

20 March 2019

**UPDATE TO SHAREHOLDERS**

Re: SurfStitch Group Limited ACN 602 288 004  
SurfStitch Holdings Pty Limited ACN 601 114 603 (A wholly owned subsidiary of SGL)  
(each Subject to Deed of Company Arrangement) (Collectively **"the Companies"**)

On 18 April 2018, SurfStitch Group Limited ("**SGL**") and SurfStitch Holdings Pty Limited ("**SHPL**") both executed separate Deeds of Company Arrangements ("**SGL DOCA**" and "**SHPL DOCA**" respectively, together "**DOCAs**") and John Park, Quentin Olde and myself, Joseph Hansell, were appointed Deed Administrators.

**INFORMATION REQUIRED BY FORM 5602 ANNUAL ADMINISTRATION RETURN**

Further to our ASX announcement on 18 March 2019, we attach the financial information that ASIC requires us to disclose as a condition of extending the time to hold the 2018 AGM.

The disclosed information is for the period 18 April 2018 to 25 February 2019 inclusive.

Should you have any queries, please contact this office on (07) 3225 4900 or [surfstitch\\_enquiries@fticonsulting.com](mailto:surfstitch_enquiries@fticonsulting.com).

Yours faithfully  
The Companies



Joseph Hansell  
Deed Administrator

Enc.

**FTI Consulting (Australia) Pty Limited**

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**Form 5602**

**Corporations Act 2001**

411(9)(a), 422B

Schedule 2 - Insolvency Practice Schedule (Corporations)

70-5

## Annual administration return

### Liquidator details

Registered liquidator number

**479192**

Registered liquidator name

**JOSEPH RONALD HANSELL**

### Company details

Company name

**Surfstitch Group Limited**

ACN/ABN

**602 288 004**

### 1 Details of appointment

Date you first began to be an external administrator of the company

**18-04-2018**

Period covered by the annual return

**18-04-2018 to 25-02-2019**

Type of appointment

**Deed administrator**

### Details of the appointee(s)

Date of appointment

**18-04-2018**

Name

**PARK JOHN RICHARD**

Address

**'FTI CONSULTING' LEVEL 20 345  
QUEEN STREET BRISBANE QLD 4000  
AUSTRALIA**

Liquidator number

**196558**

Date of appointment

**18-04-2018**

Name

**OLDE QUENTIN JAMES**

Address

**LEVEL 15 50 PITT STREET SYDNEY NSW  
 2000 AUSTRALIA**

Liquidator number

**277099**

Date of appointment

**18-04-2018**

Name

**HANSELL JOSEPH RONALD**

Address

**LEVEL 15 50 PITT STREET SYDNEY NSW  
 2000 AUSTRALIA**

Liquidator number

**479192**

**2 Details of assets**

State your estimate of the future gross value of the company's assets realisations?

	Low	High
Gross realisations to date	\$3,265,972.00	\$3,265,972.00
Future realisations	\$1,688,053.00	\$2,058,053.00
Estimated total realisations	\$4,954,025.00	\$5,324,025.00

**3 Details of remuneration**

Type of appointment	Amount of remuneration determined/ fixed by creditors, committee or court (inc. GST)	Remuneration paid to date (inc. GST)	Disbursements paid to date (inc. GST)
Administrator	\$1,304,608.00	\$1,281,279.00	\$55,301.00
Deed administrator	\$547,800.00	\$291,506.00	\$2,436.00

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#### 4 Details of liabilities

Your estimate of creditors in this administration at the date of this return

Category	Estimated number of creditors	Estimated value
Priority - Wages & Super incl SGC	3	\$17,867.26
Priority - Leave of absence	0	\$0.00
Priority - Retrenchment	0	\$0.00
Secured	0	\$0.00
Unsecured	19	\$1,007,580.15
Deferred	3000	\$85,000,000.00

Note: Claims exclude the impact of dividends paid to date.

