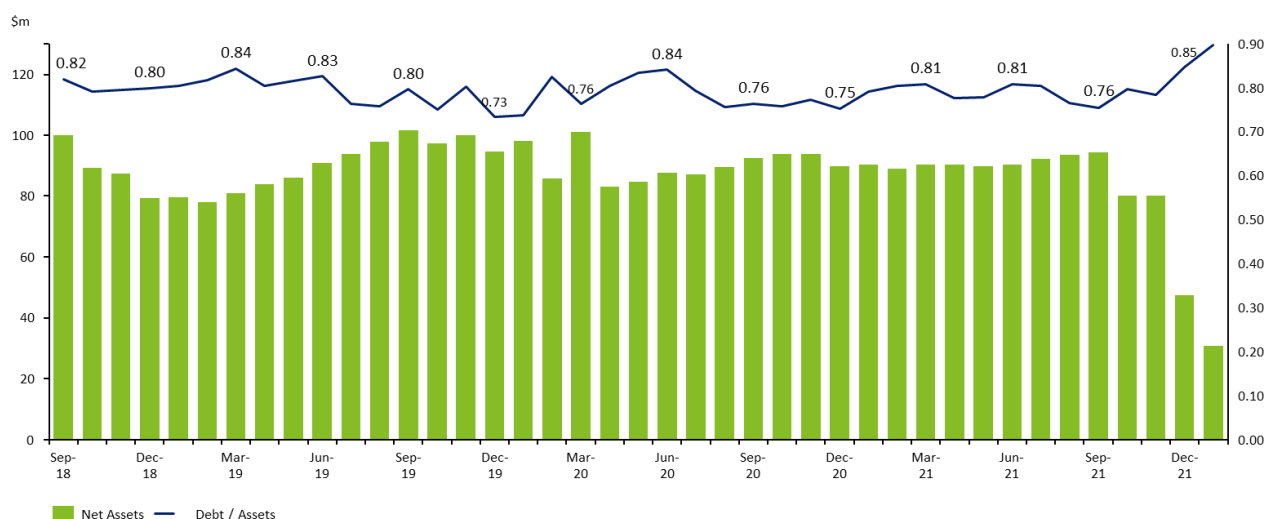
6.4.4 Balance sheet test / net asset deficiency

Whilst the cash flow test is generally viewed as the key test for assessing solvency in accordance with section 95A of the Act, the balance sheet test is still a relevant indicator and commonly used in assessing a company's solvency, as it reviews whether a company has sufficient (realisable) assets to meet its liabilities.

The Probuild Group's unaudited management accounts disclose that the Probuild Group maintained a positive net asset position between September 2018 and January 2022. The Probuild Group's net asset position began to decline significantly in December 2021, falling by more than 60% between November 2021 (\$80.12m) and January 2022 (\$30.80m) as a result of cash funding of significant trading losses.

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Figure 8: Net asset position of the Probuild Group



Source: Management accounts

In respect of the above analysis, we note the following:

- a Debt (total liabilities) / Assets ratio above 1.0 means the subject entity's total liabilities outweigh its total assets. In this case, the Probuild Group maintained a Debt / Assets ratio below 1.0 for the 3 financial years prior to the appointment of the Voluntary Administrators, ranging between 0.73 and 0.85 before rising to 0.90 in January 2022
- the above analysis includes goodwill of \$35.9m throughout the entire period, which was never impaired by Management. In any event, only a complete impairment of goodwill would have caused net assets to result in a deficit.

6.4.5 Working capital

6.4.5.1 Liquidity (current) ratio

When considering the cash flow of a company, the current ratio provides a useful insight into a company's ability to meet short term commitments. This ratio is calculated as follows:

$$\text{Current ratio} = \frac{\text{net current assets}}{\text{net current liabilities}}$$

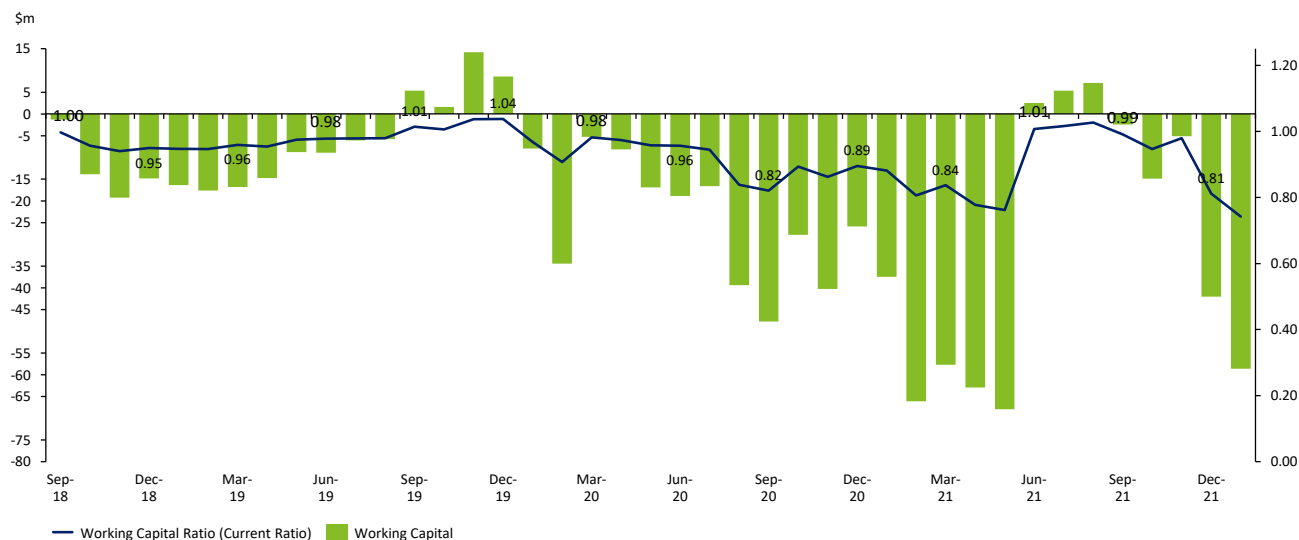
Liquidity ratios (i.e. current ratio) below 1 are considered to be an indicator of insolvency as it signifies that a company does not have sufficient current assets to meet its current liabilities when due and payable.

A company's liquidity ratio on its own is not a definitive indicator of insolvency and should be measured alongside the company's access to alternative finance. We discuss the Probuild Group's ability to access alternative finance in **Section 6.4.7**.

The Probuild Group had a negative working capital (i.e. a current ratio below 1.0) periodically from at least October 2018 and remained so until the appointment of the Voluntary Administrators on 23 February 2022. The working capital position of the Probuild Group deteriorated from June 2020, peaking in May 2021 with a deficit of \$68.0m. By the end of January 2022, the deficit was recorded as \$58.6m.

We have analysed the liquidity ratio of the Probuild Group on a monthly basis below:

Figure 9: Monthly current ratio analysis

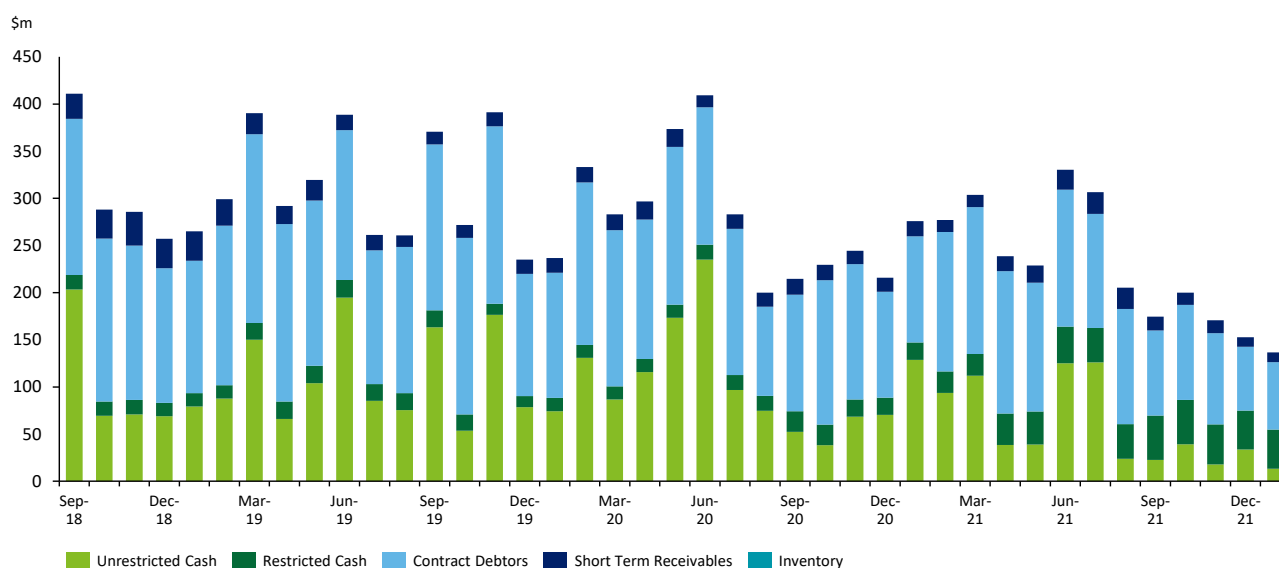


Source: Management accounts

The above analysis excludes restricted cash balances, which includes term deposit security for performance guarantees and funds held on trust for subcontractor retentions.

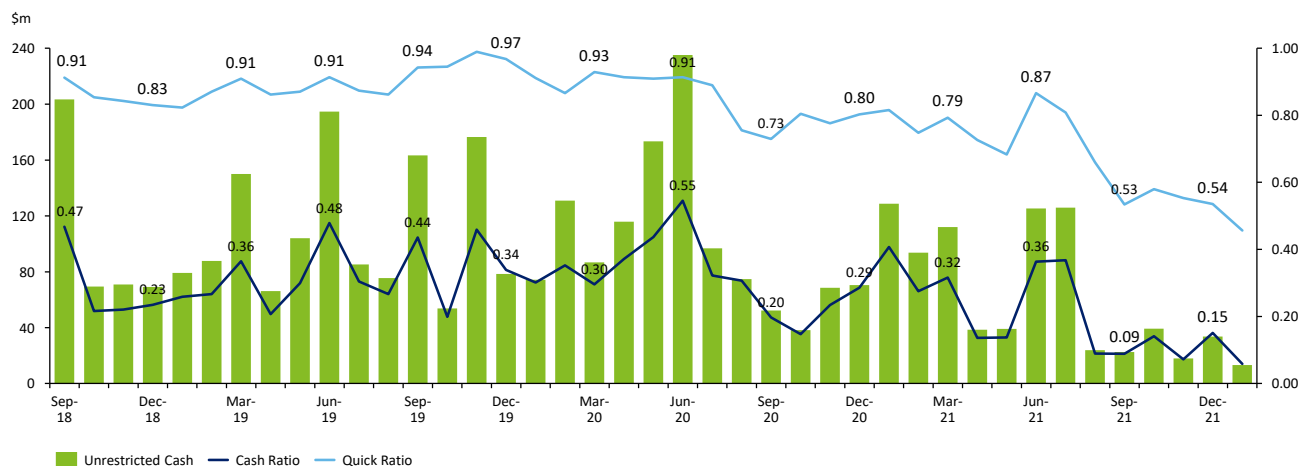
To further analyse the Probuild Group's working capital, we considered the Probuild Group's monthly cash positions, current assets, the cash ratio, and the quick ratio. The cash ratio and the quick ratio are an indicator of a company's short-term liquidity which measures its ability to meet its short-term obligations with its most liquid assets. In the case of the cash ratio, it is measured based on unrestricted cash. In the case of the quick ratio, it is measured based on unrestricted cash and other current assets. Our analysis is summarised below:

Figure 10: Current asset analysis



Source: Management accounts

Figure 11: Cash and quick ratios



Source: Management accounts and Deloitte analysis

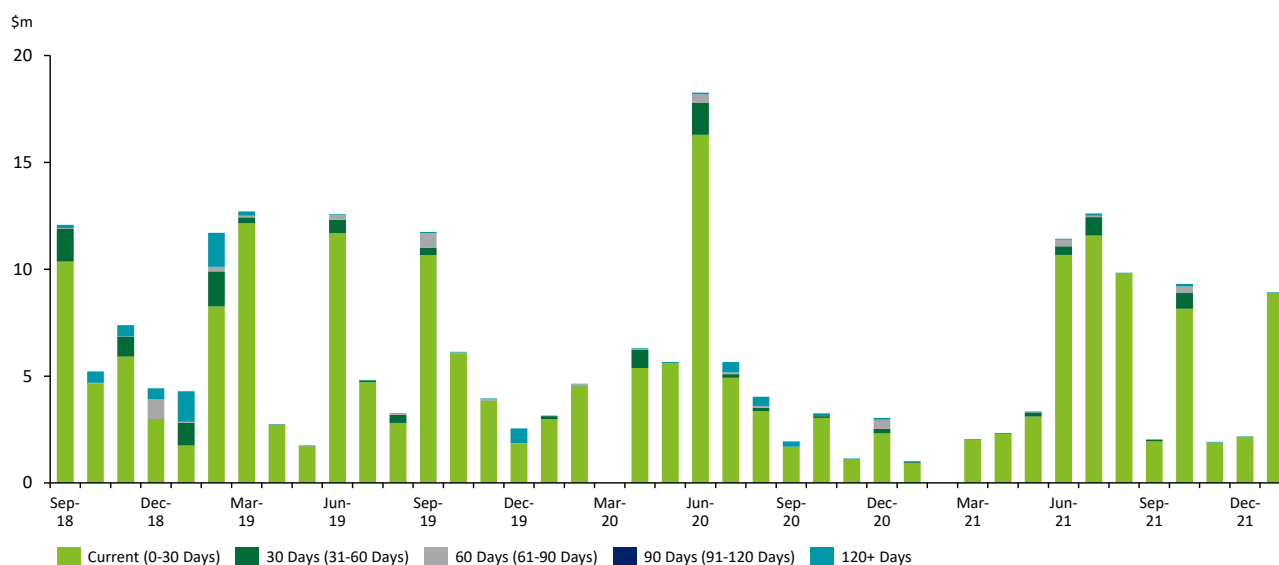
In respect of the above analysis, we note the following:

- the Probuild Group's cash balance fluctuated significantly from September 2018, peaking at \$235.11m in June 2020 and dropping to \$13.24m in January 2022, suggesting several unprofitable contracts quickly drained its cash holdings prior to Administration. Given the run rate of cash consumption, it is unlikely that the Probuild Group would have sufficient cash to pay all due and owing debts from 1 February 2022
- the working capital, cash and quick ratios begin a deteriorating trend from July 2021 onwards. As the various working capital ratios were historically low and fluctuated, it is preferable to look for a deteriorating trend, rather than absolute ratios. On this basis there is an indication of liquidity problems from at least August 2021 onwards.

6.4.6 Creditor aging, creditor pressure or legal actions

The increase in aging, overdue and overall total trade creditors is a potential indicator of solvency concerns. Companies may defer the payment of trade creditors to conserve cash and/or alternatively companies simply do not have the ability to meet creditor obligations. We have analysed the Probuild Group's aged creditors' ledger for suppliers.

Figure 12: Aged supplier balances



Source: Management accounts and Deloitte analysis

We make the following observations in respect to the Probuild Group's supplier creditors:

- There is no discernible trend or adverse profile save for around June 2021 to July 2021 where there is some evidence of a slight increase in aging
- Whilst no analysis exists for subcontractor aging we note that October 2021 was the first month in the Probuild Group's history that subcontractors were not paid on time and were deferred to the following month. We understand the deferral period did not extend beyond 1 month.

The dealings between a company and its creditors is considered to be a strong indicator of insolvency albeit that it is usually a lag indicator, as creditors are more often reactionary in their dealings.

Our interviews of Management revealed no widespread evidence of creditors pressuring the Probuild Group to settle outstanding accounts, nor is there any evidence of enforcement or legal action.

6.4.7 Access to funding and ability to raise capital

Construction companies are not typically funded by substantial amounts of bank or senior debt. This is in part due to the inherent risk of the industry and the same was true of the Probuild Group. The Probuild Group was, however, heavily reliant upon performance guarantee/bonding facilities in order to win and deliver new work. Whilst representing contingent liabilities, this was effectively a form of funding as the Probuild Group could not operate without such facilities.

Reviews of monthly board materials suggest bonding facilities were at or near facility limits from at least August 2021 and material increases were unlikely to be available. In any event, headroom in such facilities would not be available to provide working capital to meet day to day obligations.

Given the significant contingent liabilities for performance guarantee facilities, marginal profitability/sporadic losses, and the lack of tangible net assets, material funding from senior debt or alternate debt financiers was an unlikely source of capital at any time in the last 2 years.

The only realistic source of material capital for the Probuild Group was from its shareholder, WBHO Construction SA, which had historically provided support when required. WBHO Construction SA injected \$191m into WBHOA by way of subscription for redeemable preference shares from FY19 to FY22. These funds were then all injected into the WBHOI Group. The Probuild Group also benefited from WBHO Construction SA guaranteeing \$120m of bonding facilities. It is most unlikely such facilities would have been made available if a parent guarantee was not provided.

Support from WBHO Construction SA was made public in the form of annual letters of support referenced in the annual financial statements for WBHOA in FY19, FY21 and FY22. Refer also **section 6.6** for further discussion of the letters of support.

6.4.8 Support from WBHOA and the WBHOI Group

In assessing available funding options, we have considered the capacity for WBHOA, as the immediate parent for the Probuild Group companies and the WBHOI Group, to provide financial support. WBHOA would only be able to support the Probuild Group if the WBHOI Group's financial position and performance was substantially better than that of the Probuild Group. This was not the case, as the WBHOI Group's historical financial performance and position was much worse than that of the Probuild Group, and had been the reason for the historical Parent Support.

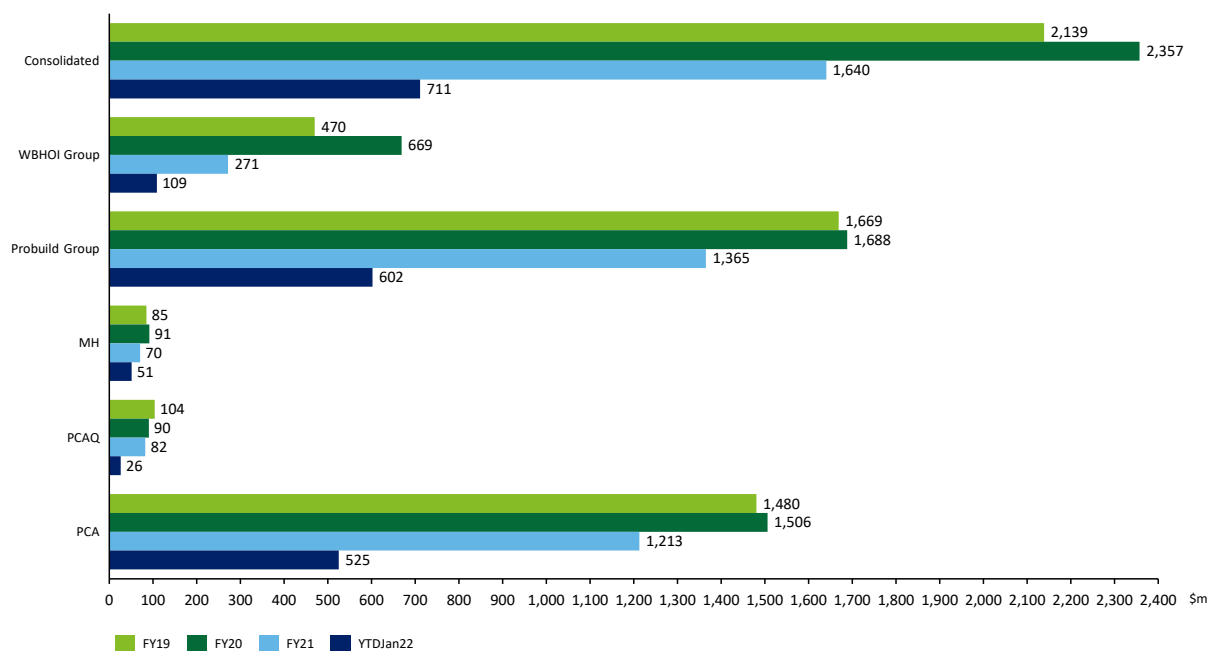
The following charts summarise the financial performance of WBHOA, inclusive of the WBHOI and Probuild Groups, and demonstrate that the combination of WBHOI and Probuild Groups' earnings was not capable of supporting the Probuild Group.

Figure 13: WBHOA monthly earnings



Source: Management accounts and Deloitte analysis

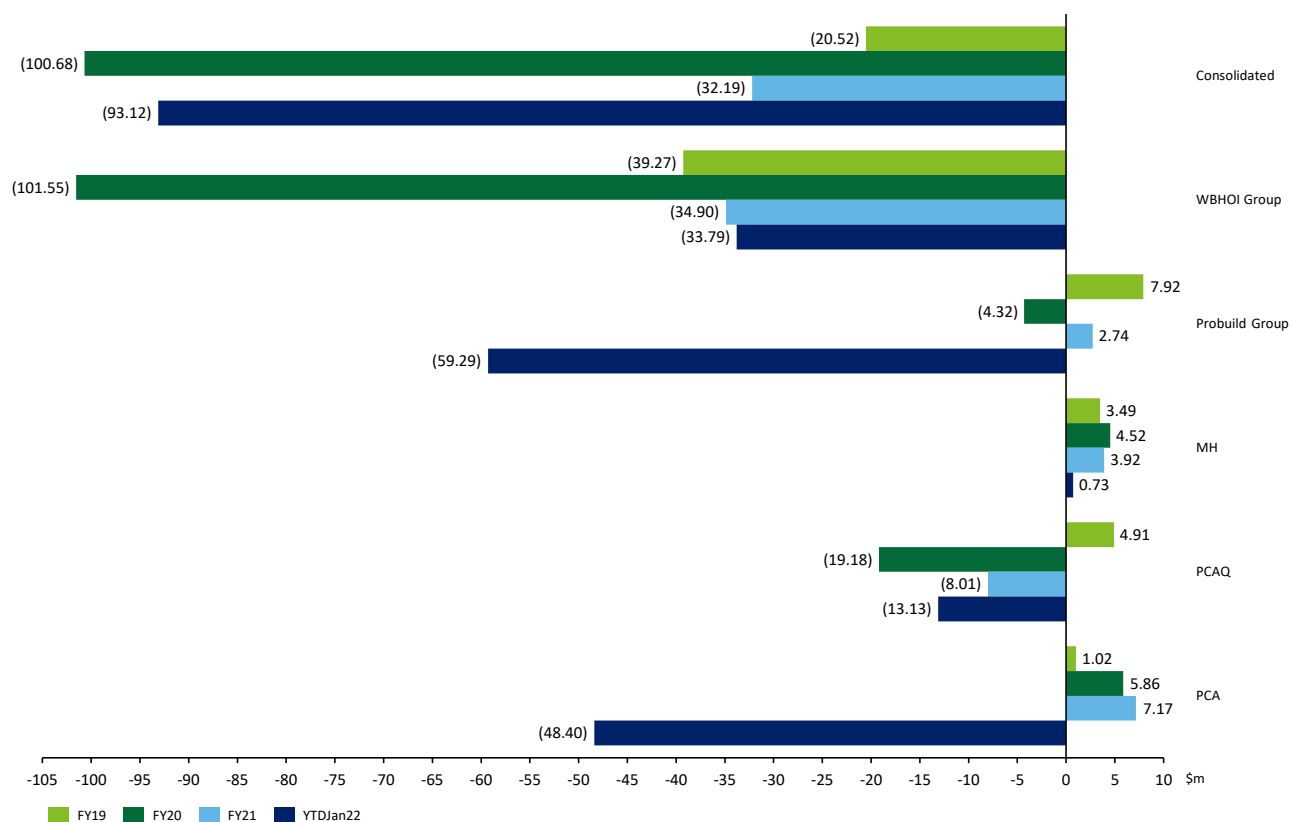
Figure 14: Segment revenue



Source: Management accounts and Deloitte analysis

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Figure 15: Segment earnings



Source: Management accounts and Deloitte analysis

6.4.9 Material uncertainty related to going concern

The notes to WBHOA's consolidated (includes all Companies) financial statements from FY19 to FY21 reported that the company may be dependent on ongoing parent support in order to meet its debts as and when they fall due. The financial statements were prepared on a going concern basis given the letter of support from WBHO Construction SA. WBHOA's auditors BDO did not raise a material uncertainty or make other comment as to going concern.

6.5 Offences by the Directors

There are a number of possible breaches of the Act which we have identified from our investigations. A summary of these possible offences is discussed below and at **Appendix J**.

6.5.1 Reports to ASIC

As the Administrators, we are required to complete and lodge a report pursuant to Section 438D of the Act with ASIC where it appears to us that:

- a past or present officer or employee, or a member, of the company may have been guilty of an offence in relation to the company; or
- a person who has taken part in the formation, promotion, administration, management or winding up of the company may have misapplied, retained become liable or accountable for money or property of the company or may have been guilty of negligence, default, breach of duty or breach of trust in relation to the company.

Any report lodged pursuant to section 438D (or an investigative report lodged by a subsequently appointed liquidator pursuant to section 533 of the Act) is not available to the public.

6.5.2 Books and records

Pursuant to section 286 of the Act, a company must keep written financial records that correctly record and explain its transactions, financial position and performance and would enable true and fair financial statements to be prepared and audited in accordance with the accounting standards.

Failure by a company to maintain financial records in accordance with section 286 of the Act provides a rebuttable presumption of insolvency of the company. However, this only applies in respect of a liquidator's application for compensation for insolvent trading and other actions for recoveries pursuant to Part 5.7B of the Act.

In our opinion, it appears that the financial records for each of the Companies under administration have been maintained in accordance with Section 286 of the Act.

We have undertaken a preliminary investigation of the affairs of each of the Companies under administration in relation to suspected contraventions of the Act, including but not limited to any potential breach by a Director of their duties, including those detailed in Sections 180 - 184 of the Act.

6.5.3 Potential offences

6.5.3.1 Insolvent trading

As stated in **section 6.4**, directors have a positive duty to prevent a company from trading while insolvent. If a director is found to have contravened section 588G he or she may be ordered to pay an amount of compensation to the company equal to the amount of loss or damage suffered by creditors of the company as a result of the contravention.

Our preliminary analysis indicates the Probuild Group was likely insolvent from 1 February 2022 and possibly earlier. We estimate there have been trading liabilities incurred of at least \$1m since 1 February 2022. This is a preliminary assessment of the quantum of the claim and should the Companies be liquidated, further investigation and analysis would be undertaken. Upon further investigation we may determine an earlier insolvency date, whereby the potential claim may be as high as \$8m.

Section 588GA contains safe harbour defences the Directors may seek to rely on. It provides directors with protection from insolvent trading liability where a director begins to take a course of action that is reasonably likely to lead to a better outcome for the company than an immediate external administration and the debt incurred, or disposition that is made, for which the director might otherwise have liability to compensate the company, is one that is incurred or made directly or indirectly in connection with that course of action.

A liquidator, if appointed, would need to conduct further investigations to assess whether the Directors may be entitled to safe harbour protection.

In addition to section 588GA and 588GAAA, section 588H of the Act provides various defences to a claim for insolvent trading. In particular section 588H(2) provides that it is a defence if the director had reasonable grounds to expect and did expect that the company was solvent and would remain solvent.

It is anticipated that the Directors would strongly defend any claims. For example, the Directors may seek to raise the defence that they had a reasonable expectation up until 22 February 2022 (when WBHO Construction SA withdrew support) of continued Parent Support. Ultimately, the question of the availability of defences would need to be decided on the available evidence presented to the Court.

6.5.3.2 Section 588V – holding company liability

Under section 588V of the Act, holding companies may be liable for breaches of insolvent trading duties committed by the directors of subsidiaries. In the case of the Probuild Group, WBHO Construction SA and its parent, the listed (JSE) WBHO-SA can also be held liable failing to prevent the Companies from trading whilst insolvent.

It is also anticipated that WBHO Construction SA and WBHO-SA would vigorously defend any claims made. Like the individual liability of directors, ultimately the question of the availability of defences would need to be decided on the available evidence presented to the Court.

We note that based on publicly available filings, WBHO-SA would appear to have the financial capacity to meet a claim pursuant to section 588V. We note that WBHO Construction SA has proposed a DOCA that if approved by creditors would result in any claims against it being released.

6.5.3.3 Directors' duties

We have also considered whether the Directors' actions in respect to managing the Probuild Group's solvency position may have been a breach of sections 180 to 184 of the Act. These duties, which are in addition to the duty not to trade while insolvent include:

- a duty of care and diligence (section 180), subject to the business judgment rule defence
- a duty to exercise their powers, and discharge their duties, in good faith in the best interests of the company and for a proper purpose (section 181)
- a duty not to improperly use their position as a director to gain an advantage for themselves or another person, or to cause detriment to the company (section 182)
- a duty to not improperly use information obtained because of their position as a director to gain an advantage for themselves or someone else, or to cause detriment to the company (section 183); and
- potential criminal liability for reckless or dishonest conduct connected with their duties of good faith and proper purpose, or use of position or information (section 184).

At this point in our investigations, we have identified acts and omissions by the Directors that may potentially constitute a breach of sections 181 to 183 in respect to the Directors' management of the Probuild Group's liquidity and solvency position. In particular, it is possible that the Directors may have potentially breached their duties by not seeking greater certainty or clarification of the binding nature for future Parent Support. This is a preliminary assessment and should the Companies be placed into liquidation further investigation would be undertaken as to the merits of this cause of action and the quantum of any claim.

Under section 180, a director or officer may rely on the 'business judgement rule'. Under this rule, a director or officer must first show that they made a business judgment and that they made the judgment:

- in good faith and for a proper purpose
- with no material personal interest in the subject matter of the judgment
- after they informed themselves about the subject matter of the judgment to the extent they reasonably believed to be appropriate; and
- with a rational belief that the decision was in the best interests of the corporation.

A director or officer must be able to prove all these elements to rely on the rule. If they do, the Act considers that the director has fulfilled their obligations regarding care and diligence.

We continue to review the actions of the directors and the records of the Probuild Group to see if there are any other identifiable acts or omissions, or other conduct that might be actionable.

6.5.4 Directors' and officers' insurance

The financial position of directors and their ability to compensate for any damages awarded against them in the event proceedings were taken by a liquidator is relevant to the consideration of the commerciality of further action. The existence and availability of any directors' and officers' insurance will also be a relevant consideration. At this point we do not consider it is in the interests of creditors to give further disclosure or other information on the capacity of the Directors to meet any claims made against them from any applicable insurance.

6.5.5 Other offences by Directors

We have identified a potential minor technical irregularity with the NSW trust account that held subcontractor retention amounts. Our investigations to date do not indicate that the irregularity was intentional. This irregularity has been corrected and beneficiaries of the trust are not presently prejudiced as a result of this particular irregularity. Our investigations into this matter are continuing.

Our investigations to date have not identified any other offences. In the event liquidators are appointed, further investigations would be undertaken.

6.6 Other claims against holding companies - in addition to 588V

We have undertaken preliminary analysis as to the legal binding effect the letters of support that provided the basis for preparing the Probuild Group's financial statements, as well potentially providing the Directors and counterparties that did business with the Probuild Group, comfort that debts would be paid as and when they fell due.

It is possible that the letters of support may form the basis for a cause of action against WBHO Construction SA for loss suffered as a result of reliance upon the letters of support. Further investigation and legal consideration would be undertaken if the Probuild Group is liquidated. The quantum of claims under the letters of support could be substantial.

6.7 Summary

As stated above, our investigations are preliminary and at an early stage, however it is our view that:

- the likely date of the insolvency of the Companies was 1 February 2022 and possibly as early as 31 October 2021
- if the Group traded while insolvent for a short period of time from 1 February 2022 until 23 February 2022, then our preliminary view is that there is approximately \$1m in trading liabilities that were incurred during this period that might be recoverable by a liquidator in the event the Group was placed into liquidation. Further analysis could result in this amount being up to \$8m. We would expect any claim to be vigorously defended and any recovery net of costs may not have a material impact on returns to creditors when comparing a return in a liquidation versus a DOCA
- we have identified potential breaches by directors of their duties under sections 180 to 184 of the Act
- we have identified potential claims arising from the issuance of the letters of support.

A liquidator, if appointed, would be required to conduct further investigations. Ultimately, the final determination on any claims would need to be decided on the basis of available evidence presented to a Court. Generally such actions would only be pursued when there is considerable certainty that there are sufficient funds available to meet any damages awarded in favour of the claimant. These actions are usually expensive, vigorously defended and take a considerable time to litigate and conclude. When making a decision about the future of the Group, creditors should consider the above information in conjunction with information provided in **section 1** and **10** to form a view about what is in each creditor's best interest.

7 Voluntary Administrators' actions to date

7.1 Actions to date

On appointment, we conducted operational and statutory tasks, including an assessment of the financial viability of the business, and implemented a strategy aimed at maximising the best outcome for creditors. A summary of these actions is discussed in the following sections.

7.1.1 Taking control of the business and maintain the operations of the Companies

We attended Probuild Group's head office and took immediate control of the Probuild Group's business and operations. This involved ongoing discussions with Management and staff regarding day-to-day operations and implementing trading processes for the voluntary administration period.

We developed a trade-on strategy including cash flow forecasts to allow the Probuild Group to continue operations as a going concern as much as possible, for the purposes of facilitating a sale and/or recapitalisation of the Probuild Group.

Our actions were also driven by the need to mitigate the potential financial impact caused by discontinuing and/or delayed projects. Our strategy at the outset of the administration was focused on a timely and orderly novation of profitable projects to a new contractor through a sale and/or recapitalisation of the Probuild Group and the orderly hand back of loss making contracts in order to mitigate calls on performance guarantees and losses suffered by Principals and subcontractors. This strategy was designed to preserve employee jobs, value and facilitate payments to impacted subcontractors.

Since our appointment, we have undertaken the tasks detailed below.

7.1.1.1 Projects

We undertook an urgent assessment of Probuild Group's 20 active projects that were on hand at the date of our appointment. Whilst this assessment took place all building works were temporarily suspended. This assessment considered whether it was in the best interest of creditors to continue with a project pending a potential sale or to hand the project back to the Principal. We considered the forecast costs to complete against future project cash revenues and the impact on retentions held. Our aim was to maximise net cash inflows and/or reduce future claims from Principals, and ensure ongoing work for employees and subcontractors.

Our work involved:

- analysing project profitability
- meeting with key stakeholders, including Principals, subcontractors and critical suppliers
- negotiating WCAs
- preparing project cash flows
- arranging payments to subcontractors and suppliers
- responding to show cause and termination notices
- preparing and issuing progress claims
- facilitating the orderly novation or hand back of projects
- attending to assessment and recovery of performance guarantees and retentions, as well as attending to calls upon guarantees for active projects and those within defect liability periods

- engaging with performance guarantee providers
- considering and continuing with insurance and other claims on legacy and active projects
- consideration of claims upon performance guarantees provided by subcontractors.

The following table summarises the status of the Probuild Group's various projects as at 10 June 2022, illustrating whether projects are being continued, have been terminated by the Principal, exited and handed back to the Principal or were transferred to Roberts as part of the Roberts Transaction:

Table 28: Project status

Project entity	Project	Original Contract Price (\$'000)	Performance guarantees provided (\$'000)	Status
PCA	51 Flinders Lane	210,000	10,497	Principal Terminated. Opportunity novated to Roberts
PCA	Karingal Hub	106,890	2,822	Works being completed by Administrators
MH	CSIRO	8,071	807	Terminated
PCA	Edmondson Park	267,207	5,587	Principal Terminated
PCA	CSL	221,112	10,537	Novated to Roberts
PCA	Elizabeth Nth Stage 2	200,395	5,503	Novated to Roberts
PCA	500 Bourke	128,851	6,719	Novated to Roberts
PCA	502 Albert	54,402	157 ¹	Novated to Roberts
PCA	CSV	6,200	60 ¹	Terminated by consent
PCA	VU City Tower	221,684	11,136	Works being completed by Administrators
MH	Rosebud	11,306	551 ¹	Exit by Administrators
PCA	UNO	219,701	13,525	Novation to Roberts pending
PCA	130 Little Collins	65,303	-	Novated to Roberts
PCA	Caulfield Village	193,085	9,760	Exit by Administrators
PCA	Westside Place	725,514	36,249	Exit by Administrators
PCA	MLC	194,692	9,542	Principal Terminated
PCAQ	443 Queens St	205,058	9,900	Exit by Administrators
PCA	Curtin Uni	217,911	16,988	Works being completed by Administrators
PCA	Ribbon	307,040	13,948	Exit by Administrators
PCA	Ivanhoe	163,664	8,175	Exit by Administrators
Total		3,728,086	172,463	

Source: Company and Administrators' records and analysis. ¹Cash security deposit

In addition to the above active projects there are 34 projects in defect liability periods.

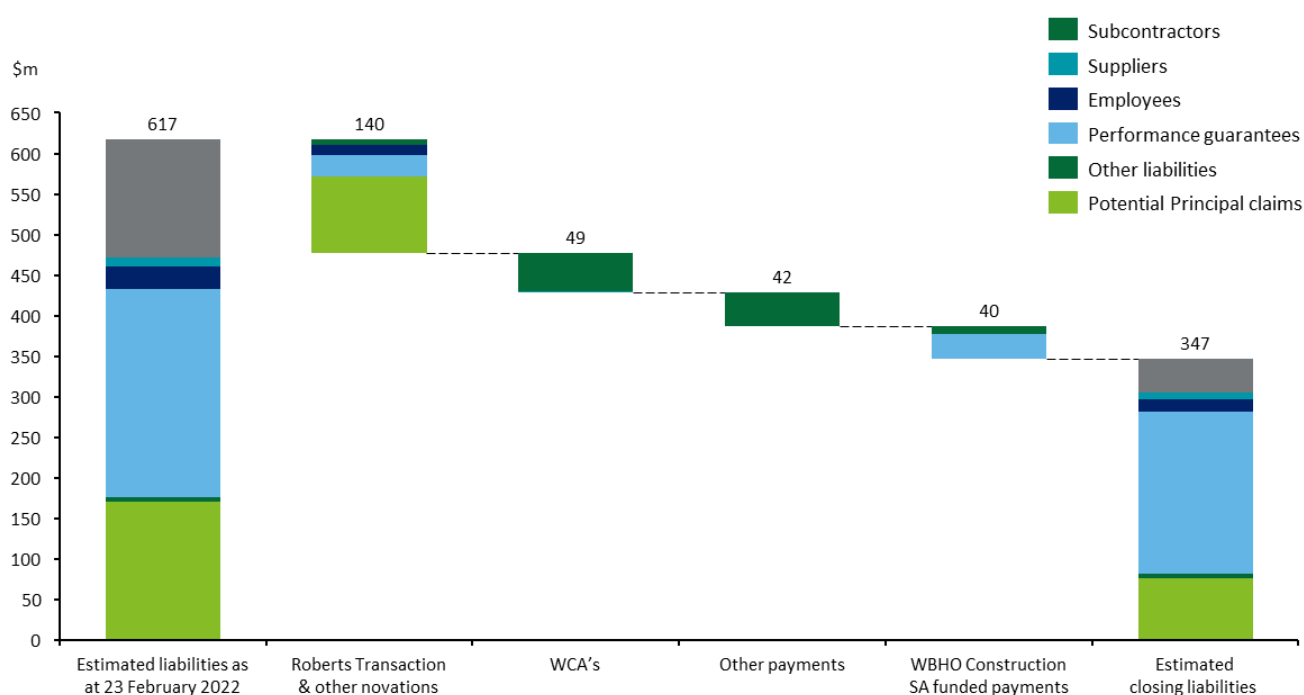
In the chart below we have illustrated the reduction in liabilities of approximately \$270m as a result of the Roberts Transaction, entering in WCAs and as a result of other project transfers and Principal payments. As shown below, we paid approximately \$49m in payments to subcontractors and suppliers for ongoing projects under WCA's for pre-appointment liabilities.

Table 29: Liability reduction from Roberts Transaction and other actions.

Liabilities ² (\$'000)	Liability as at 23 February 2022	Roberts Transaction and other novations	WCA's	Other payments ³	WBHO Construction SA funded payments	Estimated liabilities as at 10 June 2022
Subcontractors	(145,610)	6,605	47,408	40,855	8,727	(42,015)
Suppliers	(11,450)	690	1,890	815	286	(7,769)
Employees	(28,075)	12,212	-	-	-	(15,863)
Performance guarantees ¹	(255,330)	25,737	-	-	30,509	(199,084)
Other liabilities	(6,446)	-	-	-	-	(6,446)
Potential claims of Principals	(170,509)	94,488 ⁴	-	-	-	(76,021)
Total	(617,420)	139,732	49,298	41,670	39,522	(347,198)

¹ Gross face value. ² Low scenario estimates. ³ Amounts assumed paid direct to creditors on other projects handed over. ⁴ Estimated based on the maximum liquidated damages provisions under the relevant contracts.

Figure 16 Liability reduction from Roberts Transaction and other actions.



Source: Company and Administrators' records and analysis

7.1.1.2 General operations

- Maintained head office operations to provide support whilst project viability and a sale transaction could be completed.
- Attended head office, project and other key sites, and taking control of all data, assets and services on appointment.
- Reviewed the internal management controls and approval process across the operations and implemented additional Voluntary Administrators' controls.
- Maintained the employment of up to approximately 474 employees.

- Reviewed, processed and approved purchase orders for continued operations on projects.
- Negotiated amended agreements with parties that had contracts and agreements with the Companies.
- Issued repudiations and disclaimers of agreements where required.
- Exited head office rental and other sites, collation of records and temporary site location for continuing employees.

7.1.1.3 Cashflow funding and trading

- Liaised with financial institutions to release cash.
- Prepared and maintained weekly cash flow forecasts.

7.1.1.4 Receivables and inventory

- Reviewed internal management controls regarding collection of outstanding accounts receivable balances.
- Confirmed current status of receivables across the Probuild Group.
- Attended to collection of outstanding receivables owed to the Companies.
- Liaised with suppliers regarding liens and other security interests over inventory and other assets held by the Companies and assessed the validity of the liens and security interests.

7.1.1.5 Insurance

- Liaised with the insurance broker to ensure enough coverage and continuation of policies.

7.1.1.6 Suppliers and service providers

- Issued initial correspondence to subcontractors, suppliers and service providers regarding continuation of supply and services.
- Liaised with subcontractors, suppliers and service providers to ensure continued supply.
- Negotiated amended agreements with subcontractors, suppliers and service providers where necessary.
- Negotiated lien and security interest claims by suppliers.
- Maintained and processed purchase orders for continued supply and services provided to the Companies. Novated subcontractor contracts where necessary.

7.1.1.7 Employees and payroll

- Calculated employee entitlements.
- Reviewed relevant award rates for current employees.
- Processed payroll for all employing entities.
- Liaised with employees regarding employee entitlements and payroll.
- Liaised with payroll team regarding reconciliations and processing of payroll.
- Attended to employee terminations.
- Facilitated transfer of employees to Roberts and Principals.
- Held regular "townhall" information sessions with employees.
- Attended to employee queries.
- Ongoing employment of staff on temporary contracts.
- Liaised with unions.

7.1.1.8 Landlords and lessors

- Issued initial correspondence to landlords and lessors regarding continued occupation.
- Negotiated with landlords and lessors regarding continued occupation.
- Assessed ongoing requirements and issuing notices under section 443B of the Act where necessary.

7.1.1.9 Surety and secured creditors

- Issued initial notifications to performance guarantee providers and secured creditors.
- Liaised with performance guarantee providers in regard progress of the administration and status of projects.
- Liaised with secured creditors regarding the voluntary administration and statutory moratorium on debts and lease payments.
- Reviewed and validated security interests.
- Liaised with secured creditors regarding assets subject to security interest(s).
- Assessed ongoing capacity requirements and disclaiming assets where necessary.

7.1.1.10 Customers

- Liaised with contract Principals regarding hand back of projects and/or continuation of works.

7.1.2 Compliance and administrative procedures

- Attended to statutory lodgements and reporting to ASIC, the ATO and other statutory authorities.
- Notifications to creditors.
- Convened the first concurrent meetings of creditors.
- Applied to the Court to obtain orders on various matters regarding the voluntary administration.
- Processed creditor claims and established the Deloitte Halo platform to record creditor claims and assist ongoing management of creditor claims, proxies, votes and communications.
- Reviewed and adjudicated the quantum of each creditor claim for the purposes of allowing them to vote at the second meeting of creditors.
- Established administration mailboxes which have received over 2,650 emails from creditors and stakeholders to date.
- Established COI and convened regular meetings.
- Liaised with creditors regarding the voluntary administration.
- Preparation of this report to creditors.
- Held 2 COI meetings.

7.1.2.1 Property, plant, equipment and other assets

- Attended to identification of assets owned by the Companies.
- Arranged for valuation of assets.
- Attended to sales processes for assets.
- Engaged with secured creditors regarding potential PPSR registrations.
- Considered joint venture and other similar interests.

7.1.3 Investigations and litigations

- Our investigation work is detailed in section 1.
- Managed various pre-appointment litigation and requests for consent to proceed.

7.1.4 Sale and/or recapitalisation process

Our work in respect to the sale and/or recapitalisation process is detailed at **section 8**.

7.2 Voluntary Administrators' trading performance and receipts and payments

7.2.1 Business trading

7.2.1.1 Cash on appointment

Refer **section 5.5.1**.

7.2.1.2 Trading during administration

Cash at bank on appointment and pre-appointment debtors are classified as circulating assets, and employees have a priority to be paid out of realisations of circulating assets ahead of secured and unsecured creditors. Had we not used these realisations to continue limited trading, we would have had to cease trading and therefore it is highly unlikely we would have been able to achieve the Roberts Transaction.

Upon appointment the Administrators immediately engaged with FEG and held a number of meetings to advise FEG of the strategy that they would be pursuing in terms of continuing to trade the Companies in order to maximise the possibility of a going concern sale, continued employment and reduce the number of redundancies.

The application to extend the Convening Period for the second creditors meeting was the result of a decision made by the Administrators that the best course of action would be to continue to trade the businesses and protect employment so that the realisations for the sale of parts of the business would result in the maximum number of jobs being retained. The extension meant that some assets were able to be sold as a going concern, jobs were transferred with those assets both in the sense of assets sold and also contracts transferred to new contractors. This strategy was communicated to FEG in draft court materials and was outlined in our application to the court.

In making the application to the court as noted above FEG were aware of the strategies being pursued by the Administrators and in relation to the application FEG consented so that the Administrators could pursue an outcome which maximised the chances of as many employees retaining their jobs or being transferred to an incoming party taking over the contract.

The strategy of continuing to trade the business was largely successful with portion of the business being sold as a going concern and other contracts being transferred to other parties which enabled jobs to be retained and for employees to be transferred to new contractors therefore protecting their entitlements and retaining employment.

The process the administrators engaged in with FEG was a process of communication and working together to allow them to understand the strategies and the approach the administrators were adopting in order to maximise the potential for employees to retain their employment and reduce redundancies

In the event the sale process was unsuccessful, it is likely the FEG scheme would have been called upon to meet employee entitlements as realisations from circulating assets would have been used to trade the business. This remained a key concern as we progressed through the sale process and the timetable we had set to achieve a sale.

7.2.2 Voluntary Administrators' receipts and payments

The table below provides a summary of the receipts and payments during the period 23 February 2022 to 31 May 2022. **It does not include accruals incurred to date or future commitments.**

Table 30: Probuild Group receipts and payments as at 31 May 2022

(\$'000)	Probuild Group
Cash at bank - 24 February 2022	23,139
Receipts	
Project claims	119
Reimbursement from Principal	1,893
Pre-Appointment Debtors	3,125
Sale of Plant & Equipment	7
Intercompany Recharge	1,385
Other Income	1,511
Bond & Bank Guarantee returns	2,083
Total Receipts	10,123
Payments	
Bank interest / fees	(21)
Insurance	(6,098)
Legal fees	(67)
Sundry costs	(1,227)
Other employee costs	(307)
Other Government Charges	(53)
GST Clearing Account	16
Withholding Tax (PAYGW)	(1,901)
Project subcontractors	(951)
Project Suppliers	(137)
Rent	(106)
Site closure costs	(2)
Superannuation	(571)
Utilities	(3)
Telephone & Fax	(14)
Valuer fees	(13)
Wages & Salaries	(4,808)
ANZ Set-Off	(983)
Total Payments	(17,246)
Movement	(7,123)
Cash at Bank - 31 May 2022	16,016

Source: Voluntary Administrators' records

8 Sale of business process / recapitalisation

8.1 Background

On our appointment we commenced an immediate campaign for the sale and/or recapitalisation of the Probuild Group. Notwithstanding the scale and complexity of the business, we formed the view that an expedited sale process needed to be conducted given the following factors:

- the significant cash constraints facing the Probuild Group
- the need to retain key contracts, assets and employees to preserve the value of the business and its projects
- the need to give clients and subcontractors certainty on a path forward for the recommencement of building works in order to preserve contract value, minimise escalations and liquidated damages, calls on performance sureties and losses by Principals.

