

15 March 2021



Frontier RV Pty Ltd ACN 610 326 559 (In Liquidation) ("the Company")

UPDATE REPORT TO CREDITORS

PURPOSE OF THIS REPORT

On 20 January 2020, Ian Francis and I, Daniel Woodhouse, were appointed Joint and Several Liquidators of the Company.

The purpose of this report is to provide creditors with an update on the liquidation. This report contains details about the conduct of the liquidation, the estimated return to creditors and details of the Liquidators' remuneration.

The material matters in the liquidation are now well advanced. The Liquidators are seeking to finalise this matter including, attending to a distribution to priority creditors and obtaining approval of their final remuneration.

DETAILS AND FORMS FOR THE RESOLUTION VIA PROPOSAL

The Liquidators remuneration approval report is provided in **Appendix A**. The Liquidators are seeking approval for the remuneration from creditors by way of proposal without a meeting, in the amount of \$35,070.50 (excluding GST). An information sheet for creditors together with the proposal form is enclosed as **Appendix B and C** respectively.

QUESTIONS AND HELP

Please contact Georgina Wright, if you have any queries about matters raised in this report.

1 LIQUIDATORS REPORT

I refer to the following reports issued by the Liquidators:

- Liquidators' report pursuant to 70-30 of the Insolvency Practice Rules (Corporations) 2016 ("IPR"), dated 3 February 2020; and
- Liquidators' Statutory Report pursuant to 70-40(2) of the IPR, dated 20 April 2020.

This report should be read in conjunction with the above reports.

2 REALISATIONS OF ASSETS

2.1 Sale of Plant, Property and Equipment (PP&E)

The Liquidators engaged Slattery Auctions and Valuations ("Slattery's") to value and sell the Company's assets. Slattery's advised that the assets were of limited value and should be sold onsite. The Liquidators contacted the Company's local competitors, to determine whether they wanted to purchase the remaining unencumbered equipment. The gross proceeds achieved was \$3,702.36 (including GST), which Slattery's advised was better than what would be achieved at auction, after costs.

The remaining plant and equipment was subject to finance from ACN 603 303 126 (Trading as "Acess Today"). The payout for the equipment was \$29,729.50, which was above Slattery's valuation at auction. Accordingly, the equipment was disclaimed.

2.2 Debtors

Following the sale of PP&E, the only remaining assets were outstanding debtors, totalling \$1,789.45. A total of \$446.00 was recovered. The balance was either collected prior to our appointment, or disputed and uncommercial to pursue. No further collections are expected.

3 LIABILITIES

3.1 Secured Creditor

As at the date of my appointment, I conducted a search of the Personal Property and Securities Register (PPSR) and identified six (6) security interests registered against the Company. After contacting those parties, the only assets subject to security were:

- i. ACN 603 303 126 (Acess Today), which is discussed in paragraph 2.1 above.
- ii. Camec Pty Ltd, who held a valid Purchase Money Security Interest ("PMSI") against stock. Camec Pty Ltd collected all stock subject to its PMSI. The remaining stock had no commercial value.

3.2 Employees (Priority Creditors)

We have identified the following priority creditor claims:

Priority Creditor Claims	Notes	(\$)
Superannuation	1	82,493.82
FEG Advances	2	10,158.19
Excluded Employees Leave Entitlements (Priority Claims)	3	1,500.00
Total Priority Claims		94,152.01

Notes:

1. Outstanding SGC charges are payable to the Australian Taxation Office ("ATO"). The amount does not include final administrative and interest charges.
2. The Liquidators referred employees to the Fair Entitlements Guarantee Scheme ("FEG"), administered by the Federal Government, to lodge a claim for their outstanding entitlements. FEG has advanced funds to employees totalling \$10,158.19 in respect of annual leave and payment in lieu of notice. Pursuant to Section 560 of the Corporations Act 2001 ("Act"), the Federal Government has a subrogated right to claim on behalf of employees for the funds they have advanced.
3. There is one excluded employee, pursuant to the definitions in Section 9 of the Act, who is owed entitlements with respect to annual leave. Excluded employees are afforded priority for leave of absence capped at \$1,500.

3.3 Unsecured Creditors

The Company's records show that there are 32 unsecured creditors, with claims totalling \$456,306. No formal proofs of debt have been called for in the liquidation, and; therefore, the claims are estimates only.

4 INVESTIGATIONS AND RECOVERY

The Liquidators are required to investigate and specify whether there may be any voidable transactions with respect to which money, property or other benefits may be recoverable by the Liquidators.