#### 5 Summary receipts and payments

##### Receipts:

Total amounts you received before the period of this return	\$0.00
Total amounts you received during the period of this return	\$6,635,072.56
Total receipts	\$6,635,072.56

##### Payments:

Total amounts you paid before the period of this return	\$0.00
Total amounts you paid during the period of this return	\$4,209,591.68
Total payments	\$4,209,591.68

Cash at bank at the period end for this return	\$2,425,480.88
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#### 6 Payments under *Fair entitlement guarantee* scheme

What is the amount paid during the period to employees under the *Fair entitlement guarantee* scheme or GEERS?

Wages	\$0.00
Leave of absence	\$0.00
Retrenchment	\$0.00

#### 7 Details of dividends

Estimate of dividends to be paid and actual since your appointment and to the date of this account

Category	Current estimate of total rate of dividend	Cumulative rate of dividend paid	Total paid
Priority - Wages & Super incl SGC	100.00%	100.00%	\$17,867.26
Unsecured	100.00%	98.83%	\$995,885.28

#### 8 Completion

Estimated completion date

06/2021

Details of causes which may delay the termination of your appointment

##### Future asset realisations

Receive dividend from the DOCA of Surfstitch Holdings Pty Ltd (Subject to Deed of Company Arrangement)

**Litigation**

Settlement Approval of Class Actions

**Payment of dividend**

Adjudication of Subordinated Creditor claims and payment of dividend to Subordinated Creditors (if available).

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**Authentication**

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This form has been authenticated by  
Name JOSEPH RONALD HANSELL

This form has been submitted by  
Name  
Date

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**For more help or information**

Web [www.asic.gov.au](http://www.asic.gov.au)  
Ask a question? [www.asic.gov.au/question](http://www.asic.gov.au/question)  
Telephone 1300 300 630

**Annexure A - Summary of receipts and payments**

Summary account of receipts &amp; payments for 12 month period from 18-04-2018 to 25-02-2019

Total receipts for prior periods brought forward **\$0.00**

<b>Receipts</b>	<b>Amount</b>
Bank Charges	\$40.00
Cash at Bank (Coupon Select)	\$852,906.16
Cash at Bank (Westpac - Prem)	\$192,477.42
Cash at Bank (Westpac)	\$293,534.84
Fixed Rate Term Deposit #1	\$350,539.45
Fixed Rate Term Deposit #2	\$50,000.00
Group Trapped Cash	\$1,249,737.27
GST Control: GST Paid (Received)	\$267,808.00
Insurance Claims	\$148,952.21
Intercompany Loan Accounts	\$1,500,000.00
Intercompany Loan Accounts: MTC	\$85,930.93
Interest Income	\$8,461.29
PAYG Control (Non-Trading): PAYG Paid (Received)	-\$6,164.00
Statutory Fees	\$3,408.00
Statutory Interest Repaid	\$854.04
Suspense	\$110,251.02
Working Capital Adjustment	\$1,526,335.93
<b>Total receipts for the current period</b>	<b>\$6,635,072.56</b>
<b>Total receipts from commencement to the end of the report</b>	<b>\$6,635,072.56</b>
<b>Total payments for prior periods brought forward</b>	<b>\$0.00</b>

<b>Payments</b>	<b>Amount</b>
Appointee Disbursements	\$10,079.33
Bank Charges	\$100.00
Fees: Appointee Fees	\$548,066.09
Group Trapped Cash	\$1,253,445.61
IT Expense	\$2,247.52
Legal Fees	\$893,716.89
Motor Vehicle Expenses	\$552.25
PAYG Control (Non-Trading): PAYG Withheld (Priority Dividend)	-\$6,164.00
Payroll Processing	\$591.64
Priority Creditors (Employees and SGC): Wages	\$17,867.26
Registry Services	\$120,852.47
Statutory Fees	\$32,256.93
Statutory Interest	\$1,241.41
Statutory Interest	\$69,193.56
Subcontractor	\$153,698.42
Superannuation Control (Non-Trading): Superannuation Paid (Received)	\$3,207.72
Suspense	\$110,251.02
Unsecured Creditors	\$981,582.52
Unsecured Creditors: Employees	\$14,302.76
Virtual Data Room Fees	\$2,502.28
<b>Total payments for the current period</b>	<b>\$4,209,591.68</b>