The objective of the framework of the sale process was to maximise the value of the business and mitigate contingent liabilities by:

- running a public and competitive sale process to enhance competitive tension
- continuing to trade the business as much as possible and maintain operational readiness to minimise project claims, and to allow a seamless transition to a new owner
- maintaining the business structure to provide optionality to interested parties
- providing certainty and confidence to stakeholders, including subcontractors, suppliers, financiers, clients/Principals and interested parties, by establishing an expedited, well-defined process and timetable
- providing flexibility by allowing offers for the sale and/or recapitalisation of the Group as a whole or for individual assets, contracts or companies.

Given the financial position of the Probuild Group, the sale process we undertook was to identify all possible proposals for a sale of assets or undertaking, or DOCA proposal, in respect of the Probuild Group, a process we conducted publicly.

The sale campaign initially included the WBHOI Group. It quickly became apparent that given the differences between the WBHOI and Probuild businesses, the WBHOI business would be sold via its own sale and recapitalisation process with different parties interested in that business to that undertaken by the Probuild Group.

8.2 Sale campaign

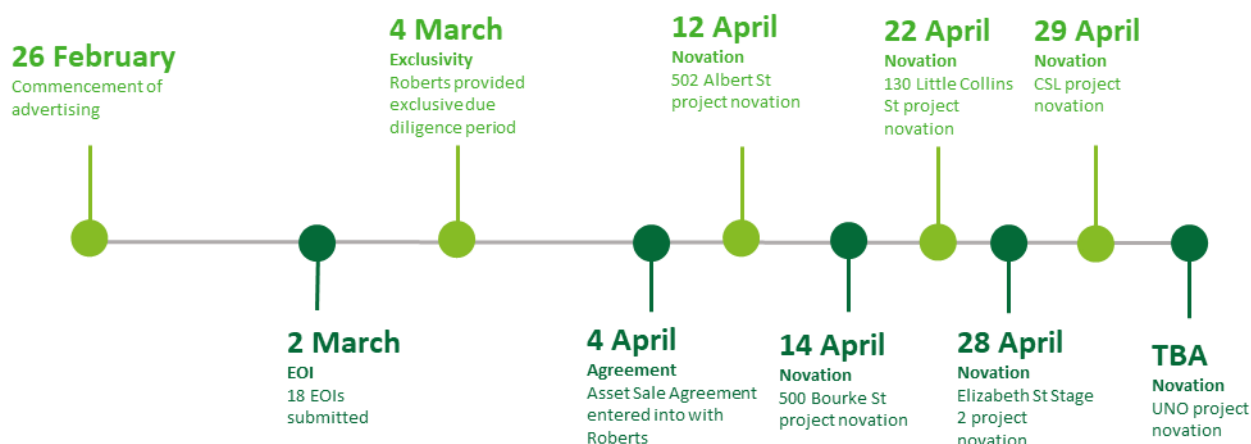
The sale process commenced publicly on 26 February 2022 with advertising in the Australian Financial Review newspaper. Further advertising was undertaken in the Australian Financial Review and The Australian newspapers on 28 February 2022.

Interested parties were required to provide a non-disclosure agreement (**NDA**). We received 18 NDAs and expressions of interest (**EOI**) by 2 March 2022.

In assessing the EOI's we considered the matters outlined at **section 8.3** of this report. It quickly became apparent that the interest expressed by Roberts was superior relative to other parties' interest. Consequently, on 4 March 2022 Roberts was provided with exclusivity to undertake due diligence. Exclusivity was provided as direct engagement with key stakeholders was required as part of the due diligence requiring significant investment by all stakeholders which could not have been achieved with multiple interested parties.

The sale process was conducted over a period of approximately 6 weeks following our appointment. The sale process concluded with a binding Asset Sale Agreement (**ASA**) and related ancillary agreements being entered into with Roberts on 4 April 2022. A summary of the sale timeline is set out below.

Figure 17: Timeline of sale of business campaign



8.3 Expressions of interest

In assessing the interest expressed, we considered more favourably interest that demonstrated:

- willingness and ability to act with speed
- a strong interest in taking all or most of the continuing projects
- capability to deliver tier 1 building projects as a prime contractor and ability to convince key stakeholders (Principals, employees, lenders, subcontractors etc of same)
- sufficient capacity to provide performance guarantees on the projects available
- willingness to provide ongoing employment to a significant number of existing employees, including head office employees
- capacity to complete a transaction quickly without onerous conditions precedent (e.g. Foreign Investment Review Board approval etc.).

Based upon the above criteria the interest expressed by Roberts stood out as being most likely to be capable of novating most of the continuing projects, assuming the greatest number of employee entitlements, reaching final offer stage quickly and having the financial capacity to complete. Accordingly, on 4 March 2022 we entered an exclusive due diligence period with Roberts. During the period commencing 6 March 2022 and ending 4 April 2022, Roberts conducted due diligence and engaged in extensive discussions with the Administrators, Principals/clients, suppliers, subcontractors, unions and employees.

8.4 ASA offer and transaction structure

On 4 April 2022 we exercised our power of sale as Voluntary Administrators under section 437A(c) of the Act and signed an ASA with Roberts for the sale of certain Probuild Group assets.

The ASA provides for:

- novation of 6 of Probuild Group's 20 active building projects, being 502 Albert Street, CSL, Elizabeth Street Stage 2, Uno, 130 Little Collins Street and 500 Bourke Street projects to Roberts
- Roberts to have the ability to negotiate and take control of the opportunities for the Oasis, Chadstone and McNab projects

- assumption of the employment for 142 employees by Roberts, including project related staff and Victorian head office staff
- acquisition of associated novated project plant and equipment
- assumption of associated subcontractor and supplier payments on novated projects of approximately \$7.3m
- replacement of head contract performance guarantee requirements in respect of novated projects of \$25.7m
- assignment of leases in respect of project site offices, car parks and partial assignment of the head office lease
- sale of the Probuild Group's shareholding in PI (and underlying joint venture interest in the Caulfield Project - refer **section 3.2.1.1**).

The benefits of the ASA with Roberts relative to the position if the sale did not take place total at least \$94.3m:

Table 31: Estimated benefit from the Roberts Transaction

	(\$'000)
Employee entitlements transferred	(4,780)
Performance guarantees transferred	(25,737)
Subcontractor liabilities adopted	(6,605)
Supplier liabilities adopted	(690)
Payments to subcontractors and suppliers	(56,538)
Total	(94,350)

The sale to Roberts also avoided the crystallisation of redundancy costs. The Roberts Transaction also mitigated potential project delays and therefore potentially substantial claims for liquidated damages and consequential loss, which has been estimated at a further \$94.5m benefit in addition to the benefits listed above.

8.5 Transaction status

As at 10 June 2022 all conditions for the completion of the sale to Roberts have been satisfied, and construction contracts for 5 of the 6 projects have been novated to Roberts. We are working towards novation of the one remaining contract (the Uno project) and hope to have it completed soon.

8.6 Alternative proposals

We did not receive any alternative expressions of interest which would have resulted in an outcome for creditors greater than that offered by the transaction with Roberts. We also did not receive any DOCA proposals, other than the WBHO Construction SA DOCA proposal with the first draft having been received on 17 May 2022.

9 Deed of Company Arrangement

9.1 Introduction

As stated in **section 8**, we undertook a public process for the sale and/or recapitalisation of the Probuild Group, which included inviting expressions of interest for DOCA proposals. We did not receive any expressions of interest for a DOCA during this process. Subsequently, we received the WBHO Construction SA DOCA proposal. As previously advised in this report, WBHO Construction SA is the South African registered, primary shareholder of the Probuild Group, and is a subsidiary of the JSE listed WBHO-SA.

9.2 DOCA structure

The WBHO Construction SA DOCA proposes a single pooled DOCA covering all entities currently under administration, so that all asset recoveries, contributions and creditor claims will be pooled. A creditor of one of the Companies will be treated under the DOCA as a creditor of all the Companies, without the need for creditors to prove their claim separately against each entity.

9.3 Key features

A summary of the key features for the WBHO Construction SA DOCA is outlined below.

9.3.1 Key terms of the DOCAs

The key terms of the WBHO Construction SA DOCA are as follows:

- The operation of the DOCA is subject to the following conditions precedent which are to be satisfied within 8 weeks from the Commencement Date (being the date of execution of the DOCA):
 - Execution of the DOCA by all relevant parties.
 - WBHO Construction SA to lodge (or procure to be lodged) a proof of debt (**POD**) and vote in favour of the DOCA proposal and procure PODs to be lodged by the guarantors under the CBA performance guarantee facility in favour of the DOCA proposal and procure agreement of the relevant finance parties in connection with the CBA performance guarantee facility to do the same and more broadly not to receive a distribution pursuant to the terms of the DOCA or the SRG DOCA (being the instrument that created the WBHOI Creditors' Trust). This includes procuring the same from the relevant financiers under the CBA Facility Agreement to avoid multiple PODs being lodged in relation to the same claim.
 - consent to be provided by WBHO Construction SA and the relevant financiers to assign their interests in the SRG DOCA Contribution.
- All claims and assets of the Companies are to be pooled, so that a creditor of a particular Company is treated as a creditor of the Probuild Group as a whole. For the WBHO Construction SA DOCA to come into effect, a resolution must be passed by the creditors of each Company in favour of the WBHO Construction SA DOCA. In the event creditors of any Company do not vote in favour of the DOCA, the DOCA will not be available to creditors of any other Company.
- The Voluntary Administrators will become the Deed Administrators for each DOCA.
- The Deed Administrators will continue to trade the business to allow for the completion of projects, recovery of performance guarantees (or surplus proceeds from called performance guarantees), sale of assets, collection of receivables, resolution of insurance claims and other recoveries.
- A total contribution of value to Probuild Group creditors in the range from \$15.0m to \$28.8m, made up as follows and described in further detail below:

Table 32: DOCA value

\$m	High	Low
Cash contributions		
Cash contribution	6.0	6.0
Operating expenditure contribution	0.6	0.6
Project Contingent Payment contribution	0.5	-
Small Creditors cash contribution	2.5	2.5
Total cash contributions	9.6	9.1
Other value		
Assignment of Proponent's potential distribution from the WBHOI Group Creditors' Trust	5.1	3.2
Proponent agreement not to participate in distribution from the DOCA and/or procure agreement from CBA not to participate	14.1	2.7
Total other value	19.2	5.9
Total value to Probuild Group creditors	28.8	15.0

- WBHO Construction SA will make the following contributions (collectively, the **Cash Contribution**):
 - \$6.0m cash contribution
 - \$2.5m cash contribution for Pool B creditors, being creditors with claims of no more than \$25,000 including GST (**Small Creditors**)
 - \$0.6m cash contribution in respect of operating expenditure incurred by the Administrators and Deed Administrators
 - potentially a further \$0.5m from the Caulfield Village project, subject to meeting certain conditions (**Project Contingent Payment**)
 - the right to receive WBHO Construction SA's dividend from the Creditors' Trust that was formed under the SRG DOCA (**SRG DOCA Distribution**). At this stage it is difficult to estimate the value of this specific contribution as there are many variables that will influence the return to creditors under the SRG DOCA and resulting Creditors' Trust. At the date of this report, this amount is valued at \$3.2m in a low case and \$5.1m in a high case.
- WBHO Construction SA will not prove as a creditor in the Administration, which we estimate has a financial benefit to ordinary unsecured creditors of between \$2.7m and \$14.1m.
- The \$2.5m, \$6.0m and \$0.6m (total \$9.1m) contributions are to be paid into trust before the execution of the DOCA and released to the Deed Administrators to be applied to the relevant pool 10 weeks from its execution (the DOCA must be executed within 15 business days of the second meeting of creditors).
 - We note that the \$2.5m and \$6.0m contributions are refundable to WBHO Construction SA in the event the DOCA terminates prior to the Deed Administrators having completed or substantially completed as agreed and determined by WBHO Construction SA the Pool B accelerated distribution. The impact of this is discussed in **section 9.4** below.
- The Project Contingent Payment of up to \$0.5m will be paid only on satisfaction of certain conditions relating to the Caulfield Village Project.
- A Deed Fund is to be established comprising the Cash Contribution and the proceeds of sale of the existing assets of the Probuild Group (**Realisable Assets**). Realisable Assets include all assets of the Companies, but exclude potential recoveries from project Principals related to securities issued under the CBA bank guarantee facility, and the recovery of a loan owing to the Probuild Group by Mr Brad Duggan, which are assigned to the Proponent.
- The Deed Fund will be comprised of:
 - Pool A**, which will consist of existing funds held by the Administrators (pooled for all of the Companies), the \$6.0m contribution, the \$0.6m operating expenditure contribution, potentially the Project Contingent Payment and the SRG DOCA Distribution and all future proceeds of the Realisable Assets. The distribution to Pool A creditors (being employees entitlements and any outstanding Administrators' liabilities) is to be paid on or after the date that is 10 weeks from the Commencement Date. After employee entitlements and Administrators' liabilities are paid in full, and the requisite amount has been paid to Pool D, any surplus funds remaining in Pool A (including any future asset realisations) are immediately then transferred to Pool C.

- We highlight our comments at **section 9.4** below that the \$6.0m Cash Contribution paid into Pool A and the \$2.5m paid into Pool B (described below) are refundable in certain circumstances.
 - **Pool B**, which will consist of the \$2.5m contribution to be available to Small Creditors which is to be paid to Small Creditors on a *pro rata* basis and within 45 days after employee entitlements under Pool A have been paid in full.
 - **Pool C**, which will include the surplus value of the Cash Contribution and Realisable Assets (less certain asset realisation which will be allocated to Pool D described below) after Pool A creditors have been paid in full and amounts required have been allocated to Pool D. Pool C will be available for distribution to all other unsecured creditors and insurance bond creditors on a *pro rata* basis after the payment of the Deed Administrators' liabilities.
 - **Pool D** comprises the proceeds of the Realisable Assets, equal to the **ATO GST Priority Amount** and the **ATO Income Tax Priority Amount** (defined below).
 - Notwithstanding the above, the Administrators' liabilities may be paid from Pool A from time to time and the Deed Administrators' liabilities in relation to third party costs and liabilities may be paid from Pool A or Pool C from time to time. We note that this structure means that the Deed Administrators' remuneration will not be paid until after employee entitlements and Administrators' liabilities are paid in full.
- The ATO GST Priority Amount is the lesser of the proceeds of Realisable Assets of PI4 (after Administrators/Deed Administrators fees and costs) and amounts owing to the ATO in respect of unpaid GST owed by the tax group of which PI4 is a member. We estimate the ATO GST Priority Amount to be up to \$420k.
 - The ATO Income Tax Priority Amount is the lesser of the proceeds of Realisable Assets of Northcoast (after Administrators/Deed Administrators fees and costs) and amounts owing to the ATO in respect income tax owed by Northcoast. We estimate the ATO Income Tax Priority Amount to be in the range from \$131k to \$223k.
 - WBHO Construction SA will provide ongoing access to the Probuild Group's BLU information system.
 - WBHO Construction SA will be entitled to any amounts recovered under the CBA performance guarantee facility as discussed at **section 5.3.3**. The loan owing to Probuild by Mr Brad Duggan will be assigned to WBHO Construction SA.
 - Upon effectuation of the WBHO Construction SA DOCA, being after the Cash Contribution is paid, all Realisable Assets have been realised, the costs of the Administration and Deed Administration have been paid and the net surplus paid to employees and other creditors, all creditors' claims arising on or before the date of the Administrators' appointment (23 February 2022) will be extinguished and management of the Companies will be handed back to the Directors for deregistration.

A copy of the WBHO Construction SA DOCA term sheet is attached as **Annexure P**.

9.4 Effect on unsecured creditors

The effect of the WBHO Construction SA DOCA will be to release the claims by creditors against the Companies on completion of the DOCA. The WBHO Construction SA DOCA will bind all creditors in relation to claims arising on the date of the Administration. During the term of the DOCA, a moratorium exists, preventing creditors from taking any action for the recovery of amounts owed.

We note that the impact of the DOCA and the ATO GST Priority Amount and ATO Income Tax Priority Amount is that the ATO will receive a rateably higher return on its debts than other unsecured creditors. This is necessary due to the Probuild Group's taxation grouping structure and to ensure the ATO is in no worse position under the WBHO Construction SA DOCA than in a liquidation. We estimate that the ATO GST Priority Amount will be \$440k and the ATO Income Tax Priority Amount will be an amount in the range of \$131k to \$223k. These figures are not considered material.

9.4.1 Refundability of Cash Contribution

A term of the DOCA requires the repayment to WBHO Construction SA of the \$6.0m contribution and \$2.5m contribution to Small Creditors (**Refundable Amount**) in the event the DOCA terminates prior to the Deed Administrators having completed (or substantially completed as agreed and determined by WBHO Construction SA) the Pool B accelerated distribution.

9.4.2 Excluded claims

Related Party and intra-group creditors will not participate in the WBHO Construction SA DOCA and will therefore not receive any distributions. "Related Party" has the same definition as that contained in the Act.

Any claims the Companies may have against WBHO Constructions SA cannot be pursued under the terms of the DOCA.

9.4.3 Effect on employees

The WBHO Construction SA DOCA provides for the payment in full of all amounts owed to employees (excluding Directors of the Companies) that have not had their entitlements adopted by Roberts and other parties. Employees will receive a return on or after the date that is 10 weeks from the Commencement Date. It is the Administrators current expectation that they will be in a position to pay at a minimum an interim distribution to employees by 30 September 2022 in an amount exceeding the amounts (in total) that would be paid to employees by FEG in liquidation. The quantum of this payment will be subject to the level of forecast asset realisations achieved by that time.

We note that employees that may be impacted by the definitions of "Excluded Employee" and/or "Non-Priority Day" in section 556(2) of the Act will receive a distribution under the WBHO Construction SA DOCA. An exception applies in relation to employees who have had their employment transferred to a third party prior to the Commencement Date.

As a result of the quantum and refundability of the Cash Contributions described above at **section 9.4.1**, payment of employee entitlements under the WBHO Construction SA DOCA remains subject to asset realisations. However, the pooling of the Companies' assets and claims under the WBHO Construction SA DOCA (which provides access to employees to asset realisations in all Group entities, rather than those only in their employing entity) means that the return to employees is more certain and will be paid sooner than under liquidation, including an interim distribution that the Administrators would expect to be made by 30 September 2022.

9.5 End date

The WBHO Construction SA DOCA will be effectuated after the Cash Contribution has been paid, Realisable Assets have been realised, all costs and fees have been met and all distributions made. Upon effectuation the Companies will be handed back to the control of the Directors, and it is intended that the Companies will be deregistered.

9.6 Conclusion

The WBHO Construction SA DOCA provides a greater and a more certain and timely return to creditors than the alternative of liquidation.

10 Estimated return to creditors

10.1 Introduction

We have prepared an analysis of the estimated return to creditors under the following scenarios:

- return to creditors under the WBHO Construction SA DOCA
- return to creditors if the Companies are placed into liquidation.

There is a significant amount of detail and modelling that has been undertaken in order to assess the return to creditors under the WBHO Construction SA DOCA and liquidation scenarios. This is further complicated by the intergroup debt and performance guarantee structures. Due to the complexities involved we have not included all this detail in this report. Some of the detailed analysis and assumptions are included in **Appendix K**.

The table below shows the expected return to creditors under the WBHO Construction SA DOCA versus a liquidation scenario.

Table 33: Summary of estimated average returns to unsecured creditors

Probuild Group		WBHO Construction SA DOCA		Liquidation	
Creditor Group		High	Low	High	Low
Priority creditors/employees	%	100.0	100.0	100.0	75.1 - 100.0
Small Creditors (<\$25k)	%	71.0	50.0	0.3 – 13.4	Nil – 1.2
Other unsecured creditors / average return ¹	%	24.6	3.9	0.3 – 13.4	Nil – 1.2
Other unsecured creditors – funds available for distribution after costs	\$m	45.1	9.4	41.9	3.1

¹ Excludes returns in entities in which there is only one external creditor, in which cases the DOCA provides for direct access to the relevant assets to those creditors to align the \$ returns to those creditors between the DOCA and Liquidation

The expected return to creditors under the WBHO Construction SA DOCA is expected to be better than under a liquidation scenario.

The funds available to pay a distribution to other unsecured creditors after costs are estimated to be between \$9.4m and \$45.1m under the WBHO Construction SA DOCA and \$3.1m to \$41.9m in a liquidation scenario.

As outlined in the table above, based on current estimates we expect that under the WBHO Construction SA DOCA Employees will be repaid in full in both the high and low scenarios. However, the achievement of this (as well as all creditor outcomes) remains subject to future asset realisations and it is therefore subject to the risk that the value achieved from the realisation of the Group's assets falls below our current expectations which would result in lower returns to creditors in both the DOCA and liquidation scenarios.

10.2 Estimated return to creditors

We have provided above a summary of the potential return under the different scenarios. Any final return to creditors under any of the possible outcomes will be dependent on the actual level of asset recoveries and the claims of creditors. This is a process that will take time, especially as legal action may be required for the recovery of some assets and as creditors seek to mitigate any losses they have suffered. The quantification of creditor claims has also been complicated by the adoption of certain claims under the Roberts Transaction and other project novations. There are also potential

contingent and damages claims by Principals as well defect liability periods to run and therefore final claims may not be known for some time.

Before a dividend is paid to creditors under any of the scenarios, a detailed process of assessment of all claims, including an assessment of actions undertaken to mitigate loss, will be undertaken as is the standard procedure in these circumstances.

The returns to unsecured creditors under the liquidation scenario and will be dependent upon which entities creditors have a claim against. On the Halo platform when adjudicating on your claims for the purpose of voting at the meeting we have sought to recognise the entities to which you have a claim against.

10.2.1 Factors and limitations influencing the return

The calculation of estimated returns to each creditor is complex and requires estimates and assumptions primarily because:

- the Probuild Group is party to legal proceedings and may be party to future legal proceedings for the recovery of receivables. Legal action, especially in the construction industry can be complex and time consuming and therefore the chances of success and the quantum of recovery are inherently uncertain.
- the final claims of subcontractors after various project novations have yet to be received and fully adjudicated.
- the final position on the crystallisation of performance guarantees will not be known until projects complete and defect liability periods expire. Claims and recoveries in this regard will likely be subject to negotiation and rigorous validation.
- Principals may have substantial claims over and above performance guarantee amounts for liquidated damages and consequential loss. Quantification and validation of these amounts may not be known until projects have completed and defect liability periods expire.
- the Probuild Group is seeking to recover funds under various insurance claims and legal actions. Recoveries of this type, especially in a construction context are inherently complex and uncertain.
- As listed above, there are a range of uncertainties and potential developments that could adversely impact the quantum and timing of such recovery for creditors estimated under each scenario.

It is our view that the estimated returns presented in this report are reasonable estimates based on available information and the current position.

10.3 Effect on employees

Under the WBHO Construction SA DOCA, we expect that employees will be paid in full for outstanding entitlements and will receive payment as soon as practicable after execution of the DOCA upon the availability of sufficient funds from asset realisations. The Administrators intend to pay an interim dividend to employees by 30 September 2022 in an amount exceeding the amounts (in total) that would be paid to employees by FEG in liquidation. In a low liquidation scenario employees may only receive 75.1% of their entitlements. Where there are inadequate funds for the payment of employee entitlements, employees may be entitled to access the FEG scheme.

FEG may cover successful applicants for outstanding wages, annual leave and termination notice. However, FEG does not cover outstanding superannuation entitlements, nor excluded employees (including Directors) and amounts paid are capped at a maximum weekly wage of \$2,451. Recoveries under FEG may take longer than 60 days (FEG's current claim processing estimate is approximately 16 weeks) and the subrogated claim of FEG may not be paid for up to 12 months in a liquidation scenario.

11 Voluntary Administrators' opinion

11.1 Introduction

The following options are available to creditors to decide:

- the Companies execute a deed of company arrangement; or
- the voluntary administrations end; or
- the Companies be wound up.

Our opinions on each option and our reasons for our opinions are discussed below.

11.2 The Companies execute the WBHO Construction SA DOCA proposal

As noted above, a DOCA has been proposed by WBHO Construction SA.

For the DOCA to come into effect, the majority of creditors entitled to vote at the second meeting of creditors and entitled to vote, who also hold the majority in terms of the value of their claims, will need to pass a resolution voting in favour of the DOCA proposal in respect to each Company.

We are of the opinion that the return to creditors would be greater under the WBHO Construction SA DOCA proposal than in either of the liquidation scenarios presented in **section 10**. We are also of the opinion that the DOCA proposed by WBHO Construction SA would provide greater certainty of a return.

11.3 The administration should end

Based on our analysis, the Probuild Group is presently insolvent and unable to pay its debts as and when they fall due. Ending the voluntary administrations would not be in the best interests of creditors and would expose the Directors to the possibility of liability for breaches of director duties. Accordingly, we are of the opinion it would not be in creditors' interests for the administrations to end and control be returned to the Directors.

11.4 The Companies be wound up

As the WBHO Construction SA DOCA proposal results in a greater return than a liquidation, we are of the opinion it would not be in creditors' interest to place the Companies into liquidation.

11.5 Opinion

In our opinion, creditors would be best served if the Companies execute the DOCA proposed by WBHO Construction SA.

We reserve the right to change our opinion should there be any change to the WBHO Construction SA DOCA proposal.

Should we receive any new information relevant to creditors between issuing this report and the date of the creditors meeting; a summary will be made available on the website established to provide creditors with information:

<http://www.deloitte.com/au/probuild>.

11.5.1 Other material information

We are not aware of any other information that is materially relevant to creditors being able to make an informed decision on the future of the Probuild Group

12 Remuneration

On 24 February 2022 we provided our initial remuneration notice to creditors setting our schedule of hourly rates and method of remuneration. A copy of this notice is available at

<https://www2.deloitte.com/au/en/pages/finance/articles/wbho-australia-pty-ltd.html>

An administrator's remuneration can be approved by resolution of a COI, a company's creditors or by application to Court.

Our past and new requests for remuneration approval in respect of the Probuild Group are detailed in the sections below.

12.1 Probuild Constructions (Aust) Pty Ltd

At the COI meeting held on 9 May 2022, the COI approved our remuneration for each of the periods below in respect to PCA. A remuneration approval report was provided to the COI prior to the meeting.

Table 34: PCA approved remuneration

Period	\$
Actual – 23 February 2022 to 31 March 2022	5,627,316.25
Future– 1 April 2022 to completion of the voluntary administration	4,323,031.50
Total fees approved by the COI (excluding GST)	9,950,347.75

The COI also approved the following disbursements:

Table 35: PCA approved disbursements

Period	\$
Actual – 23 February 2022 to 31 March 2022	18,814.29
Future– 1 April 2022 to completion of the voluntary administration	42,000.00
Total disbursements approved by the COI (excluding GST)	60,814.29

As outlined in the previous sections of this report, the WBHO Construction SA DOCA involves a single pooled DOCA covering all entities of the Group. The remuneration sought in respect to the administration of the WBHO Construction SA DOCA is covered separate in **Section 12.4**. We are seeking further remuneration approval in respect of PCA as follows:

Table 36: PCA remuneration approval sought

Period	\$
Voluntary Administration	
Actual – 27 May 2022 to completion of the voluntary administration	1,498,939.00
Liquidation (if applicable)	
Future – commencement of liquidation to finalisation of liquidation	3,498,502.50
Total liquidation fee approval sought (excluding GST)	3,498,502.50

Table 37: PCA disbursements approval sought

Period	\$
Future – from the conclusion of the second creditors meeting to the finalisation of external administration (whether DOCA or Liquidation)	93,000.00
Total disbursements approval sought (excluding GST)	93,000.00

12.2 PCA (QLD) Pty Ltd

We have yet to seek approval for any of our remuneration in respect to PCA (QLD) Pty Ltd. We are seeking remuneration approval as follows:

Table 38: PCAQ remuneration approval sought

Period	\$
Voluntary Administration	
Actual – 23 February 2022 to 31 May 2022	529,900.50
Future – 1 June 2022 to completion of the voluntary administration	110,434.50
Total voluntary administration fee approval sought (excluding GST)	640,335.00
Liquidation	
Future – commencement of liquidation to finalisation of liquidation	599,112.00
Total liquidation fee approval sought (excluding GST)	599,112.00

Table 39: PCAQ disbursements approval sought

Period	\$
Actual – 23 February 2022 to completion of the voluntary administration	600.00
Total disbursements approval sought (excluding GST)	600.00

12.3 Monaco Hickey Pty Ltd

We have yet to seek approval for any of our remuneration in respect to Monaco Hickey Pty Ltd. We are seeking remuneration approval as follows:

Table 40: MH remuneration approval sought

Period	\$
Voluntary Administration	
Actual – 23 February 2022 to 31 May 2022	271,250.50
Future – 1 June 2022 to completion of the voluntary administration	89,651.50
Total voluntary administration fee approval sought (excluding GST)	360,902.00
Liquidation	
Future – commencement of liquidation to finalisation of liquidation	248,471.50
Total liquidation fee approval sought (excluding GST)	248,471.50

Table 41: MH disbursements approval sought

Period	\$
Actual – 23 February 2022 to completion of the voluntary administration	600.00
Total disbursements approval sought (excluding GST)	600.00

It is noted that in respect to the future approval, we will only draw the amount incurred. If the actual remuneration exceeds the amount approved, we may seek further approval.

12.4 WBHO Construction SA DOCA

We are seeking remuneration approval to administer WBHO Construction SA DOCA for all entities of the Group as follows:

Table 42: WBHO Construction SA DOCA remuneration approval sought

Period	\$
DOCA	
Future – execution of DOCA to finalisation (effectuation) of DOCA	3,498,635.00
Total liquidation fee approval sought (excluding GST)	3,498,635.00

Further detail on our remuneration including actual remuneration incurred and estimated future remuneration is contained at **Appendix N**. Creditors are also directed to the Information Sheet – Approving Fees: a guide for creditors, a copy of which is attached at **Appendix C**.

We are only seeking approval for our fees for acting as Administrators and Liquidators (should creditors not vote in favour of the WBHO Construction SA DOCA) of PCA, PCAQ and MH and remuneration to act as Deed Administrators of all 16 Companies in the Probuild Group (should creditors vote in favour of the WBHO Construction SA DOCA). We are not seeking any remuneration as Administrators or Liquidators (if applicable) for any of the other 13 subsidiaries in the Probuild Group.

13 Meeting

Pursuant to Section 439A(3) of the Act and Section 75-225 of the IPR, attached is a notice convening the second meeting of creditors of each of the Companies to be held on **Thursday 30 June 2022 at 11:00am AEST**. The meeting is a concurrent meeting for all Companies. The notice of meeting is enclosed at **Appendix B**.

Amendments to the legislation that governs insolvent administrations provides that meetings of creditors may be held virtually, using technology that will give all persons entitled to attend a reasonable opportunity to participate without being physically present in the same place. Given the geographic spread of creditors, to this end, the meeting will be held using Microsoft Teams Live Events platform.

At this meeting creditors will be asked to resolve whether:

- The Companies execute a DOCA; or
- The administrations end; or
- The Companies be wound up.

Attendance at this meeting is not compulsory, however, those creditors wishing to attend and vote at the second meeting are required to lodge their Proof of Debt or Claim by **5:00pm AEST 29 June 2022**. Individuals attending the meeting on behalf of a corporate creditor also need to also appoint a proxy via the Halo platform by **5:00pm AEST 29 June 2022**.

The electronic proxy form in the Halo platform allows for creditors to nominate a special or general proxy to be lodged. If a creditor lodges a special proxy, they will have the right to submit their votes via the Halo platform and nominate a proxy to attend the virtual meeting of creditors on their behalf. If a creditor lodges a general proxy, their nominated proxy will have the right to submit votes via the Halo platform on behalf of the creditor. If they wish, the creditor will still be able to attend the meeting of creditors as an observer.

A creditor will not be able to vote at the meeting unless a Proof of Debt or Claim is lodged with us via the Halo platform by **5:00pm AEST 29 June 2022** prior to the commencement of the meeting. Those creditors who have already lodged an informal proof of debt are not required to submit a further proof, unless you have an amended claim, in which case please amend your claim in the Halo platform or if your claim has already been admitted for voting purposes, do not lodge an additional claim. Please contact the Voluntary Administrators at Probuild1@deloitte.com.au if you have any issues in amending your claim in the Halo platform.

On the Proof of Debt Form in the Halo platform please ensure you select the relevant company of which you are a creditor.

13.1 Voting procedures

We have prepared the attached voting guide at **Appendix C** and ask that you review this document ahead of the second meeting of creditors.

We trust creditors find this report informative and useful. In the event you have any queries regarding the contents of this report, or the administration in general, please do not hesitate to contact us at Probuild1@deloitte.com.au.

Yours faithfully




Salvatore Algeri
Joint and Several Administrator



Jason Tracy
Joint and Several Administrator



Matthew Donnelly
Joint and Several Administrator



David Orr
Joint and Several Administrator

Glossary and abbreviations

Term	Definition
\$'000/k	Thousands
\$m	Millions
ACN	ACN 098 866 794 Pty Ltd
ACP	ACP Venture Investments Pty Ltd
Act	Corporations Act 2001
Administration/voluntary administration	The voluntary administration of the Probuild Group
Administrators or Voluntary Administrators or us/we/our	Salvatore Algeri, David Orr, Matthew Donnelly & Jason Tracy
AGM	Annual General Meeting
ALL PAAP	All Present and After Acquired Property
ANZ	Australia and New Zealand Banking Group Ltd
ARITA	Australian Restructuring Insolvency Turnaround Association
ASA	Asset Sale Agreement
ASIC	The Australian Securities & Investments Commission
ATO	Australian Taxation Office
AUD	Australian dollars
BAS	Business Activity Statement
Board	The Board of Directors of WBHOA and subsidiaries
BV	Book value
c	cents
c.	circa
Cash Contribution	Cash amounts to be paid by WBHO Construction SA under the WBHO Construction SA DOCA
Caulfield Contingent Payment	Potentially a further \$0.5m to be contributed under the WBHO Construction SA DOCA from the Caulfield Village project, subject to meeting certain conditions
CBA	Commonwealth Bank of Australia Ltd
CCC	Carr Civil Contracting Pty Ltd (formerly called WBHO-Carr Pty Ltd) .
CECK	Civil & Earthworks Contractors of Kwinana
CH	Contexx Holdings Pty Ltd
COI or Committee	Committee of Inspection
Companies	Companies in voluntary administration as listed in Appendix A (All Administrators Appointed)
Contexx	Contexx Pty Ltd
Convening Period	The period between the date of the appointment of the Voluntary Administrators and the date the Voluntary Administrators provide notice (convene) of the second meeting of creditors

Term	Definition
COVID-19	The 2019 novel coronavirus pandemic
Creditors' Trust	Proposed Creditors' Trust
D&O	Directors and Officers
Deed Administrators	Salvatore Algeri, David Orr, Matthew Donnelly & Jason Tracy
Deloitte	Deloitte Financial Advisory Pty Ltd
Directors	The directors of each of WBHOA and subsidiaries
DIRRI	Declaration of Independence and Relevant Relationships and Indemnities
DOCA	Deed of Company Arrangement
EBITDA	Earnings before interest, tax, depreciation and amortisation
EOI	Expression of interest
ERV	Estimated Realisable Value
ESOP	Estimated Statement of Position
Excluded Employees	Directors or a relation of the Directors, as defined in Section 556 of the Act
FEG	Fair Entitlements Guarantee Scheme
FY	Financial year ended
Group	Companies in voluntary administration as listed in Appendix A (All Administrators Appointed) including the WBHOI Group
GST	Goods and services tax
IAG	Insurance Australia Group Ltd
IM	Information memorandum
Insolvency Practice Rules/IPR	Insolvency Practice Rules (Corporations) 2016 (Cth)
Insured claim	A claim defined as an Insured Claim under the terms of the DOCA
Interim statement	Financial Report released to the market for half year results ended December
Insolvency Practice Schedule/IPS	Insolvency Practice Schedule (Corporations) 2016
JSE	Johannesburg Stock Exchange
JWS	Johnson Winter & Slattery
m	Millions
Management	Management of Probuild Group and/or subsidiaries
MH	Monaco Hickey Pty Ltd
N/A	Not applicable
NAB	National Australia Bank Ltd
NBIO	Non-binding indicative offers
NDA	Non-disclosure agreement
Northcoast	Northcoast Holdings Pty Ltd
Parent Support	Financial support in the form of cash injections and/or guarantees from WBHO Construction SA
PAYG	Pay as you go withholding tax
PC	Probuild Civil Pty Ltd

Term	Definition
PCA	Probuild Constructions (Aust) Pty Ltd
PCAQ	PCA (QLD) Pty Ltd
PCN	Probuild Constructions (NSW) Pty Ltd
PCNZ	Probuild Constructions (NZ) Limited
PCQ	Probuild Constructions (QLD) Pty Ltd
PCV	Probuild Constructions (VIC) Pty Ltd
PCW	Probuild Constructions (WA) Pty Ltd
PI	Prodev Investments Pty Ltd
PI2	Prodev Investments 2 Pty Ltd
PI2H	Prodev Investments 2 Holdings Pty Ltd
PI4	Prodev Investments 4 Pty Ltd
PM	Prodev Murphy Pty Ltd
PMSI	Purchase money security interest
POD	Proof of Debt
PPSA	Personal Property Securities Act 2009 (Cth)
PPSR / Personal Property Securities Register	The register established and maintained under the PPSA
Principals	Clients/counterparties to the Probuild Group's various projects
Probuild Group	Refers to WBHOA and the collective construction businesses and companies other than that of WBHOI and CCC
PCNZ	Probuild Constructions (NZ) Pty Ltd (New Zealand registered company)
Prodev Investment Entities	Prodev Investments Pty Ltd, Prodev Investments 2 Holdings Pty Ltd, Prodev Investments 2 Pty Ltd, Prodev Investments 3 Pty Ltd
Queen St	Loss making project at 443 Queen St, Brisbane
RDO	Rostered Day Off
Receivables or Receivables Book	Lease receivables and loan receivables
Related entity	Has the meaning given to that term in the Act (see section 9)
Relation back day	The date of appointment of the Voluntary Administrators
Roberts	Roberts Co (Vic) Pty Ltd
Roberts Transaction	The sale of certain business assets of the Probuild Group to Roberts
ROCAP	Report on Company Activities and Property
ROT	Retention of title
Small Creditors	Creditors with claims less than \$25,000 inclusive of GST
SRG	SRG Global Civil Pty Ltd
SRG DOCA Distribution	WBHO Construction SA's right to receive WBHO Construction SA's dividend from the Creditors' Trust that was formed under the SRG DOCA
SPV	Special Purpose Vehicle
SRG DOCA	The Deed of Company Arrangement applicable to WBHOI and CCC
Sydney Office	85 McLachlan Avenue, Rushcutters Bay, NSW
TBA	To be advised

Term	Definition
the Court	The Federal Court of Australia or any of the state Supreme Courts
the Regulations	Corporations Regulations 2001
WBHOA	WBHO Australia Pty Ltd
WBHOC	WBHO Construction Australia Pty Ltd
WBHOI	WBHO Infrastructure Pty Ltd
WBHOI Group/Companies	WBHO Infrastructure Pty Ltd ACN 089 434 220, Carr Civil Contracting Pty Ltd ACN 100 438 257,
WBHO-SA	Wilson Bayly Holmes-Ovcon Ltd (South African ultimate parent)
WBHO Construction SA	WBHO Construction (Pty) Ltd (subsidiary of WBHO-SA and holder of shares in WBHOA.
WBHO Construction SA DOCA	The proposal for a Deed of Company Arrangement proposed by WBHO Construction (Pty) Ltd
WCA	Works Continuation Agreement
WRU	Western Roads Upgrade project
VDR	Virtual data room
YTDJan22	Year to date (1 July 2021 to 31 January 2022)

Appendix A – Entities under administration

No.	Name	Date of appointment of voluntary administrators	ACN	Abbreviation
1	Northcoast Holdings Pty Ltd	23 Feb 2022	009 296 780	Northcoast
2	WBHO Australia Pty Ltd	23 Feb 2022	095 983 681	WBHOA
3	WBHO Construction Australia Pty Ltd	23 Feb 2022	149 901 931	WBHOC
4	Probuild Constructions (Aust) Pty Ltd	23 Feb 2022	095 250 945	PCA
5	Probuild Civil Pty Ltd	23 Feb 2022	010 870 587	PC
6	PCA (QLD) Pty Ltd	23 Feb 2022	141 148 245	PCAQ
7	Probuild Constructions (NSW) Pty Ltd	23 Feb 2022	165 675 874	PCN
8	Probuild Constructions (VIC) Pty Ltd	23 Feb 2022	165 675 865	PCV
9	Probuild Constructions (WA) Pty Ltd	23 Feb 2022	165 676 095	PCW
10	Probuild Constructions (QLD) Pty Ltd	23 Feb 2022	166 966 034	PCQ
11	ACN 098 866 794 Pty Ltd	23 Feb 2022	098 866 794	ACN
12	Contexx Holdings Pty Ltd	23 Feb 2022	144 707 022	CH
13	Contexx Pty Ltd	23 Feb 2022	147 249 796	Contexx
14	Prodev Murphy Pty Ltd	23 Feb 2022	120 758 803	PM
15	Prodev Investments 4 Pty Ltd	23 Feb 2022	629 246 653	PI4
16	Monaco Hickey Pty Ltd	23 Feb 2022	144 945 611	MH

Appendix B – Notice of meeting

FORM 529

CORPORATIONS ACT 2001
Section 439A

Insolvency Practice Rules (Corporations)
75-10, 75-15, 75-225

**WBHO Australia Pty Ltd ACN 095 983 681
and certain entities listed in Appendix A
(All Administrators Appointed)
(WBHOA or the Probuild Group)
(Trading as Probuild, WBHO Infrastructure and Monaco Hickey)**

Notice is given under *Insolvency Practice Rules (Corporations) (IPR)* section 75-225 that a virtual concurrent meeting of creditors of the Group will be held:

Place: Deloitte, 477 Collins Street Melbourne VIC 3000
Date: Thursday 30 June 2022
Time: 11:00 Australian Eastern Standard Time
URL: <https://aurestructuring.deloitte-halo.com/Probuild/>

Due to the geographic spread of creditors, a virtual meeting will be held. All creditors are expected to attend by electronic means, and no physical place of meeting will be made available.

Agenda

The purpose of the meeting is:

- a. to receive a Report on the Companies business, property, affairs and financial circumstances; and
- b. for creditors to resolve:
 - i. that the Companies execute a Deed of Companies Arrangement; or
 - ii. that the administrations should end; or
 - iii. that the Companies be wound up.

At the meeting, creditors may also, by resolution:

- a. consider approval of the Voluntary Administrator's remuneration and disbursements;
- b. if the Companies execute a Deed of Companies Arrangement, and consider approval of the Deed Administrators' remuneration and disbursements.
- c. if the Companies are wound up, consider approval of the Liquidators' remuneration and disbursements, appointing a Committee of Inspection and the early destruction of the Companies' books and records.

Votes to be taken on a poll

Votes taken at the Meeting will be taken on a poll. This means that, to calculate the outcome of each resolution, the Administrators must calculate the number and dollar value of each vote in favour together with the number and dollar value of each vote against. A resolution is taken to have passed if a majority in both number and dollar value have voted in favour.

Attendance at this meeting is not compulsory.

Creditors may access electronic proofs of debt via the Deloitte Halo platform at <https://aurestructuring.deloitte-halo.com/Probuild/>. Electronic proxy forms will also be available to creditors in the Deloitte Halo platform.

Proofs of debt must be lodged on the Deloitte Halo platform by 5:00PM (AEST) on Wednesday, 29 June 2022.

Creditors may attend virtually and vote in person electronically, by proxy or attorney. The appointment of a proxy must be in the approved form. A special proxy can be lodged confirming approval or rejection of each resolution. Proxy forms must be lodged through the Halo platform not later than 5:00PM (AEST) on Wednesday, 29 June 2022. An attorney of the creditor must show the instrument by which he or she is appointed to the Chairperson of the meeting, prior to the commencement of the meeting.

Please note under IPR section 75-25 if you wish to participate in the meeting using such facilities you must give the convenor not later than 5:00PM (AEST) on Wednesday, 29 June 2022. a written statement, lodged via the Deloitte Halo platform, setting out:

- i. the name of the person and of the proxy or attorney (if any); and
- ii. an email address to which notices to the person, proxy or attorney may be sent; and
- iii. a method by which the person, proxy or attorney may be contacted for the purposes of the meeting.

Upon receipt of the above mentioned statement of participation, a link for the virtual meeting will be displayed at 10:00am Thursday, 30 June 2022 after you log onto the Deloitte Halo platform.

Please note that additional guides on the process of lodging a claim and registering/voting for the meeting can be found in the Halo platform here – <https://aurestructuring.deloitte-halo.com/Probuild/>.

Dated: 23 June 2022



Sal Algeri
Joint and Several Administrator
Deloitte Financial Advisory Pty Ltd
477 Collins Street
MELBOURNE VIC 3000

*****GUIDANCE NOTES*****

Participating at a virtual meeting

The virtual meeting will be hosted using Microsoft Teams Live Events technology and is accessible by registering to vote at the following link <https://aurestructuring.deloitte-halo.com/Probuild/>.

The Microsoft Teams Live Events technology and Halo platform together enable all participants at the virtual meeting a reasonable opportunity to participate in a vote taken at the meeting, and to ask questions via the Microsoft Teams Live Events technology, without being physically present.

A creditor or proxy is able to participate in a vote taken at the meeting by voting on the Halo platform. Given the nature of the proposed resolutions at the Meeting, the creditor or proxy can vote on the resolutions prior to the meeting of creditors on 11:00am Thursday, 30 June 2022 and will also be able to vote at the Meeting in real-time as per announcements by the Chairperson of the Meeting. When voting commences at 5:00pm on 23 June 2022, the eligible creditor or the creditor's proxy can lodge their vote by logging into Halo and clicking 'Start Voting' on the 'Claims' dashboard.

Only registered attendees are entitled to ask questions during the meeting. Due to the number of creditors that will be in attendance at the meeting, there are two options to submit questions:

1. Ask a question during the Meeting via the question and answer function available through the Microsoft platform.
2. Submit a question to be answered in advance via direct messaging to the Administrators' office in your Halo profile.

Questions submitted via the above means will then be collated and answered by the Administrators, who will use their best endeavours to answer all questions of creditors during allocated question and answer time. Please note that, due to the number of creditors in attendance there will be no opportunity to ask a question verbally during the meeting. When submitting a question in the Microsoft Teams Live Event, please make sure you disclose your full name and the organisation which is a creditor of any of the companies in the Group when submitting the question so that the Administrators can address your question directly and disclose to the meeting who is asking the question.

To ensure the meeting runs in a controlled manner, the Administrators will allow creditors to ask questions prior to the meeting which can then be answered by the Chairperson in the meeting. During the meeting, creditors will be able to ask questions through the Q&A chat functionality in the Microsoft Teams platform, which will be answered during the meeting of creditors. Final decisions regarding the technological features that may be employed will be made at the meeting.

