



DEFENCE TO CROSS-CLAIM

No. VID1072 of 2024

Federal Court of Australia
District Registry: New South Wales
Division: General

Edwin Paul Cayzer

Applicant

Phoslock Environmental Technologies Ltd (ACN 009 555 290) and others named in the Schedule

Respondents

KPMG (a firm) (ABN 51 194 660 183)

Cross-claimant

Phoslock Environmental Technologies Ltd (ACN 009 555 290) and others named in the Schedule

Cross-respondents

This is the Defence of the First Respondent (**Phoslock**) to the Statement of Cross-Claim filed by the Cross-Claimant on 10 July 2025 (**SOCC**). Capitalised terms used in this Defence have the same meaning as they have been given in the SOCC unless otherwise defined.

1. As to paragraph 1 of the Statement of Cross-Claim (**SOCC**), Phoslock refers to and repeats paragraphs 1 to 7, 14 to 48 and 53 to 61 of its Defence to the ASOC filed on 16 July 2025 (**Defence**) and relies on the matters there pleaded.

A. KPMG Retainers

2. As to paragraph 2 of the SOCC, Phoslock:

(a) says that the 2017 Retainer and the 2018 Retainer stated that:

Filed on behalf of (name & role of party)	Phoslock Environmental Technologies Ltd (ACN 099 555 290), First Cross-Respondent		
Prepared by (name of person/lawyer)	Susanna Ford, Partner		
Law firm (if applicable)	Arnold Bloch Leibler		
Tel	02 9226 7100	Fax	02 9226 7120
Email	sford@abl.com.au		
Address for service (include state and postcode)	Level 24, Chifley Tower, 2 Chifley Square, Sydney NSW 2000		

- (i) the directors and other officers of Phoslock, Phoslock, and each of its controlled entities were responsible for the preparation of the financial report, and that this included responsibility for such controls as they considered necessary to prepare a financial report free of material misstatement whether due to fraud or error;
 - (ii) the directors and other officers of Phoslock and each of the components were responsible for disclosing their knowledge of known or suspected fraud or non-compliance with laws or regulations that could materially affect the financial report;
 - (iii) KPMG expected the directors and management to advise KPMG of any known material and/or contentious issues relating to preparation of the financial reports;
 - (iv) KPMG expected management of Phoslock, Phoslock, and each of its controlled entities to provide KPMG with access to all information of which they were aware that was relevant to the preparation of the financial report, including records, documentation and additional information that KPMG might request from management for the purposes of the audit; and
- (b) otherwise denies paragraph 2.
3. As to paragraph 3 of the SOCC, Phoslock:
- (a) refers to and repeats paragraphs 70C, 70F, 70I, 70N, 86A, 155, 179 and 203 of its Defence; and
 - (b) denies paragraph 3.

4. Phoslock denies paragraph 4 of the SOCC.

B. MISLEADING CONDUCT

FY18 Financial Report

5. Phoslock admits paragraph 5 of the SOCC.

6. As to paragraph 6 of the SOCC, Phoslock:

(a) relies on the 27 August 2018 letter from Phoslock to Sarah Cain for its full force and effect;
and

(b) does not know and therefore cannot admit paragraph 6.

7. As to paragraph 7 of the SOCC, Phoslock:

(a) relies on the 27 August 2018 letter from Phoslock to Sarah Cain for its full force and
effect; and

(b) does not know and cannot admit paragraph 7.

Extended FY18 Financial Report

8. Phoslock admits paragraph 8 of the SOCC.

9. As to paragraph 9 of the SOCC, Phoslock:

(a) relies on the 27 February 2019 letter from Phoslock to Sarah Cain for its full force and
effect; and

(b) does not know and therefore cannot admit paragraph 9.

10. As to paragraph 10 of the SOCC, Phoslock:

(a) relies on the 27 February 2019 letter from Phoslock to Sarah Cain for its full force and
effect; and

(b) does not know and therefore cannot admit paragraph 10 of the SOCC.

FY19 Financial Report

11. Phoslock admits paragraph 11 of the SOCC.

12. As to paragraph 12 of the SOCC, Phoslock:

(a) relies on the 24 March 2020 letter from Phoslock to Sarah Cain for its full force and
effect; and

(b) does not know and cannot admit paragraph 12 of the SOCC.

13. As to paragraph 13 of the SOCC, Phoslock:

- (a) relies on the 24 March 2020 letter from Phoslock to Sarah Cain for its full force and effect; and
- (b) does not know and cannot admit paragraph 13.

Contravention

- 14. In respect of paragraph 14 of the SOCC, Phoslock:
 - (a) refers to paragraphs 6 to 13 above; and
 - (b) does not know and therefore cannot admit paragraph 14.
- 15. As to paragraph 15 of the SOCC, Phoslock:
 - (a) refers to and repeats Sections G, GA and paragraphs 70C, 70F, 70I and 71N of its Defence; and
 - (b) denies paragraph 15.
- 16. As to paragraph 16 of the SOCC, Phoslock:
 - (a) refers to and repeats paragraphs 75 to 153 and 234 to 255 of its Defence and paragraphs 6 to 15 above; and
 - (b) denies paragraph 16.
- 17. Phoslock denies paragraph 17 of the SOCC.
- 18. Phoslock does not plead to paragraph 18 of the SOCC because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

Loss or damage

- 19. Phoslock denies paragraph 19 of the SOCC.
- 20. Phoslock denies paragraph 20 of the SOCC.
- 21. Phoslock denies paragraph 21 of the SOCC.
- 22. Phoslock denies paragraph 22 of the SOCC.

C. CONTRIBUTION

23. As to paragraph 23 of the SOCC, Phoslock:

- (a) refers to and repeats paragraph 75 to 153 and 234 to 255 of its Defence and paragraphs 6 to 22 above; and
- (b) denies paragraph 23.

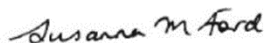
24. Phoslock denies paragraph 24 of the SOCC.

25. Phoslock denies paragraph 25 of the SOCC.

26. Phoslock does not plead to paragraph 26 of the SOCC because it does not include any allegation relevant to a cause of action against Phoslock, but does not thereby admit the paragraph.

27. Phoslock does not plead to paragraph 27 of the SOCC because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

Date: 19 September 2025



Signed by Susanna Ford
Lawyer for the First Cross-Respondent

This pleading was prepared by Amelia Smith, counsel

Certificate of lawyer

I Susanna Ford certify to the Court that, in relation to the defence filed on behalf of the Respondent, the factual and legal material available to me at present provides a proper basis for:

- (a) each allegation in the pleading; and
- (b) each denial in the pleading; and
- (c) each non admission in the pleading.

Date: 19 September 2025

Susanna M Ford

Signed by Susanna Ford
Lawyer for the First Cross-Respondent

NOTICE OF FILING

Details of Filing

Document Lodged: Defence - Form 33 - Rule 16.32
Court of Filing: FEDERAL COURT OF AUSTRALIA (FCA)
Date of Lodgment: 19/09/2025 4:44:34 PM AEST
Date Accepted for Filing: 23/09/2025 2:45:45 PM AEST
File Number: VID1072/2024
File Title: EDWIN PAUL CAYZER v PHOSLOCK ENVIRONMENTAL
TECHNOLOGIES LTD (ACN 099 555 290) & ORS
Registry: VICTORIA REGISTRY - FEDERAL COURT OF AUSTRALIA



Sia Lagos

Registrar

Important Information

This Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

The date of the filing of the document is determined pursuant to the Court's Rules.