Total payments from commencement to the end of the report

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**\$4,209,591.68**

**Balance in hand**

Bank Accounts

**\$2,425,480.88**

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## Annexure B - Detailed receipts and payments

Account of receipts and payments for the period - 18-04-2018 to 25-02-2019  
Surfstitch Group Limited

### Receipts

Date	Receipts from	Amount
<b>Bank Charges</b>		
01-05-2018	Westpac Banking Corporation	\$10.00
01-06-2018	Westpac Banking Corporation	\$10.00
02-07-2018	Westpac Banking Corporation	\$10.00
03-09-2018	Westpac Banking Corporation	\$10.00
<b>Total Bank Charges :</b>		<b>\$40.00</b>
<b>Cash at Bank (Coupon Select)</b>		
18-04-2018	Transfer from Administrator	\$852,906.16
<b>Total Cash at Bank (Coupon Select) :</b>		<b>\$852,906.16</b>
<b>Cash at Bank (Westpac - Prem)</b>		
18-04-2018	Transfer from Administrator	\$192,477.42
<b>Total Cash at Bank (Westpac - Prem) :</b>		<b>\$192,477.42</b>
<b>Cash at Bank (Westpac)</b>		
18-04-2018	Transfer from Administrator	\$293,534.84
<b>Total Cash at Bank (Westpac) :</b>		<b>\$293,534.84</b>
<b>Fixed Rate Term Deposit #1</b>		
18-04-2018	Transfer from Administrator	\$350,539.45
<b>Total Fixed Rate Term Deposit #1 :</b>		<b>\$350,539.45</b>
<b>Fixed Rate Term Deposit #2</b>		
18-04-2018	Transfer from Administrator	\$50,000.00
<b>Total Fixed Rate Term Deposit #2 :</b>		<b>\$50,000.00</b>
<b>Group Trapped Cash</b>		
24-05-2018	Surfstitch Pty Ltd	\$1,249,737.27
<b>Total Group Trapped Cash :</b>		<b>\$1,249,737.27</b>
<b>GST Control: GST Paid (Received)</b>		
10-05-2018	Australian Taxation Office	\$37,956.00
06-12-2018	Australian Taxation Office	\$86,868.00
06-12-2018	Australian Taxation Office	\$44,602.00
06-12-2018	Australian Taxation Office	\$98,382.00
<b>Total GST Control: GST Paid (Received) :</b>		<b>\$267,808.00</b>
<b>Insurance Claims</b>		
22-06-2018	Chubb Insurance Company of Australia	\$148,952.21



<b>Total Insurance Claims :</b>		----- <b>\$148,952.21</b>
<b>Intercompany Loan Accounts</b>		
04-07-2018	Surfstitch Holdings Pty Limited	\$1,500,000.00
<b>Total Intercompany Loan Accounts :</b>		----- <b>\$1,500,000.00</b>
<b>Intercompany Loan Accounts: MTC</b>		
14-05-2018	MetCentral Limited	\$85,930.93
<b>Total Intercompany Loan Accounts: MTC :</b>		----- <b>\$85,930.93</b>
<b>Interest Income</b>		
30-04-2018	Westpac Banking Corporation	\$465.95
23-05-2018	Westpac Banking Corporation	\$1.21
11-07-2018	Westpac Banking Corporation	\$6,534.45
06-12-2018	Australian Taxation Office	\$571.98
06-12-2018	Australian Taxation Office	\$887.70
<b>Total Interest Income :</b>		----- <b>\$8,461.29</b>
<b>PAYG Control (Non-Trading): PAYG Paid (Received)</b>		
06-12-2018	Australian Taxation Office	-\$6,164.00
<b>Total PAYG Control (Non-Trading): PAYG Paid (Received) :</b>		----- <b>-\$6,164.00</b>
<b>Statutory Fees</b>		
23-01-2019	ASIC	\$3,408.00
<b>Total Statutory Fees :</b>		----- <b>\$3,408.00</b>
<b>Statutory Interest Repaid</b>		
20-12-2018	Australian Taxation Office	\$854.04
<b>Total Statutory Interest Repaid :</b>		----- <b>\$854.04</b>
<b>Suspense</b>		
27-04-2018	FTI Consulting (Strategic Communications)	\$1,217.92
27-04-2018	FTI Consulting (Strategic Communications)	\$109,033.10
<b>Total Suspense :</b>		----- <b>\$110,251.02</b>
<b>Working Capital Adjustment</b>		
30-05-2018	Surfstitch Pty Ltd	\$631,199.62
30-05-2018	Surfstitch Pty Ltd	\$849,699.80
30-05-2018	Surfstitch Pty Ltd	\$45,436.51
<b>Total Working Capital Adjustment :</b>		----- <b>\$1,526,335.93</b>
<b>Total Receipts</b>		----- <b>\$6,635,072.56</b>