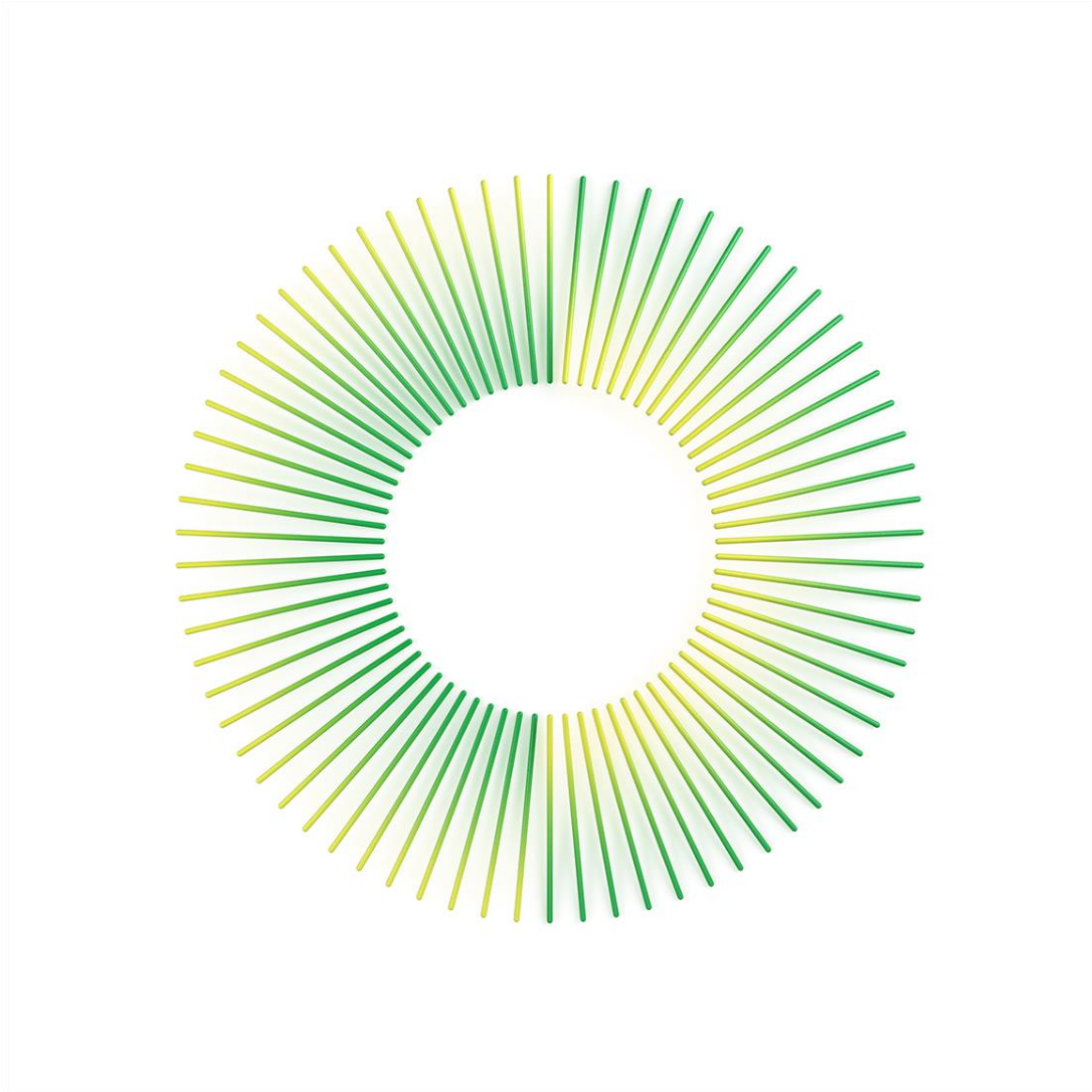
Entitlement to vote at meetings of creditors

- (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
- a) in the notice convening the meeting as the person who may receive particulars of the debt
- b) or claim:
 - a. those particulars; or
 - b. 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 the value of such debt or claim 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 companies directly, or may be liable to the companies 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.

Appendix C – Guide for voting



Halo Guide (Proxy Nomination & Voting)

WBHO Australia Pty Ltd ACN 095 983 681
and subsidiaries listed in Appendix A
(all Administrators Appointed) (the Probuild Group/WBHOA Group)

i Overview

The Voluntary Administrators of WBHOA and the subsidiaries listed in Appendix A (**the Probuild Group**) will be using Deloitte's Halo platform as the primary tool for communicating with creditors and managing claims (known as proofs of debt). Halo will also be used to conduct voting on any resolutions for the second meeting of creditors.

The Voluntary Administrators have prepared this guide to assist you as a creditor or potential creditor to understand the steps that must occur to ensure you are appropriately registered and have lodged your claim in Halo. The next three pages set out an overview of these steps. Refer to the later sections of this guide for further details of the specific actions, screens in Halo and FAQs for each of these steps.

These are the key dates in relation to voting in Halo at the Second Meeting of Creditors:

- | | |
|---|--|
| • Administrators' Report to Creditors released | Thursday, 23 June 2022 |
| • Deadline for registering and submitting a claim in Halo | Wednesday, 29 June 2022, 5:00pm (AEST) |
| • Deadline for submitting proxy | Wednesday, 29 June 2022, 5:00pm (AEST) |
| • Second meeting of creditors held | Thursday, 30 June 2022, 11:00am (AEST) |
| • Voting closes | Live during the second meeting of creditors |

1 Register in Halo

You'll need an email address and basic contact information to register at this page:

<https://aurestructuring.deloitte-halo.com/probuild/>

Above image is for illustrative purposes only. Actual content on page may differ to the live webpage.

2 Add a claim

Adding a claim in Halo requires basic details of your claim, including:

- the company that owes you money;
- the claim type (e.g. financier, employee, subcontractor, trade supplier); and
- a description of the amount you are owed.

You can also upload additional documentation to support your claim for consideration by the Voluntary Administrators (e.g. copy of invoice).

3 Be admitted for voting

Based on the nature of your claim, the Voluntary Administrators will evaluate your claim for admission for voting at the second meeting. This may include reviewing the details of your claim submitted, assessing supporting documentation submitted (if any) and asking you further questions about your claim (if necessary).

You will be notified by email when you have been admitted for voting. Otherwise you can check your admission status in the Halo system in the 'My Claims' dashboard in Halo at any time.

4 Appoint a proxy (required for organisational creditors, optional for individuals)

Once your claim has been admitted for voting, you can appoint a proxy. If you are not sure whether or not you need to appoint a proxy, refer to the FAQs at Section 4 of this guide.

You will need to have your proxy nomination completed by **5:00 pm (AEST) on Wednesday, 30 June 2022**.

When appointing a proxy, you are appointing either (1) the Chairperson, (2) yourself or (3) someone else to vote on behalf of the creditor. If selecting someone else to represent you, you will need their email address so they can be registered in the Halo system. Selecting the **proxy option** is the first step of appointing a proxy.

You will also need to decide the **type of proxy** you are appointing. This is either (a) General Proxy or (b) Special Proxy. Refer to FAQs at Section 4 of this guide for further information on Proxy types.

The screenshot shows the 'Nominate Proxy' form. At the top, there are two radio buttons: 'Chairperson' (selected) and 'Self' (deselected). Below this, there are two radio buttons: 'General Proxy' (selected) and 'Special Proxy' (deselected). The 'Resolutions' section contains two resolution groups, each with a text area for the resolution and three buttons: 'For' (green), 'Against' (red), and 'Abstain' (grey). At the bottom, there are 'Back' and 'Submit' buttons.

To appoint a proxy, click 'Vote or Select Proxy' on your dashboard. If you are an organisation, the Proxy page will be displayed. If you are an individual, you will need to click the 'Nominate Proxy (Optional)' button. Here you will select the **proxy option** and the **type of proxy**. If selecting a Special proxy (displayed above), you will submit your vote (Step 5) with the nomination of your proxy and click 'Submit' to appoint your Proxy.

5 Cast your vote

If your claim has been admitted for voting, you can log into Halo and click '**Select Proxy or Vote**' on your 'My Claims' dashboard at this time. Once the voting event has started in Halo, there will be a yellow banner on your 'My Claims' dashboard which will say '**Select Proxy or Vote**'.

To vote, select the tick box for the creditor you are voting for, and click the '**Select Vote**' button. Choose your answer to the displayed resolution(s) and click '**Submit**'.

Voting will close live during the second creditors' meeting on Thursday, 30 June 2022.

The screenshot shows the 'Resolutions' form. At the top right, there is a green button labeled 'Nominate Proxy (Optional)'. The 'Resolutions' section contains two resolution groups, each with a text area for the resolution and three buttons: 'For' (green), 'Against' (red), and 'Abstain' (grey). At the bottom, there are 'Back' and 'Submit' buttons.

If you have been assigned a General proxy vote, the Vote will appear on your '**My Proxy**' Dashboard and will need to be actioned in order to vote. Please follow the above steps except click 'Start Voting' on your 'My Proxy dashboard' instead of 'My Claims dashboard'.

When votes are successfully submitted, the voting status is now displayed as **‘Voted’**, the appointment of a general proxy is displayed as **‘Proxy Selected’**, and the appointment of a special proxy is displayed as **‘Proxy Voted’**. Once the general Proxy has exercised their vote, the voting status will change to **‘Proxy Voted’**

<input type="checkbox"/>	VI213594C	Creditor 8 Maggie	PCA (QLD) Pty Ltd	Unsecured Customer	AUD 150,000.00	Admitted for [150,000.00]	VOTED
<input type="checkbox"/>	VI213596C	Creditor 10 Maggie	Monaco Hickey Pty Ltd	Unsecured Other	AUD 150,000.00	Admitted for [150,000.00]	PROXY VOTED
<input type="checkbox"/>	VI128018C	Creditor 10 Maggie	PCA (QLD) Pty Ltd	Unsecured Other	AUD 4,577.75	Admitted for [4,577.75]	PROXY SELECTED

Above image is for illustrative purposes only. Actual content on page may differ to the live webpage.

Note:

This guide will only focus on how to nominate a proxy and cast your vote in the Halo platform for a meeting of creditors.

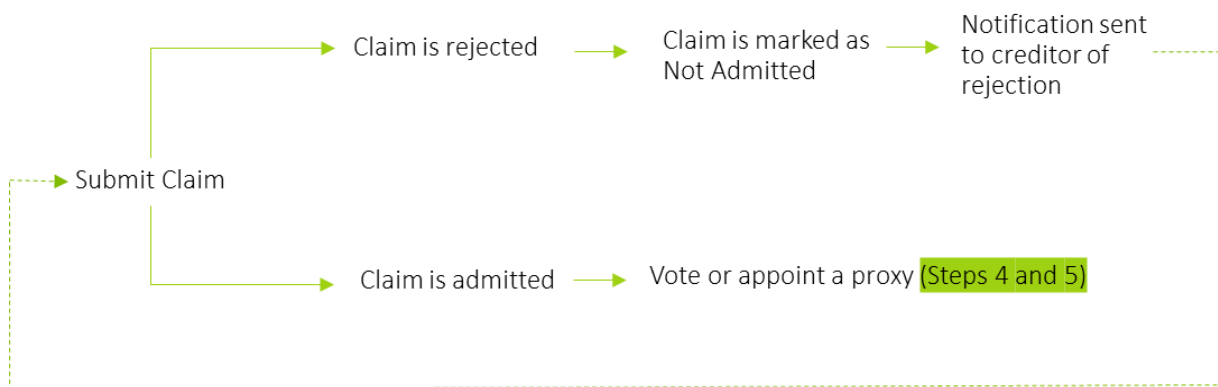
If you are looking for detailed guidance on registering as a user or lodging your claim, please refer to the [Registration and Claim Lodgement Guide here](#).

3

Be admitted for voting

Based on the nature of your claim, the Voluntary Administrators will evaluate your claim for admission for voting at the second meeting. This will include reviewing the details of your claim submitted, assessing supporting documentation submitted (if any) and asking you further questions about your claim (if necessary).

Admission Process



You will be notified by email when the Voluntary Administrators have evaluated your submitted claim(s) and the admitted status of your submitted claims has changed. Otherwise, you can check your admission status in the Halo system in the 'My Claims' dashboard at any time.

Admissions Statuses

Claims are presented in Halo with four admission statuses (labelled 1 to 3 in the image and described on next page):

<input type="checkbox"/>	VI213587C	Creditor 2 - Maggie	PCA (QLD) Pty Ltd	Unsecured Trade Supplier	AUD 200,000.00	Submitted	1
<input type="checkbox"/>	VI213587C	Creditor 2 - Maggie	Probuild Constructions (Aust) Pty Ltd	Unsecured Trade Supplier	AUD 200,000.00	Admitted for [200,000.00]	2
<input type="checkbox"/>	VI213587C	Creditor 2 - Maggie	Monaco Hickey Pty Ltd	Unsecured Trade Supplier	AUD 200,000.00	Not Admitted	3

- 1. Submitted:** This status indicates that your claim has been registered in Halo and is under review for admission by the Voluntary Administrators. The Administrators may contact you via the Halo communication functions to ask you further details about your claim (if necessary) or request further supporting documentation in relation to your claims (if necessary).
- 2. Admitted:** This status indicates that your claim has been reviewed and admitted for voting at the second meeting of creditors. The amount for which the claim has been admitted for voting will be displayed. Once admitted, the details of your claim (e.g. amount) cannot be changed until after the voting event.

Once you have been admitted, there will be different pathways for you to lodge your vote prior to or at the second meeting in Halo as described in Steps 4 and 5.

3. Not admitted: The Voluntary Administrators may reject (not admit) your claim for voting purposes for a number of reasons including but not limited to the following:

- The amount you have claimed is higher than the amount recorded as owing to you in the books and records of the Probuild Group and you have provided insufficient evidence to support your claim.
- Where your claim includes amounts, which have been incurred post appointment and you have not provided sufficient supporting documentation to support this portion of your claim such as a contract with relevant terms. In such circumstances, the Voluntary Administrators may only admit your claim for the portion which relates to the period prior to the date of appointment until further supporting documentation is provided.
- Your claim does not match the supporting evidence provided.
- Your claim is not owed by any of the companies in the Probuild Group.
- Your claim is a duplicate of another claim received by the Voluntary Administrators.
- Your claim has been submitted after the claim submission deadline of **5:00pm (AEST) on Wednesday, 29 June 2022**.

Once the status of your claim has been changed to Not Admitted, you will not be able to change the details of your claim (e.g. amount).

However, you can continue to communicate with the Voluntary Administrators to understand the reasons for your claim not being admitted and, if time allows prior to the claim submission deadline, resubmit your claim or provide further information or documentation which may allow your claim to be admitted.

4

Appoint a proxy

Prior to the meeting you can appoint a proxy. A proxy is a document containing instructions to the Voluntary Administrators on who you want to represent you at the meeting.

You aren't required to appoint a proxy unless the creditor you are representing is a company or organisation:

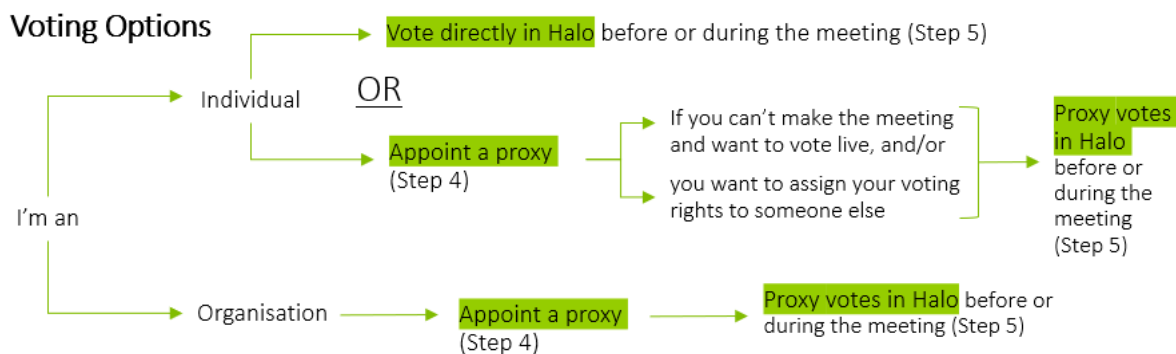
- A company needs to appoint a proxy as they need to appoint someone to vote on behalf of the company.
- If you are an individual and you want to give someone else your right to vote (e.g. a union representative or chairperson), or you can't make the meeting and want to vote live, you can appoint a proxy but it is not required in order for you to vote.

The following sets out the process for submitting a proxy, types of proxies (including some types of proxies which include your voting instructions) and how.

The deadline for submitting a proxy nomination in Halo is 5:00PM (AEST) Wednesday, 29 June 2022

If you do not need to appoint a proxy (for example you are an employee or individual), you can skip to instruction at Step 5 to cast your vote.

Once you have been admitted, there will be different pathways for you to nominate your proxy (if required) and lodge your vote in Halo prior to or at the second meeting of creditors:



When appointing a proxy, you will need to consider both the type of proxy you are nominating and your options as to who you can select as your proxy:

Type of proxy

There are two kinds of proxies available, a general proxy and a special proxy:

- **General proxy** - allows the person holding the proxy to vote as they wish on a resolution and therefore you won't need to specify the answers to the resolutions. In Halo, nomination of a general proxy practically means that the voting for that creditor will be transferred or attached to the user account of the general proxy. As such, those who are appointed general proxies will need to vote before or during the meeting as outlined in Step 5.
- **Special proxy** - directs the proxy holder to vote in a particular way. If appointing a special proxy, you will need to select and submit your vote with the proxy nomination.

Proxy options (who)

In terms of your options on who to select as your proxy, Halo has three options (1) the Chairperson, (2) yourself or (3) someone else to vote on behalf of the creditor:

1. **The Chairperson** – if you would like to assign the Chairperson of the meeting your vote, you are able to do this by selecting 'Chairperson' as your proxy option. The Chairperson of the meeting will be one of the Voluntary Administrators. Part of their role is deciding whether to accept your claim for voting purposes, estimate the value of your claim (if required) and, if necessary, exercise their casting vote at the meeting.
2. **Yourself** – if the creditor is a company and you are a duly authorised officer of the company (e.g. a director) you can appoint yourself as the proxy. If the 'Yourself' option is chosen, the details and email with which you signed up with Halo will be used.
3. **Someone else** - if you would like to appoint someone else as the proxy, you can enter the email of the person you would like to appoint in the field which appears when you click 'Other' as the proxy type. If you are selecting someone else to represent you, you will need their email address so they can be registered in the Halo system:
 - If that person is already registered on Halo, their registered Halo details will appear.
 - If that person is already registered on Halo, their registered Halo details will appear
 - If they are not registered in Halo, an email invitation will be sent to them to register.

Please note that proxies are nominated at the creditor level. If there are multiple claims that have been registered in Halo under one creditor name, the proxy nominated will be applied to all of those claims.

If you have made an error in the nomination of your proxy, please contact the team at halohelp@deloitte.com.au so they can assist you in resetting your proxy nomination. Once reset, you can re-nominate your proxy.

Appoint a proxy – the process

- ✓ To appoint a proxy, click 'Vote or Select Proxy' on your 'My Claims' dashboard.

WBHOA Group & Subsidiaries (All Administrators Appoint...)

You are currently logged in as Matthew. [Click here to log out](#)

User Profile ✓
My Meeting Dashboard ✓
My Claims Dashboard ^

You must submit a claim to vote at the first meeting of creditors. Claims must be submitted by 5:00PM (AEDT) on Thursday, 3 March 2021.

Voting will close live during the first meeting of creditors on Friday, 4 March 2022.

You will be notified by email when voting has opened in the Halo platform.

[Click here for an overview of voting process.](#)

[Vote or Select Proxy](#)

Search Claim, Creditor

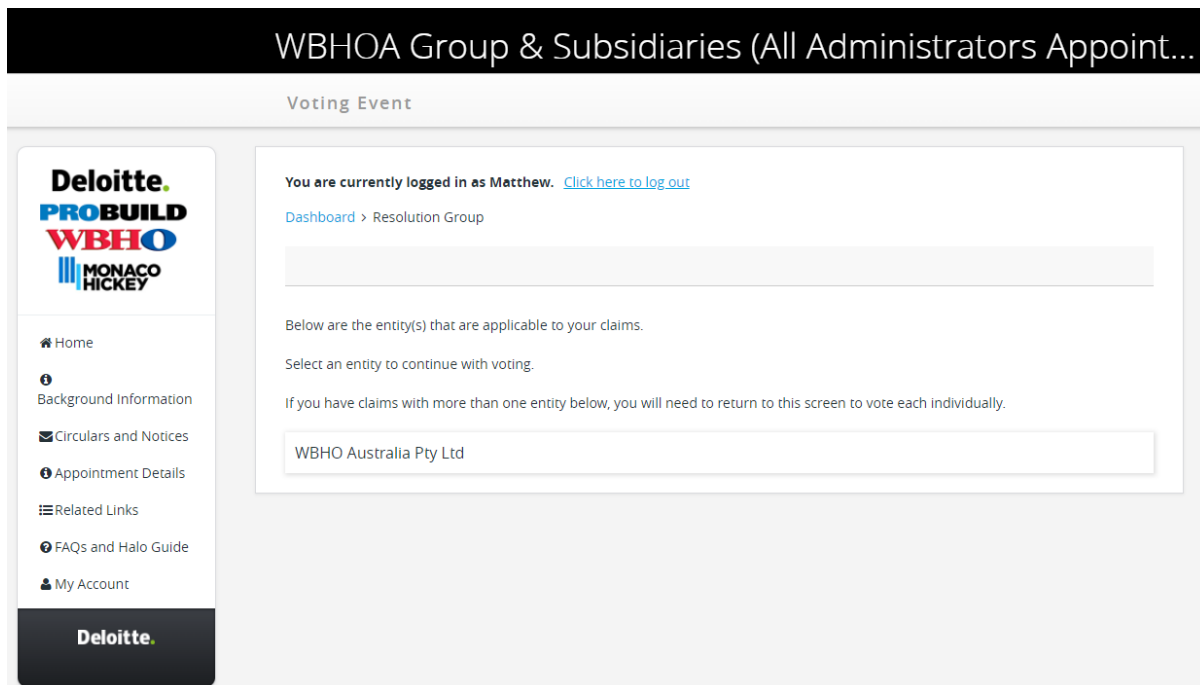
Grant Access Add Claim

2 records

CLAIM ID	CREDITOR	DEBTOR ENTITY	CATEGORY TYPE	AMOUNT (EXCL GST)	STATUS	VOTING STATUS
AD119045C	Test Test	WBHO Australia Pty Ltd	Unsecured Trade Supplier	AUD 100,000.00	AUD110,000.00 admitted for voting	NOT VOTED
AD119128C	Test Test	WBHO Australia Pty Ltd	Secured Financier	AUD 100,000.00	AUD110,000.00 admitted for voting	NOT VOTED

Above image is for illustrative purposes only. Actual content on page may differ to the live webpage.

- ✓ If you have multiple creditors who have claims in different companies, you will need to cast a vote / appoint a proxy per company. Please select the companies to appoint a proxy for first.



WBHOA Group & Subsidiaries (All Administrators Appoint...

Voting Event

Deloitte. PROBUILD WBHO MONACO HICKEY

Home
Background Information
Circulars and Notices
Appointment Details
Related Links
FAQs and Halo Guide
My Account

Deloitte.

You are currently logged in as Matthew. [Click here to log out](#)

Dashboard > Resolution Group

Below are the entity(s) that are applicable to your claims.

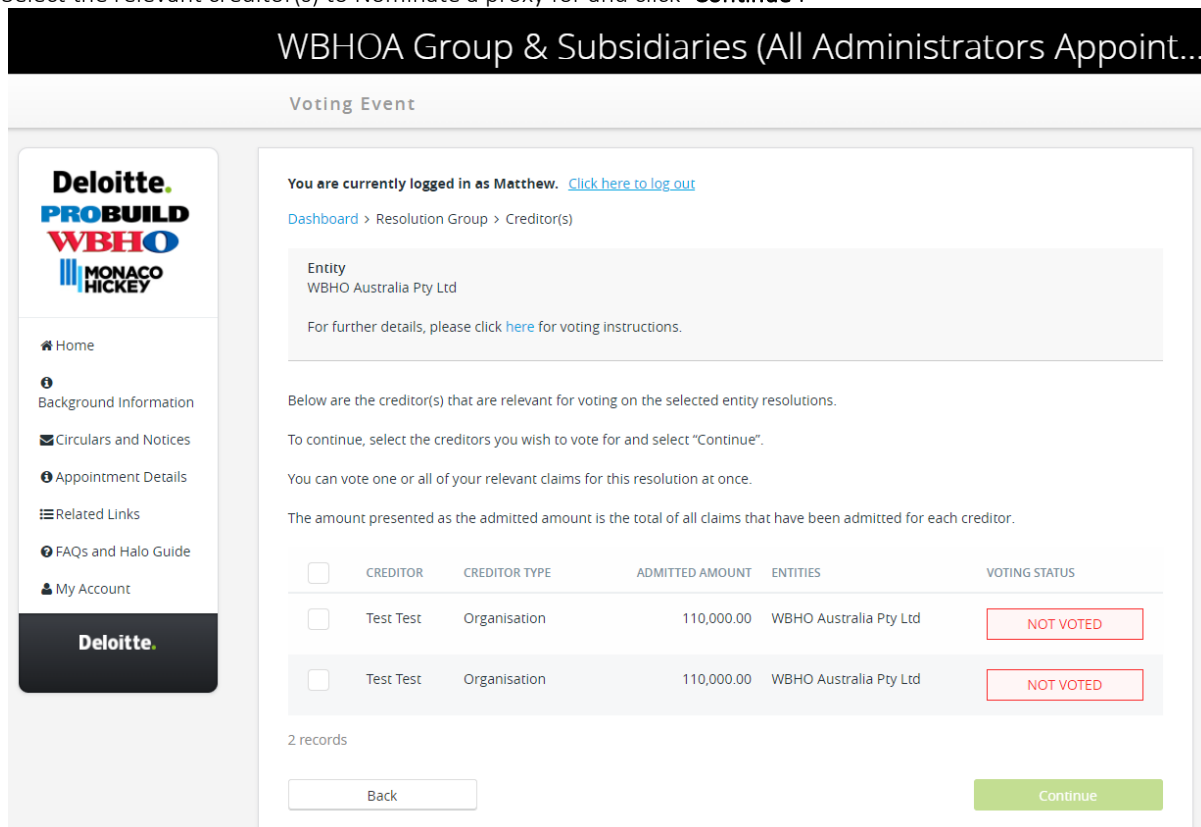
Select an entity to continue with voting.

If you have claims with more than one entity below, you will need to return to this screen to vote each individually.

WBHO Australia Pty Ltd

Above image is for illustrative purposes only. Actual content on page may differ to the live webpage.

- ✓ Select the relevant creditor(s) to Nominate a proxy for and click 'Continue'.



WBHOA Group & Subsidiaries (All Administrators Appoint...

Voting Event

Deloitte. PROBUILD WBHO MONACO HICKEY

Home
Background Information
Circulars and Notices
Appointment Details
Related Links
FAQs and Halo Guide
My Account

Deloitte.

You are currently logged in as Matthew. [Click here to log out](#)

Dashboard > Resolution Group > Creditor(s)

Entity
WBHO Australia Pty Ltd

For further details, please click [here](#) for voting instructions.

Below are the creditor(s) that are relevant for voting on the selected entity resolutions.

To continue, select the creditors you wish to vote for and select "Continue".

You can vote one or all of your relevant claims for this resolution at once.

The amount presented as the admitted amount is the total of all claims that have been admitted for each creditor.

<input type="checkbox"/>	CREDITOR	CREDITOR TYPE	ADMITTED AMOUNT	ENTITIES	VOTING STATUS
<input type="checkbox"/>	Test Test	Organisation	110,000.00	WBHO Australia Pty Ltd	NOT VOTED
<input type="checkbox"/>	Test Test	Organisation	110,000.00	WBHO Australia Pty Ltd	NOT VOTED

2 records

Back Continue

Above image is for illustrative purposes only. Actual content on page may differ to the live webpage.

- ✓ If you are an individual, click **'Nominate Proxy (Optional)'** to be redirected to the **'Assign Proxy'** page. If you are representing an organisation you will automatically be on the **'Assign Proxy'** page.

Resolutions

Nominate Proxy (Optional)

You will then be directed to the following screen:

WBHOA Group & Subsidiaries (All Administrators Appoint...

Voting Event

Deloitte.

PROBUILD

WBHO

MONACO HICKEY

Home

Background Information

Circulars and Notices

Appointment Details

Related Links

FAQs and Halo Guide

My Account

Deloitte.

You are currently logged in as Matthew. [Click here to log out](#)

[Dashboard](#) > [Resolution Group](#) > [Creditor\(s\)](#) > [Vote/Proxy](#)

Entity

WBHO Australia Pty Ltd

Selected Creditors

Test Test

Resolution 1 - That the meeting be held concurrently

It is proposed that the meetings of the WBHOA Group be held concurrently for convenience and efficiency as otherwise seven separate meetings would be required. As a consequence of the corporate structure, there are common interests between some creditors which support holding these meetings concurrently.

Resolution 2- That a Committee of Inspection be appointed

At the first meeting, creditors will consider whether a Committee of Inspection (COI) should be appointed for each of the Companies. The role of the COI is to consult with the Administrators about matters relevant to the voluntary administration and receive and consider reports from the Administrator. It may also approve the Administrators' fees. At times, the Administrator may call upon a COI for assistance. **It is a voluntary role and the COI are not remunerated for their time.**

All creditors that have a just estimate of their claim, as well as employees, are entitled to stand for COI membership to represent the interests of all creditors. However, to operate efficiently, the COI should not be too large. Further information regarding the COI is provided in the [ARITA Information Sheet: Committees of Inspection](#).

If you wish to nominate for the COI, contact this office via email to WBHOcoi@deloitte.com.au

A 'proxy' is where a creditor authorises someone else to represent them at a Creditors' meeting and vote on their behalf. Refer to voting guide for more information on the role of proxies and proxy types.

Nominating a proxy is mandatory for creditors that are organisations and optional for creditors that are individuals.

There are two kinds of proxies, a General proxy and a Special proxy. A general proxy allows the person holding the proxy to vote how they want on a resolution, whereas a special proxy directs the proxy holder to vote in a particular way.

Nominate Proxy

☐ Chairperson

☐ Self

☐ Other proxy (enter email address below)

Type of Proxy

☐ General Proxy

☐ Special Proxy

Resolutions

RESOLUTION #1

"That the first meeting of creditors of each of the companies in the WBHO Australia Group (All Administrators Appointed) be held concurrently."

RESOLUTION #2

"That a committee of inspection of the company be formed and that the members will be:

- TBA"

Back

Submit

Above image is for illustrative purposes only. Actual content on page may differ to the live webpage.

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- ✔ Select your 'Proxy Option' of either: 'Chairperson', 'Self', or 'Other proxy'. If you are an individual, the 'Self' option will not be available.

Nominate Proxy

☐ Chairperson ☒ Self ☐ Other proxy (enter email address below)

- ✔ If selecting '**Other Proxy**', please enter the person you are appointing's email in the designated field. If the email is registered in Halo, their details will appear. If they are not registered, they will receive an email notifying them to register as they have been appointed as a Proxy.

- ✔ Select your 'Type of Proxy' of either 'General Proxy' or 'Special Proxy'.

Type of Proxy

☐ General Proxy

☒ Special Proxy

- ✓ If selecting 'Special Proxy', choose the answers to the displayed resolution(s).

My Account

Deloitte.

If you wish to nominate for the COI, contact this office via email to WBHOcoi@deloitte.com.au

A 'proxy' is where a creditor authorises someone else to represent them at a Creditors' meeting and vote on their behalf. Refer to voting guide for more information on the role of proxies and proxy types.

Nominating a proxy is mandatory for creditors that are organisations and optional for creditors that are individuals.

There are two kinds of proxies, a General proxy and a Special proxy. A general proxy allows the person holding the proxy to vote how they want on a resolution, whereas a special proxy directs the proxy holder to vote in a particular way.

Nominate Proxy

☐ Chairperson ☐ Self ☒ Other proxy (enter email address below)

Proxy email address *

✓ Proxy is registered.

Proxy Profile

First Name	Matthew
Surname	Carr
Email	matcarr@deloitte.com.au
Representing an organization?	Yes
Organisation	Deloitte

Type of Proxy

☐ General Proxy ☒ Special Proxy

Resolutions

RESOLUTION #1

"That the first meeting of creditors of each of the companies in the WBHO Australia Group (All Administrators Appointed) be held concurrently."

ANSWER

RESOLUTION #2

"That a committee of inspection of the company be formed and that the members will be:

- TBA"

ANSWER

Back

Submit

Above image is for illustrative purposes only. Actual content on page may differ to the live webpage.

- ✓ After reviewing, click 'Submit' to finalise your proxy.



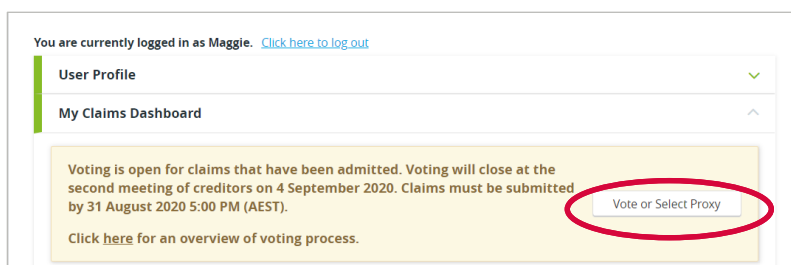
Back Submit

- ✓ After submitting, the relevant claims on your 'My Claims' dashboard will be displayed as 'Proxy Voted' for a Special Proxy, or 'Proxy Selected' for a General Proxy. After a General Proxy exercises their vote, the status too will change to 'Proxy Voted'.

<input type="checkbox"/>	VI213596C	Creditor 10 Maggie	Probuild Constructions (Aust) Pty Ltd	Unsecured Other	AUD 150,000.00	Admitted for [150,000.00]	PROXY VOTED
<input type="checkbox"/>	VI128018C	Creditor 10 Maggie	PCA (QLD) Pty Ltd	Unsecured Other	AUD 4,577.75	Admitted for [4,577.75]	PROXY SELECTED

Above image is for illustrative purposes only. Actual content on page may differ to the live webpage.

To **view** your Proxy nomination, click 'Vote or Select proxy' on your 'My Claims Dashboard'



You are currently logged in as Maggie. [Click here to log out](#)

User Profile ✓

My Claims Dashboard ^

Voting is open for claims that have been admitted. Voting will close at the second meeting of creditors on 4 September 2020. Claims must be submitted by 31 August 2020 5:00 PM (AEST).
Click [here](#) for an overview of voting process.

Vote or Select Proxy

Above image is for illustrative purposes only. Actual content on page may differ to the live webpage.

- ✓ Find the creditor which you want to view the Proxy for and click the 'Proxy Voted' or 'Proxy Selected' box to view your vote. The selected votes will then be displayed.

Creditor 11 Maggie	Individual	150,000.00	Probuild Constructions (Aust) Pty Ltd	PROXY VOTED
Creditor 10 Maggie	Individual	150,000.00	Probuild Constructions (Aust) Pty Ltd	PROXY SELECTED

Above image is for illustrative purposes only. Actual content on page may differ to the live webpage.

FAQs on appointing a proxy

What is a proxy?

A proxy is a formal authorisation by a creditor, authorising someone else to represent them at a meeting and vote on their behalf.

Do I need a proxy?

You don't need to appoint a proxy unless the creditor you are representing is a company or organisation. A company needs to appoint a proxy as they need to appoint an individual who is an authorised officer to vote on behalf of the company. If you are an individual and you want to give someone else your right to vote (e.g. a union, chairperson), or you can't make the meeting and want to vote live, you can appoint a proxy.

What is the difference between a special proxy and a general proxy?

There are two kinds of proxies, a general proxy and a special proxy. A general proxy allows the person holding the proxy to vote how they wish on a resolution, whereas a special proxy directs the proxy holder to vote in a particular way.

Can I change my proxy?

If you have made an error, please contact the team at halohelp@deloitte.com.au and they will be able to assist you in resetting and then re-selecting your proxy.

I'm an employee, do I need a proxy?

Employee creditors are individual creditors (i.e. not representing an organisation) so they are not required to nominate a proxy.

However, employees may wish to nominate their union representative, the Chairman, or another person as their special or general proxy.

What happens if I have not nominated a proxy by the deadline of 5:00 pm (AEST) on 29 June 2022?

If you are a creditor that is a company or organisation, unfortunately you will not be able to cast your vote at the meeting of creditors as a proxy is required.

If you are an individual creditor, you will still be able to submit your vote as proxies are not required for individual creditors.

I have been assigned as a proxy, what do I do?

If you have been assigned as a proxy, you will need to cast the vote as in Step 5 Cast your Vote. If you have been assigned a proxy, the proxy(s) you have been nominated for will be displayed on 'My proxy' dashboard as opposed to 'My Claims' dashboard. If you have been assigned a special proxy, no action is required by you.

5

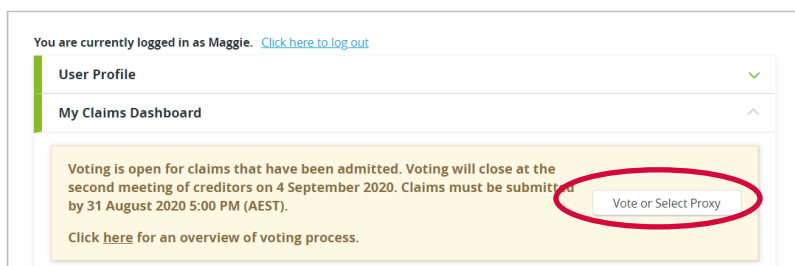
Cast your vote

Once the voting event has started in Halo, there will be a yellow banner on your **'My Claims'** dashboard which will say **'Start Voting'**. If your claim is admitted for voting, you can log into Halo and click **'Start Voting'** on your claims dashboard.

Voting will open at 5:00pm (AEST), 23 June 2022 and will close live at the end of each resolution during the second creditors' meeting on Thursday, 30 June 2022.

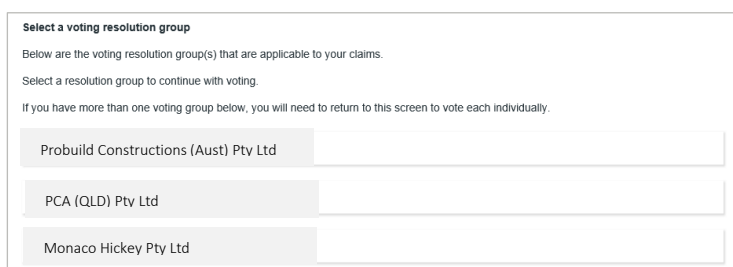
Cast your vote – the process

- ✓ To cast your vote, click **'Vote or Select Proxy'** on your **'My Claims'** dashboard. If you have been appointed as a Proxy and need to cast a vote, you will click **'Vote'** on your **'My Proxy'** dashboard



Above image is for illustrative purposes only. Actual content on page may differ to the live webpage.

- ✓ If you are voting for multiple creditors under multiple entities, select the relevant Resolution Group or single company you would like to vote for first.



Above image is for illustrative purposes only. Actual content on page may differ to the live webpage.

- ✓ Select the creditor(s) you would like to cast a vote for and click **'Continue'**. You can vote all creditors at once for ease.

<input type="checkbox"/>	CREDITOR	CREDITOR TYPE	ADMITTED AMOUNT	ENTITIES	VOTING STATUS
<input type="checkbox"/>	Creditor 3 - Maggie	Organisation	150,000.00	PCA (QLD) Pty Ltd	NOT VOTED
<input checked="" type="checkbox"/>	Creditor 7 Maggie	Individual	400,000.00	PCA (QLD) Pty Ltd	NOT VOTED
<input type="button" value="Back"/> <input type="button" value="Continue"/>					

Above image is for illustrative purposes only. Actual content on page may differ to the live webpage.

- ✓ Choose your answer to the displayed resolution(s) and click '**Submit**'. A warning message will appear explaining that once a vote is submitted, it cannot be changed.

Above image is for illustrative purposes only. Actual content on page may differ to the live webpage.

- ✓ Voting status will now be '**Voted**' on relevant claims on your '**My Claims**' dashboard.

<input type="checkbox"/>	VI213594C	Creditor 8 Maggie	Entity A	Unsecured Customer	AUD 150,000.00	Admitted for [150,000.00]	VOTED
<input type="checkbox"/>	VI213594C	Creditor 8 Maggie	Entity A	Unsecured Customer	AUD 150,000.00	Admitted for [150,000.00]	VOTED

Above image is for illustrative purposes only. Actual content on page may differ to the live webpage.

- ✓ To **view** your vote, click '**Vote**' or **Select proxy**' on your '**My Claims Dashboard**'

Above image is for illustrative purposes only. Actual content on page may differ to the live webpage.

- ✓ Find the creditor which you want to view the vote for and click the '**Voted**' box to view your vote. The selected votes will then be displayed.

Matthew Simpson 15	Employee	50,000.00	WBHO Australia Pty Ltd	VOTED
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Above image is for illustrative purposes only. Actual content on page may differ to the live webpage.

FAQs on casting your vote

How does the voting work?

All votes taken at the virtual meeting will be taken on a poll, not a show of hands. This means that, to calculate the outcome of each resolution, the Chairperson will calculate the number and dollar value of each vote in favour together with the number and dollar value of each vote against. A resolution is taken to have passed if a majority in both number and dollar value have voted in favour.

Can I change my Vote?

Once a vote is submitted, it cannot be changed unless you contact the Halo Help team. If you have made a voting error, please contact Halo Help team at halohelp@deloitte.com.au and they will be able to assist you.

When do I vote?

The Administrators will notify creditors by email when voting opens at 5:00pm on **23 June 2022**. Voting will close during the meeting on **30 June 2022**. Once the voting event has started, there will be a yellow banner on your **'My Claims'** dashboard which will say **'Start Voting'**.

Can I attend the meeting and not vote?

As a creditor you are able to attend the meeting and not vote. You will, in those circumstances, be attending as an "observer". For instance, some creditors such as subcontractors and employees may have appointed a proxy to vote on their behalf and may still attend the meeting.

When will creditors know the outcome of the vote?

The result of the vote will be announced at the meeting of creditors.

What happens when I submit a new claim and I've already voted?

If the new claim is owed by the same company or owed by a company in the same Resolution Group which has already been voted on with existing claims, you will not have to cast another vote. The creditor's admitted value for the vote will be updated to reflect the newly admitted claim.

If the new claim is owed by a company in a different Resolution Group, you will need to cast another vote. The new claim will appear on your **'My Claims'** dashboard and have the voting status of **'Action'**.

Which entities are in each resolution group?

The table in **Appendix A** provides a list of the entities in each resolution group.

If you having trouble voting please contact Halo Help team [here](#) so they can assist you

Appendix D – Performance guarantees

\$m	Face Value of securities issued	WBHOA	PCA	PCAQ	MH	WBHOI	PC	PCNZ	Cross Guarantees or Indemnities	100% Cash Backed
Financier										
ANZ	0.9	Obligor	Obligor	Obligor	Obligor	Obligor	Obligor	-	Y	Y
CBA	119.5	Obligor	Obligor	Obligor	Obligor	Obligor	-	-	Y	N*
NAB	26.1	-	Obligor	-	-	Obligor	-	-	Y	Y
Vero	72.2	Obligor	Obligor	Obligor	-	Obligor	Obligor	Obligor ¹	N	N
Euler Hermes	35.8	Obligor	Obligor	Obligor	Obligor	Obligor	Obligor	-	Y	N
Bond & Credit Co	13.7	Obligor	Obligor	-	-	Obligor	Obligor	-	N	N
AIG	21.7	Obligor	Obligor	Obligor	Obligor	-	Obligor	-	N	N
Total	289.9									

*One guarantee for \$250k is cash backed.

¹Subject to review of further documents

Source: Probuild Group records and Deloitte analysis

Appendix E – Report and ARITA Practice Statement

Insolvency 4: Voluntary Administrators' Report

	Practice Statement – reference and requirement	Compliance	Voluntary Administrators' comments
4.4.2.B	Shareholders, Officers and Charges The Voluntary Administrator's report should incorporate details of the company's existing shareholders and officers and material security interests (in summary form if necessary). Relevant changes in these details that have occurred within twelve months before the Administrator's appointment should also be disclosed.	Partial compliance	Due to the high level of registered security interests, this Report does not provide details of each security interest. This Report does however provide a summary of securities registered against the Probuild Group on the PPSR.
4.4.2.E	Historical financial performance The Voluntary Administrator's report should incorporate a summary of the company's historical financial results and a preliminary analysis and commentary from the Administrator.	Partial compliance	This Report does not include full details of the Probuild Group's historical financial performance. This Report does however provide a summary of the Probuild Group's audited statement of profit and loss, balance sheet and statement of cash flows for FY18 to FY21 and provides a summary of internal management accounts for YTDJan22.
4.4.2.J	Related Entities The Voluntary Administrator's report should disclose to the best of the Administrator's knowledge: <ul style="list-style-type: none"> those creditors of the company who are related entities the quantum of their claims when the debt was incurred how the debt was incurred if the debt was assigned, the amount paid for the assignment, and the process taken by the Administrator to verify the claims made by related entities. 	Partial Compliance	The Probuild Group operated as one and some entities within the Probuild Group relied on other entities for continued trading and, not unusually for a large, integrated group, the intercompany transactions were considerable. This Report does not therefore include specific details as to every individual intercompany transaction or related party debt due to the large number of dealings and intercompany transactions. This Report does include a summary of related party balances, both inside and outside the Probuild Group.
4.4.3.D	Directors' personal financial position Where voidable transactions against a company director or a potential insolvent trading claim are identified, the	Non-compliance	This Report does not comment on the likelihood of recovering monies from the personal assets of directors. This is due to (i) the anticipated materiality of such

Practice Statement – reference and requirement	Compliance	Voluntary Administrators' comments
<p>Administrator should comment on the likelihood of recovering monies from the directors in the event that the company were to proceed into liquidation. In forming an opinion, the Administrator should make reasonable enquiries to establish the directors' capacity to pay any judgment obtained.</p>		<p>assets when considered against the potential liability if any potential claims identified in this report were pursued, and (ii) as commented upon in the Report, the availability of defences.</p>

Appendix F – DIRRI

Declaration of Independence, Relevant Relationships and Indemnities

WBHO Australia Pty Ltd (ACN 095 983 681)
And certain entities listed in Schedule A
(All Administrators Appointed)
(WBHOA or the Group)
(Trading as Probuild, WBHO Infrastructure and Monaco Hickey)

This document requires the Practitioners appointed to an insolvent entity to make declarations as to:

- A. their independence generally;
- B. relationships, including:
 - (i) the circumstances of the appointment;
 - (ii) any relationships with the companies and others within the previous 24 months;
 - (iii) any prior professional services for the companies within the previous 24 months;
 - (iv) 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 ourselves, our partners and Deloitte Australia. In this document, Deloitte Australia means the Australian partnership of Deloitte Touche Tohmatsu and each of the entities under its control, including Deloitte Financial Advisory Pty Limited.

A. Independence

We, Salvatore Algeri, Jason Tracy, Matthew James Donnelly and David Orr of Deloitte Australia have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Voluntary 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 this appointment.

B. Declaration of Relationships

Circumstances of appointment

On 18 February 2022, Deloitte Australia was engaged by King & Wood Mallesons (**KWM**), external legal advisors to the Group, to assess the financial position of the Companies and develop contingency plans in the event they would be required. This engagement is detailed in section 5 below.

Prior Professional services to the Group

We, Deloitte Australia have provided the professional services set out in the table below to the Group in the 24 months prior to the acceptance of this appointment. The engagements were of limited scope, and immaterial to both the Group and Deloitte Australia. We therefore do not consider that those prior services (whether individually or collectively) hamper, impede or influence our capacity to fully discharge the statutory and fiduciary obligations associated with the external administration of the Companies.

1. Project control reviews

Details		Reasons why there is no conflict of interest or duty
Description of services	Low-level sample-based compliance reviews of adherence to the Companies' project policies and procedures	<ul style="list-style-type: none"> This engagement was immaterial to the Group and to Deloitte Australia, as it was limited with respect to fees, time incurred and scope. The engagement was limited to testing certain processes and controls (on a sample basis) associated with operational aspects of a limited selection of projects undertaken by the Group for compliance with the Group's policies and procedures in a defined time period. Consequently, this engagement did not involve consideration of the broader financial performance (including solvency) of the company or the Group. The engagement was across 6 projects selected by Group management on an ad-hoc basis at the Group's request and discretion. The work done did not confer upon Deloitte any responsibility for designing processes, undertaking management functions or
Parties	WBHO Australia Pty Ltd and Deloitte Australia	
Date of commencement and completion	Ad hoc services each of less than one month duration throughout the last 24 months	
Scope	Each review comprised: <ul style="list-style-type: none"> A project review to assess the adequacy, effectiveness and consistency of selected operational processes and controls for certain projects undertaken by the Group. Determining whether adequate project controls exist to mitigate associated operating risks Ascertaining whether the project controls defined are operational and effective Providing recommendations to assist in enhancing processes, where necessary 	

Fees	Deloitte Australia billed and received payment of a total of \$197,080 (excluding GST) to WBHO Australia Pty Ltd for these services within the last 24 months. Of this amount, \$44,200 (excluding GST) was billed and received within the last 6 months.	conducting external audit services in relation to the company's business or financial affairs. The company's management retained sole responsibility for considering and implementing any changes to the company's systems and processes.
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2. Oracle services

Details		Reasons why there is no conflict of interest or duty
Description of services	Oracle Cloud IT support services	<ul style="list-style-type: none"> The engagement was immaterial to the Group and to Deloitte Australia, as it was limited with respect to fees, time incurred and scope. These services were restricted to assisting in the enhancement and on-going maintenance of the finance analytics interface software with the Companies' ERP system. The Group maintains a contract directly with Oracle for the provision of its Cloud service. Deloitte Australia does not control this relationship and/or system access. At no time did Deloitte Australia have any responsibility for any financial and/or management functions of the Companies. We did not undertake any work involving data input, review and/or verification, or reporting in relation to the Companies' financial performance and/or position, and we have not created or modified any financial records of the Companies.
Parties	Probuild Pty Ltd and Deloitte Australia	
Date of commencement and completion	Software enhancement (refer scope below) undertaken from December 2019 to January 2020 (more than 24 months prior to our appointment), with support services provided since that time	
Scope	<ul style="list-style-type: none"> Assisting the Group with enhancing the Oracle Cloud as the Group's data analytics software solution (completed in January 2020) Provision of ongoing support services for Oracle Cloud software 	
Fees	Deloitte Australia billed a total of \$197,649 (excluding GST) to Probuild Pty Ltd for these services within the last 24 months and has since reduced this amount by \$7,500 (excluding GST).	