4.1 Unfair Preference Payments

The Liquidators identified payments to the ATO totalling \$64,401.00 that were considered unfair preferential payments pursuant to Section 588FA of the Act. The Liquidators recovered \$54,501.00 of the amount, with the remaining \$9,900.00 relating to Super Guarantee Charges ("SGC") paid by the Company. Given the likelihood of a distribution to priority creditors, recovery of SGC amounts would not provide any benefit in the liquidation.

4.2 Insolvent Trading

The Liquidators' investigations reveal the Company was insolvent at least six (6) months prior to the date of the relation back date, and likely longer, as evidenced by:

- i. The Company recorded net losses since 1 July 2017, which accumulated to \$200,926 up to the date of appointment;
- ii. The Company failed to pay superannuation debts, dating back to 1 July 2016. The debt accrued up to 30 June 2019, totaling \$98,192.98 (including interest and administrative charges), and was only recognized with the ATO on or around 21 August 2019 (over three years after the debt started accruing). In the following 5 months after disclosure of the debt, the Company only managed to pay \$9,924.12 (or 10.5%) of the outstanding debt, prior to entering liquidation; and
- iii. The Company had substantial net asset deficiencies extending back 18 months prior to the relation back date including:
 - a. A net asset deficiency of \$292,150 and \$311,558 at 30 June 2019 and 20 January 2020 respectively, were recorded in the Company's accounts;
 - b. Gross asset realizations in the liquidation total \$12,350, with no further realizations anticipated. Based on the Company's records and proofs of debts submitted by creditors, creditors are owed \$456,306 at the date of liquidation, resulting in a net asset deficiency of \$443,956.

4.3 Quantum of Insolvent Trading Claim

Given the extended period of potential insolvent trading, the quantum of an insolvent trading claim would likely incorporate all unsecured debts outstanding, with the exclusion of employee claims. Therefore, the total potential claim is ~\$450,000.

Prior to pursuing an insolvent trading claim, regard must be given to the likelihood of a claim resulting in the recovery of funds for the benefit of creditors. With respect to the three directors, real estate property has been identified in their names which may result in material personal assets being available to meet a successful insolvent trading claim.

Given the liquidation has minimal funds, and the material costs involved in pursuing insolvent trading claims, a claim has not yet been pursued. If a creditor wishes to consider such an action, including funding such an action, please contact the Liquidators' office to discuss further.

Additionally, Section 588R of the Act entitles creditors to commence proceedings for an insolvent trading claim in their own right, subject to the Liquidators' consent. If a creditor wishes to explore this avenue, please contact the Liquidators' office to discuss further.

4.4 Report pursuant to Section 533 of the Act

The Liquidators have lodged their report pursuant to Section 533 of the Act to the Australian Securities and Investments Commission ("ASIC"). The report details our investigations into the affairs of the Company with respect to reasons for failure, assets and liabilities, and potential contraventions of the Act committed by the Director.

Our report concluded that the Director(s) did not appear to have breached any sections of the Act, with the exception of trading whilst insolvent pursuant to Section 588G of the Act. ASIC has advised that they do not intend to investigate this matter further.

We have not identified any additional potential claims requiring further investigation.

5 ESTIMATED RETURN TO CREDITORS

An estimated return to creditors is shown below:

Estimated Return to Creditors	
	(\$) (excl GST)
Assets	
Cash (as at 16-Feb-2021)	38,797.90
ATO BAS Refund Due	2,750.38
Total Assets	41,548.28
Professional Fees and Costs	
Liquidators Remuneration	(35,070.50)
Total Professional Fees and Costs	(35,070.50)
Net Funds Available for Priority Creditors	6,477.78
Priority Creditor Claims	
Superannuation	82,493.82
FEG Advances	10,158.19
Excluded Employees Leave Entitlements (Priority Claims)	1,500.00
Total Priority Creditor Claims	94,152.01
Estimated Cents in the \$ Priority Creditors	0.07
Estimated Return to Unsecured Creditors	Nil

5.1 Priority Creditors

A dividend to priority creditors is estimated at 7 cents in the dollar.

5.2 Unsecured Creditors

A dividend to unsecured creditors is not anticipated.