**Payments**

Date	Payments to	Amount
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**Appointee Disbursements**

22-05-2018	FTI Consulting	\$4,178.46
24-05-2018	FTI Consulting	\$3,465.30
24-07-2018	FTI Consulting	\$330.03
21-08-2018	FTI Consulting	\$1,317.79
22-10-2018	FTI Consulting	\$474.15
31-01-2019	FTI Consulting	\$313.60

**Total Appointee Disbursements :**

-----  
**\$10,079.33**

**Bank Charges**

01-05-2018	Westpac Banking Corporation	\$20.00
01-06-2018	Westpac Banking Corporation	\$10.00
02-07-2018	Westpac Banking Corporation	\$10.00
03-09-2018	Westpac Banking Corporation	\$10.00
01-10-2018	Westpac Banking Corporation	\$10.00
01-11-2018	Westpac Banking Corporation	\$10.00
03-12-2018	Westpac Banking Corporation	\$10.00
02-01-2019	Westpac Banking Corporation	\$10.00
01-02-2019	Westpac Banking Corporation	\$10.00

**Total Bank Charges :**

-----  
**\$100.00**

**Fees: Appointee Fees**

22-05-2018	FTI Consulting	\$191,660.58
24-05-2018	FTI Consulting	\$64,900.00
24-07-2018	FTI Consulting	\$75,353.85
21-08-2018	FTI Consulting	\$105,743.55
22-10-2018	FTI Consulting	\$58,795.56
26-10-2018	FTI Consulting	\$962.50
31-01-2019	FTI Consulting	\$50,650.05

**Total Fees: Appointee Fees :**

-----  
**\$548,066.09**

**Group Trapped Cash**

24-05-2018	Surfstitch Pty Ltd	\$350,539.45
24-05-2018	Surfstitch Pty Ltd	\$50,000.00
24-05-2018	Surfstitch Pty Ltd	\$852,906.16

**Total Group Trapped Cash :**

-----  
**\$1,253,445.61**

**IT Expense**

19-04-2018	Rush Hour Creative Solutions	\$935.85
31-07-2018	Rush Hour Creative Solutions	\$327.92
31-07-2018	Rush Hour Creative Solutions	\$983.75

**Total IT Expense :**

-----  
**\$2,247.52**

**Legal Fees**

24-05-2018	King & Wood Mallesons	\$202,764.10
24-05-2018	King & Wood Mallesons	\$55.15
24-05-2018	King & Wood Mallesons	\$161,839.48
24-05-2018	King & Wood Mallesons	\$4,452.04
24-05-2018	King & Wood Mallesons	\$30.00
13-06-2018	King & Wood Mallesons	\$131,420.85
13-06-2018	King & Wood Mallesons	\$3,715.15
13-06-2018	King & Wood Mallesons	\$850.00
06-07-2018	King & Wood Mallesons	\$32,324.05