	Deloitte Australia received \$255,969 (excluding GST) in relation to these services in the last 24 months (including amounts that were billed prior to this period), of which \$45,000 (excluding GST) was received within the last 6 months.	
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3. Divestment Review

Details		Reasons why there is no conflict of interest or duty
Description of services	Strategic divestment review	<ul style="list-style-type: none"> The engagement was immaterial to the Group and to Deloitte Australia, as it was limited with respect to fees, time incurred and scope. The services were limited to high-level assessment of management's pre-determined divestment options and possible valuation guides to any proposed divestment of the Group. The services were provided for internal management purposes only and did not include a valuation that could be relied upon by the Group or any third party. No advice was provided to the Company's parent. We are not aware of any action having been taken by the Companies' management to pursue any of the matters which were the subject of the Divestment Review. Our work was based on summary financial information provided by the Group, and at no time did Deloitte Australia have any responsibility for any financial and/or management functions of the Companies.
Parties	WBHO Australia Pty Ltd and Deloitte Australia	
Date of commencement and completion	Review commenced in July 2021 and was finalised during August 2021	
Scope	A high-level assessment of considerations and valuation guides required to be incorporated into any planned divestment of Probuild	
Fees	Deloitte Australia billed and received payment of a total of \$50,000 (excluding GST) to WBHO Australia Pty Ltd for these services within the last 24 months, all of which was within the last 6 months.	

4. Working Capital Management assessment

Details		Reasons why there is no conflict of interest or duty
Description of services	Cashflow review	<ul style="list-style-type: none"> The engagement was immaterial to the Group and to Deloitte Australia, as it was limited with respect to fees, time incurred and scope. This engagement involved a high level and narrowly focused review of the Group's cash flow forecast for the period to December 2022 including a review of material underlying assumptions and sensitivity analysis of those assumptions. This engagement was a limited recent engagement of approximately 1 month duration which did not involve the provision of specific personal advice to individual board members. The work undertaken during this engagement has assisted us to develop an understanding of the Group's affairs and its activities which will enhance our ability to discharge our statutory and fiduciary duties as administrators in the best interests of the Group's creditors. This is particularly so given that much of the work undertaken includes the collation of information required to report to creditors under rule 75-225 of the Insolvency Practice Rules (Corporations) 2016 and which will be provided to creditors when we report to them in due course.
Parties	WBHO Australia Pty Ltd and Deloitte Australia	
Date of commencement and completion	Review commenced in November 2021 and was finalised during December 2021	
Scope	<ul style="list-style-type: none"> A high-level review of the Group's cash flow forecast for the period to December 2022, including a review of material underlying assumptions Meeting with management to understand critical trading forecast assumptions Review of management's current initiatives for managing liquidity Understanding the profile of project related contingent liabilities and their potential impact on liquidity Sensitivity analysis of key cash flow forecast assumptions 	
Fees	Deloitte Australia initially billed the sum of \$85,238 (excluding GST) to WBHO Australia Pty Ltd for these services and has since reduced this amount by \$52,738 (excluding GST). Deloitte Australia received payment of a total of \$32,500 (excluding GST) within the last 24 months, all of	

	which was within the last 6 months.	
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5. Liquidity and Key Contract Analysis

Details		Reasons why there is no conflict of interest or duty
Description of services	Pre-appointment planning	<ul style="list-style-type: none"> This engagement was an immaterial prior professional engagement for the Group and to Deloitte Australia, as it was limited with respect to fees, time incurred and scope. The engagement involved the assessment of the Group's liquidity and alternative courses of action open to the Group and the planning of a potential voluntary administration. Deloitte Australia undertakes work from time to time on behalf of KWM, as do insolvency practitioners from other firms. This includes the appointment of Deloitte Australia's registered liquidators to companies as a formal appointment where KWM has asked us to consent to act. We have not identified any issue in relation to this relationship that would give rise to a conflict in undertaking the administration of the Group. The relationship has not impeded our independence. We are not paid any commissions, inducements or benefits by KWM to undertake any appointments. There is no arrangement between us and KWM which entails a commitment or undertaking that we will give any work arising out of the Administration to KWM. We do not expect any of the work done would be subject to review or challenge during the course of the Administration or in the event of the
Parties	KWM and Deloitte Australia	
Date of commencement and completion	Engagement commenced on 18 February 2022 and terminated on our appointment as Administrators of the Companies	
Scope	<ul style="list-style-type: none"> Understanding the Group's current position, including its liquidity Determining the sensitivity of key contractual agreements to an insolvency event affecting the Group Considering options available to the Group if management's turnaround plans are not achievable, including planning for a voluntary administration During the course of this engagement, we held 9 meetings with Group management and/or KWM, with these meetings taking place daily between 18 February 2022 and the day prior to our appointment. A detailed list of all meetings held during this period, including the attendees and agenda/subject of the 	

	meeting is attached at Schedule B	Group's liquidation, due to the nature of the engagement.
Fees	Deloitte Australia has received remuneration of \$90,909 (excluding GST) for this engagement, which was invoiced and paid by KWM in accordance with our terms of engagement.	<ul style="list-style-type: none"> • Referrals from lawyers, accountants, business advisors and government agencies are commonplace and do not affect our independence in discharging our duties as voluntary administrators. • The Courts and the ARITA Code of Professional Practice specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment. • An element of pre-planning is necessary in respect of an administration of this size and complexity, particularly given the multiple entities comprising the Group. • The Courts also recognise that where an insolvency practitioner is engaged by a company's legal advisors and such engagement includes undertaking planning work in preparation for a possible voluntary administration of that company, such a pre-appointment engagement does not prevent the practitioner from accepting a voluntary administration appointment provided that the engagement does not involve the practitioner advising the company or its board, directors, management, creditors or other stakeholders regarding the company's affairs, management or insolvency or the obligations and duties of the board, individual directors and management. We are satisfied that Deloitte Australia's

		<p>engagement by KWM meets these requirements.</p> <ul style="list-style-type: none"> • The pre-appointment advice provided will not influence our ability to fully discharge the statutory and fiduciary obligations associated with the voluntary administration of the Group in an objective and impartial manner. • The engagement was not predicated on any specific outcome, including the outcome of the voluntary administration. • In any event, we have engaged another law firm, Johnson Winter & Slattery (JWS) to advise us in relation to any investigations which may be required in relation to potential claims against directors and officers of the Group, as well as any other matters which we consider appropriate (including to the extent required to avoid any potential for perceived or actual conflicts).
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As detailed above, Deloitte Australia received fees totalling \$171,700 (excluding GST) from Group entities in relation to these engagements in the 6 months immediately prior to our appointment. This amount has been refunded to the Group out of abundance of caution in the event that the Companies proceed to liquidation and the payments received could be deemed to be preferential.

This excludes the Liquidity and Key Contract Analysis engagement under which our fees were paid by KWM in accordance with our terms of engagement.

We also note that none of the above engagements (whether individually or cumulatively) constituted engagements to provide “safe harbour” advice to the Group or its directors. Each of the engagements referred to above, were confined and limited in scope and did not form part of the provision of advice regarding “safe harbour” eligibility or planning. The engagements noted did not relate to the provision of safe harbour advice to the Group. Further, Deloitte was not engaged to provide (and did not provide) any “safe harbour” advice. In addition, at no stage were we asked or engaged by the Group to provide advice to any individual directors in their personal capacities regarding the performance of their duties as directors.

Relevant Relationships (excluding Professional Services to the Group)

We, or Deloitte Australia, have, or have had within the preceding 24 months, a relationship with:

Name	Nature of relationship	Reasons why this relationship does not result in a conflict of interest
Australia and New Zealand Banking Group Limited (ANZ)	<p>We understand that ANZ is a significant actual or contingent creditor of certain Group entities.</p> <p>We have undertaken a number of formal insolvency and advisory engagements for ANZ in the usual course of business.</p> <p>Deloitte Australia has provided and continues to provide Accounting, Advisory, Assurance, Consulting, Forensic, Risk Services and Tax services to ANZ.</p>	<p>We have never undertaken any work for ANZ in respect of the Group.</p> <p>We do not consider previous formal insolvency and advisory engagements accepted for ANZ to present a conflict as there is no connection between these engagements and the Group.</p> <p>The provision of Accounting, Advisory, Assurance, Consulting, Forensic, Risk Services and Tax services to ANZ brings about a commercial relationship that in our opinion does not present a conflict or impediment as it does not impact upon the position of the Companies.</p> <p>We are not paid any commissions, inducements or benefits to undertake any engagements with ANZ and do not consider ourselves to be bound or in any way obligated to deliver a favourable outcome to any party.</p> <p>Therefore there is no relationship with ANZ which in our view would restrict us from properly exercising our judgment and duties in relation to the appointment.</p>
Commonwealth Bank of Australia Limited (CBA)	<p>We understand that CBA is a significant creditor of certain Group entities.</p> <p>We have undertaken a number of formal</p>	<p>We have never undertaken any work for CBA in respect of the Group.</p> <p>We do not consider previous formal insolvency and advisory engagements accepted for CBA to present a conflict as</p>

	<p>insolvency and advisory engagements for CBA in the usual course of business.</p> <p>Deloitte Australia has provided and continues to provide Accounting, Advisory, Consulting, Data Analytics, Forensic, Risk Services and Tax services to CBA.</p>	<p>there is no connection between these engagements and the Group.</p> <p>The provision of Accounting, Advisory, Consulting, Data Analytics, Forensic, Risk Services and Tax services to CBA brings about a commercial relationship that in our opinion does not present a conflict or impediment as it does not impact upon the position of the Companies.</p> <p>We are not paid any commissions, inducements or benefits to undertake any engagements with CBA and do not consider ourselves to be bound or in any way obligated to deliver a favourable outcome to any party.</p> <p>Therefore there is no relationship with CBA which in our view would restrict us from properly exercising our judgment and duties in relation to the appointment.</p>
National Australia Bank Limited (NAB)	<p>We understand that NAB is a significant actual or contingent creditor of certain Group entities.</p> <p>We have undertaken a number of formal insolvency and advisory engagements for NAB in the usual course of business.</p> <p>Deloitte Australia has provided and continues to provide Accounting, Advisory, Consulting, Data Analytics, Forensic, Risk</p>	<p>We have never undertaken any work for NAB in respect of the Group.</p> <p>We do not consider previous formal insolvency and advisory engagements accepted for NAB to present a conflict as there is no connection between these engagements and the Group.</p> <p>The provision of Accounting, Advisory, Consulting, Data Analytics, Forensic, Risk Services and Tax services to NAB brings about a commercial relationship that in our opinion does not present a conflict or impediment as it does not impact upon the position of the Companies.</p>

	<p>Services and Tax services to NAB.</p>	<p>We are not paid any commissions, inducements or benefits to undertake any engagements with NAB and do not consider ourselves to be bound or in any way obligated to deliver a favourable outcome to any party.</p> <p>Therefore there is no relationship with NAB which in our view would restrict us from properly exercising our judgment and duties in relation to the appointment.</p>
<p>Euler Hermes Group (Euler Hermes)</p>	<p>We understand that Euler Hermes is a significant actual or contingent creditor of certain Group entities.</p> <p>Deloitte Australia has provided legal services to Euler Hermes.</p>	<p>We have never undertaken any work for Euler Hermes in respect of the Group.</p> <p>We do not consider previous engagements for Euler Hermes to present a conflict as there is no arrangement between us that we will give any work arising out of the Administration to them.</p> <p>The provision of legal services to Euler Hermes brings about a commercial relationship that in our opinion does not present a conflict or impediment as it does not impact upon the position of the Companies.</p> <p>We are not paid any commissions, inducements or benefits to undertake any engagements with Euler Hermes and do not consider ourselves to be bound or in any way obligated to deliver a favourable outcome to any party.</p> <p>Therefore there is no relationship with Euler Hermes which in our view would restrict us from properly exercising our judgment and duties in relation to the appointment.</p>

<p>AIG Australia Limited (AIG)</p>	<p>We understand that AIG is a significant actual or contingent creditor of certain Group entities.</p> <p>Deloitte Australia has provided actuarial and expert witness services to AIG.</p>	<p>We have never undertaken any work for AIG in respect of the Group.</p> <p>We do not consider previous engagements for AIG to present a conflict as there is no arrangement between us that we will give any work arising out of the Administration to them.</p> <p>The provision of actuarial and expert witness services to AIG brings about a commercial relationship that in our opinion does not present a conflict or impediment as it does not impact upon the position of the Companies.</p> <p>We are not paid any commissions, inducements or benefits to undertake any engagements with AIG and do not consider ourselves to be bound or in any way obligated to deliver a favourable outcome to any party.</p> <p>Therefore there is no relationship with AIG which in our view would restrict us from properly exercising our judgment and duties in relation to the appointment.</p>
<p>Insurance Australia Group Limited (IAG)</p>	<p>We understand that IAG is a significant actual or contingent creditor of certain Group entities.</p> <p>Deloitte Australia has provided economic and consulting services to IAG.</p>	<p>We have never undertaken any work for IAG in respect of the Group.</p> <p>We do not consider previous engagements for IAG to present a conflict as there is no arrangement between us that we will give any work arising out of the Administration to them.</p> <p>The provision of economic and consulting services to IAG brings about a commercial relationship that in our opinion does not</p>

		<p>present a conflict or impediment as it does not impact upon the position of the Companies.</p> <p>We are not paid any commissions, inducements or benefits to undertake any engagements with IAG and do not consider ourselves to be bound or in any way obligated to deliver a favourable outcome to any party.</p> <p>Therefore there is no relationship with IAG which in our view would restrict us from properly exercising our judgment and duties in relation to the appointment.</p>
Tokio Marine HCC (Tokio)	<p>We understand that Tokio is a significant actual or contingent creditor of certain Group entities, as well as having a significant secondary exposure as an actual or contingent creditor of certain Group entities as part of a syndicated facility. However, in relation to the syndicated facility, we understand that CBA is the primary creditor that has the capacity to make a claim in the administration on behalf of syndicate members.</p> <p>Deloitte Australia has provided tax, global mobility and marketing consulting services to Tokio.</p>	<p>We have never undertaken any work for Tokio in respect of the Group.</p> <p>We do not consider previous engagements for Tokio to present a conflict as there is no arrangement between us that we will give any work arising out of the Administration to them.</p> <p>The provision of tax, global mobility and marketing consulting services to Tokio brings about a commercial relationship that in our opinion does not present a conflict or impediment as it does not impact upon the position of the Companies.</p> <p>We are not paid any commissions, inducements or benefits to undertake any engagements with Tokio and do not consider ourselves to be bound or in any way obligated to deliver a favourable outcome to any party.</p> <p>Therefore there is no relationship with Tokio which in our view would restrict us from</p>

		properly exercising our judgment and duties in relation to the appointment.
Liberty Mutual Insurance (Liberty)	<p>We understand that Liberty has a significant secondary exposure as an actual or contingent creditor of certain Group entities as part of a syndicated facility. However, in relation to the syndicated facility, we understand that CBA is the primary creditor that has the capacity to make a claim in the administration on behalf of syndicate members.</p> <p>Deloitte Australia has provided various tax, actuarial, merger integration, global mobility and IFRS services to Liberty.</p>	<p>We have never undertaken any work for Liberty in respect of the Group.</p> <p>We do not consider previous engagements for Liberty to present a conflict as there is no arrangement between us that we will give any work arising out of the Administration to them.</p> <p>The provision of tax, actuarial, merger integration, global mobility and IFRS services to Liberty brings about a commercial relationship that in our opinion does not present a conflict or impediment as it does not impact upon the position of the Companies.</p> <p>We are not paid any commissions, inducements or benefits to undertake any engagements with Liberty and do not consider ourselves to be bound or in any way obligated to deliver a favourable outcome to any party.</p> <p>Therefore there is no relationship with Liberty which in our view would restrict us from properly exercising our judgment and duties in relation to the appointment.</p>
Swiss Re	<p>We understand that Swiss Re has a significant secondary exposure as an actual or contingent creditor of certain Group entities as part of a syndicated facility. However, in relation to the</p>	<p>We have never undertaken any work for Swiss Re in respect of the Group.</p> <p>We do not consider previous engagements for Swiss Re to present a conflict as there is no arrangement between us that we will give any work arising out of the Administration to them.</p>

	<p>syndicated facility, we understand that CBA is the primary creditor that has the capacity to make a claim in the administration on behalf of syndicate members.</p> <p>Deloitte Australia has provided various actuarial, governance, marketing, global mobility , accounting and associated services to Swiss Re.</p>	<p>The provision of actuarial, governance, marketing, global mobility , accounting and associated services to Swiss Re brings about a commercial relationship that in our opinion does not present a conflict or impediment as it does not impact upon the position of the Companies.</p> <p>We are not paid any commissions, inducements or benefits to undertake any engagements with Swiss Re and do not consider ourselves to be bound or in any way obligated to deliver a favourable outcome to any party.</p> <p>Therefore there is no relationship with Swiss Re which in our view would restrict us from properly exercising our judgment and duties in relation to the appointment.</p>
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A Deloitte Touch Tohmatsu Limited Member Firm (DTTL Member Firm) have, or have had within the preceding 24 months, a relationship with:

Name	Nature of relationship	Reasons why this relationship does not result in a conflict of interest
Wilson Bayly Holmes-Ovcon Limited and its subsidiary entities outside of Australia (WBHO Limited)	<p>WBHO Limited is the South African ultimate parent company of the Group.</p> <p>WBHO Limited is a material creditor of the group for shareholder funding advanced to support the trading of the Group.</p> <p>Deloitte Australia does not have a relationship with WBHO Limited and has not</p>	<p>Deloitte Australia does not act for WBHO Limited. Deloitte Australia has not performed any services for WBHO Limited. All services performed for WBHO Limited were provided by Deloitte South Africa.</p> <p>Deloitte South Africa is a separate and independent legal entity to Deloitte Australia with its own management structure. No financial systems, management, investments (including equity, derivatives, assets or any rights) or profits are shared between Deloitte Australia and Deloitte South Africa. The</p>

	<p>provided services to WBHO Limited.</p> <p>Deloitte & Touche in the Republic of South Africa (Deloitte South Africa) have provided and continue to provide consulting services to WBHO Limited.</p>	<p>appointees are not partners with any of the partners of Deloitte South Africa.</p> <p>The provision of advisory services by other DTTL Member Firms does not present a conflict given there is no connection between Deloitte Australia and WBHO Limited.</p> <p>There are no relationships with WBHO Limited which in our view would restrict us from properly exercising our judgement and duties in relation to the appointments.</p>
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Group Appointment

As specified on page 1, we have been appointed as Voluntary Administrators of 18 companies in the Group. We are of the view that the appointment to the group of companies together will have practical benefits to our conduct, particularly in that this will enable an accurate view to be obtained of the financial position of the Group as a whole. We are aware that there may be inter-company transactions within the Group but at this time we are not aware of any potential conflicts arising from our appointment over the group companies. However, if in the future any inter-company dealings give rise to a conflict then we undertake to disclose any such conflicts to the creditors and, if appropriate, seek Court directions or other relief that may be necessary.

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 Companies or any person or entity that has security over the whole or substantially whole of the Companies' property that should be disclosed.

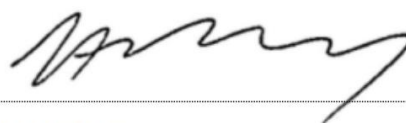
C. Indemnities and up-front payments

We have not been indemnified in relation to this Administration, other than any indemnities that we may be entitled to under statute, and we have not received any up-front payments in respect of our remuneration or disbursements.

DATED this 13th day of April 2022



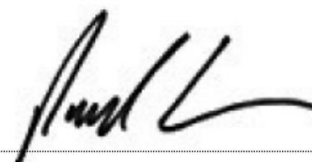
Salvatore Algeri
Joint and Several Administrator



Jason Tracy
Joint and Several Administrator



Matthew Donnelly
Joint and Several Administrator



David Orr
Joint and Several Administrator

Notes:

1. If circumstances change, or new information is identified, we are required under the Corporations Act 2001 and the 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 A, 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 – WBHO Australia Group of companies, all Administrators Appointed as at 23 February 2022

Company Name	ACN
WBHO Australia Pty Ltd	095 983 681
WBHO Construction Australia Pty Ltd	149 901 931
WBHO Infrastructure Pty Ltd (formerly WBHO Civil Pty Ltd)	089 434 220
Carr Civil Contracting Pty Ltd (formerly WBHO-Carr Pty Ltd)	100 438 257
Northcoast Holdings Pty Ltd	009 296 780
Probuild Constructions (Aust) Pty Ltd	095 250 945
Probuild Civil Pty Ltd (formerly Probuild Civil (QLD) Pty Ltd)	010 870 587
PCA (QLD) Pty Ltd (formerly Probuild Constructions (QLD) Pty Ltd)	141 148 245
Probuild Constructions (NSW) Pty Ltd	165 675 874
Probuild Constructions (VIC) Pty Ltd	165 675 865
Probuild Constructions (WA) Pty Ltd	165 676 095
Probuild Constructions (QLD) Pty Ltd	166 966 034
ACN 098 866 794 Pty Ltd (formerly Probuild Constructions (NSW) Pty Ltd)	098 866 794
Contexx Holdings Pty Ltd	144 707 022
Contexx Pty Ltd	147 249 796
Prodev Murphy Pty Ltd	120 758 803
Prodev Investments 4 Pty Ltd	629 246 653
Monaco Hickey Pty Ltd	144 945 611

Schedule B – Detailed list of KWM engagement meetings

Date	Deloitte Australia attendees	External attendees	Agenda / subject of discussion
18 February 2022	Salvatore Algeri, Jason Tracy and Deloitte Australia team members	Group: Luke Stambolis (CEO), Bradley Duggan (CFO) and other Group staff KWM	Background discussion regarding contingency planning purpose and process
20 February 2022	Salvatore Algeri, Jason Tracy and Deloitte Australia team members	Group: Luke Stambolis, Bradley Duggan and other Group staff KWM	Background discussion regarding the Group's operations
21 February 2022	Salvatore Algeri, Jason Tracy and Deloitte Australia team members	Group: Luke Stambolis, Bradley Duggan and other Group staff KWM	Background discussion regarding the Group's operations
21 February 2022	Matthew Donnelly and Jason Tracy	Group: Wilhelm Grobler (GM WBHOI) and other Group staff	Contingency planning in relation to WBHO Infrastructure Pty Ltd's Western Australian operations
22 February 2022	Salvatore Algeri, Jason Tracy and Deloitte Australia team members	Group: Luke Stambolis, Bradley Duggan and other Group staff KWM	Contingency planning progress
22 February 2022	Matthew Donnelly and Deloitte Australia team members	Group: Wilhelm Grobler and one other member of Group staff	Contingency planning in relation to WBHO Infrastructure Pty Ltd's Western Australian operations
22 February 2022	Salvatore Algeri, Jason Tracy and Deloitte Australia team members	Group: Group entity Board Members (<i>as detailed in Note 1 below</i>) KWM	Combined Board Meeting of the Companies to receive an update on the Group's global ultimate parent company's position in relation to provision of funding of the Group's business. Provide overview of a Voluntary Administration process
23 February 2022	Salvatore Algeri, Jason Tracy and Deloitte Australia team members	Group: Luke Stambolis, Bradley Duggan and other Group staff KWM	Contingency planning progress
23 February 2022	Matthew Donnelly and Deloitte Australia team members	Group: Wilhelm Grobler and other Group staff	Contingency planning in relation to WBHO Infrastructure Pty Ltd's Western Australian operations

Note 1

The Board Members of each Group company are summarised in the table below. All listed individuals were present at Combined Board Meeting of the Companies on 22 February 2022.

Company Name all Administrators Appointed	ACN	Directors (Directorships marked with a “Y”)								
		Stambolis, Luke	Duggan, Bradley	Henwood, Charles	Foley, Paul	Grobler, Wilhelm	Neff, Wolfgang	Gaudry, Nicholas	Meyerowitz, Eric	Hickey, Paul
WBHO Australia Pty Ltd	095 983 681	Y	Y	Y	Y					
WBHO Construction Australia Pty Ltd	149 901 931			Y	Y					
WBHO Infrastructure Pty Ltd	089 434 220		Y	Y	Y	Y				
Carr Civil Contracting Pty Ltd	100 438 257					Y				
Northcoast Holdings Pty Ltd	009 296 780					Y				
Probuild Constructions (Aust) Pty Ltd	095 250 945	Y	Y	Y	Y			Y		
Probuild Civil Pty Ltd	010 870 587		Y	Y	Y					
PCA (QLD) Pty Ltd	141 148 245	Y	Y	Y	Y					
Probuild Constructions (NSW) Pty Ltd	165 675 874							Y		
Probuild Constructions (VIC) Pty Ltd	165 675 865	Y	Y							
Probuild Constructions (WA) Pty Ltd	165 676 095		Y							
Probuild Constructions (QLD) Pty Ltd	166 966 034		Y							
ACN 098 866 794 Pty Ltd	098 866 794			Y	Y					
Contexx Holdings Pty Ltd	144 707 022		Y	Y						
Contexx Pty Ltd	147 249 796		Y	Y						
Prodev Murphy Pty Ltd	120 758 803			Y	Y					
Prodev Investments 4 Pty Ltd	629 246 653	Y	Y	Y	Y					
Monaco Hickey Pty Ltd	144 945 611	Y	Y		Y				Y	Y

Appendix G – Inter-company loan matrix

\$m	PCA	MH	PCAQ	PNZ	PM	Contexx	CH	PCN	PI	PC	WBHOI	WBHOA	WBHOC	Total
Receivables														
PCA	-	10.6	15.9	-	0.3	13.7	0	2.7	5.8	4.3	-	-	-	53.3
MH	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PCAQ	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PNZ	1.8	-	-	-	-	-	-	-	-	-	-	-	-	1.8
PM	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contexx	-	-	-	-	-	0.7	-	-	-	-	-	-	-	0.7
CH	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PCN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PI	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WBHOI	42.2	-	-	-	-	-	-	-	-	-	-	42.5	-	84.7
WBHOA	0.3	-	-	-	-	-	-	-	-	-	-	-	10.0	10.3
WBHOC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	44.3	10.6	15.9	-	0.3	14.4	0	2.7	5.8	4.3	-	42.5	10.0	150.8

\$m	PCA	MH	PCAQ	PNZ	PM	Contexx	CH	PCN	PI or PI4	PC	WBHOI	WBHOA	WBHOC	Total
Payables														
PCA	-	-	-	(1.8)	-	-	-	-	-	-	(42.2)	(0.3)	-	(44.3)
MH	(10.6)	-	-	-	-	-	-	-	-	-	-	-	-	(10.6)
PCAQ	(15.9)	-	-	-	-	-	-	-	-	-	-	-	-	(15.9)
PNZ	-	-	-	-	-	-	-	-	-	-	-	-	-	-

\$m	PCA	MH	PCAQ	PNZ	PM	Contexx	CH	PCN	PI	PC	WBHOI	WBHOA	WBHOC	Total
PM	(0.3)	-	-	-	-	-	-	-	-	-	-	-	-	(0.3)
Contexx	(13.7)	-	-	-	-	-	-	-	-	-	-	-	-	(13.7)
CH	(0)	-	-	-	-	(0.7)	-	-	-	-	-	-	-	(0.7)
PCN	(2.7)	-	-	-	-	-	-	-	-	-	-	-	-	(2.7)
PI	(5.8)	-	-	-	-	-	-	-	-	-	-	-	-	(5.8)
PC	(4.3)	-	-	-	-	-	-	-	-	-	-	-	-	(4.3)
WBHOI	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WBHOA	-	-	-	-	-	-	-	-	-	-	(42.5)	-	-	(42.5)
WBHOC	-	-	-	-	-	-	-	-	-	-	-	(10.0)	-	(10.0)
Total	(53.3)	-	-	(1.8)	-	(0.7)	-	-	-	-	(84.7)	(10.3)	-	(150.8)

Source: Group information

Appendix H – Statutory information

Officers

The ASIC database indicates that during the 12-month period prior to the Voluntary Administrators' appointment, the directors and officers of the Companies were:

Name	Entity	Position	Appointed	Ceased
Bradley Duggan	WBHO-I	Current director	18 Jul 19	31 Mar 2022
	MH	Current director	17 Feb 21	-
	PI4	Current director	18 Jul 19	-
	PCW	Current director	15 Nov 21	-
	CH	Current director	17 Feb 21	-
	WBHOA	Current director	18 Jul 19	-
	PCA	Current director	18 Jul 19	-
	PCV	Current director	15 Nov 21	-
	Contexx	Current director	17 Feb 21	-
	PC	Current director	17 Feb 21	-
	PCQ	Current director	24 Aug 21	-
	PCAQ	Current director	18 Jul 19	-
Charles Henwood	WBHO-I	Current director	16 May 16	31 Mar 2022
	WBHOC	Current director	17 Mar 11	-
	PI4	Current director	25 Oct 18	-
	CH	Current director	7 Sep 12	-
	ACN	Current director	15 Sep 10	-
	WBHOA	Current director	15 Sep 10	-
	PCA	Current director	15 Sep 10	-
	Contexx	Current director	7 Sep 12	-
	PM	Current director	15 Sep 10	-
	PC	Current director	16 May 16	-
	PCAQ	Current director	15 Sep 10	-
Paul Foley	WBHO-I	Current director	16 May 16	31 Mar 2022
	MH	Current director	16 May 16	-
	WBHOC	Current director	16 May 16	-
	PI4	Current director	25 Oct 18	-
	ACN	Current director	16 May 16	-
	WBHOA	Current director	10 Nov 14	-
	PCA	Current director	11 Apr 17	-
	PM	Current director	16 May 16	-

Name	Entity	Position	Appointed	Ceased
	PC	Current director	16 May 16	-
	PCAQ	Current director	11 Apr 17	-
Wilhelm Grobler	WBHO-I	Current director	17 Feb 21	31 Mar 2022
	CCC ¹	Current director	2 Jul 12	-
	Northcoast	Current director	2 Jul 12	-
Patrick Hickey	MH	Current director	30 Jun 10	-
Eric Meyerowitz	MH	Current director	10 Nov 14	-
Luke Stambolis	MH	Current director	17 Feb 21	-
	PI4	Current director	17 Feb 21	-
	WBHOA	Current director	17 Feb 21	-
	PCA	Current director	16 May 16	-
	PCV	Current director	19 Sep 13	-
	PCAQ	Current director	16 May 16	-
Simon Gray	WBHOC	Former director	16 May 16	26 April 21
	ACN	Former director	7 Sep 12	26 Apr 21
	Contexx	Former director	8 Nov 10	17 Feb 21
	PM	Former director	7 Sep 12	26 Apr 21
Samual Delmenico	PCW	Former director	21 Jul 15	15 Nov 21
Nicholas Gaudry	PCN	Current director	16 May 16	-
	PCA	Current director	17 Feb 21	-
Wolfgang Neff	WBHOA	Current director	17 Feb 21	-
John McManus	PCV	Former director	18 Sep 13	15 Nov 21
Mark Prentice	PCV	Former director	18 Sep 13	15 Nov 21
Andrew Zinni	PCV	Former director	18 Sep 13	15 Nov 21
Stephen Wilson	PCV	Former director	1 Sep 14	15 Nov 21
Nathan Theos	PCV	Former director	10 Nov 14	15 Nov 21
Jeffrey Wellburn	PCQ	Former director	16 May 16	24 Aug 21
	PCAQ	Former director	10 Apr 17	24 Aug 21

Source: SAI Global and Illion Direct Company Searches ¹ ASIC records indicate still appointed to CCC as at 14/6/2022, though likely to be replaced under the SRG DOCA transaction.

Shareholders

The Probuild Group is effectively majority owned by WBHO-SA which holds 87.88% in PCA via its 100% ownership of WBHOA and Rhombus Holdings Pty Ltd. In turn PCA holds a 100% interest in all other subsidiaries save for MH in which it hold 80%. The following unrelated minority interests exist:

Company	Minority shareholder	Minority %
Probuild Constructions (Aust) Pty Ltd	Zinni Nominees Pty Ltd	2.51
	Matthew Bready	0.31
	Eric Meyerowitz	1.23

Company	Minority shareholder	Minority %
Monaco Hickey Pty Ltd	McManus Family Nominees Pty Ltd	1.26
	Bralmy Pty Ltd	0.61
	BC Williams Pty Ltd	0.41
	M&R Lupson Pty Ltd	0.20
	N&A Gaudry Pty Ltd	0.41
	L&E PCA Pty Ltd	0.61
	S&J Delmenico Pty Ltd	0.41
	Elm 46 Pty Ltd	0.41
	Hwange Pty Ltd	0.41
	Jacana 56 Pty Ltd	0.41
	Porreca Nominees Pty Ltd	0.20
	Malcolm West	0.20
	Tropea Investments Pty Ltd	0.20
	Intraline Pty Ltd	0.21
	James Grant Investments Pty Ltd	0.08
	Pyrenees Pty Ltd	0.08
	C&S Renfrey Pty Ltd	0.08
	Asespc Holdings Pty Ltd	0.20
	Patrick Hickey	10.00
	Eric Meyerowitz	10.00

Source: SAI Global and Illion Direct Company Searches

Security Interests

A search of the Personal Property Securities Register (PPSR) revealed the following number of security interests over Probuild Group's assets as at the date of the Voluntary Administrators' appointment:

Company	All PAAP secured creditor	All PAAP with exception	Motor vehicle	General intangible	Other goods	Total
Northcoast	2	-	-	-	2	4
WBHOA	-	-	5	1	-	6
PCA	2	-	31	2	169	204
MH	-	-	2	-	28	30
PC	-	-	2	-	24	26
PCAQ	-	-	8	-	40	48
WBHOC	-	-	-	-	2	2
Contexx	-	-	4	-	3	7
Total	4	-	52	3	268	327

Source: SAI Global and Illion Direct Company Searches

Appendix I – ROCAP

ROCAP question \$000	WBHOA	WBHOC	Northcoast	Contextx	PC	PM	PCN	PCV	PCW	PCQ	ACN	CH	PI4	Total
A4 Do the companies owe money to their employees?	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A5 Do the companies owe money, goods or services to others (other than employees)?														
Subcontractors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Suppliers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other creditors	-	-	(460)	-	-	-	-	-	-	-	-	-	-	(460)
Total question A5	-	-	(460)	-	-	-	-	-	-	-	-	-	-	(460)
A6 Are the companies owed money?														
Contract debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A7 Do the companies own any assets?														
Bank accounts	164	-	-	-	1	-	-	-	-	-	-	-	-	165
Land & buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property held on trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inter-company receivables	-	-	3,996	13,699	4,291	323	2,669	-	-	-	-	-	-	24,978
Shareholder/employee loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-

ROCAP question \$000	WBHOA	WBHOC	Northcoast	Contextx	PC	PM	PCN	PCV	PCW	PCQ	ACN	CH	PI4	Total
Joint venture interests	-	-	-	-	-	-	-	-	-	-	-	-	494	494
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other assets	-	-	3,996	13,699	4,291	323	2,669	-	-	-	-	-	494	24,978
Total question A7	164	-	3,996	13,699	4,292	323	2,669	-	-	-	-	-	494	25,636

Source: Directors' ROCAP

Appendix J – ARITA Information Sheet on Offences, Recoverables and Insolvent Trading

Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading



Offences

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

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
437C	Performing or exercising a function or power as an 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 the 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 on Company Activities and Property or false representation to creditors.

Recoverable Transactions

Preferences

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

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

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to:

- the benefit or detriment to the company;
- the respective benefits to other parties; and,
- any other relevant matter.



To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years.

The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Unfair Loan

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

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person. 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 payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

Voidable charges

Certain charges over company property are voidable by a liquidator:

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

Insolvent trading

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

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

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

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

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

The 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.

Appendix K – Estimated return to creditors in a liquidation scenario

We have assessed the returns to creditors under a liquidation scenario with both high and low values for each scenario identified below.

We have a detailed model by entity which supports the analysis we have undertaken, the basis for realisation of assets and the flow of funds across the Probuild Group, given the known guarantees between group entities and creditors across the Probuild Group.

Table 43: Estimated return to creditors by amount – liquidation scenario

Probuild Group																
Description	PCA		PCAQ		MH		ACN		CH		Contexx		Northcoast		WBHOA	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
Net asset realisation	81.7	45.8	7.5	4.1	2.1	2.0	-	-	-	-	1.8	-	0.2	0.1	-	-
Net Administrators' trading position (less fees and costs)	(33.3)	(34.2)	(2.0)	(2.0)	(1.2)	(1.2)	-	-	-	-	-	-	-	-	-	-
Net assets available to priority creditors	48.4	11.6	5.5	2.1	0.9	0.9	-	-	-	-	1.8	-	0.2	0.1	-	-
Priority creditors																
Employee entitlement claims	(15.4)	(15.4)	-	-	(0.5)	(0.5)	-	-	-	-	-	-	-	-	-	-
Cash available to unsecured creditors	33.0	Nil	5.6	2.1	0.4	0.4	-	-	-	-	1.8	-	0.2	0.1	-	-
Unsecured claims:																

Report to creditors pursuant to section 75-225 of the Insolvency Practice Rules (Corporations) (Appendix A)

Probuild Group																	
	PCA		PCAQ		MH		ACN		CH		Contexx		Northcoast		WBHOA		
\$m																	
Description	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	
Total Creditor claims	(246.4)	(312.8)	(156.7)	(175.0)	(125.3)	(140.8)	(0.5)	(1.0)	(1.2)	(1.7)	(1.7)	(2.2)	(0.5)	(0.5)	(230.6)	(246.1)	
Total Surplus/(Shortfall)																	
Unsecured creditors	(213.3)	(312.8)	(151.1)	(172.9)	(124.9)	(140.4)	(0.5)	(1.0)	(1.2)	(1.7)	-	(2.2)	(0.3)	(0.4)	(230.6)	(246.1)	
Priority creditors (employees)	-	(3.8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Surplus/(shortfall)	(213.3)	(316.6)	(151.1)	(172.9)	(124.9)	(140.4)	(0.5)	(1.0)	(1.2)	(1.7)	-	(2.2)	(0.3)	(0.4)	(230.6)	(246.1)	

Probuild Group																
\$m	WBHOC		PC		PCQ		PCN		PCV		PCW		PM		PI4	
Description	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
Net asset realisation	-	-	-	-	-	-	0.3	-	-	-	-	-	-	-	0.5	0.5
Net Administrators trading position (less fees and costs)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.0)	(0.0)
Net assets available to priority creditors	-	-	-	-	-	-	0.3	-	-	-	-	-	-	-	0.5	0.5

Report to creditors pursuant to section 75(2) of the Insolvency Practice Rules (Corporations) (Appendix A)																	
Probuild Group		WBHOC		PC		PCQ		PCN		PCV		PCW		PM		PI4	
\$m																	
Description		High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
Priority creditors																	
Employee entitlement claims		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash available to unsecured creditors		-	-	-	-	-	-	0.3	-	-	-	-	-	-	-	0.5	0.5
Unsecured claims																	
Total Creditor claims		(0.7)	(1.2)	(0.5)	(1.0)	(0.5)	(1.0)	(0.5)	(1.0)	(0.5)	(1.0)	(0.5)	(1.0)	(0.5)	(1.0)	(0.5)	(1.0)
Total Surplus/(Shortfall)																	
Unsecured creditors		(0.7)	(1.2)	(0.5)	(1.0)	(0.5)	(1.0)	(0.2)	(1.0)	(0.5)	(1.0)	(0.5)	(1.0)	(0.5)	(1.0)	0	(0.5)
Priority creditors (employees)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Surplus/(shortfall)		(0.7)	(1.2)	(0.5)	(1.0)	(0.5)	(1.0)	(0.2)	(1.0)	(0.5)	(1.0)	(0.5)	(1.0)	(0.5)	(1.0)	0	(0.5)

Table 44: Estimated return to creditors by percentage – liquidation scenario

Probuild Group	PCA		PCAQ		MH		ACN		CH		Contexx		Northcoast		WBHOA	
Description %	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
Priority creditors (employees)	100.0	75.1	-	-	100.0	100.0	-	-	-	-	-	-	-	-	-	-
Unsecured creditors	13.4	-	3.5	1.2	0.3	0.3	-	-	-	-	100.0	-	48.5	28.5	-	-

Probuild Group	WBHOC		PC		PCQ		PCN		PCV		PCW		PM		PI4	
Description %	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
Priority creditors (employees)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unsecured creditors	-	-	-	-	-	-	67.6	-	-	-	-	-	4.7	-	87.9	44.0

Table 45: Assumptions under a liquidation scenario

Assumption	Detail/Section Reference
Land, buildings, property, plant and equipment	<ul style="list-style-type: none"> Actual selling prices and known selling costs have been used where available. Otherwise discounts to valuation figures have been applied. Refer section 5.5.2 and section 5.5.3
Employee claims	<ul style="list-style-type: none"> Refer section 5.2
Liquidator recovery actions	<ul style="list-style-type: none"> We have assumed recovery actions available to a liquidator as outlined in section 6.7 of this report.
Investments in joint ventures	<ul style="list-style-type: none"> Refer section 5.5.5.4
Cash on hand	<ul style="list-style-type: none"> \$21.2m as at the date of appointment

Assumption	Detail/Section Reference
Contract debtors	<ul style="list-style-type: none"> Refer section 0
Shareholder/employee loans	<ul style="list-style-type: none"> Refer section 5.5.5.2
Other receivables and other assets	<ul style="list-style-type: none"> Refer section 5.5.5 and section 5.6
Liquidator fees	<ul style="list-style-type: none"> We estimate the remuneration of the Liquidator to be approximately \$4.6m across the Probuild Group. Refer Remuneration Report at Appendix N.
Claims of Principals	<ul style="list-style-type: none"> Refer section 5.3.4
Subcontractors and suppliers	<ul style="list-style-type: none"> Refer section 5.3.1
Taxation	<ul style="list-style-type: none"> Refer section 5.3.2
Crystallisation of performance guarantees	<ul style="list-style-type: none"> Refer section 5.3.3. Our analysis allows for the claims of individual Companies as both obligor and guarantor, including guarantees for facilities provided to the WBHOI Group.
Related parties	<ul style="list-style-type: none"> Our analysis provides for the claims of individual Companies against each other with reference to the intercompany loan matrix at Appendix G.

High scenario

These values have been included on the basis that there is potential for an increased recovery or realisation above that of a low scenario for specific assets. Where there are two estimates of the value of an asset, the higher value has been included in the high calculations. Achieving these values is subject to several factors that would arise during the realisation process. This includes various market forces affecting the value of each asset, including the interest in each asset, its condition and the general economic status at the time of sale.

Low scenario

The values included in this calculation are considered the lower possible values recoverable from the specific assets of the company. These amounts have been calculated by either discounting for a reduced return or where two values were provided for an asset, the lower value was included.

We reiterate the calculation of estimated returns to each creditor in each entity shown above is extremely complex and requires estimates and assumptions.

Appendix L – WBHOA Financial Information

Table 46: WBHOA consolidated profit & loss

\$m	FY18	FY19	FY20	FY21
Revenue and income				
Revenue from construction contracts	2,204.6	2,139.1	2,357.1	1,640.4
Other income	2.8	3.7	8.3	5.2
Total revenue and income	2,207.4	2,142.8	2,365.4	1,645.6
Expenses				
Employee and sub-contractor expenses	(2,167.1)	(2,157.6)	(2,455.2)	(1,664.3)
Finance costs	(0.1)	(0.1)	(0.5)	(0.6)
Depreciation	(2.0)	(2.0)	(4.4)	(4.6)
Other costs	(10.3)	(12.7)	(11.7)	(7.8)
Total expenses	(2,179.5)	(2,172.4)	(2,471.8)	(1,677.3)
Profit/Loss before tax	27.9	(29.6)	(106.4)	(31.7)
Income tax (expense)/benefit	(7.5)	8.6	1.7	(1.1)
Profit/Loss	20.4	(21.0)	(104.7)	(32.8)

Source: Audited annual financial accounts.

Table 47: WBHOA consolidated balance sheet

\$m	FY18	FY19	FY20	FY21
Current assets				
Cash and cash equivalents	271.8	268.8	302.0	166.6
Receivables	238.0	216.8	216.5	196.4
Inventories/contract assets	121.8	80.5	26.7	62.3
Derivative financial instruments	1.1	0.9	0.1	0.5
Tax receivable	0.5	3.8	2.8	0.9
Assets classified for sale	-	-	-	2.9
Loans to related parties	-	-	-	5.2
Receivable from related parties	-	-	54.0	18.0
Other	6.2	0.7	1.0	1.0
Total current assets	639.4	571.5	603.1	453.8
Non-current assets				
Other financial assets	21.0	33.6	19.8	9.4
Deferred tax assets	13.5	25.5	29.0	29.3
Property, plant and equipment	32.3	38.5	49.2	39.2

\$m	FY18	FY19	FY20	FY21
Net related party receivables	14.3	15.4	16.2	10.9
Intangible assets	45.4	45.4	45.4	45.4
Other assets	-	-	1.0	0.7
Total non-current assets	126.5	158.4	160.6	134.9
Total assets	765.9	729.9	763.7	588.7
Current liabilities				
Trade and other payables	(490.1)	(450.7)	(424.5)	(311.6)
Contract liability	(75.8)	(40.9)	(96.4)	(47.7)
Provisions	(27.3)	(49.4)	(72.2)	(37.1)
Lease liabilities	(0.9)	(1.1)	(5.1)	(4.4)
Total current liabilities	(594.1)	(542.1)	598.2	(400.8)
Non-current liabilities				
Trade and other payables	(15.6)	(19.9)	(20.8)	(25.8)
Provisions	(2.6)	(34.7)	(5.5)	(9.6)
Lease liabilities	(12.3)	(5.9)	(11.0)	(7.2)
Total non-current liabilities	(30.5)	(60.5)	(37.3)	(42.6)
Total liabilities	(624.6)	(602.6)	635.5	(443.4)
Net assets	141.3	127.3	128.2	145.3
Equity				
Share capital	46.3	58.3	166.3	217.3
Other equity	(63.5)	(65.8)	(67.1)	(67.4)
Reserves	1.3	6.2	6.6	7.0
Retained earnings	138.4	115.3	15.9	(16.7)
Equity attributable to the owners of the Company	122.5	114.0	121.7	140.3
Non-controlling interests	18.8	13.3	6.5	5.0
Total equity	141.3	127.3	128.2	145.3

Source: Audited annual financial accounts.

Table 48: WBHOA consolidated statement of cash flows

\$m	FY18	FY19	FY20	FY21
Cash flows from operating activities				
Cash receipts from customers	2,146.4	2,201.4	2,633.1	1,793.8
Cash payments to suppliers and employees	(2,073.4)	(2,180.3)	(2,666.3)	(2,019.6)
Interest received	2.1	3.4	0.6	1.0
Interest paid	(0.1)	(0.1)	(0.2)	(0.3)
Income taxes (paid)/refunded	(11.3)	(7.8)	4.4	0.5
Net cash from operating activities	63.7	16.6	(28.4)	(224.6)
Cash flows from investing activities				
Acquisition of property, plant and equipment	(4.8)	(8.2)	(8.2)	(1.9)
Net (payment)/return of funding for investments	(13.3)	(12.6)	21.4	10.3
Proceeds from issue of shares	-	12.0	54.0	87.0
Net proceeds from sale of property, plant and equipment	0.6	2.1	(1.3)	1.2
Net cash used in investing activities	(17.5)	(6.7)	65.9	96.6
Cash flows from financing activities				
Proceeds from disposal of non-controlling interest	(2.4)	(6.2)	-	-
Repayment of related party borrowings	-	(10.0)	-	-
Minority interest transactions	-	-	(4.0)	(0.7)
Dividends	-	-	(0.5)	(0.9)
Net movement in hire purchase leases	(0.2)	3.3	0.2	(5.8)
Net cash from/(used in) financing activities	(2.6)	(12.9)	(4.3)	(7.4)
Net increase/(decrease) in cash and cash equivalents	43.6	(3.0)	33.2	(135.4)
Cash and cash equivalents at 1 July	228.2	271.8	268.8	302.0
Cash and cash equivalents at the end of the financial year	271.8	268.8	302.0	166.6

Source: Audited annual financial accounts.