6 RECEIPTS AND PAYMENTS

A summary of the Liquidators' receipts and payments since appointment is shown below:

Statement of Receipts and Payments for the Liquidation to 28 February 2021	
	(\$) (inc GST)
Receipts	
Cash at Bank	8,527.07
Cash on Hand	45.75
BAS Control (Refunds)	33.00
Pre-Appointment Debtors	446.00
	3,702.36
ATO Unfair Preference Claim	54,501.00
Total Receipts	67,255.18
Payments	
Liquidators Fees	(250.38)
Liquidators Disbursements	(27,500.00)
Auctioneers Charges	(370.90)
BAS Control (Payment)	(336.00)
Total Payments	(28,457.28)
Cash at Bank Held by Liquidator	38,797.90

7 LIQUIDATORS' REMUNERATION

To date, the Liquidators have been paid remuneration capped at \$25,000 (excluding GST). The Liquidators have since incurred costs of \$24,070.50 (excluding GST) up to 31 January 2021, and anticipate a further \$11,000 (excluding GST) will be required to complete the Liquidation.

Additional work completed above the initial fee cap includes, but not limited to:

- Additional work surrounding the recovery of the ATO preference claim including analysis and supporting evidence, which will result in a distribution to priority creditors; and
- Additional correspondence and reporting to creditors.

Enclosed in **Appendix A** is a remuneration approval request in the amount of \$35,070.50 (excluding GST). Approval for the Liquidators' remuneration is sought by way of resolution via a proposal meeting. The proposal form is enclosed as **Appendix C**.

8 WAY FORWARD

The following actions are required prior to finalisation.

- Attend to a distribution to priority creditors;
- Additional investigations into related party transactions, specifically Director/Shareholder loan accounts; and
- All matters associated with finalising the Liquidation.

Following completion of the above tasks, the Liquidators, intend to finalise this matter, estimated to be completed in the next 3 to 6 months.



Daniel Woodhouse

Joint and Several Liquidator



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Annexure A

Remuneration Approval Report

15 MARCH 2021

REMUNERATION APPROVAL REPORT

FRONTIER RV PTY LTD
(IN LIQUIDATION)
ACN 610 326 599

Introduction

Information included in report

This remuneration approval report provides you with the information that the Corporations Act 2001 (“Act”) and the Code of Professional Practice published by the Australian Restructuring Insolvency and Turnaround Association (“ARITA”) requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Liquidation of Frontier RV Pty Ltd (In Liquidation) ACN 610 326 559. This report has the following information included:

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Part 1: Declaration

Ian Frances and I, Daniel Woodhouse, of FTI Consulting have undertaken a proper assessment of the claims for remuneration and payment of our internal disbursements for the appointment as Liquidators of Frontier RV Pty Ltd (In Liquidation) ACN 610 326 559 in accordance with the law and applicable professional standards. I am satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment that have been incurred in the conduct of the external administration are necessary and proper.

Part 2: Executive Summary

Remuneration

I currently estimate the total remuneration for this appointment for the period 20 January 2020 to the conclusion of the liquidation to be \$60,070.50 plus GST.

This has increased compared to my previous initial capped estimate of \$25,000.00 plus GST. The initial estimate was provided at the outset of the appointment, prior to the full scope of work in the liquidation being identified. The additional work primarily relates to:

- Additional time spent on investigating the Company's affairs, related party payments and establishing a date of insolvency;
- Establish, pursue and settle an unfair preference claim, which will result in a return to priority creditors; and
- Additional time required to attend to creditors reports and enquiries.

Remuneration claimed and previously approved is summarised below in Table 1 and Table 2 below:

Table 1: Current Claim For Remuneration		
Period	Report Reference	Amount (excl GST) \$
Resolution 1: 16 April 2020 to 31 January 2021 (inclusive)	Schedule 1	\$24,070.50
Resolution 2: 1 February 2021 to the conclusion of the Liquidation (inclusive)*	Schedule 2	\$11,000.00
Total		\$35,070.50

* Approval for the future remuneration sought is based on an estimate of the work necessary to complete the administration. Should additional work beyond what is contemplated be necessary, further approval may be sought from creditors. If a lesser amount is incurred, we will limit our remuneration to that lesser amount.

Table 2: Remuneration Previously Approved	
Period	Amount (excl GST) \$
20 January 2020 to 15 April 2020	\$25,000.00
Total past remuneration	\$25,000.00

Part 3: Remuneration

Remuneration claim resolutions

We will be seeking approval of the following resolutions to approve our remuneration. Details to support these resolutions are shown immediately below the resolutions and in the schedules to this report.

Resolution 1: Remuneration from 16 April 2020 to 31 January 2021 (inclusive)

The remuneration of the Liquidators of Frontier RV Pty Ltd (In Liquidation) ACN 610 326 559 for the period 16 April 2020 to 31 January 2021 (inclusive) be calculated on a time basis at the hourly rates set out in the Schedule of FTI Consulting Standard Rates effective 1 May 2019, and is determined and approved for payment in the amount of \$24,070.50 plus GST and the Liquidator can draw the remuneration.