06-07-2018	Bridges Lawyers	\$6,379.45
06-07-2018	King & Wood Mallesons	\$61.95
08-08-2018	King & Wood Mallesons	\$113,428.15
08-08-2018	King & Wood Mallesons	\$15,733.18
08-08-2018	King & Wood Mallesons	\$510.24
09-08-2018	King & Wood Mallesons	\$35,567.40
09-08-2018	King & Wood Mallesons	\$1,057.43
09-08-2018	King & Wood Mallesons	\$155.00
11-09-2018	King & Wood Mallesons	\$32,733.25
11-09-2018	King & Wood Mallesons	\$4,182.96
11-09-2018	King & Wood Mallesons	\$531.72
11-10-2018	King & Wood Mallesons	\$45,676.95
11-10-2018	King & Wood Mallesons	\$16,796.14
08-11-2018	King & Wood Mallesons	\$35,695.55
08-11-2018	King & Wood Mallesons	\$27.91
19-12-2018	King & Wood Mallesons	\$26,360.95
19-12-2018	King & Wood Mallesons	\$21,367.84

**Total Legal Fees :****\$893,716.89****Motor Vehicle Expenses**

31-07-2018	Northern Beaches Council	\$552.25
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**Total Motor Vehicle Expenses :****\$552.25****PAYG Control (Non-Trading): PAYG Withheld (Priority Dividend)**

06-07-2018	Suppressed	-\$2,534.00
06-07-2018	Suppressed	-\$1,612.00
06-07-2018	Suppressed	-\$2,018.00

**Total PAYG Control (Non-Trading): PAYG Withheld (Priority Dividend) :****-\$6,164.00****Payroll Processing**

07-05-2018	Aussiepay Australian Payroll Professionals	\$136.24
13-08-2018	Aussiepay Australian Payroll Professionals	\$455.40

**Total Payroll Processing :****\$591.64****Priority Creditors (Employees and SGC): Wages**

06-07-2018	Suppressed	\$7,346.00
06-07-2018	Suppressed	\$4,673.00
06-07-2018	Suppressed	\$5,848.26

**Total Priority Creditors (Employees and SGC): Wages :****\$17,867.26****Registry Services**

09-05-2018	Link Market Services Ltd	\$68,963.90
24-05-2018	Link Market Services Ltd	\$5,495.58
06-07-2018	Link Market Services Ltd	\$1,034.00
31-07-2018	Link Market Services Ltd	\$19,341.63
08-08-2018	Link Market Services Ltd	\$6,984.45
11-09-2018	Link Market Services Ltd	\$1,501.50
11-09-2018	Link Market Services Ltd	\$9,049.66
11-10-2018	Link Market Services Ltd	\$6,917.00
07-01-2019	Link Market Services Ltd	\$1,564.75

**Total Registry Services :****\$120,852.47**

**Statutory Fees**

09-05-2018	ASX Operations Pty Ltd	\$6.93
07-06-2018	ASIC	\$39.00
08-08-2018	ASX Operations Pty Ltd	\$27,500.00
07-01-2019	ASIC	\$3,487.00
07-01-2019	ASIC	\$1,224.00

**Total Statutory Fees :**

-----  
**\$32,256.93**

**Statutory Interest**

06-07-2018	Suppressed	\$510.40
06-07-2018	Suppressed	\$324.68
06-07-2018	Suppressed	\$406.33

**Total Statutory Interest :**

-----  
**\$1,241.41**

**Statutory Interest**

06-07-2018	ASX Operations Pty Ltd	\$214.47
06-07-2018	BDO East Coast Partnership	\$76.43
06-07-2018	Citadel Magnus Pty Ltd	\$82.16
06-07-2018	Cols Property Maintenance	\$47.38
06-07-2018	Deputy Commissioner of Taxation	\$854.04
06-07-2018	Energy Australia	\$50.94
06-07-2018	Herbert Smith Freehills	\$34,870.15
06-07-2018	KPMG	\$9,671.12
06-07-2018	Link Administration Services Pty Limited	\$609.50
06-07-2018	Office of State Revenue QLD	\$122.02
06-07-2018	Pack & Send Bondi Junction	\$156.33
06-07-2018	Stephen Goddard	\$2,819.02
06-07-2018	Ms Abigail CHEADLE	\$813.44
06-07-2018	King & Wood Mallesons	\$16,895.85
06-07-2018	Lex PEDERSEN	\$106.88
06-07-2018	Russells Solicitors Law Practice Trust Account	\$1,623.53
06-07-2018	Mr Samuel WEISS	\$180.30