Table 49: WBHOA Group profit & loss YTDJan22

\$m	YTDJan22
Total revenue and income	711.2
Cost of goods sold	(764.9)
Gross Margin	(53.7)
Overheads and other costs	(42.5)
Other income	2.5
Profit/Loss before tax	(93.7)
Income tax benefit	18.0
Profit/Loss	(75.7)

Source: Unaudited management information

Table 50: WBHOA balance sheet YTDJan22

\$m	YTDJan22
Current assets	248.1
Non-current assets	133.4
Total assets	381.5
Current liabilities	(250.0)
Non-current liabilities	(41.7)
Total liabilities	(291.7)
Net assets	89.8
Total equity *	89.8

Source: Unaudited management information

Appendix M – Estimated liabilities

Liabilities (\$'000)	Administrators' Estimate by entity								Administrators' Total Estimate	
	PCA		MH		PCAQ ¹		All other entities in Administration ¹		Probuild Group	
	Low	High	Low	High	Low	High	Low	High	Low	High
Subcontractors	(28,042)	(28,042)	(4,535)	(4,535)	(9,437)	(9,437)	-	-	(42,014)	(42,014)
Suppliers	(6,850)	(6,850)	(237)	(237)	(682)	(682)	-	-	(7,769)	(7,769)
Taxation	(4,173)	(3,673)	(354)	(354)	(4,173)	(3,673)	(4,633)	(4,133)	(4,987)	(4,487)
Credit cards/Other	(1,443)	(1,443)	(13)	(13)	(3)	(3)	-	-	(1,459)	(1,459)
Estimated crystallisation of performance guarantees*	(186,101)	(164,514)	(134,282)	(118,770)	(153,031)	(136,870)	(134,282)	(118,770)	(209,451)	(184,113)
Claims of Principals above performance guarantees	(63,736)	(19,400)	(1,395)	(1,395)	(10,890)	(9,160)	-	-	(76,021)	(29,955)
Total	(290,345)	(223,922)	(140,816)	(125,304)	(178,216)	(159,925)	(138,915)	(122,903)	(341,701)	(269,797)

Source: ROCAPs, Administrators' analysis and company records. *Includes \$25.6m High and \$31m Low of WBHOI Group performance guarantee liability pursuant to facility guarantee obligations. ¹ Taxation obligations included at maximum group liability under grouping provisions plus Northcoast \$460k.

It is possible that there may be minor claims in various subsidiaries, we have received various proofs of debt for claims in these entities, however at this stage such proofs of debt appear to be errors or require further investigation.

Appendix N – Remuneration Approval Report

Remuneration Approval Report

23 June 2022

Probuild Constructions (Aust) Pty Ltd ACN 095 250 945

PCA (QLD) Pty Ltd ACN 141 148 245

Monaco Hickey Pty Ltd ACN 144 945 611

(All Administrators Appointed)

(Companies)

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1. Introduction

This remuneration report dated 24 June 2022 covers the following three (3) administrations (All Administrators Appointed) (the Companies):

Name	Date of appointment	ACN
Probuild Constructions (Aust) Pty Ltd (PCA)	23-Feb-2022	ACN 095 250 945
PCA (QLD) Pty Ltd (PCAQ)	23-Feb-2022	ACN 141 148 245
Monaco Hickey Pty Ltd (MH)	23-Feb-2022	ACN 144 945 611

While this report covers three companies, creditors should note that our remuneration will be reported on each of the Administrations separately and resolutions for the approval of fees and disbursements will also be detailed separately.

Creditors must prove in the relevant entity to be eligible to vote on our fees and disbursements approval requests for that entity.

2. Summary

We are asking creditors to approve the following remuneration and disbursements (exclusive of GST):

PCA	Schedule number	Resolution	Amount \$ (Excl GST)
VA			
Future: 27 May 2022 to completion of VA	1.1 & 1.2	PCA-1	1,498,939.00
Liquidation			
Future: commencement of liquidation to finalisation of liquidation	2.1 & 2.2	PCA-2	3,498,502.50
Total – Liquidation			3,498,502.50
Disbursements - Halo fees		PCA-3	93,000.00

PCAQ	Schedule number	Resolution	Amount \$ (Excl GST)
VA			
Actual: 23 February 2022 to 31 May 2022	3.1 & 3.2	PCAQ-1	529,900.50
Future: 1 June 2022 to completion of VA	4.1 & 4.2	PCAQ-2	110,434.50
Total – VA			640,335.00
Liquidation			
Future: commencement of liquidation to finalisation of liquidation	5.1 & 5.2	PCAQ-3	599,112.00
Total – Liquidation			599,112.00
Disbursements - Administration fee		PCAQ-4	600.00

MH	Schedule number	Resolution	Amount \$ (Excl GST)
VA			
Actual: 23 February 2022 to 31 May 2022	6.1 & 6.2	MH-1	271,250.50
Future: 1 June 2022 to completion of VA	7.1 & 7.2	MH-2	89,651.50
Total – VA			360,902.00
Liquidation			
Future: commencement of liquidation to finalisation of liquidation	8.1 & 8.2	MH-3	248,471.50
Total – Liquidation			248,471.50
Disbursements - Administration fee			
		MH-4	600.00

All entities listed in Schedule 10.1	Schedule number	Resolution	Amount \$ (Excl GST)
DOCA			
Future: execution of DOCA to finalisation (effectuation) of DOCA	9.1 & 9.2	Pooled-1	3,498,635.00
Total - DOCA			\$3,498,635.00

Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the administrations. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.

Details of disbursements incurred for which we are seeking creditors' approval are detailed in **Section 6** below.

Remuneration and disbursements to be drawn monthly or as required.

We will only seek approval of resolutions for the DOCA if creditors agree to the DOCA proposal being offered. Similarly, we will only seek approval of the resolutions for the liquidation if creditors vote to place the Companies into liquidation.

3. Declaration

We, Sal Algeri, Jason Tracy, Matt Donnelly and David Orr, have undertaken an assessment of the remuneration and disbursement claims for our appointment as Joint and Several Administrators of the Companies in accordance with the law and applicable professional standards. We are satisfied the remuneration and disbursements claimed are necessary and proper. We have reviewed the work in progress report for the Administration to ensure that remuneration is only being claimed for necessary and proper work performed and no adjustment was necessary.

4. Remuneration

Remuneration method chosen and hourly rates

For the reasons outlined in our IRN dated 24 February 2022, we propose that our remuneration be calculated on a time basis. The rates for our remuneration calculation which were provided in our IRN are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the VAs and the role they undertake. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

Deloitte – Restructuring Services

Title	Description	Hourly Rate (Excl GST)
Appointee	Registered liquidator. Brings his or her specialist skills to the administration or insolvency task.	\$825
Partner	Registered liquidator. Brings his or her specialist skills to the administration or insolvency task.	\$825
Principal/ Consultant	Typically, CA or CPA qualified with in excess of 10 years' experience on insolvency matters with a number of years at manager level. Answerable to the appointee but otherwise responsible for all aspects of an administration. Capable of controlling all aspects of an administration. May be appropriately qualified to take appointments in his/her own right.	\$750
Director	Typically CA or CPA qualified with in excess of 7 years' experience on insolvency matters with a number of years at manager level. Answerable to the appointee but otherwise responsible for all aspects of an administration. Capable of controlling all aspects of an administration. May be appropriately qualified to take appointments in his/her own right.	\$650
Associate Director	Typically CA or CPA qualified with in excess of 5 years' experience on insolvency matters with a number of years at manager level. Answerable to the appointee and responsible for material aspects of an administration. Experienced in and capable of controlling most aspects of an administration.	\$575
Manager	Typically CA or CPA qualified with 5 to 8 years' experience working on insolvency matters. Will have experience conducting administrations and directing a number of staff.	\$550
Senior Analyst	Typically completed or near completion of CA or CPA qualifications with 3 to 6 years insolvency experience. Assists in planning and control of smaller matters as well as performing some more difficult tasks on larger matters.	\$475
Analyst	Typically studying towards CA or CPA qualification with 1 to 4 years insolvency experience. Works under supervision of more senior staff in performing day-to-day fieldwork.	\$425
Graduate	Junior staff member who has completed a university degree with less than one year's experience working on insolvency matters. Works under supervision of more senior staff in performing day-to-day fieldwork. This may include staff located in other offices of Deloitte overseas. These staff work under the supervision of Australian staff with insolvency experience.	\$325
Secretary	Advanced secretarial skills	\$225
Other Clerical	Support secretarial and administrative skills	\$225
Other Junior	Junior staff member who has not yet completed a university degree with less than one year's experience working on insolvency matters. Works under supervision of more senior staff in performing day-to-day fieldwork.	\$230

During the Administrations, work has also been completed by other Deloitte staff from our Tax & Legal, PDS Group and Risk Advisory practices. The rates charged by these staff are the same as those charged by Deloitte Restructuring staff.

Remuneration claim resolutions

Creditors will be asked to pass the following resolutions to approve our remuneration. Details to support these resolutions are included in each of the respective schedules listed below.

In respect of the estimated future remuneration resolutions, should a lesser amount be incurred, only the incurred amount will be charged and drawn. Should a greater amount be incurred, only the capped amount approved by creditors will be charged and we may seek further approval of the additional fees incurred.

PCA resolutions

Resolution PCA-1 – Future Joint and Several Administrators’ remuneration from 27 May 2022 to completion of the VA

“That the future remuneration of the Administrators from 27 May 2022 to the completion of the VA is determined at a sum equal to the cost of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice of 24 February 2022, up to a capped amount of \$1,498,939.00 exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.”

Resolution PCA-2 – In the event the creditors vote for the Company to enter into liquidation, to consider and if thought fit, approve the prospective Liquidators’ future remuneration from commencement of liquidation to finalisation of liquidation

“That the future remuneration of the Joint and Several Liquidators from the commencement of the liquidation to the completion of the liquidation is determined at a sum equal to the cost of time spent by the Joint and Several Liquidators and their partners and staff, calculated at the hourly rate as detailed in the Initial Remuneration Notice of 24 February 2022, up to a capped amount of \$3,498,502.50, exclusive of GST, and that the Liquidators can draw the remuneration on a monthly basis or as required”.

PCQ resolutions

Resolution PCAQ-1 - Current Joint and Several Administrators’ remuneration from 23 February 2022 to 31 May 2022

“That the remuneration of the Administrators, for the period of the administration from 23 February 2022 to 31 May 2022, calculated at the hourly rates as detailed in the Initial Remuneration Notice of 24 February 2022, is approved for payment in the sum of \$529,900.50 exclusive of GST, and that the Administrators can draw the remuneration immediately or as required.”

Resolution PCAQ-2 – Future Joint and Several Administrators’ remuneration from 1 June 2022 to completion of VA

“That the future remuneration of the Administrators from 1 June 2022 to the completion of the VA is determined at a sum equal to the cost of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice of 24 February 2022, up to a capped amount of \$110,434.50 exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.”

Resolution PCAQ-3 – In the event the creditors vote for the Company to enter into liquidation, to consider and if thought fit, approve the prospective Liquidators’ future remuneration from commencement of liquidation to finalisation of liquidation

“That the future remuneration of the Joint and Several Liquidators from the commencement of the liquidation to the completion of the liquidation is determined at a sum equal to the cost of time spent by the Liquidators and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice of 24 February 2022, up to a capped amount of \$599,112.00, exclusive of GST, and that the Liquidators can draw the remuneration on a monthly basis or as required.”

MH resolutions

Resolution MH-1 - Current Joint and Several Administrators' remuneration from 23 February 2022 to 31 May 2022

"That the remuneration of the Administrators, for the period of the administration from 23 February 2022 to 31 May 2022, calculated at the hourly rates as detailed in the Initial Remuneration Notice of 24 February 2022, is approved for payment in the sum of \$271,250.50 exclusive of GST, and that the Administrators can draw the remuneration immediately or as required."

Resolution MH-2 – Future Joint and Several Administrators' remuneration from 1 June 2022 to completion of VA

"That the future remuneration of the Administrators from 1 June 2022 to the completion of the VA is determined at a sum equal to the cost of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice of 24 February 2022, up to a capped amount of \$89,651.50 exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required."

Resolution MH-3 – In the event the creditors vote for the Company to enter into liquidation, to consider and if thought fit, approve the prospective Liquidators' future remuneration from commencement of liquidation to finalisation of liquidation

"That the future remuneration of the Joint and Several Liquidators from the commencement of the liquidation to the completion of the liquidation is determined at sum equal to the cost of time spent by the Liquidators and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice of 24 February 2022, up to a capped amount of \$248,471.50, exclusive of GST, and that the Liquidators can draw the remuneration on a monthly basis or as required."

Fee resolution for the proposed pooled DOCA

WBHO Construction (Pty) Ltd has proposed a Deed of Company Arrangement (**DOCA**) involving a single pooled DOCA covering the WBHO Group, being all the entities in voluntary administration listed in **Schedule 10.1**.

The proposed DOCA covers all entities under administration, so that all assets, recoveries, contributions and creditor claims will be pooled. We are seeking only one remuneration approval to administer this DOCA. This approval will cover all entities under administration and will be paid from DOCA contributions, as well as realisations from pooled assets and recoveries.

Pooled-1 – In the event the creditors vote for the Group to enter into the proposed DOCA, to consider and if thought fit, approve the future Deed Administrators' remuneration from execution of the DOCA to finalisation (effectuation) of the DOCA

"That the future remuneration of the Deed Administrators from execution of the DOCA to finalisation (effectuation) of the DOCA, is determined at a sum equal to the cost of time spent by the Deed Administrators and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice of 24 February 2022, up to a capped amount of \$3,498,635.00, exclusive of GST, and that the Deed Administrators can draw the remuneration on a monthly basis or as required."

Total remuneration reconciliation

In our Initial Remuneration Notice (**IRN**) dated 24 February 2022, we estimated the cost of the voluntary administration (**VA**) for the entire Group to be between \$4m to \$5m (excluding GST, legal fees and disbursements). This was an initial estimate at the early stage of the administration and was subject to a number of assumptions and variables which would have a significant effect on the estimate initially provided.

As set out in the above tables, the total voluntary administration remuneration we are seeking approval for in this report is for the sum of \$2,500,176.00. This is in addition to previously approved Administrators' remuneration in the sum of \$9,950,347.75 which was in respect to PCA only. The remuneration has increased compared to our initial estimated range primarily because of significant work involved in:

- managing the Company's active projects, including meeting with key stakeholders including the Principals, subcontractors and critical suppliers; reviewing purchase order requests; arranging payments to subcontractors and suppliers; responding to show cause and termination notices; facilitating handover agreements; assisting with the execution of subcontractor deeds of novation; assessing securities needing to be replaced; and managing exit of projects in which Principals took control
- managing projects in the Defects Liability Period (**DLP**), including reviewing outstanding defects lists, assessing the nature of defects and the costs of rectifying same, engaging with bond and surety providers, and liaising with clients regarding releases of security and bond calls
- extensive correspondence with legal counsels regarding court applications for directions and guidance on various aspects of the administration
- extensive correspondence with Principals and subcontractors' lawyers regarding the execution of the handover agreement
- extensive communications with secured creditors to collect information on assets subject to security registrations on the Personal Property Securities Register (**PPSR**)
- identifying assets with including locations, costs and amounts paid, and entering negotiations with Principals for purchase of same
- liaising with suppliers regarding liens over inventory and materials held by the Companies and confirm whether such liens are valid
- liaising with secured creditors regarding the statutory moratorium on debts and lease payments pursuant to Section 443B of the Act
- negotiations and analysis relating to the WBHO Construction SA DOCA.

We have set out at Schedule 2.4 a detailed explanation for the increased remuneration sought.

In preparing this remuneration approval report, we have made our best estimate at what we believe the administrations will cost to complete and we do not anticipate we will have to ask creditors to approve any further remuneration.

5. Previous remuneration approvals

The following remuneration approvals have previously been provided by the Committee of Inspection for PCA only:

Period	For	Amount Approved	Amount paid
23 February 2022 to 31 March 2022	Work already done	\$5,627,316.25	\$nil
1 April 2022 to completion of the voluntary administration*	Future work	\$4,323,031.50*	\$nil
Total		\$9,950,347.75	\$nil

*The remuneration cap for future work for the amount of \$4,323,031.50 was exhausted on 26 May 2022.

6. Disbursements

Disbursements are divided into three types:

- **External professional services** – these are recovered at cost. An example is legal fees. It does not include insolvency services as insolvency services are claimed as remuneration.
- **External non-professional costs** – these are recovered at cost. Examples include travel, accommodation, and search fees.
- **Internal disbursements (firm non-professional costs)** – such as photocopying, printing and postage. These costs, if charged to the administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

Externally provided disbursements

A number of services (both professional and non-professional) have been supplied by external providers. These are paid by two different methods:

- Professional and non-professional services usually paid out of the Administration account at cost (for e.g. legal fees). Details of these amounts are included in the summary of Receipts and Payments attached as **Schedules 2.3, 5.3 and 8.3**.
- Non-professional services paid by Deloitte Financial Advisory Pty Ltd and reimbursed. These disbursements are detailed below.

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the administration.

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

Current Disbursements claim

At the COI meeting held on 9 May 2022, the COI approved our disbursements incurred, and future disbursements, in respect of PCA only. Details are included in the table below.

Period	Disbursements	Amount \$ (excl. GST)
Actual: 23 February 2022 to 31 March 2022	Halo fees – February (pro-rata)	3,214.29
	Halo fees – March	15,000.00
	Administration fee	600.00
	Total	18,814.29
Future (estimate): 1 April 2022 to completion of VA	Halo fees – April	15,000.00
	Halo fees – May	15,000.00
	Halo fees – June (pro-rata)	12,000.00
	Total	42,000.00

Voluntary Administrators are not required to seek creditor approval for expenses paid to third parties at cost, however administrators are required to obtain creditor's consent for the payment of a disbursement where the administrators or a

related entity of the administrators, may directly or indirectly obtain a profit. In these circumstances, creditors will be asked to approve these disbursements prior to them being paid from the administration.

We will be seeking further approval for our disbursements as outlined below. Details of the future disbursements to be incurred, are included in the table below

External disbursements	Basis	PCA	PCQ	MH
Halo fees: June 2022 (pro-rata)		3,000.00	-	-
Halo fees: July - December 2022 (at \$15,000 per month)		90,000.00	-	-
Administration fee	\$600 fixed fee	-	600.00	600.00
Total disbursements (VA – Current)		93,000.00	600.00	600.00

* We will be seeking approval to pay our internal disbursements for the administration fee from creditors. This fee contributes towards costs incurred by our firm in the administration of the engagement. Such costs include, amongst other things, variable levies incurred when certain notices are lodged with Australian Securities and Investments Commission (ASIC) or advertised on the ASIC public notice website pursuant to the *ASIC Supervisory Cost Recovery Levy Act 2017*, the licensing and use of insolvency software to assist with the creation, preparation and maintenance of proper administration records, telephone calls and internal photocopying and printing. Based upon internal analysis of average costs incurred, \$600 is, in our opinion a reasonable commercial claim.

Details of the disbursements incurred to 31 May 2022 are included in the table below.

External disbursements	Basis	PCA	PCQ	MH
Photocopying, printing & postage (externally provided)	At cost	463.21	163.86	-
Search fees	At cost	30.80	44.90	44.90
IT equipment	At cost	8,009.73		
Advertisement (sale)	At cost	-	-	-
Meals	At cost	844.10	-	-
Accommodation	At cost	10,470.37	-	-
Airfares	At cost	11,093.42	-	-
Travel allowance	At cost	2,240.00	-	-
Tolls, taxis, parking, public transport and mileage	At cost	9,474.87	43.93	-
Total disbursements (VA – Current)		42,626.50	252.69	44.90

Disbursement claim resolutions

Please refer to the following resolutions we are asking creditors to approve:

PCA resolution

Resolution PCA-3 – Future disbursements from second meeting of creditors to conclusion of the administration.

“That the disbursements from the date of the second meeting of creditors to conclusion of the external administration (irrespective of whether creditors vote in favour of the pooled DOCA or Liquidation), calculated at the rates as detailed in the Remuneration Approval Report dated at 20 June 2022 is approved for payment in the sum of \$93,000.00 and that the DOCA Administrators or the Liquidators (whichever is applicable) may draw the disbursements immediately or as required.”

PCAQ resolution

Resolution PCAQ-4 – Current Joint and Several Administrators’ disbursements from 23 February 2022 to 31 May 2022

“That the disbursements of the Administration from 23 February 2022 to the completion of the VA, calculated at the rates as detailed in the Remuneration Approval Report dated at 24 June 2022 is approved for payment in the sum of \$600.00 and that the Administrators’ may draw the disbursements immediately or as required.”

MH resolution

Resolution MH-4 - Current Joint and Several Administrators’ disbursements from 23 February 2022 to 31 May 2022

“That the disbursements of the Administration from 23 February 2022 to the completion of the VA , calculated at the rates as detailed in the Remuneration Approval Report dated at 24 June 2022 is approved for payment in the sum of \$600.00 and that the Administrators’ may draw the disbursements immediately or as required.”

7. Likely impact on dividends

The Act sets the order for payment of claims against the Companies, 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 Administrators receive payment for the work done to recover assets, investigate the Companies’ 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.

Since our appointment, we have focused on maximising the chances of the Companies, or as much as possible of its business, to continue in existence in order to preserve jobs of employees and provide a better return to creditors. While the focus has been on prioritising those tasks relating to the realisation of assets, we are also required to perform a number of tasks which do not relate to the preservation of business, for example responding to creditors enquiries, undertaking statutory tasks, investigations and assisting with employee queries and calculating entitlements.

Any dividend to creditors will be impacted not just by our fees and disbursements, but also 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.

For further information regarding estimated return to creditors, please refer to **Section 10** of the Report to Creditors pursuant to section 75-225 of the *Insolvency Practice Rules (Corporations)*.

8. Summary of receipts and payments

Please refer to **Schedules 2.3, 5.3 and 8.3** for a summary of the receipts and payments for the administrations as at 31 May 2022.

9. Queries

If you have any queries in relation to the information in this report, please email us at Probuild1@deloitte.com.au

You can also access information which may assist you on the following websites:

- ARITA at www.arita.com.au/creditors
- ASIC at www.asic.gov.au (search for INFO 85).

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

Attachments:

Entity	Schedule	Resolution	Description
Probuild Constructions (Aust) Pty Ltd (PCA)	1.1 & 1.2	PCA-1	Time charged to each major task Detailed description of tasks
	2.1 & 2.2	PCA-2	Time charged to each major task Detailed description of tasks
	2.3		Summary of Receipts and Payments
PCA (QLD) Pty Ltd (PCQ)	3.1 & 3.2	PCAQ-1	Time charged to each major task Detailed description of tasks
	4.1 & 4.2	PCAQ-2	Time charged to each major task Detailed description of tasks
	5.1 & 5.2	PCAQ-3	Time charged to each major task Detailed description of tasks
	5.3		Summary of Receipts and Payments
Monaco Hickey Pty Ltd (MH)	6.1 & 6.2	MH-1	Time charged to each major task Detailed description of tasks
	7.1 & 7.2	MH-2	Time charged to each major task Detailed description of tasks
	8.1 & 8.2	MH-3	Time charged to each major task Detailed description of tasks
	8.3		Summary of Receipts and Payments

Entity	Schedule	Resolution	Description
All entities listed in Schedule 10.1	9.1 & 9.2	Pooled-1	Time charged to each major task Detailed description of tasks
All entities listed in Schedule 10.1	10.1		WBHO Group of companies in administration

Schedule 1.1 | Time to be charged to each major task**Probuild Constructions (Aust) Pty Ltd (Administrators Appointed)***PCA-1: Remuneration from 27 May 2022 to the completion of the VA***Time charged by Administrators' staff**

Position	\$ /hour (ex GST)	Total actual hours	Total (\$)	Task Area											
				Assets		Creditors		Employees		Trade On		Investigations		Administration	
				Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Partner	825.00	283.2	233,640.00	93.8	77,385.00	70.9	58,492.50	22.9	18,892.50	54.3	44,797.50	5.0	4,125.00	36.3	29,947.50
Principal	750.00	175.8	131,850.00	2.4	1,800.00	66.0	49,500.00	8.4	6,300.00	49.4	37,050.00	47.6	35,700.00	2.0	1,500.00
Director	650.00	693.7	450,905.00	116.3	75,595.00	200.7	130,455.00	213.2	138,580.00	105.0	68,250.00	3.2	2,080.00	55.3	35,945.00
Associate Director	575.00	317.6	182,620.00	9.3	5,347.50	172.1	98,957.50	10.9	6,267.50	44.0	25,300.00	65.7	37,777.50	15.6	8,970.00
Manager	550.00	131.2	72,160.00	3.2	1,760.00	8.1	4,455.00	114.5	62,975.00	-	-	-	-	5.4	2,970.00
Senior Analyst	475.00	416.3	197,742.50	11.3	5,367.50	56.8	26,980.00	92.8	44,080.00	12.3	5,842.50	198.9	94,477.50	44.2	20,995.00
Analyst	425.00	223.5	94,987.50	8.4	3,570.00	84.7	35,997.50	37.0	15,725.00	22.9	9,732.50	-	-	70.5	29,962.50
Graduate	325.00	382.4	124,280.00	22.1	7,182.50	124.6	40,495.00	67.8	22,035.00	12.0	3,900.00	109.8	35,685.00	46.1	14,982.50
Other Junior	230.00	40.3	9,269.00	7.8	1,794.00	19.5	4,485.00	-	-	-	-	-	-	13.0	2,990.00
Other Clerical	225.00	6.6	1,485.00	-	-	-	-	-	-	-	-	-	-	6.6	1,485.00
TOTAL		2,670.6	1,498,939.00	274.6	179,801.50	803.4	449,817.50	567.5	314,855.00	299.9	194,872.50	430.2	209,845.00	295.0	149,747.50
GST			149,893.90												
TOTAL (including GST)			1,648,832.90												
<i>Average hourly rate</i>					<i>654.78</i>		<i>559.89</i>		<i>554.81</i>		<i>649.79</i>		<i>487.78</i>		<i>507.62</i>

Schedule 1.2 | Detailed description of tasks to be performed**Probuild Constructions (Aust) Pty Ltd (Administrators Appointed)***PCA-1: Remuneration from 27 May 2022 to the completion of the VA***Description of work to be completed for the administration from 27 May 2022 to completion of the VA**

Task Area	General Description	Includes
Assets 274.6 hours \$179,801.50	Sale of business as a going concern	<ul style="list-style-type: none"> • Discussions and meetings with internal staff and lawyers to finalise the sale process • Liaising with the Company's staff regarding transfer of employment • Considering taxation impacts of DOCA proposal • Review and execute asset sale agreement • Continuing to liaise with solicitors regarding deeds of novation for client contracts and subcontracts and consultants and execution of same • Continuing discussions with solicitors and Roberts to compile correspondence and continuing discussions required to transfer relevant leases to purchasers • Documentation of the sale process and outcomes for creditors and external stakeholders • Ongoing engagement with Roberts in respect of requirements under the Transitional Services Agreement
	Plant and equipment	<ul style="list-style-type: none"> • Ongoing internal meetings to discuss realisation of plant and equipment, in particular for head office equipment and projects outside of the sale agreement with Roberts • Liaising with auctioneers to attend to collection and realisations of plant and equipment • Updating asset schedule and monitoring recoveries • Liaising with parties regarding liens over plant and equipment
	Assets subject to specific charges	<ul style="list-style-type: none"> • Liaising with secured creditors regarding releases for assets included in sale agreement • Continuing discussions with Company team, Roberts and Principals regarding purchase of Meraki financed equipment/novation of agreement
	Debtors	<ul style="list-style-type: none"> • Correspondence with debtors • Following up correspondence with debtors, and issuing demands where appropriate • Monitoring collection of receivables and liaising with debt collectors and solicitors where required • Reviewing accounts for prepaid goods and arranging refunds where applicable • Reviewing and recovering employee loans • Calculating and demanding payment of intercompany loans
	Inventory and materials	<ul style="list-style-type: none"> • Attending to Retention of Title claims by suppliers
	Sale of real property	<ul style="list-style-type: none"> • Co-ordinating sale of real property at Darlinghurst NSW and attending to any arising tax issues • Tasks associated with settlement of the sale • Realising other assets remaining at the Darlinghurst property

	Other assets	<ul style="list-style-type: none"> • Tasks associated with realising other assets
Creditors 803.4 hours \$449,817.50	General creditor enquiries, requests and directions	<ul style="list-style-type: none"> • Receiving and responding to creditor enquiries via inboxes, telephone and Halo platform • Reviewing and preparing correspondence to creditors and their representatives via Halo platform, email and post • Maintaining creditor request log via Halo platform • Considering reasonableness of creditor requests • Compiling information requested by creditors • Documenting reasons for complying or not complying with requests or directions • Corresponding with COI members
	Deloitte – Forensics	<ul style="list-style-type: none"> • Managing the Halo Help inbox to assist creditors with technical Halo queries
	Deloitte – Risk Advisory	<ul style="list-style-type: none"> • Maintaining the claims and voting dashboards in Halo
	Secured creditor reporting	<ul style="list-style-type: none"> • Responding to secured creditors' queries • Liaising with secured creditors in relation to the sale of business • Maintaining secured asset register
	Creditor reports	<ul style="list-style-type: none"> • Preparing updates and circulars to creditors • Finalising section 75-225 report, which includes: reporting on the affairs of the Company, the Administrators' investigations, actions taken, the sale of business process, recommendation on the outcome of the administration, notification of the second meeting of creditors, and remuneration report • Processing 'Return to sender' correspondence • Corresponding with the proponent regarding the DOCA proposal and related documents • Working with the DOCA proponent and their advisors to prepare detailed DOCA proposal and structure • Meeting with DOCA proponent and their advisors to review and process DOCA and deal structure
	Dealing with PODs	<ul style="list-style-type: none"> • Maintaining register of PODs through Halo platform • Creditor data management including processing updates to creditor information in Halo platform • Attending to creditor queries regarding information in the Halo creditor platform and submitted PODs • Creditor data management including processing updates to creditor information in Halo platform • Admitting PODs for voting purposes for the second meeting of creditors
	Meeting of creditors	<ul style="list-style-type: none"> • Preparing second meeting notice, proxies and advertisements for second meeting of creditors • Forwarding notice of second meeting to all known creditors • Discussing requirements for virtual meeting with internal IT support • Preparing meeting file for the second meeting, including agenda and slide deck, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting • Holding the second meeting of creditors via Microsoft Teams

Employees 567.5 hours \$314,855.00		<ul style="list-style-type: none"> Preparing and lodging minutes of second meeting with ASIC Responding to stakeholder queries and questions following second meeting
	Committee of inspection	<ul style="list-style-type: none"> Corresponding with COI members Preparing COI minutes and lodging with ASIC
	Employee enquiries	<ul style="list-style-type: none"> Receiving and following up employee enquiries Reviewing and preparing correspondence to employees via email and Halo Assist employees with various queries regarding the Halo creditor platform and their employee entitlements Updating employee contact details in Halo Assisting the purchaser with transition issues relating to employees
	FEG	<ul style="list-style-type: none"> Ongoing correspondence with FEG
	ATO	<ul style="list-style-type: none"> Corresponding with the ATO regarding STP lodgements
	Payroll	<ul style="list-style-type: none"> Reviewing weekly and monthly pay reconciliations and arranging Administrators' approval to process payroll Reviewing and lodging STP reports Liaising with superannuation funds Remittance of Child Support deductions Reviewing superannuation payment contributions and arranging required approvals Reviewing and arranging payment of employee termination payments and associated correspondence Updating cash flow and cost analysis for revised run rate of staff being employed during the administration period Liaising with the respective state offices regarding payroll tax issues Liaising with the respective novated leasing companies regarding current arrangements and procedures going forward
	Calculation of entitlements	<ul style="list-style-type: none"> Calculate and review of employee entitlements, including bonuses / retentions; outstanding salary sacrifice; annual leave; leave loading; long serve leave; PILN and redundancy Reviewing employment contracts; agreements; EBAs Correspondence with solicitors regarding the review of contracts; agreements and EBAs for the purposes of calculating redundancy and payment in lieu of notice calculations Preparing letters to staff regarding their outstanding entitlement position Receiving and preparing correspondence in response to employee's objections to leave entitlements Employee entitlement calculations specific to Probuild project site requests
	Ongoing planning and strategy	<ul style="list-style-type: none"> Internal discussions and meetings with employee workstream regarding status, key issues and next steps Maintaining employee dashboard regarding status of employees across the business
	Correspondence to staff whose positions had been made redundant	<ul style="list-style-type: none"> Correspondence to staff whose positions will be made redundant including: notice of their redundancy; FAQ; details of EAP support and a separation certificate

or where staff had been requested not to serve out the remainder of their notice period	<ul style="list-style-type: none">• Correspondence to employees that have resigned that are not required to serve out the remainder of their notice period• Communications with solicitors regarding the review of the Administrators' pro-forma documents to be issued to staff where their positions have been made redundant or where staff have been requested not to serve out the remainder of their notice period• Liaising with the relevant redundancy and LSL schemes in each state regarding payments during the administration period and notification of redundancies• Correspondence with Centrelink regarding notification of redundancies• Correspondence with each state's respective workers compensation insurers in relation to redundancies and the recovery of any outstanding reimbursements
Sale of business to Roberts Co	<ul style="list-style-type: none">• Calculation of entitlements for the Asset Sale Agreement and for the letters of offer to staff from Roberts regarding the transfer of employee entitlements• Communications with solicitors regarding the review of communications issued to staff• Reconciliation of staff salaries to be reimbursed to / from Roberts in accordance with the respective Transitional Service Agreements
Staff transferred to an alternate builder / developer	<ul style="list-style-type: none">• Drafting communications to staff that had received an employment offer from an alternate builder/ developer• Communications with an alternate builder/ developer regarding letters of offer to staff• Calculation of entitlements for the letters of offer to staff from alternate builder / developer regarding the transfer of employee entitlements• Communications with our solicitor regarding the review of communications issued to staff• Reconciliation of staff salaries to be reimbursed to/from alternate builder/developer in accordance with the respective Transitional Service Agreements
Workers' compensation claims	<ul style="list-style-type: none">• Reviewing insurance policies• Receipt of claims• Liaising with claimant• Liaising with insurers and solicitors regarding claims• Identifying potential issues requiring attention of insurance specialists• Corresponding with previous brokers

Trade On 299.9 hours \$194,872.50	Projects	<ul style="list-style-type: none"> • All tasks associated with continuing to trade on projects, including: <ul style="list-style-type: none"> - Attendance on site - Verifying and processing payments to subcontractors and minor suppliers - Reviewing, understanding and approving Purchase Order requests - Reviewing draft progress claims and ongoing monitoring of the project specific Administrators' cash flow position - Answering Subcontractor enquiries - Ongoing monitoring of operations of the project - Responding to breach and show cause notices • All tasks associated with transferring projects included in sale agreement to Roberts Co, including: <ul style="list-style-type: none"> - Assisting with negotiating the execution of Subcontractor Deeds of Novation - Facilitating the transfer of employees - Arranging for the return of securities to subcontractors - Arranging transfer of project information • All tasks associated with facilitating handover of projects outside sale agreement to Principals/Developers, including: <ul style="list-style-type: none"> - Assisting with negotiating the execution of Subcontractor Deeds - Facilitating the transfer of employees - Arranging for the return of securities to subcontractors - Recovery of cash bonds provided to state authorities - Arranging transfer of project information • All tasks associated with managing projects in the Defects Liability Period (DLP), including continuing to assess the nature of defects and the costs of rectifying same, engaging with bond and surety providers, and liaising with clients regarding releases of security and bond calls
	Deloitte – PDS Group	<ul style="list-style-type: none"> • Providing project management consulting services to project leads
	Suppliers	<ul style="list-style-type: none"> • Corresponding with suppliers via phone and email • Maintaining and processing purchase orders for continued supply of goods and services • Reviewing payment requests and arranging required approvals from Administrators
	Trade on management	<ul style="list-style-type: none"> • Liaising regularly via phone, email and meetings with management and staff regarding trade on operations • Ongoing assessment of cash commitment and trade on cash flow • Maintaining purchase order registry
	Leasing	<ul style="list-style-type: none"> • Liaising with lessors regarding specific occupation issues, including amended lease for Victoria Head Office • Issuing notices of intention not to exercise rights for certain leases

		<ul style="list-style-type: none"> • Ad hoc and administrative tasks associated with maintaining leases, including reviewing rental charges and raising purchase orders for the Administration period • Facilitating transfer of leases for sites included in sale agreement
	Processing receipts and payments	<ul style="list-style-type: none"> • Preparing and authorising payments • Entering receipts and payments into accounting system • Reviewing supplier payments • Liaising with ANZ on all bank accounts • Maintenance of FX hedges
	Cashflow funding and trading	<ul style="list-style-type: none"> • Reviewing Company's budgets and financial statements • Preparing, maintaining and reviewing cashflow forecasts • Maintenance of receipts and payments made by the Administrators • Preparation and lodgement of BAS • Regular meetings to discuss trading position • Management of bank accounts, including project accounts, retention trusts and cash-backed securities
Investigation 430.2 hours \$209,845.00	Conducting investigation	<ul style="list-style-type: none"> • Further review of Company's Books and records • Updating Company nature and history • Reviewing board reports, minutes, and other communications • Conducting and summarising statutory searches • Conducting meetings and interviews with management and staff regarding affairs of Company and preparing file notes • Reviewing and updating reconstructed financial statements for Company based on management accounts • Reviewing specific transactions and liaising with directors and management regarding these transactions • Reviewing Company's books and records and other information to identify key events leading to voluntary administration • Considering solvency, directors' conduct and holding company liability • Preparing and finalising investigation file • Arranging review of investigation file by lawyers • Reviewing and updating financial analysis in respect of the Company's financial position and performance • Reviewing taxation records • Reviewing and updating aged payables analysis • Reviewing and updating intercompany loan matrix • Lodgement of statutory investigation reports
Administration 295.0 hours	Correspondence	<ul style="list-style-type: none"> • Maintaining Probuild VA General inbox • Preparing general correspondence including letters, telephone calls and emails

\$149,747.50	Document maintenance/file review/checklist	<ul style="list-style-type: none"> • Administrator reviews • Filing of documents and emails • Updating Core IPS checklists • Uploading receipts and payments to IPS for reporting purposes and statutory lodgements
	Insurance	<ul style="list-style-type: none"> • Liaising with insurance broker regarding any ongoing queries
	Bank account administration	<ul style="list-style-type: none"> • Liaising with bank regarding sweeps and transfers • Bank account reconciliations • Opening and closing bank accounts as required
	Preparation of ASIC forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms including 5011s • Corresponding with ASIC regarding statutory forms and other ad-hoc matters of attention
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Corresponding with the ATO regarding general taxation matters • Preparing and lodging BASs
	Finalisation of VA	<ul style="list-style-type: none"> • Notifying ATO of finalisation • Completing checklists • Finalising WIP for VA period • Preparing and lodging End of Administration Return (Form 5603) with ASIC
	Planning / review	<ul style="list-style-type: none"> • Holding team meetings regarding status and planning of the administration
	Books and records / storage	<ul style="list-style-type: none"> • Maintaining electronic and hard copy files • Dealing with records
	Deloitte – Tax & Legal	<ul style="list-style-type: none"> • Providing tax advice to Administrators regarding various tax issues • Reviewing BASs • Ongoing discussions with project teams regarding correct tax treatment of transactions
	Legal matters	<ul style="list-style-type: none"> • Assisting solicitors with information requests, corresponding with solicitors with respect to all Court matters • Strategy meetings and briefing to solicitors • Liaising with solicitors regarding various legal matters, including those relating to active and legacy projects, insurance claims, stay of proceedings, potential recoveries and court applications concerning various aspects of the VA • Maintaining tracker of legal issues
TOTAL		
2,670.6 hours		
\$1,498,939.00		

Schedule 2.1 | Time to be charged to each major task

Probuild Constructions (Aust) Pty Ltd (Administrators Appointed)

PCA-2: Remuneration from commencement of liquidation to finalisation of liquidation

Time charged by Administrators' staff

Position	\$ /hour (ex GST)	Total actual hours	Total (\$)	Task Area													
				Assets		Creditors		Employees		Trade On		Investigations		Dividend		Administration	
				Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Partner	825.00	1,108.2	914,265.00	383.0	315,975.00	121.3	100,072.50	12.7	10,477.50	29.2	24,090.00	273.6	225,720.00	127.2	104,940.00	161.2	132,990.00
Principal	750.00	176.7	132,525.00	9.8	7,350.00	112.9	84,675.00	4.6	3,450.00	26.6	19,950.00	7.0	5,250.00	7.0	5,250.00	8.8	6,600.00
Director	650.00	1,771.8	1,151,670.00	474.9	308,685.00	343.5	223,275.00	118.4	76,960.00	56.5	36,725.00	339.2	220,480.00	193.8	125,970.00	245.5	159,575.00
Associate Director	575.00	513.9	295,492.50	38.3	22,022.50	294.6	169,395.00	6.0	3,450.00	23.7	13,627.50	27.3	15,697.50	54.7	31,452.50	69.3	39,847.50
Manager	550.00	143.5	78,925.00	13.3	7,315.00	14.0	7,700.00	63.6	34,980.00	-	-	9.5	5,225.00	19.0	10,450.00	24.1	13,255.00
Senior Analyst	475.00	585.5	278,112.50	46.4	22,040.00	97.2	46,170.00	51.5	24,462.50	6.6	3,135.00	33.1	15,722.50	154.7	73,482.50	196.0	93,100.00
Analyst	425.00	796.8	338,640.00	34.5	14,662.50	144.9	61,582.50	20.5	8,712.50	12.3	5,227.50	24.7	10,497.50	247.0	104,975.00	312.9	132,982.50
Graduate	325.00	778.3	252,947.50	90.4	29,380.00	213.2	69,290.00	37.6	12,220.00	6.4	2,080.00	64.6	20,995.00	161.5	52,487.50	204.6	66,495.00
Other Junior	230.00	191.5	44,045.00	31.9	7,337.00	33.4	7,682.00	-	-	-	-	22.8	5,244.00	45.6	10,488.00	57.8	13,294.00
Other Clerical	225.00	52.8	11,880.00	-	-	-	-	-	-	-	-	-	-	23.3	5,242.50	29.5	6,637.50
TOTAL		6,119.0	3,498,502.50	1,122.5	734,767.00	1,375.0	769,842.00	314.9	174,712.50	161.3	104,835.00	801.8	524,831.50	1,033.8	524,738.00	1,309.7	664,776.50
GST			349,850.25														
TOTAL (including GST)			3,848,352.75														
Average hourly rate					654.58		559.89		554.82		649.94		654.57		507.58		507.58

Schedule 2.2 | Detailed description of tasks to be performed**Probuild Constructions (Aust) Pty Ltd (Administrators Appointed)***PCA-2: Remuneration from commencement of liquidation to finalisation of liquidation***Description of work to be completed for the administration from commencement of liquidation to finalisation of liquidation**

Task Area	General Description	Includes
Assets 1,122.5 hours \$734,767.00	Plant and equipment	<ul style="list-style-type: none"> Ongoing internal meetings to discuss realisation of plant and equipment Liaising with auctioneers to attend to collection and realisations of plant and equipment Updating assets schedule and monitoring recoveries Liaising with storers regarding liens over plant and equipment
	Assets subject to specific charges	<ul style="list-style-type: none"> Liaising with secured creditors regarding releases for assets included in sale agreement Continuing discussions with Company team and Principal regarding deeds of novation
	Debtors	<ul style="list-style-type: none"> Correspondence with debtors Following up correspondence with debtors, and issuing demands where appropriate Monitoring collection of receivables and liaising with debt collectors and solicitors where required Attending to litigation for recovery of debtors where required Reviewing accounts for prepaid goods and arranging refunds where applicable Calculating and demanding payment of intercompany loans where relevant
	Other assets	<ul style="list-style-type: none"> Tasks associated with realising other assets
Creditors 1,375.0 hours \$769,842.00	General creditor enquiries, requests and directions	<ul style="list-style-type: none"> Receiving and responding to creditor enquiries via inboxes, telephone and Halo platform Reviewing and responding to subcontractor enquiries regarding retentions Reviewing and preparing correspondence to creditors and their representatives via Halo platform, email and post Maintaining creditor request log via Halo platform Considering reasonableness of creditor requests Compiling information requested by creditors Documenting reasons for complying or not complying with requests or directions Managing the Halo Help inbox to assist creditors with technical Halo queries Maintaining the claims and voting dashboards in Halo
	Secured creditor reporting	<ul style="list-style-type: none"> Responding to secured creditors' queries
	Creditor reports	<ul style="list-style-type: none"> Preparing updates and circulars to creditors Prepare and issue Liquidators' statutory report Processing 'Return to sender' correspondence

Employees 314.9 hours \$174,712.50	Dealing with PODs	<ul style="list-style-type: none"> • Maintaining register of PODs through Halo platform • Creditor data management including processing updates to creditor information in Halo platform • Attending to creditor queries regarding information in the Halo creditor platform and submitted PODs • Creditor data management including processing updates to creditor information in Halo platform • Admitting PODs for voting purposes for the second meeting of creditors
	Meeting of creditors	<ul style="list-style-type: none"> • Preparing second meeting notice, proxies and advertisements for second meeting of creditors • Forwarding notice of second meeting to all known creditors • Discussing requirements for virtual meeting with internal IT support • Preparing meeting file for the second meeting, including agenda and slide deck, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting • Holding the second meeting of creditors via Microsoft Teams • Preparing and lodging minutes of second meeting with ASIC • Responding to stakeholder queries and questions following second meeting
	Deloitte – Forensics	<ul style="list-style-type: none"> • Managing the Halo Help inbox to assist creditors with technical Halo queries
	Deloitte – Risk Advisory	<ul style="list-style-type: none"> • Maintaining the claims and voting dashboards in Halo
	Employee enquiries	<ul style="list-style-type: none"> • Receiving and following up employee enquiries • Reviewing and preparing correspondence to employees via email and Halo • Assist employees with various queries regarding the Halo creditor platform and their employee entitlements • Updating employee contact details in Halo • Assisting the purchaser with transition issues relating to employees
	FEG	<ul style="list-style-type: none"> • Ongoing correspondence with FEG
	ATO	<ul style="list-style-type: none"> • Corresponding with the ATO regarding STP lodgements
	Calculation of entitlements	<ul style="list-style-type: none"> • Calculate and review of employee entitlements, including bonuses / retentions; outstanding salary sacrifice; annual leave; leave loading; long serve leave; PILN and redundancy • Reviewing employment contracts; agreements; EBAs • Correspondence with solicitors regarding the review of contracts; agreements and EBAs for the purposes of calculating redundancy and payment in lieu of notice calculations • Preparing letters to staff regarding their outstanding entitlement position • Receiving and preparing correspondence in response to employee's objections to leave entitlements • Employee entitlement calculations specific to Probuild project site requests
	Ongoing planning and strategy	<ul style="list-style-type: none"> • Internal discussions and meetings with employee workstream regarding status, key issues and next steps • Maintaining employee dashboard regarding status of employees across the business

	Workers' compensation claims	<ul style="list-style-type: none"> • Reviewing insurance policies • Receipt of claims • Liaising with claimant • Liaising with insurers and solicitors regarding claims • Identifying potential issues requiring attention of insurance specialists • Corresponding with previous brokers
Trade On 161.3 hours \$104,835.00	Projects	<ul style="list-style-type: none"> • All tasks associated with dealing with residual project related issues, including: <ul style="list-style-type: none"> - Verifying and processing payments to subcontractors and minor suppliers - Reviewing draft progress claims and ongoing monitoring of the project specific cash flow position - Answering Subcontractor enquiries - Ongoing monitoring of operations of the project - Responding to breach and show cause notices • All tasks associated with managing projects in the Defects Liability Period (DLP), including continuing to assess the nature of defects and the costs of rectifying same, engaging with bond and surety providers, and liaising with clients regarding releases of security and bond calls • Attend to calls upon and release of subcontractor securities
	Suppliers	<ul style="list-style-type: none"> • Corresponding with suppliers via phone and email • Maintaining and processing purchase orders for continued supply of goods and services • Reviewing payment requests and arranging required approvals from Liquidators
	Processing receipts and payments	<ul style="list-style-type: none"> • Preparing and authorising payments • Entering receipts and payments into accounting system • Reviewing supplier payments • Liaising with ANZ on all bank accounts
	Cashflow funding and trading	<ul style="list-style-type: none"> • Reviewing Company's budgets and financial statements • Preparing, maintaining and reviewing cashflow forecasts • Maintenance of receipts and payments made by the Liquidators • Preparation and lodgement of BAS • Regular meetings to discuss trading position • Management of bank accounts, including project accounts, retention trusts and cash-backed securities

Investigation 801.8 hours \$524,831.50	Conducting investigation	<ul style="list-style-type: none"> • Further review of Company's Books and records • Updating Company nature and history • Reviewing board reports, minutes, and other communications • Conducting and summarising statutory searches • Conducting meetings and interviews with management and staff regarding affairs of Company and preparing file notes • Reviewing and updating reconstructed financial statements for Company based on management accounts • Reviewing specific transactions and liaising with directors and management regarding these transactions • Reviewing Company's books and records and other information to identify key events leading to voluntary administration • Considering solvency of Company and directors' conduct • Preparing and finalising investigation file • Reviewing and updating financial analysis in respect of the Company's financial position and performance • Reviewing taxation records • Reviewing and updating aged payables analysis • Reviewing and updating intercompany loan matrix • Lodgement of statutory investigation reports • Detailed analysis of insolvent trading claims and breaches of duties • Undertake legal recovery actions, including liaising with legal advisors and funders, negotiations and settlements
	Litigation/Recoveries	<ul style="list-style-type: none"> • Internal meetings to discuss possible litigation and if required • Preparing brief to solicitors • Liaising with solicitors regarding recovery actions • Attending to negotiations • Attending to settlement matters
Dividend 1,033.8 hours \$524,738.00	Processing proofs of debt (POD)	<ul style="list-style-type: none"> • Preparation of correspondence to potential creditors inviting lodgement of POD • Receipt of POD • Maintain POD register • Adjudicating POD • Request further information from claimants regarding POD • Preparation of correspondence to claimant advising outcome of adjudication
	Dividend procedures	<ul style="list-style-type: none"> • 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

		<ul style="list-style-type: none"> • Preparation of dividend file • Preparation of payment vouchers to pay dividend • Preparation of correspondence to creditors enclosing payment of dividend
Administration 1,309.7 hours \$664,775.50	Correspondence	<ul style="list-style-type: none"> • Maintaining Probuild General inbox • Preparing general correspondence including letters, telephone calls and emails
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> • Liquidator reviews • Filing of documents and emails • Updating Core IPS checklists • Uploading receipts and payments to IPS for reporting purposes and statutory lodgements
	Insurance	<ul style="list-style-type: none"> • Liaising with insurance broker regarding any ongoing queries
	Bank account administration	<ul style="list-style-type: none"> • Liaising with bank regarding sweeps and transfers • Bank account reconciliations • Opening and closing bank accounts as required
	Preparation of ASIC forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms including 5011s • Corresponding with ASIC regarding statutory forms and other ad-hoc matters of attention
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Corresponding with the ATO regarding general taxation matters • Preparing and lodging BASs
	Finalisation of VA	<ul style="list-style-type: none"> • Notifying ATO of finalisation • Completing checklists • Finalising WIP • Preparing and lodging End of Administration Return (Form 5603) with ASIC
	Planning / review	<ul style="list-style-type: none"> • Holding team meetings regarding status and planning of the administration
	Books and records / storage	<ul style="list-style-type: none"> • Maintaining electronic and hard copy files • Dealing with records
	Deloitte – Tax & Legal	<ul style="list-style-type: none"> • Providing tax advice to Liquidators regarding various tax issues • Reviewing BASs • Ongoing discussions with project teams regarding correct tax treatment of transactions
	Legal matters	<ul style="list-style-type: none"> • Assisting solicitors with information requests, corresponding with solicitors with respect to all Court matters • Strategy meetings and briefing to solicitors • Liaising with solicitors regarding various legal matters, including those relating to active and legacy projects, insurance claims, stay of proceedings, potential recoveries and court applications concerning various aspects of the VA

	<ul style="list-style-type: none">Maintaining tracker of legal issues
TOTAL	
6,119.0 hours	
\$3,498,502.50	

Schedule 2.3 | Summary of receipts and payments

Probuild Constructions (Aust) Pty Ltd (Administrators Appointed)

(\$'000)	PCA Consolidated
Cash at bank - 24 February 2022	21,768
Receipts	
Project claims	119
Reimbursement from Principal	1,668
Pre-Appointment Debtors	2,189
Sale of Plant & Equipment	7
Intercompany Recharge	1,385
Other Income	1,504
Bond & Bank Guarantee returns	938
Total Receipts	7,810
Payments	
Bank interest / fees	(20)
Insurance	(6,081)
Legal fees	(67)
Sundry costs	(1,209)
Other employee costs	(303)
Other Government Charges	(53)
Withholding Tax (PAYGW)	(1,815)
Project subcontractors	(951)
Project Suppliers	111
Rent	(106)
Site closure costs	(2)
Superannuation	(543)
Utilities	(3)
Telephone & Fax	(14)
Valuer fees	(13)
Wages & Salaries	(4,798)
ANZ Set-Off	(983)
Total Payments	(16,849)
Movement	(9,040)
Cash at Bank - 31 May 2022	12,728

Schedule 2.4 | Explanation where remuneration previously approved

Probuild Constructions (Aust) Pty Ltd (Administrators Appointed)

As of 9 May 2022, the committee of inspection members approved our prospective remuneration of \$4,323,031.50 exclusive of GST. Our remuneration has exceeded this cap, and, in this report, we are now seeking approval of a further capped amount of \$1,498,939.00 exclusive of GST to enable us to complete the voluntary administration.