Resolution 2: Remuneration from 1 February 2021 to the conclusion of the Liquidation (inclusive)

The future remuneration of the Liquidators of Frontier RV Pty Ltd (In Liquidation) ACN 610 326 559 for the period from 1 February 2021 to the conclusion of the Liquidation (inclusive) is determined and approved for payment at a sum equal to the cost of time incurred by the Liquidators and staff of FTI Consulting, calculated at the hourly rates set out in the schedule of FTI Consulting Standard Rates effective 1 May 2019, up to an initial capped amount of \$11,000.00 plus GST, and the Liquidator can draw the remuneration as required.

Remuneration is calculated in accordance with the hourly rates applicable to the grades or classifications set out in the FTI Consulting Schedule of Standard Rates which appear at Schedule 3 to this report

At this stage, based on the information presently available to us, we consider that it will not be necessary to convene a further meeting of creditors to seek further approval from creditors. However the position may change depending on the progress of the external administration and the issues that may arise.

Details to support resolutions

The basis of calculating the remuneration claims are summarised below and the details of the major tasks performed and the costs associated with each of those major tasks are contained in Schedule 1 to Schedule 2.

Resolution 1: Remuneration from 16 April 2020 to 31 January 2021 (inclusive)

Table 3 below table sets out time charged to each major task area by staff members working on the Liquidation for the period 16 April 2020 to 31 January 2021 (inclusive) which is the basis of the Resolution 1 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Schedule 1.

Table 3: Time Charged To Each Major Task Area

\$ excl GST					Assets		Creditors		Employees		Investigation		Administration	
Name	Position	Rate/hr	Hrs	Total	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Daniel Woodhouse	Managing Director	625	3.9	2,428.50	0.30	187.50	-	-	0.20	125.00	0.30	187.50	3.10	1,928.50
Andrew Clowes	Director	515	32.5	16,737.50	12.50	6,437.50	9.20	4,738.00	-	-	7.70	3,965.50	3.10	1,596.50
Asha Miles	Associate II	320	0.4	128.00	-	-	-	-	-	-	-	-	0.40	128.00
Georgina Wright	Associate II	320	53.3	17,056.00	1.80	576.00	26.10	8,352.00	2.50	800.00	16.80	5,376.00	6.10	1,952.00
Zin Thaya Khin	Associate II	320	0.2	64.00	-	-	-	-	-	-	-	-	0.20	64.00
Georgina Wright	Associate I	300	38.9	11,670.00	1.30	390.00	18.00	5,400.00	2.20	660.00	6.50	1,950.00	10.90	3,270.00
Ashleigh Ubank	Administration II	205	0.4	82.00	-	-	0.30	61.50	-	-	-	-	0.10	20.50
Claire Rees	Administration II	205	0.8	164.00	-	-	-	-	-	-	-	-	0.80	164.00
Dhyana Ishibashi	Administration II	205	1.6	328.00	-	-	-	-	-	-	-	-	1.60	328.00
Mary Smith	Administration I	165	0.8	132.00	-	-	-	-	-	-	-	-	0.80	132.00
Selina Naylor	Administration I	165	1.7	280.50	-	-	-	-	-	-	-	-	1.70	280.50
Total			134.5	49,070.50	15.9	7,591.00	53.6	18,551.50	4.9	1,585.00	31.3	11,479.00	28.8	9,864.00
Less: previously approved remuneration				(25,000.00)		(6,334.50)		(9,336.00)		(785.00)		(3,358.00)		(5,186.50)
Total remuneration for approval				24,070.50		1,256.50		9,215.50		800.00		8,121.00		4,677.50
Average hourly rate (excluding GST)				364.84		477.42		346.11		323.47		366.74		342.50

Resolution 2: Remuneration from 1 February 2021 to the conclusion of the Liquidation (inclusive)

The below table sets out the expected costs for the major tasks likely to be performed by the Liquidators and their staff for the period 1 February 2021 to the conclusion of the Liquidation (inclusive) which is the basis of the Resolution 2 claim. More detailed descriptions of the tasks likely to be performed within each task area, matching the amounts below, are contained in Schedule 2.