**Total Statutory Interest :**

-----  
**\$69,193.56**

**Subcontractor**

26-04-2018	333 Capital Pty Ltd	\$110,000.00
07-06-2018	Veivers Consulting Pty Ltd	\$4,280.00
06-07-2018	Veivers Consulting Pty Ltd	\$6,648.75
06-07-2018	Veivers Consulting Pty Ltd	\$4,556.25
31-07-2018	Veivers Consulting Pty Ltd	\$5,332.50
08-08-2018	Veivers Consulting Pty Ltd	\$821.20
08-08-2018	Veivers Consulting Pty Ltd	\$132.34
21-08-2018	Veivers Consulting Pty Ltd	\$8,032.50
13-09-2018	Veivers Consulting Pty Ltd	\$2,126.25
11-10-2018	Veivers Consulting Pty Ltd	\$4,195.13
08-11-2018	Veivers Consulting Pty Ltd	\$1,410.75
19-12-2018	Veivers Consulting Pty Ltd	\$4,974.75
07-01-2019	Veivers Consulting Pty Ltd	\$1,188.00

**Total Subcontractor :**

-----  
**\$153,698.42**

**Superannuation Control (Non-Trading): Superannuation Paid (Received)**

10-05-2018	ClickSuper Pty Limited	\$3,207.72
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<b>Total Superannuation Control (Non-Trading): Superannuation Paid (Received) :</b>		<b>\$3,207.72</b>
<b>Suspense</b>		
01-06-2018	FTI Consulting	\$1,217.92
01-06-2018	FTI Consulting	\$109,033.10
<b>Total Suspense :</b>		<b>\$110,251.02</b>
<b>Unsecured Creditors</b>		
06-07-2018	ASX Operations Pty Ltd	\$3,086.77
06-07-2018	BDO East Coast Partnership	\$1,100.00
06-07-2018	Citadel Magnus Pty Ltd	\$1,182.50
06-07-2018	Cols Property Maintenance	\$682.00
06-07-2018	Deputy Commissioner of Taxation	\$12,292.00
06-07-2018	Energy Australia	\$733.14
06-07-2018	Herbert Smith Freehills	\$501,877.20
06-07-2018	KPMG	\$139,193.95
06-07-2018	Link Administration Services Pty Limited	\$8,772.36
06-07-2018	Office of State Revenue QLD	\$1,756.22
06-07-2018	Pack & Send Bondi Junction	\$2,250.00
06-07-2018	Stephen Goddard	\$40,573.43
06-07-2018	King & Wood Mallesons	\$243,177.64
06-07-2018	Lex PEDERSEN	\$1,538.27
06-07-2018	Russells Solicitors Law Practice Trust Account	\$23,367.04
<b>Total Unsecured Creditors :</b>		<b>\$981,582.52</b>
<b>Unsecured Creditors: Employees</b>		
06-07-2018	Ms Abigail CHEADLE	\$11,707.69
06-07-2018	Mr Samuel WEISS	\$2,595.07
<b>Total Unsecured Creditors: Employees :</b>		<b>\$14,302.76</b>
<b>Virtual Data Room Fees</b>		
09-05-2018	Ansarada Pty Ltd	\$1,272.72
09-05-2018	Ansarada Pty Ltd	\$1,229.56
<b>Total Virtual Data Room Fees :</b>		<b>\$2,502.28</b>
<b>Total Payments</b>		<b>\$4,209,591.68</b>