To assist creditors with understanding how total remuneration has and will be incurred, this table shows remuneration to date, including the current claim(s), divided by task categories and an explanation of the differences, by task, in the table that follows.

Task	Fees already approved as at the date of this report (\$)	Increased approval sought (\$)	Difference (\$)	Reasons for differences
Assets	506,727.50	686,529.00	179,801.50	Additional time spent facilitating project handovers including assisting with the execution of subcontractor deeds of novation, arranging for the transfer of staff, and assessing securities needed to be replaced. Additional time spent on asset realisations and bank guarantee and bonding facilities reviews.
Creditors	1,267,018.00	1,716,835.50	449,817.50	Additional time spent managing projects in the DLP, including reviewing outstanding defects lists, assessing the nature of defects and the costs of rectifying same, engaging with bond and surety providers, and liaising with subcontractors regarding releases of security and bond calls. Additional time spent drafting Report to Creditors and negotiating DOCA proposals.
Employees	886,890.00	1,201,745.00	314,855.00	Additional time spent on employee related tasks, including calculating employee entitlements, processing payroll, issuing communications to staff regarding the transfer of their employment, and managing redundancies.
Trade on	569,057.50	763,930.00	194,872.50	Additional time spent managing the Company's complex active projects as well as head office operational related issues.
Investigation	601,172.50	811,017.50	209,845.00	Additional time spent collecting and reviewing books and records, and considering claims available in Liquidation.
Administration	492,166.00	641,913.50	149,747.50	Further time spent managing exited projects of which Developers and Principals took control. Additional time spent corresponding with lawyers regarding matters relating to court applications and guidance on various aspects of the VA.
TOTAL	\$4,323,031.50	\$5,821,970.50	\$1,498,939.00	

Descriptions and costs of the tasks to support my current remuneration approval request are at **Schedule 1.2**.

Schedule 3.1 | Time charged to each major task**PCA (QLD) Pty Ltd (Administrators Appointed)***PCAQ-1: Remuneration for the period from 23 February 2022 to 31 May 2022***Time charged by Administrators' staff**

Employee	Position	\$ /hour (ex GST)	Total actual hours	Total (\$)	Task Area									
					Assets		Creditors		Trade On		Investigations		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Algeri, Sal	Partner	825.00	37.0	30,525.00	5.0	4,125.00	16.0	13,200.00	-	-	-	-	16.0	13,200.00
Orr, David	Partner	825.00	145.0	119,625.00	100.5	82,912.50	3.5	2,887.50	7.0	5,775.00	-	-	34.0	28,050.00
Chatwood, Cameron	Partner	825.00	5.5	4,537.50	5.5	4,537.50	-	-	-	-	-	-	-	-
Flavel, Prue	Director	650.00	17.4	11,310.00	-	-	-	-	-	-	-	-	17.4	11,310.00
Lowe, Anthony	Director	650.00	110.6	71,890.00	89.5	58,175.00	2.0	1,300.00	-	-	-	-	19.1	12,415.00
Kuflik, Lea	Director	650.00	32.2	20,930.00	17.3	11,245.00	14.9	9,685.00	-	-	-	-	-	-
Srivatsa, Rahul	Director	650.00	26.5	17,225.00	-	-	-	-	-	-	-	-	26.5	17,225.00
Farbridge-Currie, Angela	Director	650.00	0.5	325.00	-	-	-	-	-	-	-	-	0.5	325.00
Linaker, Daniel	Director	650.00	1.4	910.00	0.5	325.00	-	-	0.9	585.00	-	-	-	-
Hancock, Brittany	Director	650.00	0.4	260.00	-	-	-	-	0.4	260.00	-	-	-	-
Han, Andrew	Associate Director	575.00	94.5	54,337.50	39.6	22,770.00	25.0	14,375.00	-	-	12.5	7,187.50	17.4	10,005.00
Carr, Matthew	Associate Director	575.00	56.7	32,602.50	-	-	36.2	20,815.00	-	-	-	-	20.5	11,787.50
Abouchaya, Dany	Associate Director	575.00	40.5	23,287.50	-	-	-	-	40.5	23,287.50	-	-	-	-
George, Tanya	Manager	550.00	5.5	3,025.00	-	-	-	-	-	-	-	-	5.5	3,025.00
Blake, Erin	Manager	550.00	3.3	1,815.00	-	-	3.3	1,815.00	-	-	-	-	-	-
Phillips, Ella	Senior Analyst	475.00	0.4	190.00	-	-	0.4	190.00	-	-	-	-	-	-
Flynn, Marushka	Senior Analyst	475.00	2.8	1,330.00	-	-	-	-	-	-	-	-	2.8	1,330.00
O'Sullivan, Seamus	Senior Analyst	475.00	1.5	712.50	-	-	1.5	712.50	-	-	-	-	-	-
Kim, Meeree	Senior Analyst	475.00	12.9	6,127.50	-	-	-	-	12.3	5,842.50	-	-	0.6	285.00
King, Vikki	Senior Analyst	475.00	0.7	332.50	-	-	-	-	-	-	-	-	0.7	332.50
Hickson, Jonathan	Analyst	425.00	37.5	15,937.50	8.4	3,570.00	12.0	5,100.00	2.0	850.00	9.3	3,952.50	5.8	2,465.00
Green, Ryan	Analyst	425.00	91.7	38,972.50	25.8	10,965.00	22.2	9,435.00	3.8	1,615.00	0.4	170.00	39.5	16,787.50
Lin, Nicole	Analyst	425.00	2.5	1,062.50	-	-	-	-	-	-	-	-	2.5	1,062.50
Foster, Annabelle	Graduate	325.00	55.1	17,907.50	-	-	52.8	17,160.00	-	-	-	-	2.3	747.50
Fearby, Brayden	Graduate	325.00	66.4	21,580.00	2.7	877.50	9.7	3,152.50	-	-	42.0	13,650.00	12.0	3,900.00
Monsour, Jordy	Graduate	325.00	45.8	14,885.00	6.5	2,112.50	2.4	780.00	4.9	1,592.50	10.5	3,412.50	21.5	6,987.50
Peachey, Ben	Graduate	325.00	41.4	13,455.00	-	-	-	-	-	-	10.7	3,477.50	30.7	9,977.50
Zordan, Lily	Other Junior	230.00	20.1	4,623.00	-	-	18.9	4,347.00	-	-	-	-	1.2	276.00
Harmon, Lisa	Other Clerical	225.00	0.8	180.00	0.7	157.50	-	-	-	-	-	-	0.1	22.50
TOTAL			956.6	529,900.50	302.0	201,772.50	220.8	104,954.50	71.8	39,807.50	85.4	31,850.00	276.6	151,516.00
GST				52,990.05										
TOTAL (including GST)				582,890.55										
Average hourly rate						668.12		475.34		554.42		372.95		547.78

Schedule 3.2 | Detailed description of tasks performed

PCA (QLD) Pty Ltd (Administrators Appointed)

*PCAQ-1: Remuneration from 23 February 2022 to 31 May 2022***Description of work completed for the administration from 23 February 2022 to 31 May 2022**

Task Area	General Description	Includes
Assets 302.0 hours \$201,772.50	Plant and equipment	<ul style="list-style-type: none"> • Compiling and reviewing asset listings, fixed and unfixed asset registers • Updating asset schedules • Site visits where practicable • Discussions with creditors regarding specific plant and equipment • Internal meetings to discuss realisation of plant and equipment • Arranging valuation and collection of assets, including appointment of Gordon Brothers to inspect and prepare detailed asset listings, valuations and collections • Preparing asset offsite storage register and reviewing documentation for asset storage • Preparation of master asset listings and reconciliation with PPSR registrations • Corresponding with internal team, Company management and external parties regarding various plant and equipment matters, locations and to request further information • Negotiations regarding sale of plant and equipment • Attending internal planning meetings regarding Company's assets • Motor vehicle searches
	Assets subject to specific charges	<ul style="list-style-type: none"> • Reviewing asset listings and secured asset position • Corresponding with Company team and Principals regarding novation of head contracts • Engage solicitors and liaise with Principals in executing site Handover Agreement • Corresponding with secured creditors to request information on assets subject to security registrations on the PPSR • Arrange valuation of financed assets and liaise with team and solicitors regarding assets to keep / disclaim
	Debtors	<ul style="list-style-type: none"> • Discussions with internal team and Company management surrounding debtor collections and prepayments • Preparing information request for Company management regarding sundry debtors and other receivables • Preparing and maintaining debtor register • Reviewing internal management systems regarding collection of outstanding accounts receivable • Reviewing information on individual debt collection matters and making decisions on collection actions • Issuing correspondence to debtors • Confirming current status of receivables • Collecting outstanding receivables owed • Monitoring collection of receivables and liaising with solicitors where required • Reviewing and negotiating offset claims for pre-appointment receivables owing • Corresponding with debt collectors in relation to debtors • Reviewing and assessing debtors' ledgers

	Inventory and materials	<ul style="list-style-type: none"> Identifying assets with Company team including locations, cost and amount paid, preparing summary of same Liaising with internal team and Company staff regarding asset information request for sale Liaising with suppliers regarding liens over inventory and materials held by the Company and confirm whether such liens are valid Negotiations and discussions with Principals to realise materials on and off site
	Other assets	<ul style="list-style-type: none"> Tasks associated with realising other assets Corresponding with banking institutions regarding opening / maintaining administration accounts Preparing and maintaining file note of all Company assets including recoverability details and correspondence issued Internal meetings and correspondence regarding execution of Handover Agreement Liaise with Principals and Company staff with respect to ongoing staff requirements, documentation, and site issues Internal discussions and determination of various subcontractor bank guarantee positions Liaise with solicitors, Principal, and incoming contractor regarding execution of novation deeds Maintaining bank guarantee and novation deed schedule
	General creditor enquiries	<ul style="list-style-type: none"> Receiving and responding to creditor enquiries Maintaining creditor request log (via Halo platform) Reviewing and preparing correspondence to creditors and their representatives via Halo, email and post Compiling information requested by creditors Compiling master creditor listing Reconstruction and analysis of management accounts Internal meetings and discussions regarding workstreams Setting up creditor management platform (Halo) and preparation of claim forms, proxies for voting and live poll platform Maintaining purchase order registry and facilitating payments to critical suppliers Liaising with solicitors and responding to Section 122 Notice of claims from subcontractors
Creditors 220.8 hours \$104,954.50	Secured creditor reporting	<ul style="list-style-type: none"> Searching the PPSR register Notifying all PPSR registered creditors of Administrators' appointment Responding to secured creditors' queries Reviewing validity of registered claims Communicating with legal representatives regarding security interests Liaise with secured creditors regarding the voluntary administration and statutory moratorium on debts and lease payments pursuant to Section 443B of the Act Communicating with suppliers with registered security interests to collect information on material and equipment provided Responding to secured creditors' queries Preparing PPSR registration checklist Reviewing PPSR registrations and updating secured asset register Maintaining PPSR schedule of confirmed discharges, ROT claims, ongoing equipment hire and validity of claims Reviewing validity of registered claims Liaising with solicitors to discuss disclaimer notices, namely Section 443B Notices

		<ul style="list-style-type: none"> • Drafting and issuing notices of intention not to exercise rights • Communication with secured creditors regarding the sale of secured assets • Information requests for subcontractor agreements • Creation and maintenance of master leased equipment register
	Creditor reports	<ul style="list-style-type: none"> • Preparing initial notice to creditors • Preparing updates and circulars to creditors • Collecting Company information for reporting purposes • Drafting section 75-225 report, which includes: reporting on the affairs of Company, the Administrators' investigations, the actions taken, recommendation on the outcome of the administration • Processing return to sender correspondence
	Dealing with proofs of debt	<ul style="list-style-type: none"> • Maintaining register of PODs through Halo platform • Communication with creditors regarding submitted PODs • Admitting PODs for voting purposes for the first meeting of creditors • Preparing register of PODs received in Administrators' email inboxes for the purposes of uploading information into Halo system • Preparing various user guides, FAQs and other materials to support creditor use of Halo platform • Creditor data management including processing updates to creditor information in Halo platform • Attending to creditor queries regarding use or information in the Halo creditor platform • Preparing various communications to creditors regarding Halo creditor platform
	Meeting of creditors	<ul style="list-style-type: none"> • Preparing first meeting notices, proxies and advertisements • Forwarding notice of meeting to all known creditors • Discussing requirements for virtual meeting with internal IT support • Preparing meeting file for the first meeting, including extensive agenda, certificate of postage, attendance register, list of creditors, advertisement of meeting and draft minutes of meeting • Holding the first meeting of creditors via Microsoft Teams • Preparing and lodging minutes of meetings with ASIC • Responding to stakeholder queries and questions immediately following meeting • Liaising with solicitors regarding the extension of the convening period for the second meeting of creditors • Preparing the affidavit and application for the extension of the convening period for the second meeting of creditors • Attendance at court hearing for application for extension
Trade On 71.8 hours \$39,807.50	Projects	443 Queen Street <ul style="list-style-type: none"> • Liaising with legal advisers regarding options for recommencement of works at the site • Attending to meetings with the Principal regarding the Administrators' appointment and the options available for recommencement of works • Attendance at the site to liaise with employees and understand the key requirements for maintenance of the site and recommencement of works

- Liaising with legal advisers regarding the preparation of a Section 440B handover agreement
- Correspondence with the Principal regarding the terms of the draft Section 440B handover agreement
- Reviewing proposed amendments to the draft Section 440B handover agreement
- Attend to negotiations with Principal regarding an orderly handover of the project
- Entering into a Section 440B handover agreement with the Principal
- All tasks associated with facilitating the handover agreement, including:
 - Receiving the Works Take Out Notice from the Principal
 - Arranging for the transfer of project staff
 - Attendance at the site to liaise with employees and understand the key requirements for handover of the Project to the Principal
 - Assisting with negotiating the execution of Subcontractor Deeds of Novation
 - Assessing securities that will need to be replaced with new securities in favour of the Principal
 - Arranging transfer of Project information to the Principal
- Meeting with Gordon Brothers to complete asset valuations at the site
- Arranging for the collection of assets deemed commercially viable to collect and realise from the site on exit
- Undertaking reviews of the construction site to understand the current status and identify matters for the attention of the Principal
- Working with employees to collate handover documents for the project
- Arranging for the employees to collate key information relating to the project site including subcontract agreements and key contact details for all site stakeholders
- Arrange exit of site offices including collation and collection of all hard copy books and records
- Consider staffing strategy and implement phased approach of wind down of project including staff redundancies
- Reviewing show cause and termination notices issued by the Principal
- Preparing and issuing notices to all site stakeholders advising of the Administrators exit from the site
- Reviewing subcontract agreements and liaising with legal advisers regarding the options available to terminate subcontract agreements
- Arranging collation and collection of all hard copy books and records from the site on exit
- Arranging the recommencement of services required for the maintenance of the site

DLP Projects

- Tracking consolidated security position as it relates to performance and DLP bonds issued
 - As part of our investigation and review, coordinating with Company staff for updated status on each DLP project
 - Reviewing outstanding defects lists put forth by Principals/clients and comparing with existing Probuild list, including estimating costs of defects
 - Mapping downstream guarantees (i.e. subcontractor bonds/cash retentions) to outstanding works
 - Determining go-forward strategy for each DLP project with a view to save security from being called/minimise losses for the security provider through a commercial resolution
 - Engagement with surety providers for regular updates
 - Engagement with clients regarding release of security, where due
-

	<ul style="list-style-type: none">• Engagement with clients regarding bond calls and determining next steps• Assessing resourcing requirements for projects where Probuild continues to rectify defects
Suppliers	<ul style="list-style-type: none">• Drafting and issuing initial correspondence to suppliers and service providers regarding continuation of supply and services• Preparing supplier and subcontractor FAQs• Regularly corresponding with suppliers via phone and email• Liaising with suppliers and service providers to ensure continued supply• Negotiating amended agreements with suppliers and service providers• Negotiating lien claims by suppliers to continue supply• Negotiating limitation of Administrators' personal liability in amended agreements and those agreements entered post-23 February 2022• Maintaining purchase order register• Review and approve purchase orders for continued supply and services provided to Company• Reviewing payment requests and arranging required approvals from Administrators• Creation and maintenance of master bonding schedule regarding bonded exposures• Creation and maintenance of legal issues tracker• Consultation with solicitors regarding SOC, SEPA and Section 122 Notices received• Liaising with solicitors regarding Section 443B Notices issued• Reviewing PPSR registrations and equipment hire agreements
Leasing	<ul style="list-style-type: none">• Issuing correspondence to lessors regarding Administrators' appointment• Discussing lease requirements with management and internal staff• Reviewing lease documents for leased premises• Liaising with lessors regarding specific occupation issues• Identifying opportunities for rent relief/abatements• Liaising with internal team to confirm exit date of leased premises• Issuing correspondence and liaising with property managers of leased properties• Issuing notices to not exercise property rights and letters to collect bank guarantees/bonds held by landlords• Preparing and maintaining lease register• Realisation of rental bonds and bank guarantees• Negotiations with landlord for QLD leased premises and subtenant to assign the headlease to subtenant and obtain refund of security deposit• Correspondence with solicitors regarding lease assignments and advice on claims• Ad-hoc administrative tasks associated with maintaining the lease, including the review of rental charges and the raising of purchase orders for the Administration period• Liaising with internal team and Company staff to confirm equipment on hire at all project sites including subcontractor equipment and short term hire not registered on the PPSR, preparing a summary of same, and requesting agreements
Processing receipts and payments	<ul style="list-style-type: none">• Liaising with ANZ on all bank accounts

	Cashflow funding and trading	<ul style="list-style-type: none"> • Reviewing Company's budgets and financial statements • Maintenance of receipts and payments made by the Administrators • Preparation and lodgement of BAS • Preparing cash sweeps of pre-appointment accounts • Management of bank accounts, including project accounts, retention trusts and cash-backed securities
Investigations 85.4 hours \$31,850.00	Conducting investigation	<ul style="list-style-type: none"> • Collecting and listing Company's books and records • Arranging access to Company accounting software for Deloitte staff • Reviewing Company's books and records • Reviewing and preparing Company nature and history • Conducting and summarising statutory searches • Conducting meetings and interviews with management and staff regarding affairs of Company and preparing file notes • Reconstructing the financial statements for Company based on management accounts • Reviewing specific transactions and liaising with directors and management regarding these transactions • Reviewing Company's books and records and other information to identify key events leading to voluntary administration • Considering solvency of Company and directors' conduct • Preparing investigation file • Conducting financial analysis of management accounts and financial statements • Reviewing CFO reports, Board reports, Board minutes and other communications to identify key events leading to voluntary administration and date of insolvency • Insolvent trading investigations and modelling • Reviewing taxation records • Conducting aged payables, restricted cash and debtor analysis • Preparing and reconciling intercompany loan matrix
Administration 276.6 hours \$151,516.00	Correspondence	<ul style="list-style-type: none"> • Managing Probuild VA General inbox and forwarding email queries to relevant workstream and project leads • Preparing general correspondence including letters, telephone calls and emails
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> • Filing of documents and emails • Setting up matter in Core IPS • Updating Core IPS checklists • Testing and uploading receipts and payments to IPS for reporting purposes and statutory lodgements
	Insurance	<ul style="list-style-type: none"> • Reviewing insurance policies • Corresponding with insurance broker regarding initial and ongoing insurance requirement to ensure sufficient coverage and continuation of policies • Correspondence with pre-appointment and post-appointment insurers regarding cessation and novation of policies where requested by Principal • Identifying potential issues requiring attention of insurance specialists • Conducting workplace health and safety assessments at recommended project sites

Bank account administration	<ul style="list-style-type: none"> • Preparing correspondence to open bank accounts • Requesting bank statements • Preparing reconciliation of ANZ transaction reports with merchant facility summary • Reconciling ANZ transaction reports with receipts and payments recorded in Core IPS • Correspondence with ANZ regarding specific transfers requiring further information • Arranging access to administration accounts for project team members and Company staff as required
Preparation and lodgement of ASIC forms	<ul style="list-style-type: none"> • Discussing the Report on Company Activities and Property (ROCAP) with the management team • Providing extensions to Directors to submit ROCAP • Updating ASIC with respect to the extensions to lodge the ROCAP • Preparing and lodging ASIC forms including 505, 507, 5011 • Lodging DIRRI and updated DIRRI • Corresponding with ASIC regarding statutory forms and other ad hoc matters of attention including court hearings, creditors meeting, creditor listings
ATO and other statutory reporting	<ul style="list-style-type: none"> • Notification of appointment • Correspondence with the ATO regarding CAC numbers for the period • Investigation of treatment of GST pre-appointment by Company to assess appropriate treatment during appointment • Preparing and lodging BAS
Corporate affairs and communications	<ul style="list-style-type: none"> • Managing media interest and preparing media releases and updates • Liaising with advisors to the Administrators and Company's management • Media monitoring and reporting
Planning / review	<ul style="list-style-type: none"> • Attending to all engagement set up matters • Holding daily team meetings regarding status and planning of the administration • Various discussions regarding status of the administration • Creation and maintenance of actions / issues log and liaise with workstream leads with respect to same • Review and identification of ROCAP outstanding requirements
Books and records / storage	<ul style="list-style-type: none"> • Maintaining electronic and hard copy files
Legal matters and Court applications	<ul style="list-style-type: none"> • Obtaining Court orders on 2 March 2022 regarding extending the limitation of liability period under sections 443A(1)(c) and 443B(2) of the Act, the use of the Halo platform to provide proxy forms for the first meeting of creditors and the virtual conduct of the first meeting • Preparation of court applications and accompanying affidavits for the above Court orders and attending court hearings to obtain orders • Assisting solicitors with information requests, corresponding with solicitors with respect to all Court matters • Strategy meetings and briefing to solicitors

	<ul style="list-style-type: none">• Liaising with solicitors regarding various legal matters, including those relating to active and legacy projects, insurance claims, stay of proceedings, potential recoveries and court applications concerning various aspects of the VA• Maintaining tracker of legal issues
TOTAL	
956.6 hours	
\$529,900.50	

Schedule 4.1 | Time to be charged to each major task

PCA (QLD) Pty Ltd (Administrators Appointed)

PCAQ-2: Remuneration from 1 June 2022 to the completion of the VA

Time charged by Administrators' staff

Position	\$ /hour (ex GST)	Total actual hours	Total (\$)	Task Area							
				Assets		Creditors		Investigations		Administration	
				Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Partner	825.00	28.9	23,842.50	15.6	12,870.00	6.3	5,197.50	0.3	247.50	6.7	5,527.50
Principal	750.00	9.5	7,125.00	0.4	300.00	5.8	4,350.00	3.0	2,250.00	0.3	225.00
Director	650.00	47.6	30,940.00	19.4	12,610.00	17.8	11,570.00	0.2	130.00	10.2	6,630.00
Associate Director	575.00	23.8	13,685.00	1.5	862.50	15.3	8,797.50	4.1	2,357.50	2.9	1,667.50
Manager	550.00	2.2	1,210.00	0.5	275.00	0.7	385.00	-	-	1.0	550.00
Senior Analyst	475.00	27.5	13,062.50	1.8	855.00	5.0	2,375.00	12.6	5,985.00	8.1	3,847.50
Analyst	425.00	21.9	9,307.50	1.4	595.00	7.5	3,187.50	-	-	13.0	5,525.00
Graduate	325.00	30.0	9,750.00	3.6	1,170.00	11.0	3,575.00	6.9	2,242.50	8.5	2,762.50
Other Junior	230.00	5.4	1,242.00	1.3	299.00	1.7	391.00	-	-	2.4	552.00
Other Clerical	225.00	1.2	270.00	-	-	-	-	-	-	1.2	270.00
TOTAL		198.0	110,434.50	45.5	29,836.50	71.1	39,828.50	27.1	13,212.50	54.3	27,557.00
GST			11,043.45								
TOTAL (including GST)			121,477.95								
Average hourly rate					655.75		560.18		487.55		507.50

Schedule 4.2 | Detailed description of tasks to be performed

PCA (QLD) Pty Ltd (Administrators Appointed)

*PCAQ-2: Remuneration from 1 June 2022 to the completion of the VA***Description of work to be completed for the administration from 1 June 2022 to completion of the VA**

Task Area	General Description	Includes
Assets 45.5 hours \$29,836.50	Plant and equipment	<ul style="list-style-type: none"> • Ongoing internal meetings to discuss realisation of plant and equipment • Liaising with auctioneers to attend to collection and realisations of plant and equipment • Updating asset schedule and monitoring recoveries • Liaising with apties regarding liens over plant and equipment
	Debtors	<ul style="list-style-type: none"> • Correspondence with debtors • Following up correspondence with debtors, and issuing demands where appropriate • Monitoring collection of receivables and liaising with debt collectors and solicitors where required • Reviewing accounts for prepaid goods and arranging refunds where applicable • Calculating and demanding payment of intercompany loans
	Inventory and materials	<ul style="list-style-type: none"> • Attending to Retention of Title claims by suppliers
	Other assets	<ul style="list-style-type: none"> • Tasks associated with realising other assets
Creditors 71.1 hours \$39,828.50	General creditor enquiries, requests and directions	<ul style="list-style-type: none"> • Receiving and responding to creditor enquiries via inboxes, telephone and Halo platform • Reviewing and preparing correspondence to creditors and their representatives via Halo platform, email and post • Maintaining creditor request log via Halo platform • Considering reasonableness of creditor requests • Compiling information requested by creditors • Obtaining legal advice on requests • Documenting reasons for complying or not complying with requests or directions • Managing the Halo Help inbox to assist creditors with technical Halo queries • Maintaining the claims and voting dashboards in Halo
	Secured creditor reporting	<ul style="list-style-type: none"> • Responding to secured creditors' queries • Liaising with secured creditors • Maintaining secured asset register
	Creditor reports	<ul style="list-style-type: none"> • Preparing updates and circulars to creditors • Finalising section 75-225 report, which includes: reporting on the affairs of the Company, the Administrators' investigations, actions taken, the sale of business process, recommendation on the outcome of the administration, notification of the second meeting of creditors, and remuneration report

		<ul style="list-style-type: none"> Processing 'Return to sender' correspondence
	Dealing with PODs	<ul style="list-style-type: none"> Maintaining register of PODs through Halo platform Creditor data management including processing updates to creditor information in Halo platform Attending to creditor queries regarding information in the Halo creditor platform and submitted PODs Creditor data management including processing updates to creditor information in Halo platform Admitting PODs for voting purposes for the second meeting of creditors
	Meeting of creditors	<ul style="list-style-type: none"> Preparing second meeting notice, proxies and advertisements for second meeting of creditors Forwarding notice of second meeting to all known creditors Discussing requirements for virtual meeting with internal IT support Preparing meeting file for the second meeting, including agenda and slide deck, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Holding the second meeting of creditors via Microsoft Teams Preparing and lodging minutes of second meeting with ASIC Responding to stakeholder queries and questions following second meeting
Investigation 27.1 hours \$13,212.50	Conducting investigation	<ul style="list-style-type: none"> Further review of Company's Books and records Updating Company nature and history Reviewing board reports, minutes, and other communications Conducting and summarising statutory searches Conducting meetings and interviews with management and staff regarding affairs of Company and preparing file notes Reviewing and updating reconstructed financial statements for Company based on management accounts Reviewing specific transactions and liaising with directors and management regarding these transactions Reviewing Company's books and records and other information to identify key events leading to voluntary administration Considering solvency of Company and directors' conduct Preparing and finalising investigation file Arranging review of investigation file by lawyers Reviewing and updating financial analysis in respect of the Company's financial position and performance Reviewing taxation records Reviewing and updating aged payables analysis Reviewing and updating intercompany loan matrix Lodgement of statutory investigation reports
Administration 54.3 hours	Correspondence	<ul style="list-style-type: none"> Maintaining Probuild VA General inbox Preparing general correspondence including letters, telephone calls and emails

\$27,557.00	Document maintenance/file review/checklist	<ul style="list-style-type: none"> • Administrator reviews • Filing of documents and emails • Updating Core IPS checklists • Uploading receipts and payments to IPS for reporting purposes and statutory lodgements
	Insurance	<ul style="list-style-type: none"> • Liaising with insurance broker regarding any ongoing queries
	Bank account administration	<ul style="list-style-type: none"> • Liaising with bank regarding sweeps and transfers • Bank account reconciliations • Opening and closing bank accounts as required
	Preparation of ASIC forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms including 5011s • Corresponding with ASIC regarding statutory forms and other ad-hoc matters of attention
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Corresponding with the ATO regarding general taxation matters • Preparing and lodging BASs
	Finalisation of VA	<ul style="list-style-type: none"> • Notifying ATO of finalisation • Completing checklists • Finalising WIP for VA period • Preparing and lodging End of Administration Return (Form 5603) with ASIC
	Planning / review	<ul style="list-style-type: none"> • Holding team meetings regarding status and planning of the administration
	Books and records / storage	<ul style="list-style-type: none"> • Maintaining electronic and hard copy files • Dealing with records
	Legal matters	<ul style="list-style-type: none"> • Preparation of court applications and accompanying affidavits for any further Court orders and attending court hearings to obtain orders • Assisting solicitors with information requests, corresponding with solicitors with respect to all Court matters • Strategy meetings and briefing to solicitors • Liaising with solicitors regarding various legal matters, including those relating to active and legacy projects, insurance claims, stay of proceedings, potential recoveries and court applications concerning various aspects of the VA • Maintaining tracker of legal issues
	TOTAL	
	198.0 hours	
	\$110,434.50	

Schedule 5.1 | Time to be charged to each major task

PCA (QLD) Pty Ltd (Administrators Appointed)

PCAQ-3: Remuneration from commencement of liquidation to conclusion of liquidation

Time charged by Administrators’ staff

Position	\$ /hour (ex GST)	Total actual hours	Total (\$)	Task Area									
				Assets		Creditors		Investigations		Dividend		Administration	
				Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Partner	825.00	156.5	129,112.50	81.3	67,072.50	33.0	27,225.00	1.6	1,320.00	7.2	5,940.00	33.4	27,555.00
Principal	750.00	19.1	14,325.00	2.0	1,500.00	-	-	14.9	11,175.00	0.4	300.00	1.8	1,350.00
Director	650.00	199.2	129,480.00	100.8	65,520.00	35.5	23,075.00	1.0	650.00	11.0	7,150.00	50.9	33,085.00
Associate Director	575.00	90.0	51,750.00	8.1	4,657.50	43.8	25,185.00	20.6	11,845.00	3.1	1,782.50	14.4	8,280.00
Manager	550.00	20.2	11,110.00	2.8	1,540.00	11.4	6,270.00	-	-	1.0	550.00	5.0	2,750.00
Senior Analyst	475.00	210.1	99,797.50	9.8	4,655.00	88.4	41,990.00	62.5	29,687.50	8.8	4,180.00	40.6	19,285.00
Analyst	425.00	209.8	89,165.00	7.3	3,102.50	123.5	52,487.50	-	-	14.1	5,992.50	64.9	27,582.50
Graduate	325.00	202.2	65,715.00	19.2	6,240.00	96.9	31,492.50	34.5	11,212.50	9.2	2,990.00	42.4	13,780.00
Other Junior	230.00	30.4	6,992.00	6.7	1,541.00	9.1	2,093.00	-	-	2.6	598.00	12.0	2,760.00
Other Clerical	225.00	7.4	1,665.00	-	-	-	-	-	-	1.3	292.50	6.1	1,372.50
TOTAL		1,144.9	599,112.00	238.0	155,828.50	441.6	209,818.00	135.1	65,890.00	58.7	29,775.50	271.5	137,800.00
GST			59,911.20										
TOTAL (including GST)			659,023.20										
Average hourly rate					654.74		475.13		487.71		507.25		507.55

Schedule 5.2 | Detailed description of tasks to be performed

PCA (QLD) Pty Ltd (Administrators Appointed)

*PCAQ-3: Remuneration from commencement of liquidation to conclusion of liquidation***Description of work to be completed for the administration from commencement of liquidation to conclusion of liquidation**

Task Area	General Description	Includes
Assets 238.0 hours \$155,828.50	Plant and equipment	<ul style="list-style-type: none"> • Ongoing internal meetings to discuss realisation of plant and equipment • Liaising with auctioneers to attend to collection and realisations of plant and equipment • Updating assets schedule and monitoring recoveries • Liaising with storers regarding liens over plant and equipment
	Assets subject to specific charges	<ul style="list-style-type: none"> • Liaising with secured creditors regarding releases for assets included in sale agreement • Continuing discussions with Company team and Principal regarding deeds of novation
	Other assets	<ul style="list-style-type: none"> • Tasks associated with realising other assets
Creditors 441.6 hours \$209,818.00	General creditor enquiries, requests and directions	<ul style="list-style-type: none"> • Receiving and responding to creditor enquiries via inboxes, telephone and Halo platform • Reviewing and preparing correspondence to creditors and their representatives via Halo platform, email and post • Maintaining creditor request log via Halo platform • Considering reasonableness of creditor requests • Compiling information requested by creditors • Obtaining legal advice on requests • Documenting reasons for complying or not complying with requests or directions • Managing the Halo Help inbox to assist creditors with technical Halo queries • Maintaining the claims and voting dashboards in Halo
	Secured creditor reporting	<ul style="list-style-type: none"> • Responding to secured creditors' queries • Liaising with secured creditors • Maintaining secured asset register
	Creditor reports	<ul style="list-style-type: none"> • Preparing updates and circulars to creditors • Prepare and issue Liquidators' statutory report • Processing 'Return to sender' correspondence
	Dealing with PODs	<ul style="list-style-type: none"> • Maintaining register of PODs through Halo platform • Creditor data management including processing updates to creditor information in Halo platform • Attending to creditor queries regarding information in the Halo creditor platform and submitted PODs • Creditor data management including processing updates to creditor information in Halo platform • Admitting PODs for voting purposes for the second meeting of creditors

	Meeting of creditors	<ul style="list-style-type: none"> • Preparing second meeting notice, proxies and advertisements for second meeting of creditors • Forwarding notice of second meeting to all known creditors • Discussing requirements for virtual meeting with internal IT support • Preparing meeting file for the second meeting, including agenda and slide deck, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting • Holding the second meeting of creditors via Microsoft Teams • Preparing and lodging minutes of second meeting with ASIC • Responding to stakeholder queries and questions following second meeting
	Deloitte – Forensics	<ul style="list-style-type: none"> • Managing the Halo Help inbox to assist creditors with technical Halo queries
	Deloitte – Risk Advisory	<ul style="list-style-type: none"> • Maintaining the claims and voting dashboards in Halo
Investigation 135.1 hours \$65,890.00	Conducting investigation	<ul style="list-style-type: none"> • Further review of Company's Books and records • Updating Company nature and history • Reviewing board reports, minutes, and other communications • Conducting and summarising statutory searches • Conducting meetings and interviews with management and staff regarding affairs of Company and preparing file notes • Reviewing and updating reconstructed financial statements for Company based on management accounts • Reviewing specific transactions and liaising with directors and management regarding these transactions • Reviewing Company's books and records and other information to identify key events leading to voluntary administration • Considering solvency of Company and directors' conduct • Preparing and finalising investigation file • Arranging review of investigation file by lawyers • Reviewing and updating financial analysis in respect of the Company's financial position and performance • Reviewing taxation records • Reviewing and updating aged payables analysis • Reviewing and updating intercompany loan matrix • Lodgement of statutory investigation reports • Detailed analysis of insolvent trading claims and breaches of duties • Undertake legal recovery actions, including liaising with legal advisors and funders, negotiations and settlements
	Litigation/Recoveries	<ul style="list-style-type: none"> • Internal meetings to discuss possible litigation and if required • Preparing brief to solicitors • Liaising with solicitors regarding recovery actions • Attending to negotiations

		<ul style="list-style-type: none"> • Attending to settlement matters
Dividend 58.7 hours \$29,775.50	Processing proofs of debt (POD)	<ul style="list-style-type: none"> • Preparation of correspondence to potential creditors inviting lodgement of POD • Receipt of POD • Maintain POD register • Adjudicating POD • Request further information from claimants regarding POD • Preparation of correspondence to claimant advising outcome of adjudication
	Dividend procedures	<ul style="list-style-type: none"> • 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 271.5 hours \$137,800.00	Correspondence	<ul style="list-style-type: none"> • Maintaining Probuild VA General inbox • Preparing general correspondence including letters, telephone calls and emails
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> • Liquidator reviews • Filing of documents and emails • Updating Core IPS checklists • Uploading receipts and payments to IPS for reporting purposes and statutory lodgements
	Insurance	<ul style="list-style-type: none"> • Liaising with insurance broker regarding any ongoing queries
	Bank account administration	<ul style="list-style-type: none"> • Liaising with bank regarding sweeps and transfers • Bank account reconciliations • Opening and closing bank accounts as required
	Preparation of ASIC forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms including 5011s • Corresponding with ASIC regarding statutory forms and other ad-hoc matters of attention
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Corresponding with the ATO regarding general taxation matters • Preparing and lodging BASs
	Finalisation of VA	<ul style="list-style-type: none"> • Notifying ATO of finalisation • Completing checklists • Finalising WIP for VA period

	<ul style="list-style-type: none"> Preparing and lodging End of Administration Return (Form 5603) with ASIC
Planning / review	<ul style="list-style-type: none"> Holding team meetings regarding status and planning of the administration
Books and records / storage	<ul style="list-style-type: none"> Maintaining electronic and hard copy files Dealing with records
Deloitte – Tax & Legal	<ul style="list-style-type: none"> Providing tax advice to Liquidators regarding various tax issues Reviewing BASs Ongoing discussions with project teams regarding correct tax treatment of transactions
Legal matters	<ul style="list-style-type: none"> Preparation of court applications and accompanying affidavits for any further Court orders and attending court hearings to obtain orders Assisting solicitors with information requests, corresponding with solicitors with respect to all Court matters Strategy meetings and briefing to solicitors Liaising with solicitors regarding various legal matters, including those relating to active and legacy projects, insurance claims, stay of proceedings, potential recoveries and court applications concerning various aspects of the VA Maintaining tracker of legal issues
TOTAL 1,144.9 hours \$599,112.00	

Schedule 5.3 | Summary of receipts and payments

PCA (QLD) Pty Ltd (Administrators Appointed)

(\$'000)	PCAQ Consolidated
Cash at bank - 24 February 2022	27
Receipts	
Reimbursement from Principal	225
Pre-Appointment Debtors	228
Other Income	7
Bond & Bank Guarantee returns	1,145
Total Receipts	1,606
Payments	
Bank interest / fees	0
GST Clearing Account	16
Project Suppliers	(204)
Total Payments	(188)
Movement	1,417
Cash at Bank - 31 May 2022	1,444

Schedule 6.1 | Time charged to each major task

Monaco Hickey Pty Ltd (Administrators Appointed)

MH-1: Remuneration for the period from 23 February 2022 to 31 May 2022

Time charged by Administrators' staff

Employee	Position	\$/hour (ex GST)	Total actual hours	Total (\$)	Task Area											
					Assets		Creditors		Employees		Trade On		Investigations		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Algeri, Sal	Partner	825.00	2.0	1,650.00	-	-	-	-	-	-	2.0	1,650.00	-	-	-	-
Orr, David	Partner	825.00	9.5	7,837.50	-	-	3.5	2,887.50	1.5	1,237.50	-	-	-	-	4.5	3,712.50
Long, Richard	Principal	750.00	2.0	1,500.00	2.0	1,500.00	-	-	-	-	-	-	-	-	-	-
Grice, Trisha	Principal	750.00	0.2	150.00	-	-	-	-	-	-	0.1	75.00	-	-	0.1	75.00
Lowe, Anthony	Director	650.00	15.0	9,750.00	-	-	0.5	325.00	-	-	-	-	-	-	14.5	9,425.00
Kuflik, Lea	Director	650.00	2.9	1,885.00	1.3	845.00	1.6	1,040.00	-	-	-	-	-	-	-	-
Srivatsa, Rahul	Director	650.00	21.6	14,040.00	-	-	-	-	-	-	-	-	-	-	21.6	14,040.00
Wollinski, Christopher	Director	650.00	5.5	3,575.00	0.4	260.00	-	-	5.1	3,315.00	-	-	-	-	-	-
Hancock, Brittany	Director	650.00	16.1	10,465.00	-	-	-	-	-	-	15.4	10,010.00	-	-	0.7	455.00
Linaker, Daniel	Director	650.00	0.3	195.00	0.3	195.00	-	-	-	-	-	-	-	-	-	-
Kwok, Jacki	Director	650.00	12.5	8,125.00	5.6	3,640.00	6.9	4,485.00	-	-	-	-	-	-	-	-
Farbridge-Curie, Angela	Director	650.00	95.5	62,075.00	-	-	-	-	-	-	-	-	-	-	95.5	62,075.00
Han, Andrew	Associate Director	575.00	46.1	26,507.50	-	-	20.7	11,902.50	-	-	-	-	12.8	7,360.00	12.6	7,245.00
Carr, Matthew	Associate Director	575.00	26.0	14,950.00	-	-	19.2	11,040.00	-	-	-	-	-	-	6.8	3,910.00
Richardson, George	Associate Director	575.00	7.0	4,025.00	-	-	-	-	-	-	7.0	4,025.00	-	-	-	-
Abouchaya, Dany	Associate Director	575.00	40.0	23,000.00	-	-	-	-	-	-	40.0	23,000.00	-	-	-	-
Blake, Erin	Manager	550.00	17.8	9,790.00	-	-	3.3	1,815.00	14.5	7,975.00	-	-	-	-	-	-
Phillips, Ella	Senior Analyst	475.00	0.4	190.00	-	-	0.4	190.00	-	-	-	-	-	-	-	-
Flynn, Marushka	Senior Analyst	475.00	2.9	1,377.50	-	-	-	-	-	-	-	-	-	-	2.9	1,377.50
Muir, Jo	Senior Analyst	475.00	1.9	902.50	-	-	-	-	1.9	902.50	-	-	-	-	-	-
King, Vikki	Senior Analyst	475.00	7.2	3,420.00	-	-	-	-	-	-	-	-	-	-	7.2	3,420.00
McCluskie, Jessica	Senior Analyst	475.00	0.1	47.50	-	-	-	-	-	-	0.1	47.50	-	-	-	-
Hickson, Jonathan	Analyst	425.00	10.6	4,505.00	2.8	1,190.00	5.3	2,252.50	-	-	-	-	-	-	2.5	1,062.50
Green, Ryan	Analyst	425.00	10.7	4,547.50	-	-	9.6	4,080.00	-	-	-	-	-	-	1.1	467.50
Lim, Sharon	Analyst	425.00	3.0	1,275.00	-	-	-	-	-	-	1.5	637.50	-	-	1.5	637.50
Winterbottom, Max	Analyst	425.00	20.6	8,755.00	-	-	-	-	20.6	8,755.00	-	-	-	-	-	-
Hyde, Sarah	Analyst	425.00	1.5	637.50	-	-	-	-	1.5	637.50	-	-	-	-	-	-
Fearby, Brayden	Graduate	325.00	35.4	11,505.00	1.4	455.00	5.1	1,657.50	-	-	-	-	22.3	7,247.50	6.6	2,145.00
Foster, Annabelle	Graduate	325.00	22.5	7,312.50	-	-	21.9	7,117.50	-	-	-	-	-	-	0.6	195.00
Galati, Daniel	Graduate	325.00	16.5	5,362.50	-	-	-	-	-	-	3.5	1,137.50	-	-	13.0	4,225.00
Wajahat, Amna	Graduate	325.00	3.0	975.00	-	-	3.0	975.00	-	-	-	-	-	-	-	-
Monsour, Jordy	Graduate	325.00	35.8	11,635.00	-	-	1.2	390.00	-	-	2.3	747.50	-	-	32.3	10,497.50
Peachey, Ben	Graduate	325.00	14.9	4,842.50	-	-	-	-	-	-	-	-	1.2	390.00	13.7	4,452.50
Murray, Josh	Graduate	325.00	6.8	2,210.00	3.8	1,235.00	-	-	-	-	-	-	-	-	3.0	975.00
Zordan, Lily	Other Junior	230.00	9.6	2,208.00	-	-	9.1	2,093.00	-	-	-	-	-	-	0.5	115.00
Harmon, Lisa	Other Clerical	225.00	0.1	22.50	-	-	-	-	-	-	-	-	-	-	0.1	22.50
TOTAL			523.5	271,250.50	17.6	9,320.00	111.3	52,250.50	45.1	22,822.50	71.9	41,330.00	36.3	14,997.50	241.3	130,530.00
GST				27,125.05												
TOTAL (including GST)				298,375.55												
Average hourly rate						529.55		469.46		506.04		574.83		413.15		540.94