Table 4: Expected Costs For The Major Tasks From 1 February 2021 To The Conclusion Of The Liquidation (Inclusive)					
\$	Total	Task Area			
		Creditors	Employees	Dividend	Administration
Total (est)	11,000.00	3,000.00	2,000.00	4,000.00	2,000.00
GST	1,100.00	300.00	200.00	400.00	200.00
Total (inc GST)	12,100.00	3,300.00	2,200.00	4,400.00	2,200.00

Total remuneration reconciliation

At this point in time, I estimate that the total remuneration for this Liquidation will be \$60,070.50 plus GST. This includes the current approval amount being sought of \$35,070.50 plus GST.

This estimate differs to the estimate of costs provided in the Initial Remuneration Notice dated 3 February 2020, which estimated a cost of the administration of \$25,000.00 plus GST, for the following reasons:

- Additional time required for investigations into the Company's date of insolvency;
- Establish, pursue and settle an unfair preference claim; and
- Additional time required to attend to creditors reports and enquiries.

Comparison between current and previous remuneration approvals

On the 21 February 2020, creditors approved my prospective remuneration of \$25,000.00 plus GST via proposal which has been drawn. My remuneration has exceeded this cap and in this report, I am now seeking approval of a further capped amount of \$35,070.50 plus GST to enable me to complete the Liquidation.

In the following table I compare, on a task basis, my estimate from my report of 3 February 2020 to the conclusion of the Liquidation, and provide an explanation for the difference in cost.

Table 5: Comparison Between Current and Previous Remuneration Approvals			
Task	Estimate (excl GST) \$	Actual (excl GST) \$	Reasons for differences
Assets	6,000.00	7,591.00	Additional time spent pursuing debtors and liaising with potential buyers of PP&E.
Creditors	6,000.00	18,551.50	Ongoing creditor enquiries and preparation and distribution of the Liquidators' Statutory Report and Update Report to Creditors.

Employees	3,000.00	1,585.00	Verification of employees' entitlements were less than first forecasted.
Investigation	6,000.00	11,479.00	Additional time spent for investigations, determining a date of insolvency and pursuing the unfair preference payment to the ATO.
Administration	4,000.00	9,864.00	Additional time spent attending to statutory lodgements, banking and debtor reconciliations, and file maintenance.

We do not anticipate that we will have to ask creditors to approve any further remuneration. Should any material matters arise prior to finalisation, I will advise creditors and we may seek approval of further remuneration if necessary.

Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the liquidation to be paid in priority to other claims. This ensures that when there are sufficient funds, the Liquidator receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- realisations to date;
- estimated future realisations;
- my estimated remuneration to complete the Liquidation; and
- the estimated total of creditor claims based on the company's records and claims lodged now.

I estimate that a dividend of approximately 11 cents in the dollar will be paid in the Liquidation to priority creditors. Further details regarding the distribution of available funds to priority creditors is located in the Report to Creditors.

At this stage, there are insufficient funds to pay a dividend to unsecured creditors.

Part 4: Disbursements

Explanatory note on disbursements

Disbursements are divided into three types:

- **Externally provided professional services** - these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- **Externally provided non-professional costs** - these are recovered at cost. Examples of externally provided non-professional costs are travel, accommodation and search fees.
- **Internal disbursements such as photocopying, printing and postage.** These disbursements, 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. Details of the basis of recovery of each of these costs is discussed below.

Creditor approval is not required for payment of internal disbursements which have been charged at cost. Internal disbursements not charged at cost, however, must be approved by creditors before we can draw the cost of those disbursements from this external administration. As we have chosen not to charge the external administration for

internally-generated FTI disbursements where they have not been charged at cost (such as internal photocopying and printing charges for the use of FTI's photocopiers, printers etc), this approval is not required.

Creditor approval is not required in relation to externally provided professional and non-professional costs or disbursements charged at cost. Where payments to third parties have been made from the bank account of the external administration, those payments are disclosed in the summary of receipts and payments. Creditors have the right to question the incurring of the disbursements and can challenge disbursements in Court.

A summary of FTI Consulting's Disbursement Rates is outlined in Table 13 below.

Future basis of disbursements

Future disbursements will be charged to the administration on the basis shown in the Schedule FTI Consulting Disbursement Rates as shown in Table 6 below.