Schedule 6.2 | Detailed description of tasks performed

Monaco Hickey Pty Ltd (Administrators Appointed)

MH-1: Remuneration from 23 February 2022 to 31 May 2022

Description of work completed for the administration from 23 February 2022 to 31 May 2022

Task Area	General Description	Includes
Assets 17.6 hours \$9,320.00	Plant and equipment	<ul style="list-style-type: none"> • Reviewing asset listings and fixed asset register • Updating asset schedules • Site visits where practicable • Preparing asset offsite storage register and reviewing documentation for asset storage • Attending internal planning meetings regarding Company's assets • Motor vehicle searches
	Assets subject to specific charges	<ul style="list-style-type: none"> • Reviewing asset listings and secured asset position • Corresponding with Company team and Principals regarding novation of head contracts • Engaging solicitors and liaising with Principals in executing site Handover Agreements • Corresponding with secured creditors to request information on assets subject to security registrations on the PPSR • Arrange valuation of financed assets and liaise with team and solicitors regarding assets to keep / disclaim
	Debtors	<ul style="list-style-type: none"> • Discussions with internal team and Company management surrounding debtor collections and prepayments • Preparing information request for Company management regarding sundry debtors and other receivables, including joint ventures • Preparing and maintaining debtor register • Reviewing internal management systems regarding collection of outstanding accounts receivable • Reviewing information on individual debt collection matters and making decisions on collection actions • Issuing correspondence to debtors • Confirming current status of receivables • Collecting outstanding receivables owed • Monitoring collection of receivables and liaising with solicitors where required • Reviewing and negotiating offset claims for pre-appointment receivables owing • Corresponding with debt collectors in relation to debtors • Reviewing and assessing debtors' ledgers
	Other assets	<ul style="list-style-type: none"> • Tasks associated with realising other assets • Corresponding with banking institutions regarding opening / maintaining administration accounts • Preparing and maintaining file note of all Company assets including recoverability details and correspondence issued
Creditors 111.3 hours \$52,250.50	General creditor enquiries	<ul style="list-style-type: none"> • Receiving and responding to creditor enquiries • Maintaining creditor request log (via Halo platform) • Reviewing and preparing correspondence to creditors and their representatives via Halo, email and post

	<ul style="list-style-type: none"> • Compiling information requested by creditors • Compiling master creditor listing • Reconstruction and analysis of management accounts • Setting up creditor management platform (Halo) and preparation of claim forms, proxies for voting and live poll platform • Maintaining purchase order registry and facilitating payments to critical suppliers
Secured creditor reporting	<ul style="list-style-type: none"> • Searching the PPSR register • Notifying all PPSR registered creditors of Administrators' appointment • Responding to secured creditors' queries • Reviewing validity of registered claims • Liaise with secured creditors regarding the voluntary administration and statutory moratorium on debts and lease payments pursuant to Section 443B of the Act • Communicating with suppliers with registered security interests to collect information on material and equipment provided • Responding to secured creditors' queries • Preparing PPSR registration checklist • Reviewing PPSR registrations and updating secured asset register • Maintaining PPSR schedule of confirmed discharges, ROT claims, ongoing equipment hire and validity of claims • Reviewing validity of registered claims • Liaising with solicitors to discuss disclaimer notices, namely Section 443B Notices • Drafting and issuing notices of intention not to exercise rights • Communication with secured creditors regarding the sale of secured assets
Creditor reports	<ul style="list-style-type: none"> • Preparing initial notice to creditors • Preparing updates and circulars to creditors • Collecting Company information for reporting purposes • Drafting report pursuant to section 75-225 of the IPR, which includes: reporting on the affairs of Company, the Administrators' investigations, the actions taken, recommendation on the outcome of the administration • Processing return to sender correspondence
Dealing with proofs of debt	<ul style="list-style-type: none"> • Maintaining register of PODs through Halo platform • Communication with creditors regarding submitted PODs • Admitting PODs for voting purposes for the first meeting of creditors • Preparing register of PODs received in Administrators' email inboxes for the purposes of uploading information into Halo system • Preparing various user guides, FAQs and other materials to support creditor use of Halo platform • Creditor data management including processing updates to creditor information in Halo platform • Attending to creditor queries regarding use or information in the Halo creditor platform • Preparing various communications to creditors regarding Halo creditor platform
Meeting of creditors	<ul style="list-style-type: none"> • Preparing first meeting notices, proxies and advertisements

		<ul style="list-style-type: none"> • Forwarding notice of meeting to all known creditors • Discussing requirements for virtual meeting with internal IT support • Preparing meeting file for the first meeting, including extensive agenda, certificate of postage, attendance register, list of creditors, advertisement of meeting and draft minutes of meeting • Holding the first meeting of creditors via Microsoft Teams • Preparing and lodging minutes of meetings with ASIC • Responding to stakeholder queries and questions immediately following meeting
Employees 45.1 hours \$22,822.50	Employee enquiries	<ul style="list-style-type: none"> • Receiving and following up employee enquiries • Reviewing and preparing correspondence to employees via email and Halo • Review and prepare correspondence to employee creditors • Preparing employee FAQs • Attendance on site to meet employees, discuss concerns, answer questions and explain strategy • Facilitating employee townhall meetings to address queries and explain strategy • Communications to staff following townhall meetings • Preparation of letters to employees advising of their entitlements and options available • Receive and prepare correspondence in response to employee's objections to leave entitlements • Organise Employee Assistance Program (EAP) support • Assisting employees with various queries regarding the Halo creditor platform • Updating employee contact details in Halo • Various calls and meetings with union representatives • Correspondence with CFMEU regarding requests for information
	ATO	<ul style="list-style-type: none"> • Corresponding with the ATO regarding STP lodgements • Correspondence to resolve STP and CAC reporting issues
	Payroll	<ul style="list-style-type: none"> • Reviewing weekly / fortnightly / monthly pay reconciliations and arranging Administrators' approval to process payroll • Arranging employee reimbursement claim pay runs • Reviewing and lodging STP reports • Liaising with superannuation clearing house regarding contributions • Liaising with the Child Support Agency regarding employee deductions and arrange approvals for payment of same • Liaising with the relevant redundancy and LSL schemes in each state regarding payments during the administration period and subsequent staff being made redundant • Correspondence with Centrelink regarding our appointment and redundancies • Liaising with the respective state offices regarding payroll tax issues • Calculate, review and arrange payment of employee termination payments and associated correspondence • Updates to cash flow and cost analysis for revised run rate of staff being employed during the administration period
	Calculation of entitlements	<ul style="list-style-type: none"> • Discussions with Company payroll and HR to request for information required to determine employee entitlements

		<ul style="list-style-type: none"> • Calculate and review of employee entitlements, including bonuses / retentions; outstanding salary sacrifice; annual leave; leave loading; long serve leave; payment in lieu of notice and redundancy • Reviewing PAYG figures for trading period • Reviewing employment contracts; agreements; enterprise bargaining agreements (EBAs) • Reviewing employee files and Company's books and records • Correspondence with solicitors regarding the review of contracts; agreements and EBAs for the purposes of calculating redundancy and payment in lieu of notice calculations • Preparation of proforma letter to staff regarding their outstanding entitlement position • Employee entitlement calculations specific to Probuild project site requests
Ongoing planning and strategy		<ul style="list-style-type: none"> • Internal discussions and meetings with employee workstream regarding status, key issues and next steps • Creation and maintenance of an employee dashboard regarding status of employees across the business
Employee Assistance Program		<ul style="list-style-type: none"> • Organising Employee Assistance Program support for staff
Correspondence to staff whose positions had been made redundant or where staff had been requested not to serve out the remainder of their notice period		<ul style="list-style-type: none"> • Correspondence to staff whose positions have been made redundant which included: notice of their redundancy; FAQ; details of EAP support and a separation certificate • Correspondence to employees that had resigned that were not required to service out the remainder of their notice period • Communications with our solicitor regarding the review of the Administrators' pro-forma documents to be issued to staff where their positions had been made redundant or where staff had been requested not to serve out the remainder of their notice period
Staff transferred to an alternate builder / developer		<ul style="list-style-type: none"> • Drafting communications to staff that had received an employment offer from an alternate builder / developer • Communications with an alternate builder / developer regarding letters of offer to staff • Calculation of entitlements for the letters of offer to staff from alternate builder / developer regarding the transfer of employee entitlements • Communications with our solicitor regarding the review of communications issued to staff
Workers' compensation claims		<ul style="list-style-type: none"> • Reviewing insurance policies • Contacting insurers to determine outstanding claims status and contacting WorkCover to obtain payment status updates • Identifying potential issues requiring attention of insurance specialists • Corresponding with insurer regarding initial and ongoing workers compensation insurance requirements
Trade On 71.9 hours \$41,330.00	Projects	Berkley & Rosebud <ul style="list-style-type: none"> • Liaising with legal advisers regarding options for recommencement of works at the site • Attending to meetings with the Principals regarding the Administrators' appointment and the options available for recommencement of works • Attendance at the sites to liaise with employees and understand the key requirements for maintenance of the sites and recommencement of works

	<ul style="list-style-type: none"> • Liaising with solicitors regarding Section 440B handover agreements for work recommencement discussions with the Principals • Entering into a Section 440B handover agreement with the respective Principals • All tasks associated with facilitating the handover agreement, including: <ul style="list-style-type: none"> - Receiving the Works Take Out Notice from the Principal - Arranging for the transfer of project staff - Attendance at the site to liaise with employees and understand the key requirements for handover of the Projects to the Principals - Assisting with negotiating the execution of Subcontractor Deeds of Novation - Assessing securities that will need to be replaced with new securities in favour of the Principals - Arranging transfer of Project information to the Principals • Undertaking reviews of the construction sites to understand the current status and identify matters for the attention of the Principals • Working with employees to collate handover documents for the projects • Arranging for the employees to collate key information relating to the project sites including subcontract agreements and key contact details for all site stakeholders • Reviewing show cause and termination notices issued by the Principals • Reviewing subcontract agreements and liaising with legal advisers regarding the options available to novate subcontract agreements • Arranging collation and collection of all hard copy books and records from the site on exit • Terminating the employment of all staff associated with the site • Arranging the recommencement of services required for the maintenance of the site
Suppliers	<ul style="list-style-type: none"> • Drafting and issuing initial correspondence to suppliers and service providers regarding continuation of supply and services • Preparing supplier and subcontractor FAQs • Regularly corresponding with suppliers via phone and email • Liaising with suppliers and service providers to ensure continued supply • Negotiating amended agreements with suppliers and service providers • Negotiating lien claims by suppliers to continue supply • Negotiating limitation of Administrators' personal liability in amended agreements and those agreements entered post-23 February 2022 • Maintaining purchase order register • Review and approve purchase orders for continued supply and services provided to Company • Reviewing payment requests and arranging required approvals from Administrators
Leasing	<ul style="list-style-type: none"> • Issuing correspondence to lessors regarding Administrators' appointment • Discussing lease requirements with management and internal staff • Reviewing lease documents for leased premises • Liaising with lessors regarding specific occupation issues • Identifying opportunities for rent relief / abatements

		<ul style="list-style-type: none"> • Liaising with internal team to confirm exit date of leased premises • Issuing correspondence and liaising with property managers of leased properties • Issuing notices to not exercise property rights and letters to collect bank guarantees/bonds held by landlords • Preparing and maintaining lease register • Realisation of rental bonds and bank guarantees • Correspondence with solicitors regarding lease assignments and advice on claims • Ad-hoc administrative tasks associated with maintaining the lease, including the review of rental charges and the raising of purchase orders for the Administration period • Liaising with internal team and Company staff to confirm equipment on hire at all project sites including subcontractor equipment and short term hire not registered on the PPSR, preparing a summary of same, and requesting agreements
	Processing receipts and payments	<ul style="list-style-type: none"> • Preparing and authorising payments • Reviewing supplier payments • Liaising with ANZ on all bank accounts
	Cashflow funding and trading	<ul style="list-style-type: none"> • Reviewing Company's budgets and financial statements • Maintenance of receipts and payments made by the Administrators • Preparation and lodgement of BAS • Preparing cash sweeps of pre-appointment accounts • Management of bank accounts, including project accounts, retention trusts and cash-backed securities
Investigation 36.3 hours \$14,997.50	Conducting investigation	<ul style="list-style-type: none"> • Collecting and listing Company's books and records • Arranging access to Company accounting software for Deloitte staff • Reviewing Company's Books and records • Reviewing and preparing Company nature and history • Conducting and summarising statutory searches • Conducting meetings and interviews with management and staff regarding affairs of Company and preparing file notes • Reconstructing the financial statements for Company based on management accounts • Reviewing specific transactions and liaising with directors and management regarding these transactions • Reviewing Company's books and records and other information to identify key events leading to voluntary administration • Considering solvency of Company and directors' conduct • Preparing investigation file note and ATO compliance file note • Conducting financial analysis of management accounts and financial statements • Reviewing CFO reports, Board reports, Board minutes and other communications to identify key events leading to voluntary administration and date of insolvency • Insolvent trading investigations and modelling • Reviewing taxation records • Conducting aged payables analysis • Preparing and reconciling intercompany loan matrix

Administration 241.3 hours \$130,530.00	Correspondence	<ul style="list-style-type: none"> Managing Probuild VA General inbox and forwarding email queries to relevant workstream and project leads Preparing general correspondence including letters, telephone calls and emails
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> Filing of documents and emails Setting up matter in Core IPS Updating Core IPS checklists Testing and uploading receipts and payments to IPS for reporting purposes and statutory lodgements
	Insurance	<ul style="list-style-type: none"> Reviewing insurance policies Corresponding with insurance broker regarding initial and ongoing insurance requirement to ensure sufficient coverage and continuation of policies Correspondence with pre-appointment and post-appointment insurers regarding cessation and novation of policies where requested by Principals Identifying potential issues requiring attention of insurance specialists Conducting workplace health and safety assessments at recommended project sites
	Bank account administration	<ul style="list-style-type: none"> Preparing correspondence to open bank accounts Requesting bank statements Preparing reconciliation of ANZ transaction reports with merchant facility summary Reconciling ANZ transaction reports with receipts and payments recorded in Core IPS Correspondence with ANZ regarding specific transfers requiring further information Arranging access to administration accounts for project team members and Company staff as required
	Preparation and lodgement of ASIC forms	<ul style="list-style-type: none"> Discussing the Report on Company Activities and Property (ROCAP) with the management team Providing extensions to Directors to submit ROCAP Updating ASIC with respect to the extensions to lodge the ROCAP Preparing and lodging ASIC forms including 505, 507, 5011 Lodging DIRRI and updated DIRRI Corresponding with ASIC regarding statutory forms and other ad-hoc matters of attention including court hearings, creditors meeting, creditor listings
	ATO and other statutory reporting	<ul style="list-style-type: none"> Notification of appointment Correspondence with the ATO regarding CAC numbers for the period Investigation of treatment of GST pre-appointment by Company to assess appropriate treatment during appointment Preparing and lodging BAS
	Corporate affairs and communications	<ul style="list-style-type: none"> Managing media interest and preparing media releases and updates Liaising with advisors to the Administrators and Company's management Media monitoring and reporting
	Planning / review	<ul style="list-style-type: none"> Attending to all engagement set up matters Holding daily team meetings regarding status and planning of the administration

	<ul style="list-style-type: none"> • Various discussions regarding status of the administration • Creation and maintenance of actions / issues log and liaise with workstream leads with respect to same • Review and identification of ROCAP outstanding requirements
Books and records / storage	<ul style="list-style-type: none"> • Maintaining electronic and hard copy files
Legal matters and Court applications	<ul style="list-style-type: none"> • Obtaining Court orders on 2 March 2022 regarding extending the limitation of liability period under sections 443A(1)(c) and 443B(2) of the Act, the use of the Halo platform to provide proxy forms for the first meeting of creditors and the virtual conduct of the first meeting • Preparation of court applications and accompanying affidavits for the above Court orders and attending court hearings to obtain orders • Assisting solicitors with information requests, corresponding with solicitors with respect to all Court matters • Strategy meetings and briefing to solicitors • Liaising with solicitors regarding various legal matters, including those relating to active and legacy projects, insurance claims, stay of proceedings, potential recoveries and court applications concerning various aspects of the VA • Maintaining tracker of legal issues
TOTAL 523.5 hours \$271,250.50	

Schedule 7.1 | Time to be charged to each major task

Monaco Hickey Pty Ltd (Administrators Appointed)

MH-2: Remuneration from 1 June 2022 to the completion of the VA

Time charged by Administrators' staff

Position	\$ /hour (ex GST)	Total actual hours	Total (\$)	Task Area											
				Assets		Creditors		Employees		Trade On		Investigations		Administration	
				Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Partner	825.00	16.7	13,777.50	3.7	3,052.50	4.4	3,630.00	0.5	412.50	2.0	1,650.00	0.2	165.00	5.9	4,867.50
Principal	750.00	4.8	3,600.00	0.1	75.00	-	-	0.2	150.00	1.8	1,350.00	2.4	1,800.00	0.3	225.00
Director	650.00	30.8	20,020.00	7.6	4,940.00	4.7	3,055.00	5.5	3,575.00	3.9	2,535.00	0.1	65.00	9.0	5,850.00
Associate Director	575.00	14.1	8,107.50	0.6	345.00	5.8	3,335.00	0.2	115.00	1.6	920.00	3.4	1,955.00	2.5	1,437.50
Manager	550.00	5.4	2,970.00	0.2	110.00	1.5	825.00	2.9	1,595.00	-	-	-	-	0.8	440.00
Senior Analyst	475.00	35.8	17,005.00	3.7	1,757.50	11.8	5,605.00	2.4	1,140.00	0.4	190.00	10.3	4,892.50	7.2	3,420.00
Analyst	425.00	30.2	12,835.00	0.5	212.50	16.5	7,012.50	0.9	382.50	0.8	340.00	-	-	11.5	4,887.50
Graduate	325.00	31.5	10,237.50	3.2	1,040.00	13.0	4,225.00	1.7	552.50	0.4	130.00	5.7	1,852.50	7.5	2,437.50
Other Junior	230.00	3.8	874.00	0.5	115.00	1.2	276.00	-	-	-	-	-	-	2.1	483.00
Other Clerical	225.00	1.0	225.00	-	-	-	-	-	-	-	-	-	-	1.0	225.00
TOTAL		174.1	89,651.50	20.1	11,647.50	58.9	27,963.50	14.3	7,922.50	10.9	7,115.00	22.1	10,730.00	47.8	24,273.00
GST			8,965.15												
TOTAL (including GST)			98,616.65												
Average hourly rate					579.48		474.76		554.02		652.75		485.52		507.80

Schedule 7.2 | Detailed description of tasks to be performed

Monaco Hickey Pty Ltd (Administrators Appointed)

MH-2: Remuneration from 1 June 2022 to the completion of the VA

Description of work to be completed for the administration from 1 June 2022 to completion of the VA

Task Area	General Description	Includes
Assets 20.1 hours \$11,647.50	Plant and equipment	<ul style="list-style-type: none"> • Ongoing internal meetings to discuss realisation of plant and equipment • Liaising with auctioneers to attend to collection and realisations of plant and equipment • Updating assets schedule and monitoring recoveries • Liaising with storers regarding liens over plant and equipment
	Assets subject to specific charges	<ul style="list-style-type: none"> • Liaising with secured creditors regarding releases for assets included in sale agreement • Continuing discussions with Company team and Principal regarding deeds of novation
	Debtors	<ul style="list-style-type: none"> • Correspondence with debtors • Following up correspondence with debtors, and issuing demands where appropriate • Monitoring collection of receivables and liaising with debt collectors and solicitors where required • Reviewing accounts for prepaid goods and arranging refunds where applicable • Calculating and demanding payment of intercompany loans
	Inventory and materials	<ul style="list-style-type: none"> • Attending to Retention of Title claims by suppliers
	Other assets	<ul style="list-style-type: none"> • Tasks associated with realising other assets
Creditors 58.9 hours \$27,963.50	General creditor enquiries, requests and directions	<ul style="list-style-type: none"> • Receiving and responding to creditor enquiries via inboxes, telephone and Halo platform • Reviewing and preparing correspondence to creditors and their representatives via Halo platform, email and post • Maintaining creditor request log via Halo platform • Considering reasonableness of creditor requests • Compiling information requested by creditors • Obtaining legal advice on requests • Documenting reasons for complying or not complying with requests or directions • Managing the Halo Help inbox to assist creditors with technical Halo queries • Maintaining the claims and voting dashboards in Halo
	Secured creditor reporting	<ul style="list-style-type: none"> • Responding to secured creditors' queries • Liaising with secured creditors • Maintaining secured asset register
	Creditor reports	<ul style="list-style-type: none"> • Preparing updates and circulars to creditors

		<ul style="list-style-type: none"> Finalising section 75-225 report, which includes: reporting on the affairs of the Company, the Administrators' investigations, actions taken, the sale of business process, recommendation on the outcome of the administration, notification of the second meeting of creditors, and remuneration report Processing 'Return to sender' correspondence
	Dealing with PODs	<ul style="list-style-type: none"> Maintaining register of PODs through Halo platform Creditor data management including processing updates to creditor information in Halo platform Attending to creditor queries regarding information in the Halo creditor platform and submitted PODs Creditor data management including processing updates to creditor information in Halo platform Admitting PODs for voting purposes for the second meeting of creditors
	Meeting of creditors	<ul style="list-style-type: none"> Preparing second meeting notice, proxies and advertisements for second meeting of creditors Forwarding notice of second meeting to all known creditors Discussing requirements for virtual meeting with internal IT support Preparing meeting file for the second meeting, including agenda and slide deck, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Holding the second meeting of creditors via Microsoft Teams Preparing and lodging minutes of second meeting with ASIC Responding to stakeholder queries and questions following second meeting
Employees 14.3 hours \$7,922.50	Employee enquiries	<ul style="list-style-type: none"> Receiving and following up employee enquiries Reviewing and preparing correspondence to employees via email and Halo Assist employees with various queries regarding the Halo creditor platform and their employee entitlements Updating employee contact details in Halo Assisting the purchaser with transition issues relating to employees
	FEG	<ul style="list-style-type: none"> Ongoing correspondence with FEG
	ATO	<ul style="list-style-type: none"> Corresponding with the ATO regarding STP lodgements
	Payroll	<ul style="list-style-type: none"> Reviewing weekly and monthly pay reconciliations and arranging Administrators' approval to process payroll Reviewing and lodging STP reports Liaising with superannuation funds Remittance of Child Support deductions Reviewing superannuation payment contributions and arranging required approvals Reviewing and arranging payment of employee termination payments and associated correspondence Updating cash flow and cost analysis for revised run rate of staff being employed during the administration period Liaising with the respective state offices regarding payroll tax issues

	<ul style="list-style-type: none"> • Liaising with the respective novated leasing companies regarding current arrangements and procedures going forward
Calculation of entitlements	<ul style="list-style-type: none"> • Calculate and review of employee entitlements, including bonuses / retentions; outstanding salary sacrifice; annual leave; leave loading; long serve leave; PILN and redundancy • Reviewing employment contracts; agreements; EBAs • Correspondence with solicitors regarding the review of contracts; agreements and EBAs for the purposes of calculating redundancy and payment in lieu of notice calculations • Preparing letters to staff regarding their outstanding entitlement position • Receiving and preparing correspondence in response to employee's objections to leave entitlements • Employee entitlement calculations specific to Probuild project site requests
Ongoing planning and strategy	<ul style="list-style-type: none"> • Internal discussions and meetings with employee workstream regarding status, key issues and next steps
Correspondence to staff whose positions had been made redundant or where staff had been requested not to serve out the remainder of their notice period	<ul style="list-style-type: none"> • Correspondence to staff whose positions will be made redundant including: notice of their redundancy; FAQ; details of EAP support and a separation certificate • Correspondence to employees that have resigned that are not required to serve out the remainder of their notice period • Communications with solicitors regarding the review of the Administrators' pro-forma documents to be issued to staff where their positions have been made redundant or where staff have been requested not to serve out the remainder of their notice period • Liaising with the relevant redundancy and LSL schemes in each state regarding payments during the administration period and notification of redundancies • Correspondence with Centrelink regarding notification of redundancies • Correspondence with each state's respective workers compensation insurers in relation to redundancies and the recovery of any outstanding reimbursements
Workers' compensation claims	<ul style="list-style-type: none"> • Reviewing insurance policies • Receipt of claims • Liaising with claimant • Liaising with insurers and solicitors regarding claims • Identifying potential issues requiring attention of insurance specialists • Corresponding with previous brokers

Trade On 10.9 hours \$7,115.00	Projects	<ul style="list-style-type: none"> • All tasks associated with dealing with residual project related issues, including: <ul style="list-style-type: none"> - Verifying and processing payments to subcontractors and minor suppliers - Reviewing draft progress claims and ongoing monitoring of the project specific cash flow position - Answering Subcontractor enquiries - Ongoing monitoring of operations of the project - Responding to breach and show cause notices • All tasks associated with managing projects in the Defects Liability Period, including continuing to assess the nature of defects and the costs of rectifying same, engaging with bond and surety providers, and liaising with clients regarding releases of security and bond calls
	Processing receipts and payments	<ul style="list-style-type: none"> • Preparing and authorising payments • Entering receipts and payments into accounting system • Reviewing supplier payments • Liaising with ANZ on all bank accounts
	Cashflow funding and trading	<ul style="list-style-type: none"> • Reviewing Company's budgets and financial statements • Maintenance of receipts and payments made by the Administrators • Preparation and lodgement of BAS • Regular meetings to discuss trading position • Management of bank accounts, including project accounts, retention trusts and cash-backed securities
Investigation 22.1 hours \$10,730.00	Conducting investigation	<ul style="list-style-type: none"> • Further review of Company's Books and records • Updating Company nature and history • Reviewing board reports, minutes, and other communications • Conducting and summarising statutory searches • Conducting meetings and interviews with management and staff regarding affairs of Company and preparing file notes • Reviewing and updating reconstructed financial statements for Company based on management accounts • Reviewing specific transactions and liaising with directors and management regarding these transactions • Reviewing Company's books and records and other information to identify key events leading to voluntary administration • Considering solvency of Company and directors' conduct • Preparing and finalising investigation file • Arranging review of investigation file by lawyers • Reviewing and updating financial analysis in respect of the Company's financial position and performance • Reviewing taxation records • Reviewing and updating aged payables analysis • Reviewing and updating intercompany loan matrix • Lodgement of statutory investigation reports

Administration 47.8 hours \$24,273.00	Correspondence	<ul style="list-style-type: none"> • Maintaining Probuild VA General inbox • Preparing general correspondence including letters, telephone calls and emails
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> • Administrator reviews • Filing of documents and emails • Updating Core IPS checklists • Uploading receipts and payments to IPS for reporting purposes and statutory lodgements
	Insurance	<ul style="list-style-type: none"> • Liaising with insurance broker regarding any ongoing queries
	Bank account administration	<ul style="list-style-type: none"> • Liaising with bank regarding sweeps and transfers • Bank account reconciliations • Opening and closing bank accounts as required
	Preparation of ASIC forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms including 5011s • Corresponding with ASIC regarding statutory forms and other ad hoc matters of attention
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Corresponding with the ATO regarding general taxation matters • Preparing and lodging BASs
	Finalisation of VA	<ul style="list-style-type: none"> • Notifying ATO of finalisation • Completing checklists • Finalising WIP for VA period • Preparing and lodging End of Administration Return (Form 5603) with ASIC
	Planning / review	<ul style="list-style-type: none"> • Holding team meetings regarding status and planning of the administration
	Books and records / storage	<ul style="list-style-type: none"> • Maintaining electronic and hard copy files • Dealing with records
	Legal matters	<ul style="list-style-type: none"> • Preparation of court applications and accompanying affidavits for any further Court orders and attending court hearings to obtain orders • Assisting solicitors with information requests, corresponding with solicitors with respect to all Court matters • Strategy meetings and briefing to solicitors • Liaising with solicitors regarding various legal matters, including those relating to active and legacy projects, insurance claims, stay of proceedings, potential recoveries and court applications concerning various aspects of the VA • Maintaining tracker of legal issues
TOTAL 174.1 hours \$89,651.50		

Schedule 8.1 | Time to be charged to each major task

Monaco Hickey Pty Ltd (Administrators Appointed)

MH-3: Remuneration from commencement of liquidation to conclusion of liquidation

Time charged by Administrators' staff

Position	\$ /hour (ex GST)	Total actual hours	Total (\$)	Task Area													
				Assets		Creditors		Employees		Trade On		Investigations		Dividend		Administration	
				Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Partner	825.00	53.5	44,137.50	15.6	12,870.00	11.8	9,735.00	1.4	1,155.00	4.8	3,960.00	0.6	495.00	3.0	2,475.00	16.3	13,447.50
Principal	750.00	23.5	17,625.00	0.4	300.00	11.0	8,250.00	0.5	375.00	4.4	3,300.00	6.2	4,650.00	0.1	75.00	0.9	675.00
Director	650.00	105.5	68,575.00	19.3	12,545.00	33.4	21,710.00	13.5	8,775.00	9.4	6,110.00	0.4	260.00	4.6	2,990.00	24.9	16,185.00
Associate Director	575.00	51.5	29,612.50	1.5	862.50	28.6	16,445.00	0.6	345.00	3.9	2,242.50	8.6	4,945.00	1.3	747.50	7.0	4,025.00
Manager	550.00	11.8	6,490.00	0.5	275.00	1.3	715.00	7.2	3,960.00	-	-	-	-	0.4	220.00	2.4	1,320.00
Senior Analyst	475.00	67.5	32,062.50	1.8	855.00	9.4	4,465.00	5.8	2,755.00	1.1	522.50	26.0	12,350.00	3.6	1,710.00	19.8	9,405.00
Analyst	425.00	57.3	24,352.50	1.4	595.00	14.1	5,992.50	2.3	977.50	2.0	850.00	-	-	5.8	2,465.00	31.7	13,472.50
Graduate	325.00	68.4	22,230.00	3.6	1,170.00	20.7	6,727.50	4.3	1,397.50	1.0	325.00	14.3	4,647.50	3.8	1,235.00	20.7	6,727.50
Other Junior	230.00	11.3	2,599.00	1.3	299.00	3.2	736.00	-	-	-	-	-	-	1.0	230.00	5.8	1,334.00
Other Clerical	225.00	3.5	787.50	-	-	-	-	-	-	-	-	-	-	0.5	112.50	3.0	675.00
TOTAL		453.8	248,471.50	45.4	29,771.50	133.5	74,776.00	35.6	19,740.00	26.6	17,310.00	56.1	27,347.50	24.1	12,260.00	132.5	67,266.50
GST			24,847.15														
TOTAL (including GST)			273,318.65														
Average hourly rate					655.76		560.12		554.49		650.75		487.48		508.71		507.67

Schedule 8.2 | Detailed description of tasks to be performed

Monaco Hickey Pty Ltd (Administrators Appointed)

MH-3: Remuneration from commencement of liquidation to conclusion of liquidation

Description of work to be completed for the administration from commencement of liquidation to conclusion of liquidation

Task Area	General Description	Includes
Assets 45.4 hours \$29,771.50	Plant and equipment	<ul style="list-style-type: none"> Ongoing internal meetings to discuss realisation of plant and equipment Liaising with auctioneers to attend to collection and realisations of plant and equipment Updating assets schedule and monitoring recoveries Liaising with storers regarding liens over plant and equipment
	Assets subject to specific charges	<ul style="list-style-type: none"> Liaising with secured creditors regarding releases for assets included in sale agreement Continuing discussions with Company team and Principal regarding deeds of novation
	Debtors	<ul style="list-style-type: none"> Correspondence with debtors Following up correspondence with debtors, and issuing demands where appropriate Monitoring collection of receivables and liaising with debt collectors and solicitors where required Reviewing accounts for prepaid goods and arranging refunds where applicable Calculating and demanding payment of intercompany loans
	Other assets	<ul style="list-style-type: none"> Tasks associated with realising other assets
Creditors 133.5 hours \$74,776.00	General creditor enquiries, requests and directions	<ul style="list-style-type: none"> Receiving and responding to creditor enquiries via inboxes, telephone and Halo platform Reviewing and preparing correspondence to creditors and their representatives via Halo platform, email and post Maintaining creditor request log via Halo platform Considering reasonableness of creditor requests Compiling information requested by creditors Obtaining legal advice on requests Documenting reasons for complying or not complying with requests or directions Managing the Halo Help inbox to assist creditors with technical Halo queries Maintaining the claims and voting dashboards in Halo
	Secured creditor reporting	<ul style="list-style-type: none"> Responding to secured creditors' queries Liaising with secured creditors Maintaining secured asset register
	Creditor reports	<ul style="list-style-type: none"> Preparing updates and circulars to creditors Prepare and issue Liquidators' statutory report Processing 'Return to sender' correspondence

Employees 35.6 hours \$19,740.00	Dealing with PODs	<ul style="list-style-type: none"> • Maintaining register of PODs through Halo platform • Creditor data management including processing updates to creditor information in Halo platform • Attending to creditor queries regarding information in the Halo creditor platform and submitted PODs • Creditor data management including processing updates to creditor information in Halo platform • Admitting PODs for voting purposes for the second meeting of creditors
	Meeting of creditors	<ul style="list-style-type: none"> • Preparing second meeting notice, proxies and advertisements for second meeting of creditors • Forwarding notice of second meeting to all known creditors • Discussing requirements for virtual meeting with internal IT support • Preparing meeting file for the second meeting, including agenda and slide deck, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting • Holding the second meeting of creditors via Microsoft Teams • Preparing and lodging minutes of second meeting with ASIC • Responding to stakeholder queries and questions following second meeting
	Deloitte – Forensics	<ul style="list-style-type: none"> • Managing the Halo Help inbox to assist creditors with technical Halo queries
	Deloitte – Risk Advisory	<ul style="list-style-type: none"> • Maintaining the claims and voting dashboards in Halo
	Employee enquiries	<ul style="list-style-type: none"> • Receiving and following up employee enquiries • Reviewing and preparing correspondence to employees via email and Halo • Assist employees with various queries regarding the Halo creditor platform and their employee entitlements • Updating employee contact details in Halo • Assisting the purchaser with transition issues relating to employees
	FEG	<ul style="list-style-type: none"> • Ongoing correspondence with FEG
	ATO	<ul style="list-style-type: none"> • Corresponding with the ATO regarding STP lodgements
	Calculation of entitlements	<ul style="list-style-type: none"> • Calculate and review of employee entitlements, including bonuses / retentions; outstanding salary sacrifice; annual leave; leave loading; long serve leave; PILN and redundancy • Reviewing employment contracts; agreements; EBAs • Correspondence with solicitors regarding the review of contracts; agreements and EBAs for the purposes of calculating redundancy and payment in lieu of notice calculations • Preparing letters to staff regarding their outstanding entitlement position • Receiving and preparing correspondence in response to employee's objections to leave entitlements • Employee entitlement calculations specific to Probuild project site requests
	Ongoing planning and strategy	<ul style="list-style-type: none"> • Internal discussions and meetings with employee workstream regarding status, key issues and next steps • Maintaining employee dashboard regarding status of employees across the business

	Workers' compensation claims	<ul style="list-style-type: none"> • Reviewing insurance policies • Receipt of claims • Liaising with claimant • Liaising with insurers and solicitors regarding claims • Identifying potential issues requiring attention of insurance specialists • Corresponding with previous brokers
Trade On 26.6 hours \$17,310.00	Projects	<ul style="list-style-type: none"> • All tasks associated with dealing with residual project related issues, including: <ul style="list-style-type: none"> - Verifying and processing payments to subcontractors and minor suppliers - Reviewing draft progress claims and ongoing monitoring of the project specific cash flow position - Answering Subcontractor enquiries - Ongoing monitoring of operations of the project - Responding to breach and show cause notices • All tasks associated with managing projects in the Defects Liability Period, including continuing to assess the nature of defects and the costs of rectifying same, engaging with bond and surety providers, and liaising with clients regarding releases of security and bond calls • Attend to calls upon and release of subcontractor securities
	Processing receipts and payments	<ul style="list-style-type: none"> • Preparing and authorising payments • Entering receipts and payments into accounting system • Reviewing supplier payments • Liaising with ANZ on all bank accounts
	Cashflow funding and trading	<ul style="list-style-type: none"> • Reviewing Company's budgets and financial statements • Maintenance of receipts and payments made by the Liquidators • Preparation and lodgement of BAS • Regular meetings to discuss trading position • Management of bank accounts, including project accounts, retention trusts and cash-backed securities
Investigation 56.1 hours \$27,347.50	Conducting investigation	<ul style="list-style-type: none"> • Further review of Company's Books and records • Updating Company nature and history • Reviewing board reports, minutes, and other communications • Conducting and summarising statutory searches • Conducting meetings and interviews with management and staff regarding affairs of Company and preparing file notes • Reviewing and updating reconstructed financial statements for Company based on management accounts • Reviewing specific transactions and liaising with directors and management regarding these transactions • Reviewing Company's books and records and other information to identify key events leading to voluntary administration

		<ul style="list-style-type: none"> • Considering solvency of Company and directors' conduct • Preparing and finalising investigation file • Arranging review of investigation file by lawyers • Reviewing and updating financial analysis in respect of the Company's financial position and performance • Reviewing taxation records • Reviewing and updating aged payables analysis • Reviewing and updating intercompany loan matrix • Lodgement of statutory investigation reports • Detailed analysis of insolvent trading claims and breaches of duties • Undertake legal recovery actions, including liaising with legal advisors and funders, negotiations and settlements
Dividend 24.1 hours \$12,260.00	Processing proofs of debt (POD)	<ul style="list-style-type: none"> • Preparation of correspondence to potential creditors inviting lodgement of POD • Receipt of POD • Maintain POD register • Adjudicating POD • Request further information from claimants regarding POD • Preparation of correspondence to claimant advising outcome of adjudication
	Dividend procedures	<ul style="list-style-type: none"> • 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 132.5 hours \$67,266.50	Correspondence	<ul style="list-style-type: none"> • Maintaining Probuild VA General inbox • Preparing general correspondence including letters, telephone calls and emails
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> • Liquidator reviews • Filing of documents and emails • Updating Core IPS checklists • Uploading receipts and payments to IPS for reporting purposes and statutory lodgements
	Insurance	<ul style="list-style-type: none"> • Liaising with insurance broker regarding any ongoing queries
	Bank account administration	<ul style="list-style-type: none"> • Liaising with bank regarding sweeps and transfers • Bank account reconciliations

	<ul style="list-style-type: none"> • Opening and closing bank accounts as required
Preparation of ASIC forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms including 5011s • Corresponding with ASIC regarding statutory forms and other ad-hoc matters of attention
ATO and other statutory reporting	<ul style="list-style-type: none"> • Corresponding with the ATO regarding general taxation matters • Preparing and lodging BASs
Finalisation of VA	<ul style="list-style-type: none"> • Notifying ATO of finalisation • Completing checklists • Finalising WIP for VA period • Preparing and lodging End of Administration Return (Form 5603) with ASIC
Planning / review	<ul style="list-style-type: none"> • Holding team meetings regarding status and planning of the administration
Books and records / storage	<ul style="list-style-type: none"> • Maintaining electronic and hard copy files • Dealing with records
Deloitte – Tax & Legal	<ul style="list-style-type: none"> • Providing tax advice to Liquidators regarding various tax issues • Reviewing BASs • Ongoing discussions with project teams regarding correct tax treatment of transactions
Legal matters	<ul style="list-style-type: none"> • Preparation of court applications and accompanying affidavits for any further Court orders and attending court hearings to obtain orders • Assisting solicitors with information requests, corresponding with solicitors with respect to all Court matters • Strategy meetings and briefing to solicitors • Liaising with solicitors regarding various legal matters, including those relating to active and legacy projects, insurance claims, stay of proceedings, potential recoveries and court applications concerning various aspects of the VA • Maintaining tracker of legal issues
TOTAL 453.8 hours \$248,471.50	

Schedule 8.3 | Summary of receipts and payments

Monaco Hickey Pty Ltd

(\$'000)	MH Consolidated
Cash at bank - 24 February 2022	1,344
Receipts	
Pre-Appointment Debtors	708
Total Receipts	708
Payments	
Insurance	(18)
Sundry costs	(18)
Other employee costs	(4)
Withholding Tax (PAYGW)	(87)
Project Suppliers	(43)
Superannuation	(28)
Wages & Salaries	(10)
Total Payments	(208)
Movement	500
Cash at Bank - 31 May 2022	1,844

Schedule 9.1 | Time to be charged to each major task

WBHO Australia Pty Ltd

And certain entities listed in Schedule 10.1

(All Administrators Appointed)

(Probuild Group or the Group)

Pooled-1: Remuneration from execution of DOCA to finalisation (effectuation) of DOCA

Time charged by Administrators' staff

Position	\$ /hour (ex GST)	Total actual hours	Total (\$)	Task Area											
				Assets		Creditors		Employees		Trade On		Dividend		Administration	
				Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Partner	825.00	907.5	748,687.50	529.0	436,425.00	93.3	76,972.50	20.3	16,747.50	48.7	40,177.50	127.2	104,940.00	89.0	73,425.00
Principal	750.00	92.2	69,150.00	13.5	10,125.00	10.2	7,650.00	7.4	5,550.00	44.3	33,225.00	7.0	5,250.00	9.8	7,350.00
Director	650.00	1,688.9	1,097,785.00	655.8	426,270.00	284.3	184,795.00	189.5	123,175.00	94.2	61,230.00	193.8	125,970.00	271.3	176,345.00
Associate Director	575.00	313.7	180,377.50	52.9	30,417.50	80.3	46,172.50	9.7	5,577.50	39.5	22,712.50	54.7	31,452.50	76.6	44,045.00
Manager	550.00	344.7	189,585.00	18.4	10,120.00	112.0	61,600.00	101.8	55,990.00	-	-	19.0	10,450.00	93.5	51,425.00
Senior Analyst	475.00	755.8	359,005.00	64.1	30,447.50	226.9	107,777.50	82.5	39,187.50	11.0	5,225.00	154.7	73,482.50	216.6	102,885.00
Analyst	425.00	1,056.2	448,885.00	47.7	20,272.50	362.3	153,977.50	32.9	13,982.50	20.5	8,712.50	247.0	104,975.00	345.8	146,965.00
Graduate	325.00	1,051.9	341,867.50	124.9	40,592.50	355.3	115,472.50	60.3	19,597.50	10.7	3,477.50	161.5	52,487.50	339.2	110,240.00
Other Junior	230.00	220.5	50,715.00	44.1	10,143.00	66.9	15,387.00	-	-	-	-	45.6	10,488.00	63.9	14,697.00
Other Clerical	225.00	55.9	12,577.50	-	-	-	-	-	-	-	-	23.3	5,242.50	32.6	7,335.00
TOTAL		6,487.3	3,498,635.00	1,550.4	1,014,813.00	1,591.5	769,804.50	504.4	279,807.50	268.9	174,760.00	1,033.8	524,738.00	1,538.3	734,712.00
GST			349,863.50												
TOTAL (including GST)			3,848,498.50												
Average hourly rate					654.55		483.70		554.73		649.91		507.58		477.61

Schedule 9.2 | Time to be charged to each major task

WBHO Australia Pty Ltd

And certain entities listed in Schedule 10.1

(All Administrators Appointed)

(Probuild Group or the Group)

*Pooled-1: Remuneration from execution of DOCA to finalisation (effectuation) of DOCA***Description of work to be completed for the administration from execution of DOCA to finalisation (effectuation) of DOCA**

Task Area	General Description	Includes
Assets 1,550.4 hours \$1,014,813.00	Plant and equipment	<ul style="list-style-type: none"> Ongoing internal meetings to discuss realisation of plant and equipment Liaising with auctioneers to attend to collection and realisations of plant and equipment Updating assets schedule and monitoring recoveries Liaising with storers regarding liens over plant and equipment
	Assets subject to specific charges	<ul style="list-style-type: none"> Continuing discussions with Company team and Principals regarding deeds of novation
	Debtors	<ul style="list-style-type: none"> Correspondence with debtors Following up correspondence with debtors, and issuing demands where appropriate Monitoring collection of receivables and liaising with debt collectors and solicitors where required Attending to litigation for recovery of debtors where required Reviewing accounts for prepaid goods and arranging refunds where applicable Calculating and demanding payment of intercompany loans where relevant
	Other assets	<ul style="list-style-type: none"> Tasks associated with realising all other assets
Creditors 1,591.5 hours \$769,804.50	General creditor enquiries, requests and directions	<ul style="list-style-type: none"> Receiving and responding to creditor enquiries via inboxes, telephone and Halo platform Reviewing and preparing correspondence to creditors and their representatives via Halo platform, email and post Maintaining creditor request log via Halo platform Considering reasonableness of creditor requests Compiling information requested by creditors Obtaining legal advice on requests Documenting reasons for complying or not complying with requests or directions Compiling information requested by creditors Prepare and issue update reports
	Secured creditor reporting	<ul style="list-style-type: none"> Responding to secured creditors' queries
	Dealing with PODs	<ul style="list-style-type: none"> Maintaining register of PODs through Halo platform

		<ul style="list-style-type: none"> • Creditor data management including processing updates to creditor information in Halo platform • Attending to creditor queries regarding information in the Halo creditor platform and submitted PODs • Creditor data management including processing updates to creditor information in Halo platform
	Deloitte – Forensics	<ul style="list-style-type: none"> • Managing the Halo Help inbox to assist creditors with technical Halo queries
	Deloitte – Risk Advisory	<ul style="list-style-type: none"> • Maintaining the claims and voting dashboards in Halo
Employees 504.4 hours \$279,807.50	Employee enquiries	<ul style="list-style-type: none"> • Receiving and following up employee enquiries • Maintain employee enquiry register • Reviewing and preparing correspondence to employees via email and Halo • Assist employees with various queries regarding the Halo creditor platform and their employee entitlements • Updating employee contact details in Halo • Assisting the purchaser with transition issues relating to employees
	FEG	<ul style="list-style-type: none"> • Ongoing correspondence with FEG
	ATO	<ul style="list-style-type: none"> • Corresponding with the ATO regarding STP lodgements
	Calculation of entitlements	<ul style="list-style-type: none"> • Calculate and review of employee entitlements, including bonuses / retentions; outstanding salary sacrifice; annual leave; leave loading; long serve leave; PILN and redundancy • Reviewing employment contracts; agreements; EBAs • Correspondence with solicitors regarding the review of contracts; agreements and EBAs for the purposes of calculating redundancy and payment in lieu of notice calculations • Preparing letters to staff regarding their outstanding entitlement position • Receiving and preparing correspondence in response to employee's objections to leave entitlements • Employee entitlement calculations specific to Probuild project site requests
	Ongoing planning and strategy	<ul style="list-style-type: none"> • Internal discussions and meetings with employee workstream regarding status, key issues and next steps • Maintaining employee dashboard regarding status of employees across the business
	Workers' compensation claims	<ul style="list-style-type: none"> • Reviewing insurance policies • Receipt of claims • Liaising with claimant • Liaising with insurers and solicitors regarding claims • Identifying potential issues requiring attention of insurance specialists • Corresponding with previous brokers
Trade On 268.9 hours \$174,760.00	Projects	<ul style="list-style-type: none"> • All tasks associated with dealing with residual project related issues, including: <ul style="list-style-type: none"> - Verifying and processing payments to subcontractors and minor suppliers - Reviewing draft progress claims and ongoing monitoring of the project specific cash flow position - Answering Subcontractor enquiries

		<ul style="list-style-type: none"> - Ongoing monitoring of operations of the project - Responding to breach and show cause notices • All tasks associated with managing projects in the Defects Liability Period (DLP), including continuing to assess the nature of defects and the costs of rectifying same, engaging with bond and surety providers, and liaising with clients regarding releases of security and bond calls • Attend to calls upon and release of subcontractor securities
	Processing receipts and payments	<ul style="list-style-type: none"> • Preparing and authorising payments • Entering receipts and payments into accounting system • Reviewing supplier payments • Liaising with ANZ on all bank accounts • Maintenance of FX hedges
	Cashflow funding and trading	<ul style="list-style-type: none"> • Reviewing the Group's budgets and financial statements • Preparing, maintaining and reviewing cashflow forecasts • Maintenance of receipts and payments made by the DOCA Administrators • Preparation and lodgement of BAS • Regular meetings to discuss trading position • Management of bank accounts, including project accounts, retention trusts and cash-backed securities
Dividend 1,033.8 \$524,738.00	Processing proofs of debt (POD)	<ul style="list-style-type: none"> • Preparation of correspondence to potential creditors inviting lodgement of POD • Receipt of POD • Maintain POD register • Adjudicating POD • Request further information from claimants regarding POD • Preparation of correspondence to claimant advising outcome of adjudication
	Dividend procedures	<ul style="list-style-type: none"> • 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 the Group'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 1,538.3 hours \$734,712.00	Document maintenance/file review/checklist	<ul style="list-style-type: none"> • DOCA Administrator reviews • Filing of documents and emails • Updating Core IPS checklists

	<ul style="list-style-type: none"> • Uploading receipts and payments to IPS for reporting purposes and statutory lodgements
Insurance	<ul style="list-style-type: none"> • Liaising with insurance broker regarding any ongoing queries
Bank account administration	<ul style="list-style-type: none"> • Liaising with bank regarding sweeps and transfers • Bank account reconciliations • Opening and closing bank accounts as required
Preparation of ASIC forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms including 5011s • Corresponding with ASIC regarding statutory forms and other ad-hoc matters of attention
ATO and other statutory reporting	<ul style="list-style-type: none"> • Corresponding with the ATO regarding general taxation matters • Preparing and lodging BASs
Finalisation of VA	<ul style="list-style-type: none"> • Notifying ATO of finalisation • Completing checklists • Finalising WIP for VA period • Preparing and lodging End of Administration Return (Form 5603) with ASIC
Planning / review	<ul style="list-style-type: none"> • Holding team meetings regarding status and planning of the administration
Books and records / storage	<ul style="list-style-type: none"> • Maintaining electronic and hard copy files • Dealing with records
Deloitte – Tax & Legal	<ul style="list-style-type: none"> • Providing tax advice to DOCA Administrators regarding various tax issues • Reviewing BASs • Ongoing discussions with project teams regarding correct tax treatment of transactions
Legal matters	<ul style="list-style-type: none"> • Assisting solicitors with information requests, corresponding with solicitors with respect to all Court matters • Strategy meetings and briefing to solicitors • Liaising with solicitors regarding various legal matters, including those relating to active and legacy projects, insurance claims, stay of proceedings, potential recoveries and court applications concerning various aspects of the VA • Maintaining tracker of legal issues
TOTAL 6,487.3 hours \$3,498,635.00	

Schedule 10.1 | WHBO Australia Group of companies (All Administrators Appointed)

Company name	ACN
WBHO Australia Pty Ltd	095 983 681
WBHO Construction Australia Pty Ltd	149 901 931
Northcoast Holdings Pty Ltd	009 296 780
Probuild Constructions (Aust) Pty Ltd	095 250 945
Probuild Civil Pty Ltd (formerly Probuild Civil (QLD) Pty Ltd	010 870 587
PCA (QLD) Pty Ltd (formerly Probuild Constructions (QLD) Pty Ltd)	141 148 245
Probuild Constructions (NSW) Pty Ltd	165 675 874
Probuild Constructions (VIC) Pty Ltd	165 675 865
Probuild Constructions (WA) Pty Ltd	165 676 095
Probuild Constructions (QLD) Pty Ltd	166 966 034
ACN 098 866 794 Pty Ltd (formerly Probuild Constructions (NSW) Pty Ltd)	098 866 794
Contexx Holdings Pty Ltd	144 707 022
Contexx Pty Ltd	147 249 796
Prodev Murphy Pty Ltd	120 758 803
Prodev Investments 4 Pty Ltd	629 246 653
Monaco Hickey Pty Ltd	144 945 611

Appendix O – ARITA Information Sheet: Approving Remuneration



Information sheet: Approving remuneration of an external administrator

If you are a creditor in a liquidation, voluntary administration or deed of company arrangement you may be asked to approve the external administrator's remuneration. An external administrator can be a liquidator, voluntary administrator or deed administrator. The process for approving the remuneration for each of these is the same.

This information sheet gives general information to help you understand the process of approving an external administrator's remuneration and your rights in this process. The following topics are covered in this information sheet:

- About external administrations
- External administrator's remuneration and costs
- Calculating remuneration
- Information you will receive
- Approving remuneration
- Who may approve remuneration
- Deciding if remuneration is reasonable
- What can you do if you decide the remuneration is unreasonable?
- Reimbursement of out of pocket costs
- Queries and complaints
- More information.

About external administrations

If a company goes into liquidation, voluntary administration or enters into a deed of company arrangement, an independent person is appointed to oversee the administration. They are called an external administrator and include a liquidator, voluntary administrator and deed administrator, depending on the type of administration involved. In this information sheet they are simply referred to as an external administrator.

The duties of an external administrator are specified in legislation and they must adhere to certain standards while conducting the administration.

All external administrators are required by law to undertake certain tasks which may not benefit creditors directly (e.g. investigating whether any offences have been committed and reporting to the Australian Securities and Investments Commission (ASIC)).

External administrator's remuneration and costs

External administrators are entitled to be paid for the necessary work they properly perform in the administration.

An external administrator is entitled:

- to be paid reasonable remuneration, for the work they perform, once this remuneration has been approved,
- to be paid for internal disbursements they incur in performing their role (these costs do need approval), and
- to be reimbursed for out-of-pocket costs incurred in performing their role (these costs do not need approval).



Common internal disbursements are stationery, photocopying and telephone costs.

Commonly reimbursed out-of-pocket costs include:

- legal fees
- a valuer's, real administration agent's and auctioneer's fees
- postage costs
- retrieval costs for recovering the company's computer records, and
- storage costs for the company's books and records.

Creditors have a direct interest in the amount of an external administrator's remuneration and costs, as these will generally be paid from the administration before any payments are made to creditors.

Remuneration and internal disbursements must be approved in accordance with the Corporations Act and Insolvency Practice Rules (Corporations) before it can be paid.

If there is a shortfall between the external administrator's remuneration and the assets available from the administration, in certain circumstances the external administrator may arrange for a third party to pay the shortfall. As a creditor, you will be provided details of any such arrangement.

If there are not enough assets to pay the external administrator's remuneration and costs, and there is no third party payment arrangement, the external administrator remains unpaid.

Calculating remuneration

An external administrator may calculate their remuneration using one (or a combination) of a number of methods, such as:

- on the basis of time spent working on the administration, according to hourly rates
- a quoted fixed fee, based on an estimate of the costs
- a percentage (usually of asset realisations), or
- a contingent basis on a particular outcome being achieved.

Charging on the basis of time spent is the most common method used. External administrators have a set of hourly rates that they will seek to charge. These rates are set to reflect the seniority, skills and experience of staff and, where applicable, the complexity and risks of the bankruptcy. They cover staff costs and overheads.

If remuneration is being charged on a time basis, the external administrator must keep time sheets noting the number of hours spent on the tasks performed.

Creditors have a right to question the external administrator about the remuneration and the rates to be charged. They also have a right to question the external administrator about the fee calculation method used and how the calculation was made. The external administrator must justify why the chosen fee calculation method is appropriate for the administration.

Information you will receive

There are different types of remuneration reports that you may receive during the course of an external administration. The following table details the reports and when you might receive them.



Document	Information it contains	When you will receive it
Initial Remuneration Notice (IRN)	<ul style="list-style-type: none"> A brief explanation of the types of methods that may be used to calculate fees. The external administrator's chosen fee calculation method(s) and why it is appropriate. Details of the external administrator's rates, including hourly rates if time spent basis is used. An estimate of the external administrator's remuneration. The method that will be used to calculate disbursements. 	<p>Voluntary Administration – with the notice of first meeting.</p> <p>Creditors' voluntary liquidation – within 10 business days of appointment.</p> <p>Court liquidation – within 20 business days of appointment.</p>
Remuneration Approval Report (RAR)	<ul style="list-style-type: none"> A summary description of the major tasks performed, or likely to be performed. The costs associated with each of those major tasks and the method of calculation. The periods at which the external administrator proposes to withdraw funds from the administration for remuneration. An estimated total amount, or range of total amounts, of the external administrator's remuneration. An explanation of the likely impact of that remuneration on the dividends (if any) to creditors. Where internal disbursements are being claimed, the external administrator will report to creditors on the amount and method of calculation of these disbursements. 	<p>Sent at the same time as:</p> <ul style="list-style-type: none"> the notice to creditors of the meeting at which approval of remuneration will be sought; or the notice to creditors of the proposal without a meeting by which approval of remuneration will be sought <p>If approval of remuneration is not being sought, a RAR will not be provided.</p>

Approving remuneration

The meeting of creditors (or committee of inspection) gives a chance for those participating to ask questions about the external administrator's remuneration. Fees are then approved by a vote of the creditors. Alternatively, the external administrator may seek approval of remuneration via a proposal without a meeting. Whichever method is used, the external administrator must provide the same report to creditors about their remuneration (Remuneration Approval Report).

Creditors may be asked to approve remuneration for work already performed and/or remuneration estimate for work not yet carried out. If the work is yet to be carried out, the external administrator must set a maximum limit (cap) on the future remuneration approval. For example, 'future remuneration is approved, calculated on hours worked at the rates charged (as set out in the provided rate scale) up to a cap of \$X'.



If the remuneration for work done then exceeds this figure, the external administrator will have to ask the creditors to approve a further amount of remuneration, after accounting for the amount already incurred.

If an external administrator can't get the creditors' approval, an application can be made to the Court to determine their remuneration.

When there are limited funds available in the administration, or the external administrator's remuneration is below a statutory threshold, an external administrator is entitled to draw a one-off amount of up to that threshold plus GST, without creditor approval. This amount is currently \$5,000 (indexed).

Who may approve remuneration?

Committee of inspection approval

A committee of inspection will generally only be established where there are a large number of creditors and/or complex matters which make having a committee desirable. Committee members are chosen by a vote of all creditors and work with the external administrator to represent the creditors' interests.

If there is a committee, the external administrator will ask it to approve the remuneration. A committee makes its decision by a majority in number of its members present in person at a meeting, but it can only vote if a majority of its members attend.

In approving the remuneration, it is important that committee members understand that they represent all the creditors, not just their own individual interests.

Creditors' approval

Creditors approve remuneration by passing a resolution at a creditors' meeting. Creditors may vote according to their individual interests.

To approve an external administrator's remuneration, a resolution is put to the meeting to be decided on the voices or by a 'poll' (if requested by the external administrator or a person participating and entitled to vote at the meeting). A poll requires a count of each vote and its value to be taken and recorded for each creditor present and voting.

A proxy is a document whereby a creditor appoints someone else to represent them at a creditors' meeting and to vote on their behalf. A proxy can be either a general proxy or a special proxy. A general proxy allows the person holding the proxy to vote how they want on a resolution, while a special proxy directs the proxy holder to vote in a particular way.

A creditor will sometimes appoint the external administrator as a proxy to vote on the creditor's behalf. An external administrator is only able to vote on remuneration if they hold a special proxy.

There are provisions for a resolution to be passed by creditors without a meeting. This still requires a majority in value and number of creditors voting to vote in favour of the resolution. Creditors representing at least 25% in value of those responding to the external administrator's proposal can object to the proposal being resolved without a meeting of creditors.



Deciding if remuneration is reasonable

If you are asked to approve an external administrator's remuneration, your task is to decide if the amount of remuneration is reasonable, given the work carried out in the administration and the results of that work.

You may find the following information from the external administrator useful in deciding if the remuneration claimed is reasonable:

- the method used to calculate remuneration
- the major tasks that have been performed, or are likely to be performed, for the remuneration
- the remuneration/estimated remuneration (as applicable) for each of the major tasks
- the size and complexity (or otherwise) of the administration
- the amount of remuneration (if any) that has previously been approved
- if the remuneration is calculated, in whole or in part, on a time basis:
 - the period over which the work was, or is likely to be performed
 - if the remuneration is for work that has already been carried out, the time spent by each level of staff on each of the major tasks
 - if the remuneration is for work that is yet to be carried out, whether the remuneration is capped.

ARITA's Code of Professional Practice ('the Code') outlines the steps external administrators should take to make sure they fulfil their responsibilities to creditors when asking creditors to approve remuneration, including when those creditors are acting in their capacity as committee members. The Code is available on the ARITA website at www.arita.com.au.

If you need more information about remuneration than is provided in the external administrator's report, you should let them know before the meeting at which remuneration will be voted on.

What can you do if you think the remuneration is unreasonable?

If you think the remuneration being claimed is unreasonable, you should raise your concerns with the external administrator. It is your decision whether to vote in favour of, or against, a resolution to approve remuneration. You may also choose to not vote on the resolution (abstain).

You also have the power to put a resolution to the meeting. For example, you could put forward a resolution to change the way the external administrator charges for remuneration, or the periods at which the external administrator may withdraw funds. Any amending resolution must occur before the vote being taken on the resolution to approve remuneration. If the amended proposal is passed, the resolution is binding on the external administrator. However, such an amendment may result in the external administrator seeking to be replaced by another external administrator.

If the external administrator is seeking approval of remuneration via a resolution without a meeting and more than 25% in value of the creditors responding object using the form provided by the external administrator, the proposal will not pass. If the external administrator wants the proposal passed, a meeting will need to be convened and any creditor entitled to participate in the meeting has the right, before the vote is taken, to put a resolution to the meeting as mentioned above.



A creditor may apply to Court for a review of an external administrator's remuneration. Creditors also have the power to appoint, by resolution, a reviewing liquidator to review any remuneration approved within the six months and any disbursements incurred in the 12 months before the reviewing liquidator's appointment. The cost of a reviewing liquidator is paid from the assets of the external administration. An individual creditor may also appoint a reviewing liquidator with the external administrator's consent. An individual creditor seeking the appointment of a reviewing liquidator must pay the cost of the reviewing liquidator.

Reimbursement of out-of-pocket costs

An external administrator should be very careful incurring costs that must be paid from the administration; as careful as if they were incurring the expenses on their own behalf. Their report on remuneration sent to creditors must also include information on the out-of-pocket costs of the administration (disbursements).

Where these out-of-pocket costs are internal disbursements paid to the external administrator's firm (for example photocopying and phone calls) the external administrator must request creditor approval of these amounts. The external administrator may also ask for approval of internal disbursements in advance. If they do so, they will set the rates for those disbursements and a cap on the maximum amount that can be drawn.

If you have questions about any of these costs, you should ask the external administrator and, if necessary, bring it up at a creditors' or committee meeting. If you are still concerned, you have the right to seek the appointment of a reviewing liquidator (refer above).

Queries and complaints

You should first raise any queries or complaints with the external administrator or their firm.

If this fails to resolve your concerns, including any concerns about their conduct, you can lodge a complaint with ARITA at www.arita.com.au or with ASIC at www.asic.gov.au. ARITA is only able to deal with complaints in respect of their members.

More information

The [ARITA website](http://www.arita.com.au) contains the ARITA Code of Professional Practice which is applicable to all its members. ARITA also provides general information to assist creditors at www.arita.com.au/creditors.

ASIC includes information on its website which may assist creditors. Go to www.asic.gov.au and search for 'insolvency information sheets'.

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.

Appendix P – WBHO Construction SA DOCA Proposal

22 June 2022

WBHO POOLING DOCA PROPOSAL

Defined terms used in this term sheet are defined throughout this term sheet, including in the Interpretation section at the end of this Term Sheet.

Item	Category	Comments
1.	Companies	Each of the entities listed in Schedule 1, which includes Probuild Constructions (Aust) Pty Ltd (Administrators Appointed) (Probuild).
2.	Proponent	WBHO Construction (Pty) Ltd
3.	Voluntary Administrators	Sal Algeri, Jason Tracy, David Orr and Matt Donnelly in their capacities as joint and several voluntary administrators of each of the Companies.
4.	Appointment Date	23 February 2022
5.	Commencement Date	The date of execution of the DOCA contemplated by this term sheet.
6.	Purpose	<p>This term sheet outlines the material terms of the DOCA that the Proponent proposes in respect of the Companies and which the Proponent requires the Voluntary Administrators to present to the meetings of the Creditors of the Companies that are scheduled to be held pursuant to section 439A of the Corporations Act.</p> <p>The purpose of the DOCA is to provide a better return for all Creditors and a quicker return for Employee Creditors and Small Creditors than liquidation.</p>
7.	Parties to the DOCA	<p>The parties to the DOCA will be:</p> <ol style="list-style-type: none"> the Voluntary Administrators; each Company; and the Proponent.
8.	Overall structure	<p>The Proponent proposes a DOCA for the Companies, the key terms of which will be:</p> <ol style="list-style-type: none"> the Proponent to make a cash contribution of at least \$9.08 million and up to \$9.58 million (Cash Contribution) to (amongst other things) fund certain accelerated payments to Creditors; Claims and assets of the Companies to be pooled and a Creditor of any particular Company to be treated as a Creditor of the Companies as a whole; Proponent's SRG DOCA Distribution to be made available to Creditors; the Deed Fund to be established to, amongst other things: <ol style="list-style-type: none"> pay Employee Creditors in full; pay a pro rata distribution to Small Creditors; make payment of the Administrators' Liabilities and Deed Administrators' Liabilities; and make a distribution to Unsecured Creditors and Insurance Bond Creditors; Proponent to receive the Guarantee Recovery Payment;

Item	Category	Comments
		<p>6. Proponent to provide access to the BLU System to the Deed Administrators and their staff from the Commencement Date up to the effectuation of the DOCA; and</p> <p>7. on effectuation of the DOCA, Companies to be released from all Claims and control returned to the directors for deregistration of the Companies.</p>
9.	Strategic Advantage	<p>The key strategic advantages of this DOCA proposal are as follows:</p> <ol style="list-style-type: none"> 1. provide a better return than liquidation for all Creditors; 2. provide a quicker return for Employee Creditors than liquidation; 3. provide a quicker return for Small Creditors than liquidation; and 4. continued access and ongoing support available to the Deed Administrators in respect of the BLU System.
10.	Value	<p>The total value contributed or secured by the Proponent under the terms of this DOCA proposal is between \$15.7 million and \$31.1 million comprised of the following:</p> <ol style="list-style-type: none"> 1. cash contribution for Pool A Creditors (\$6.0 million); 2. further cash contribution to Pool A in respect of operating expenditure incurred or to be incurred by the Voluntary Administrators and Deed Administrators that has provided a benefit to the Proponent (\$0.58 million); 3. cash payment in connection with the Caulfield Village Project (subject to conditions and as described at Item 14) (\$0.5 million) 4. cash contribution for Pool B Creditors (Small Creditors) (\$2.5 million); 5. Proponent not receiving a distribution from the DOCA (between \$3.0 million and \$16.4 million); and 6. SRG DOCA Distribution (between \$3.2 million and \$5.1 million). <p>In addition to the above, the Proponent provides significant value through the provision of continued access to the BLU System as described at Item 22 below.</p>
11.	Deed Administrators	Sal Algeri, Jason Tracy, David Orr and Matt Donnelly will be the Deed Administrators under the DOCA and will have the powers as specified in the DOCA.
12.	Deed Fund	<p>The DOCA will contemplate the creation of a Deed Fund for the Companies, comprised of:</p> <ol style="list-style-type: none"> 1. Pool A (to be distributed in accordance with Item 15 below), which will include: <ol style="list-style-type: none"> (a) \$6 million cash payment from Proponent; (b) \$0.58 million additional cash payment from the Proponent for operating expenditure (as described at Item 17);

Item	Category	Comments
		<p>(c) \$0.5 million for the Caulfield Contingent Payment;</p> <p>(d) proceeds of the Realisable Assets (as described at Item 38); and</p> <p>(e) SRG DOCA Distribution.</p> <p>Each of the Pool A funds above are to be applied promptly to Pool A as and when those funds become available to the Deed Administrators the Company or the Proponent (as relevant).</p> <p>2. Pool B (to be distributed in accordance with Item 16 below) which will include a cash payment from the Proponent (described at Item 13 below);</p> <p>3. Pool C (to be distributed in accordance with Item 18 below) which will include any amounts remaining in Pool A after the Pool A payments have been made (see Item 15); and</p> <p>4. Pool D (to be distributed in accordance with Item 18 below), which will include proceeds of the Realisable Assets in an amount equal to the ATO GST Priority Amount and the ATO Income Tax Liability Amount.</p>
13.	Cash Contribution (Pool A and Pool B)	<p>Prior to Commencement Date, Proponent to transfer an amount of \$9.08 million to be held by the Voluntary Administrators and then the Deed Administrators on trust (Initial Cash Contribution).</p> <p>On the date that is 10 weeks from the Commencement Date, Initial Cash Contribution to be applied by the Deed Administrators to the following two pools of funds:</p> <ul style="list-style-type: none"> \$6.58 million to Pool A; and \$2.5 million to Pool B.
14.	Cash Contribution (Caulfield Contingent Payment)	<p>The Proponent agrees to transfer an amount of \$0.5 million to the Deed Administrators to be applied to Pool A on the satisfaction of the following conditions (Caulfield Contingent Payment):</p> <ul style="list-style-type: none"> practical completion of the project known as "Caulfield Village Precinct 2 North" (Caulfield Village Project); entry into a deed of release by the Voluntary Administrators or Deed Administrators (as relevant) releasing BPG Caulfield Village Pty Limited in respect of all claims in connection with the Caulfield Village Project; and return of bank guarantees (reference numbers G666422 and G666423) by BPG Caulfield Village Pty Limited in connection with the Caulfield Village Project totalling \$9,559,881 for a settlement of not more than \$5.7 million; and BPG Caulfield Village Pty Limited to replace cash security deposits held by Glen Eira City Council in the amount of \$300,000 and Department of Transport in the amount of \$400,000 and procure the return of these deposits to the Voluntary Administrators or Deed Administrators.

Item	Category	Comments
15.	Pool A Accelerated distribution	<p>On or after the date that is 10 weeks from the Commencement Date, the Deed Administrators will make an accelerated distribution of Pool A to:</p> <ol style="list-style-type: none"> 1. the Administrators to pay the Administrators' Liabilities (to the extent not already paid); 2. Employee Creditors to pay Employee Creditor Claims in full; and 3. Pool D (up to an amount equal to the ATO GST Priority Amount plus the ATO Income Tax Liability Amount). <p>Deadline for Employee Creditors to lodge a formal proof to be fixed to ensure that this can occur as soon as practicable.</p>
16.	Pool B Accelerated distribution	<p>Within 45 days of Employee Creditor Claims having been paid in full the Deed Administrators will make a further accelerated distribution of Pool B to Small Creditors to pay the Small Creditor Claims on a pro-rata basis, with any residual funds to be paid to Pool A (subject to Small Creditors having been paid in full).</p> <p>Notwithstanding the above no proceeds from Realisable Assets are to be made available to Pool C or Pool D and no distributions are to be made from Pool C or Pool D until the Pool B distributions have been made in full.</p> <p>Deadline for Small Creditors to lodge a formal proof to be fixed to ensure that this can occur as soon as practicable.</p>
17.	Payment for operational costs	<p>The Proponent agrees to contribute an additional cash payment of \$0.58 million to Pool A in recognition of operating expenditure incurred or to be incurred by the Voluntary Administrators or Deed Administrators that has provided a benefit to the Proponent. This amount will be payable upon receipt of a tax invoice from the Voluntary Administrators and will be inclusive of any taxes or charges.</p>
18.	Pool C and Pool D distributions	<p>Following realisation of all or materially all of the Realisable Assets and provided the Pool A and Pool B distributions have been made in full:</p> <ol style="list-style-type: none"> 1. Pool C to be applied by the Deed Administrators as follows: <ol style="list-style-type: none"> a. Deed Administrators' Liabilities; and b. Claims by Unsecured Creditors and Insurance Bond Creditors; and 2. Pool D is to be applied by the Deed Administrators as follows: <ol style="list-style-type: none"> a. Claims by the ATO in respect of GST liabilities up to the ATO GST Priority Amount; and b. Claims by the ATO in respect of income tax liabilities up to the ATO Income Tax Liability Amount.
19.	Pooling	<p>On and from the Commencement Date:</p> <ol style="list-style-type: none"> 1. all Claims and assets to be pooled and to be treated as Claims and assets of Probuild; and 2. all intercompany payables and receivables between the Companies are to be extinguished.
20.	CBA Bank Guarantees	<ol style="list-style-type: none"> 1. (Guarantee Recovery Payment): The parties acknowledge that as at the date of this proposal, the Proponent has made payments to CBA equal to the value of the Called Guarantees. In those circumstances, DOCA to provide that the Proponent receive any CBA Guarantee Recovered Funds by way of the Guarantee Recovery Payment to be paid by the Deed Administrators immediately on receipt of any CBA Guarantee Recovered Funds. 2. (Assignment of claims): DOCA to provide that the rights and interests of the Companies in respect of the CBA Bank Guarantees, including any Called Guarantees be transferred or otherwise conveyed to the Proponent on the Proponent's request.

Item	Category	Comments
21.	Certificate of satisfaction of financial obligations	<p>Upon payment of amounts due under Item 13, the Deed Administrators shall provide the Proponent with a certificate in writing that all non-contingent financial obligations of the Proponent under the DOCA have been satisfied.</p> <p>Upon payment of the amount due under Item 14 (if applicable), the Deed Administrators shall provide the Proponent with a certificate in writing that all financial obligations of the Proponent under the DOCA have been satisfied.</p>
22.	BLU System	Proponent agrees to provide access to the BLU System to the Deed Administrators and the Deed Administrators' staff to the extent required for the Deed Administrators to fulfil their obligations under the DOCA. Access to be for the period commencing on the Commencement Date and ending on effectuation or termination of the DOCA and will be subject to conditions required to be included in the DOCA for the Proponent's protection.
23.	Conditions precedent	<p>The DOCA will include the following conditions precedent, which may not be waived without the approval of each of the parties:</p> <ol style="list-style-type: none"> 1. execution of the DOCA by all relevant parties; 2. Proponent to lodge (or procure to be lodged) a proof of debt and vote in favour of this DOCA proposal and procure proofs of debt to be lodged by the guarantors under the CBA Facility Agreement in favour of this DOCA proposal and to procure agreement of the relevant finance parties in connection with the CBA Facility Agreement to do the same and more broadly not to receive a distribution pursuant to the terms of this DOCA or the SRG DOCA (noting Items 10(5) and (6) above, which includes the relevant rights under the SRG DOCA). For the avoidance of doubt, this includes procuring the same from the relevant financiers under the CBA Facility Agreement to avoid multiple proofs being lodged in relation to the same claim; and 3. consent to be provided by the Proponent and the relevant financiers under the CBA Facility Agreement to assign their interests in the SRG DOCA Distribution.
24.	CP Satisfaction Date	The date that is 8 weeks after the Commencement Date.
25.	Termination under the DOCA (Termination Date)	<p>The DOCA will automatically terminate:</p> <ol style="list-style-type: none"> 1. if the Court makes an order under section 445D of the Corporations Act; 2. by a resolution of the Creditors passed at a meeting convened pursuant to Division 75-10 of the <i>Insolvency Practice Schedule (Corporations)</i>; or 3. pursuant to section 445C of the Corporations Act, in the event that any of the Conditions are not satisfied (or waived by the Proponent and the Deed Administrators) on or before the CP Satisfaction Date.
26.	Effect of termination	<p>If the DOCA is terminated or terminates for any reason, the previous operation of the DOCA, including the transactions contemplated above, shall not be invalidated or affected and the Deed Administrators' indemnity in respect of all costs and expenses shall continue to apply and have the priority afforded under the DOCA.</p> <p>Notwithstanding the above, if the DOCA is terminated or terminates for whatever reason prior to the Deed Administrators having completed (or substantially completed as agreed and determined by the Proponent) the Pool B accelerated distribution, the Deed Administrators must promptly pay to the Proponent an amount of \$8.5 million representing the contribution by the Proponent to the Deed Fund.</p>

Item	Category	Comments
27.	Prescribed provisions	<p>Except to the extent that they are inconsistent with the terms of the DOCA, the provisions of Schedule 8A of the Corporations Regulations will apply to the DOCA.</p> <p>In the incorporation of Schedule 8A to the DOCA clause 3 (<i>Termination of deed where arrangement fails</i>) of Schedule 8A is to be excluded in its entirety.</p>
28.	Effect of DOCA on creditors, officers and members	<p>The DOCA will:</p> <ol style="list-style-type: none"> 1. in accordance with (and subject to) section 444D of the Corporations Act, bind all Creditors in relation to Claims arising on the Appointment Date; and 2. in accordance with section 444G of the Corporations Act, bind the Deed Administrators, the Companies and the officers and members of each of the Companies.
29.	Moratorium	<p>A person having a Claim against a Company shall not, during the term of the DOCA, do any of the following in respect of or connected with the Claim:</p> <ol style="list-style-type: none"> 1. make or concur in an application for an order to wind up a Company; 2. proceed with an application to wind up a Company made before the deed became binding on that person; 3. begin or continue any proceedings against a Company or in relation to any of its property unless with the leave of a Court and in accordance with such terms (if any) as the Court imposes; 4. begin or proceed with any enforcement process in relation to a Company's property unless with the leave of a Court and in accordance with such terms (if any) as the Court imposes; 5. exercise any right of set-off or cross action to which the Creditor would not have been entitled had the relevant Company been wound up on the Appointment Date; or 6. commence or take any further step in any arbitration against a Company or to which a Company is a party unless with the leave or consent of the relevant arbitrator and in accordance with such terms (if any) as the arbitrator imposes. <p>For the purposes of the moratorium, "property" will include property used or occupied by, or in the possession of a Company except if the Voluntary Administrators have issued a notice under section 443B of the Corporations Act in relation to that property.</p> <p>A person who is an officer or a member of a Company shall not, during the term of the DOCA, exercise any rights it has or may have as an officer or a member (as applicable) of that Company.</p>
30.	Release of Claims	<p>The DOCA will provide that:</p> <ol style="list-style-type: none"> 1. all Creditors must accept their entitlements under the DOCA (if any) in full satisfaction and complete discharge of all Claims which they have or claim to have against the Companies as at the Appointment Date; 2. on completion of the DOCA, all Claims of Creditors against the Companies will be extinguished; and 3. Creditors shall, if required by the Companies or the Deed Administrators, execute any necessary documents including forms of release of debts and claims as the Companies (or any one of them) or the Deed Administrators may require from time to time in order to give effect to the releases referred to in the DOCA.

Item	Category	Comments
31.	Intragroup claims	The Deed Administrators will not pursue any intragroup claims of any kind other than those expressly dealt with under the DOCA, including claims against the Proponent. These claims will be otherwise released.
32.	Effect of DOCA on the Administrators	<p>The DOCA will provide that:</p> <ol style="list-style-type: none"> the Deed Administrators, insofar as they exercise their powers, obligations, functions and duties in administering the DOCA, shall be agents of the Companies; the Deed Administrators shall be the deed administrators for the purposes of the DOCA; the Deed Administrators shall, during the period from the Commencement Date to the Termination Date and for the purpose of administering the DOCA, have the powers articulated in clause 2 of Schedule 8A of the Corporations Regulations; and notwithstanding any other provision of the DOCA the Deed Administrators may draw: <ol style="list-style-type: none"> the Administrators' Liabilities from Pool A at any time on or after the Commencement Date; and the Deed Administrators' Liabilities, but only in relation to third party costs and liabilities, not related to remuneration from Pool A or Pool C from time to time.
33.	Meetings	<p>The Deed Administrators may convene a meeting of Creditors at any time in accordance with Division 75-10 the Insolvency Practice Schedule (Corporations) and will be required to convene such a meeting when required to do so under Division 75-15 of the Insolvency Practice Schedule (Corporations).</p> <p>The Insolvency Practice Rules (Corporations) 2016, Insolvency Practice Schedule (Corporations) and the Corporations Regulations applicable to creditors meetings in a liquidation will apply to any meeting of the Creditors of the Company with such modifications as are necessary.</p>
34.	Making claims	<ol style="list-style-type: none"> Creditors who have submitted a proof of debt to the Administrators before the date of the DOCA are taken to have submitted a final proof of debt in respect of their Claims with the Deed Administrators as at the date of the DOCA. To the extent necessary only and subject to the paragraph above, the Deed Administrators may ask each Creditor to prove formally their Claims within fourteen (14) days of such request. The request notice to the Creditors will comply with regulation 5.6.48 of the Corporations Regulations with such modifications as the Deed Administrators may deem necessary, including: <ol style="list-style-type: none"> references to the "liquidator" to be read as references to the Deed Administrators; and references to a "creditor" to be read as references to a Creditor. The Deed Administrators will determine (including by adjudicating on those formal proofs of the Claims that have been submitted in accordance with paragraphs 1 and 2 above) the amount required to satisfy each Creditor's entitlement. Regulations 5.6.53 to 5.6.56 of the Corporations Regulations shall apply to the adjudication of Claims with such modifications as the Deed Administrators may deem necessary, including: <ol style="list-style-type: none"> references to the "liquidator" to be read as references to the Deed Administrators; and

Item	Category	Comments
		<p>(b) references to a “creditor” to be read as references to a Creditor.</p> <p>5. If a Creditor is a Creditor of two or more Companies in respect of Claims that arise from a common underlying obligation or in connection with the same underlying transaction (for example, where one Company is a guarantor, indemnifier or co-obligor of an obligation or debt owing by another Company) that Creditor is only entitled to receive a distribution under the DOCA for one of those Claims, and where they are for different amounts, for the largest Claim.</p> <p>6. Any costs or expenses incurred by a Creditor in seeking to prove a Claim will be borne by the respective Creditor and will not form part of the Creditor’s Claim.</p> <p>7. Interest shall not accrue, and shall not be payable, in respect of any Claims of any Creditor.</p> <p>8. A Creditor shall be deemed to have abandoned its Claim if, before the declaration of a final dividend, the Creditor:</p> <p>(a) fails to submit a formal proof of debt or claim in respect of its Claim; or</p> <p>(b) having submitted a formal proof of debt or claim in respect of its Claim which is rejected, that Creditor fails to appeal to the Court against the rejection, within the time allowed for such an appeal under the Corporations Act or the Corporations Regulations as if the proof were rejected in the liquidation of the Company.</p> <p>9. Conversion of foreign currency debts into Australian currency shall be converted at “general rate sheet of historical foreign exchange rates provided by the Reserve Bank of Australia on the Relevant Date.”</p>
35.	Remuneration	<p>1. The Deed Administrators will be remunerated for their services as deed administrators of the DOCA at their usual hourly rates.</p> <p>2. The Deed Administrators may draw the Deed Administrators' costs, expenses and remuneration from the Deed Fund in accordance with the terms of the DOCA. The Deed Administrators are entitled to be reimbursed from the Deed Fund for costs, charges, disbursements and expenses incurred by the Deed Administrators in connection with or incidental to the Deed Administrators' administration of the DOCA in accordance with the terms of the DOCA.</p>
36.	Insufficient Funds	The Deed Administrators are not obliged to take any action under the DOCA in the event there are insufficient funds to pay the Administrators’ Liabilities or Deed Administrators’ Liabilities.
37.	Accounts	The Deed Administrators may establish any bank accounts in respect of the Companies that they consider appropriate.
38.	Realisable Assets	All assets of the Companies, with the exception of the Excluded Assets, will be available to be realised by the Deed Administrators to form Pool A, Pool C and Pool D, subject to the Deed Administrators' powers under the DOCA (Realisable Assets).
39.	Books and records	<p>Books and records of each Company to transfer to Probuild upon pooling.</p> <p>The Voluntary Administrators and Deed Administrators must provide or procure that the Proponent be provided with access to any financial or other records of the Companies and any other information as requested by the Proponent from time to time, including any records or information being held by third parties.</p>

Item	Category	Comments
40.	444DA employee priority	For the avoidance of doubt, eligible employee creditors will be entitled to a priority at least equal to priority under Section 556, 560 and 561 of the Corporations Act.
41.	Insurance proceeds	Subject to the terms of this proposal, section 562 of the Corporations Act is to be incorporated into the DOCA as if references to a liquidator were references to the Deed Administrators and with any other amendments as necessary in the context of the DOCA.
42.	Unclaimed moneys	Any amounts distributable to Creditors can be given to ASIC in accordance with section 544 of the Corporations Act.
43.	Change of Deed Administrator	A Deed Administrator may resign and be replaced at their will on 28 days' prior written notice to each of the parties to the DOCA unless that resignation would result in there being no remaining Deed Administrator in which event the Deed Administrator must convene meetings of Creditors of the Companies for the purpose of nominating a replacement deed administrator, assign to a replacement deed administrator nominated by the Creditors the Deed Administrators' rights, title and benefit under the DOCA and do all things reasonably necessary to effect the assignment.
44.	Reporting obligations	Probuild will have reporting obligations in relation to asset realisations and funds / recoveries under their control.
45.	Administrators' liabilities and indemnity	<ol style="list-style-type: none"> 1. To the maximum extent permitted by law, the Deed Administrators shall not be personally liable for: <ol style="list-style-type: none"> (a) any debts incurred or any claims, demands, actions, loss, damage, costs, charges, expenses or liabilities caused by any act, omission or default by or on behalf of the Deed Administrators in administering the DOCA or exercising their duties and obligations under the DOCA; (b) any debts incurred or any claims, demands, actions, loss, damage, costs, charges, expenses or liabilities caused by any act, omission or default by or on behalf of the Company; or (c) any debts incurred or any claims, demands, actions, loss, damage, costs, charges, expenses or liabilities suffered or sustained or incurred by any directors, officers or Creditors of the Company. 2. To the maximum extent permitted by law, the Deed Administrators are entitled to be indemnified out of the assets of the Company for: <ol style="list-style-type: none"> (a) as to the Deed Administrators in their capacities as administrators of the DOCA: <ol style="list-style-type: none"> (i) the Deed Administrators' right to remuneration and reimbursement under the DOCA and otherwise at law and in equity; (ii) all actions, demands, suits, proceedings, debts, claims, losses, damages or other liabilities (whether present or future, certain or contingent, ascertained or sounding only in damages) arising out of, in connection with or incidental to any debts incurred by the Company, the Deed Administrators or the Deed Administrators' partners or employees in the course of the administration of the DOCA; and (iii) all actions, demands, suits, proceedings, debts, claims, losses, damages or other liabilities (whether present or future, certain or contingent, ascertained or sounding only in damages) against the Deed

Item	Category	Comments
		<p>Administrators or the Deed Administrators' partners or employees, arising out of, or in connection with or incidental to the Deed Administrators' administration of the DOCA; and</p> <p>(b) as to the Deed Administrators in their former capacities as voluntary administrators of the Company:</p> <p>(i) the Administrators' right of remuneration and reimbursement as voluntary administrators of the Company pursuant to Part 5.3A of the Corporations Act;</p> <p>(ii) all actions, demands, suits, proceedings, debts, claims, losses, damages or other liabilities (whether present or future, certain or contingent, ascertained or sounding only in damages) arising out of, or in connection with or incidental to any debts incurred by the Company, the Administrators or the Administrators' partners or employees in the course of the administration of the Company; and</p> <p>(iii) all actions, demands, suits, proceedings, debts, claims, losses, damages or other liabilities (whether present or future, certain or contingent, ascertained or sounding only in damages) against the Administrators or the Administrators' partners or employees, arising out of, or in connection with or incidental to the Administrators' administration of the Company.</p> <p>3. The Deed Administrators are not entitled to an indemnity out of the assets of the Company against any claims arising out of any fraudulent or negligent act or omission by the Deed Administrators or the Deed Administrators' partners or employees.</p> <p>4. The indemnity shall not:</p> <p>(a) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Deed Administrators, and extends to all actions, suits, proceedings, accounts, liabilities, claims and demands arising in any way out of any defect in the appointment of the Deed Administrators, the approval and execution of the DOCA or otherwise; or</p> <p>(b) affect or prejudice any or all rights that the Deed Administrators may have against the Company or any person to be indemnified against the costs, charges, expenses and liabilities incurred by the Deed Administrators by or incidental to the exercise or performance of any of the powers or authorities conferred on the Deed Administrators by the DOCA or otherwise; or</p> <p>(c) be affected by the removal of the Deed Administrators and the appointment of a replacement deed administrator or the termination of the DOCA for any reason.</p> <p>5. The Deed Administrators' right of indemnity conferred has priority over the Claims of any Creditor or all Creditors generally.</p> <p>6. The Deed Administrators are entitled to exercise the Deed Administrators' right of indemnity conferred by the DOCA whether or not the Administrators have paid or satisfied the Claims.</p> <p>7. The Deed Administrators are entitled to exercise a lien on all property and assets of the Company to secure the Administrators' right of indemnity under the DOCA and otherwise at law and in equity.</p>

Item	Category	Comments
		Nothing in the DOCA will affect or limit the operation of Subdivision B of Division 9 of Part 5.3A of the Corporations Act, which is to apply with all necessary modifications to the Administrators' voluntary administration of the Company and subsequent administration of the DOCA.
46.	Variation	<p>The DOCA may only be varied:</p> <ol style="list-style-type: none"> by a resolution passed at a meeting of the Creditors convened in accordance with Division 75-10 of the Insolvency Practice Schedule (Corporations), but only if the variation is not materially different from a proposed variation set out in a notice of meeting; and with written agreement of the parties to the DOCA. <p>Nothing in the varied DOCA shall limit the operation of s445D and 445E of the Corporations Act.</p>
47.	Acknowledgement	The parties acknowledge that the terms set out in this term sheet are subject to the obligations the Voluntary Administrators have to creditors under law and statute.
48.	Governing law	This term sheet is governed by the laws of Victoria.
49.	Interpretation	<p>For the purposes of this term sheet:</p> <p>Administrators' Liabilities means the remuneration (as approved in accordance with the Corporations Act), costs, charges, liabilities and expenses (including legal expenses and claims made against the Administrators) of the Voluntary Administrators.</p> <p>ATO GST Priority Amount means the lesser of:</p> <ol style="list-style-type: none"> an amount equal to the proceeds of Realisable Assets of Prodev 4 (prior to pooling of such assets under the DOCA) less costs of realisation (including the Voluntary Administrators' or Deed Administrators' fees and expenses) and any priority entitlements pursuant to section 556 of the Corporations Act; and amounts owing to the Australian Taxation Office in respect of unpaid Goods and Service Tax owed by the relevant tax group including Prodev 4. <p>ATO Income Tax Priority Amount means the lesser of:</p> <ol style="list-style-type: none"> an amount equal to the proceeds of Realisable Assets of Northcoast Holdings (prior to pooling of such assets under the DOCA) less costs of realisation (including the Voluntary Administrators' or Deed Administrators' fees and expenses) and any priority entitlements pursuant to section 556 of the Corporations Act and amounts owing to the Australian Taxation Office in respect of unpaid Income Tax owed by the relevant tax group including Northcoast. <p>BLU System means the software platform owned and operated by the Proponent.</p> <p>Called Guarantees means CBA Bank Guarantees, which have been called by the relevant holder and in respect of which the Proponent has paid an amount equivalent to the amount called to CBA.</p> <p>CBA means Commonwealth Bank of Australia in its capacity as "Fronting Bank" under the CBA Facility Agreement.</p> <p>CBA Bank Guarantees means bank guarantees issued under the CBA Facility Agreement.</p>

Item	Category	Comments
		<p>CBA Facility Agreement means the Bank Guarantee Facility and Reimbursement Agreement dated 14 December 2017 between, among others, CBA and Probuild (as amended from time to time).</p> <p>CBA Guarantee Recovered Funds means any amounts recovered by the Companies in respect of the Called Guarantees but does not include amounts recovered in respect of the Curtin Uni Performance Guarantees.</p> <p>Claim means any action, demand, suit, proceeding, debt, claim, loss, damage or other liability (whether present or future, certain or contingent, ascertained or sounding only in damages) whatsoever and however incurred, arising directly or indirectly from any act or omission by the Companies (or any one of them) or by any agreement, circumstance or event, occurring on or before the Appointment Date.</p> <p>Conditions means each of the conditions precedent at Item 23 above.</p> <p>Corporations Act means the <i>Corporations Act</i> 2001 (Cth).</p> <p>Corporations Regulations means the <i>Corporations Regulations</i> 2001 (Cth).</p> <p>Creditor means a person who, or an entity that, has a Claim against a Company.</p> <p>Curtin Uni Performance Guarantees means bank guarantees issued to Live-In Learning Custodians Pty Ltd & National Australia Bank Limited in the amounts of \$7,956,892.67 (reference G636680) and \$504,043.28 (reference G636676).</p> <p>Deed Administrators' Liabilities means the remuneration (as approved in accordance with the Corporations Act), costs, charges, liabilities and expenses (including legal expenses and claims made against the Deed Administrators) of the Deed Administrators.</p> <p>DOCA means a deed of company arrangement.</p> <p>Employee Creditor means an employee Creditor of any of the Companies including an employee that would be otherwise impacted by the definitions of "Excluded Employee" at subsection (c) or "Non-Priority Day" at subsection (c) in section 556(2) of the Corporations Act but not including an employee that has had their employment transferred to a third party prior to the Commencement Date.</p> <p>Excluded Assets are:</p> <ol style="list-style-type: none"> Any loans owing to any of the Companies by Brad Duggan; and CBA Guarantee Recovered Funds. <p>Guarantee Recovery Payment means an amount equal to the CBA Guarantee Recovered funds.</p> <p>Insurance Bond Creditor means a VERO, Euler Hermes, Bond & Credit Co and AIG.</p> <p>Northcoast Holdings means Northcoast Holdings Pty Ltd (Administrators Appointed).</p> <p>Prodev 4 means Prodev Investments 4 Pty Ltd (Administrators Appointed).</p> <p>Related Party means a Related Body Corporate or Related Entity (as those terms are defined in the Corporations Act) of a Company.</p> <p>Small Creditor means a creditor owed less than \$25,000 (inclusive of GST).</p> <p>SRG DOCA Distribution means any entitlement of the Proponent to receive a distribution under the deed of company arrangement entered into by, among others, SRG Global Infrastructure Pty Ltd (formerly WBHO Infrastructure Pty Ltd).</p> <p>Unsecured Creditor means an unsecured Creditor who is not a Small Creditor, Insurance Bond Creditor or Related Party, of if they are a Small Creditor, has not submitted a proof of debt in Pool B.</p>

Schedule 1 - Companies

1. WBHO Australia Pty Ltd (Administrators Appointed) ACN 095 983 681
2. WBHO Construction Australia Pty Ltd (Administrators Appointed) ACN 149 901 931
3. Northcoast Holdings Pty Ltd (Administrators Appointed) ACN 009 296 780
4. Probuild Constructions (Aust) Pty Ltd (Administrators Appointed) ACN 095 250 945
5. Probuild Civil Pty Ltd (formerly Probuild Civil (QLD) Pty Ltd (Administrators Appointed) ACN 010 870 587
6. PCA (QLD) Pty Ltd (Administrators Appointed) (formerly Probuild Constructions (QLD) Pty Ltd) ACN 141 148 245
7. Probuild Constructions (NSW) Pty Ltd (Administrators Appointed) ACN 165 675 874
8. Probuild Constructions (VIC) Pty Ltd (Administrators Appointed) ACN 165 675 865
9. Probuild Constructions (WA) Pty Ltd (Administrators Appointed) ACN 165 676 095
10. Probuild Constructions (QLD) Pty Ltd (Administrators Appointed) ACN 166 966 034
11. ACN 098 866 794 Pty Ltd (Administrators Appointed) (formerly Probuild Constructions (NSW) Pty Ltd) ACN 098 866 794
12. Contexx Holdings Pty Ltd (Administrators Appointed) ACN 144 707 022
13. Contexx Pty Ltd (Administrators Appointed) ACN 147 249 796
14. Prodev Murphy Pty Ltd (Administrators Appointed) ACN 120 758 803
15. Prodev Investments 4 Pty Ltd (Administrators Appointed) ACN 629 246 653
16. Monaco Hickey Pty Ltd (Administrators Appointed) ACN 144 945 611



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