Table 6: Schedule Of FTI Consulting Disbursements Rates		
Disbursement Type	Charge Type	Charge Rate (excl GST)
Advertising	External, non-professional	At cost
ASIC Industry Funding Levy – registered liquidator metric events	External, non-professional	At cost (at prescribed ASIC rates)
Couriers and deliveries	External, non-professional	At cost
Data Room Charges	External, professional	At cost
Facsimile	Internal (FTI)	Not charged
Legal Fees	External, professional	At cost
Postage	External, non-professional	At cost
Photocopying – internal	Internal (FTI)	Not charged
Photocopying – outsourced	External, non-professional	At cost
Printing – internal	Internal (FTI)	Not charged
Printing – outsourced	External, non-professional	At cost
Records costs – storage, destruction, boxes	External, non-professional	At cost
Search fees	External, non-professional	At cost
Staff motor vehicle use – mileage	Cents per km	At prescribed ATO rates
Staff travel – accommodation, meals etc	External, non-professional	At cost
Stationery and other incidental disbursements	External, non-professional	At cost
Telephone	Internal (FTI)	Not charged
Valuation Fees	External, professional	At cost
Other externally provided professional services		At cost
Other externally provided non-professional services		At cost

Part 5: Summary of Receipts and Payments

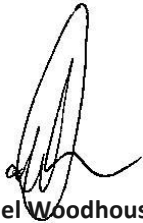
A summary of receipts and payments to and from the bank account for the Liquidation from 20 January 2020 to date appears in the Report to Creditors enclosed in this circular.

Part 6: Queries

If you have any queries or require any further information concerning our claim for remuneration please contact Georgina wright on (08) 9321 8533 or via email on georgina.wright@fticonsulting.com.

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 “insolvency information sheets”).



Daniel Woodhouse

Joint and Several Liquidator



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Schedule 1: Table of major tasks for Resolution 1 remuneration approval

Table 7 provides a description of the work undertaken in each major task area for the period 16 April 2020 to 31 January 2021 (inclusive). Approval for the remuneration sought is \$24,070.50.

Table 7: Work Undertaken For The Period 16 April 2020 to 31 January 2021 (Inclusive)		
Task Area	General Description	Includes
Assets 3.1 hours \$1,256.50	Plant and Equipment	- Reviewing asset listings and value of assets - Entering and realising assets into Insol 6 Accounting Software maintained by the Liquidators.
	Debtors	- Correspondence with debtors regarding pre-appointment debts owed; - Assessing debtor ledgers and potential further action regarding debt collection.
Creditors 25.54 hours \$9,215.50	Creditor Enquiries	- Maintaining creditor enquiry register - Recording creditor PODs in Insol 6 Accounting Software maintained by the Liquidators - Review and prepare correspondence to creditors and their representatives regarding queries on the liquidation - Responding to creditors and their representatives via telephone, email, facsimile and post
	Creditor Reports & Circulars	- Preparing and issuing the Liquidators' statutory report to creditors; - Preparing and issuing this update report to creditors.
Employees 2.5 hours \$800.00	Employees enquiries	- Receive and follow up employee enquiries via telephone - Maintain employee enquiry register
	FEG	- Correspondence with FEG regarding appointment and undertaking to verify entitlements - Preparing verification spreadsheet for FEG - Responding to queries from FEG on verification of entitlements.
	Calculation of entitlements	- Calculating employee entitlements - Reviewing employee files and company's books and records - Correspondence with the ATO in relation to outstanding employee superannuation.
Investigation 20.40 hours \$8,121.00	Conducting investigation	- Collection of company books and records - Reviewing company's books and records - Review and preparation of company nature and history - Conducting and summarising statutory searches - Preparation of comparative financial statements - Review of specific transactions - Preparation of investigation file - Correspondence with ATO in regards to unfair preference claim

Table 7: Work Undertaken For The Period 16 April 2020 to 31 January 2021 (Inclusive)		
Task Area	General Description	Includes
		• Date of insolvency analysis and Insolvent trading quantification.
	ASIC reporting	• Preparing report pursuant to section 533 of the Corporations Act 2001.
Administration 12.80 hours \$4,677.50	Document maintenance/file review/checklist	• First month, then six monthly administration review • Filing of documents • File reviews • Updating checklists
	Bank account administration	• Requesting bank statements • Bank account reconciliations
	ATO and other statutory reporting	• Preparing BAS
	Planning / Review	• Discussions regarding status of administration

Schedule 2: Table of major tasks for resolution 2 remuneration approval

Table 8 provides a description of the work undertaken in each major task area for the period 1 February 2021 to the conclusion of the Liquidation.

Table 8: Work Undertaken For The Period 1 February 2021 To The Conclusion Of The Liquidation (Inclusive)		
Task Area	General Description	Includes
Creditors \$3,000.00	Creditor Enquiries	• Maintaining creditor enquiry register • Review and prepare correspondence to creditors and their representatives
	Creditor Reports & Circulars	• Preparing, finalising and issuing second report to creditors; • Responding to creditor queries following issuing of report.
Employees \$2,000.00	Employees enquiries	• Review and prepare correspondence to creditors and their representatives via telephone, facsimile, email and post with respect to a dividend.
	Calculation of entitlements	• Reconciling superannuation accounts • Correspondence with the ATO in regards to outstanding employee superannuation and SGC • Correspondence with excluded employees in regards to their claim in the liquidation
Dividend \$4,000.00	Employee dividend	• Correspondence with employees regarding dividend • Correspondence with ATO regarding SGC proof of debt • Calculating dividend rate • Preparing dividend file • Advertising dividend notice • Preparing distribution • Receipting POD • Adjudicating POD
	Dividend procedures	• Preparation of correspondence to creditors advising of intention to declare dividend • Advertisement of intention to declare dividend • Preparation of correspondence to creditors announcing declaration of dividend • Advertise announcement of dividend • Preparation of payment vouchers to pay dividend • Preparation of correspondence to creditors enclosing payment of dividend
Administration \$2,000.00	Document maintenance/file review/checklist	• File reviews • Updating checklists
	Bank account administration	• Preparing correspondence opening and closing accounts • Requesting bank statements • Bank account reconciliations
	ASIC Form 5602 and other forms	• Preparing and lodging ASIC forms including 505, 5602, 911 etc

Table 8: Work Undertaken For The Period 1 February 2021 To The Conclusion Of The Liquidation (Inclusive)		
Task Area	General Description	Includes
		• Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	• Preparing BAS
	Finalisation	• Notifying ATO of finalisation • Cancelling ABN / GST / PAYG registration • Completing checklists • Finalising WIP
	Planning / Review	• Discussions regarding status of administration

Schedule 3: FTI Consulting Schedule of Rates

FTI Consulting CF&R Standard Rates effective 1 May 2019 (excluding GST)		
Typical classification	Standard Rates \$/hour	General guide to classifications
Senior Managing Director	695	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	625	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	575	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	515	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	465	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	400	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	375	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	335	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	320	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	300	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	195	Undergraduate in the latter stage of their university degree.
Administration 2	205	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	155	Undergraduate in the early stage of their university degree.
Administration 1	165	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.

Annexure B

ARITA Information sheet: Proposals without meetings

Information sheet: Proposals without meetings

You may be a creditor in a liquidation, voluntary administration or deed of company arrangement (collectively referred to as an external administration).

You have been asked by the liquidator, voluntary administrator or deed administrator (collectively referred to as an external administrator) to consider passing a proposal without a meeting.

This information sheet is to assist you with understanding what a proposal without a meeting is and what your rights as a creditor are.

What is a proposal without a meeting?

Meetings of creditors were previously the only way that external administrators could obtain the views of the body of creditors. However, meetings can be very expensive to hold.

A proposal without a meeting is a cost effective way for the external administrator to obtain the consent of creditors to a particular course of action.

What types of proposals can be put to creditors?

The external administrator is able to put a range of proposals to creditors by giving notice in writing to the creditors. There is a restriction under the law that each notice can only contain a single proposal. However, the external administrator can send more than one notice at any single time.

What information must the notice contain?

The notice must:

- include a statement of the reasons for the proposal and the likely impact it will have on creditors if it is passed
- invite the creditor to either:
 - vote yes or no to the proposal, or
 - object to the proposal being resolved without a meeting, and
- specify a period of at least 15 business days for replies to be received by the external administrator.

If you wish to vote or object, you will also need to lodge a Proof of Debt (POD) to substantiate your claim in the external administration. The external administrator will provide you with a POD to complete. You should ensure that you also provide documentation to support your claim.

If you have already lodged a POD in this external administration, you do not need to lodge another one.

The external administrator must also provide you with enough information for you to be able to make an informed decision on how to cast your vote on the proposal. With some types of proposals, the law or ARITA's Code of Professional Practice sets requirements for the information that you must be provided.

For example, if the external administrator is asking you to approve remuneration, you will be provided with a Remuneration Approval Report, which will provide you with detailed information about how the external administrator's remuneration for undertaking the external administration has been calculated.

What are your options if you are asked to vote on a proposal without a meeting?

You can choose to vote yes, no or object to the proposal being resolved without a meeting.

How is a resolution passed?

A resolution will be passed if more than 50% in number and 50% in value (of those creditors who did vote) voted in favour of the proposal, but only so long as not more than 25% in value objected to the proposal being resolved without a meeting.

What happens if the proposal doesn't pass?

If the proposal doesn't pass and an objection is not received, the external administrator can choose to amend the proposal and ask creditors to consider it again or the external administrator can choose to hold a meeting of creditors to consider the proposal.

The external administrator may also be able to go to Court to seek approval.

What happens if I object to the proposal being resolved without a meeting?

If more than 25% in value of creditors responding to the proposal object to the proposal being resolved without a meeting, the proposal will not pass even if the required majority vote yes. The external administrator will also be unable to put the proposal to creditors again without a meeting.

You should be aware that if you choose to object, there will be additional costs associated with convening a meeting of creditors or the external administrator seeking the approval of the Court. This cost will normally be paid from the available assets in the external administration.

This is an important power and you should ensure that it is used appropriately.

Where can I get more information?

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding external administrations and insolvency.

This information is available from ARITA's website at artia.com.au/creditors.

ASIC also provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at asic.gov.au (search for "insolvency information sheets").

Annexure C

Notice of proposals to creditors

15 March 2021

**NOTICE OF PROPOSAL TO CREDITORS
FRONTIER RV PTY LTD (IN LIQUIDATION)
ACN 610 326 559 ("THE COMPANY")**

For your vote to be counted, please complete this document and return with any supporting documents by no later than **5:00 PM WST on Friday, 9 April 2021** to Georgina Wright at georgina.wright@fticonsulting.com. If you have any questions, please call Georgina Wright on (08) 9321 8533.

Completed forms may also be sent by post attention to Georgina Wright at FTI Consulting, PO Box Z5486, St Georges Terrace, PERTH WA 6831. You should ensure this is sent with sufficient time to arrive by the date the vote closes.

Proposal for creditor approval

"The remuneration of the Liquidators of Frontier RV Pty Ltd (In Liquidation) ACN 610 326 559 for the period 16 April 2020 to 31 January 2021 (inclusive) be calculated on a time basis at the hourly rates set out in the Schedule of FTI Consulting Standard Rates effective 1 May 2019, and is determined and approved for payment in the amount of \$24,070.50 plus GST and the Liquidator can draw the remuneration."

Reasons for the proposal and the likely impact it will have on creditors if it is passed

The proposal is being put to creditors to approve remuneration as allowed under law.

The proposal if passed will minimise the cost of approving remuneration to the Liquidation which would otherwise require a meeting of creditors or court application to be approved – which can be costly.

Remuneration of the Liquidators are to be paid in priority to other claims under the Corporations Act. This ensures that when there are sufficient funds, the Liquidators receive payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve my remuneration, this does not guarantee that I will be paid, as I am only paid if sufficient assets are recovered.

If sufficient assets are recovered, there may be funds available to pay a dividend to creditors, however this is affected by many variables including the value of assets and complexity of realising those assets, the level of creditor enquiries, the priority of claims (including employee claims) and the total value of creditor claims to be admitted to participate in a dividend.

Please refer to the enclosed report to creditors for details on the likelihood of a dividend in the liquidation.

My remuneration approval report, which has been provided with this notice provides more detailed information on the remuneration I am seeking to be approved.

Vote on proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

- Yes ☐ I approve the proposal
No ☐ I do not approve the proposal
Object ☐ I object to the proposal being resolved without a meeting of creditors

Your claim against the Company must be admitted for the purposes of voting by the Liquidators for your vote to count. Please select the option that applies:

- ☐ I have previously submitted a proof of debt form and supporting documents
☐ I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: _____ ACN / ABN (if applicable): _____

- ☐ I am not a related creditor of the Company.
☐ I am a related creditor of the Company, relationship: _____

Address: _____

Name of creditor / authorised person: _____

Signature: _____ Date: _____

15 March 2021

**NOTICE OF PROPOSAL TO CREDITORS
FRONTIER RV PTY LTD (IN LIQUIDATION)
ACN 610 326 559 ("THE COMPANY")**

For your vote to be counted, please complete this document and return with any supporting documents by no later than **5:00 PM WST on Friday, 9 April 2021** to Georgina Wright at georgina.wright@fticonsulting.com. If you have any questions, please call Georgina Wright on (08) 9321 8533.

Completed forms may also be sent by post attention to Georgina Wright at FTI Consulting, PO Box Z5486, St Georges Terrace, PERTH WA 6831. You should ensure this is sent with sufficient time to arrive by the date the vote closes.

Proposal for creditor approval

"The future remuneration of the Liquidators of Frontier RV Pty Ltd (In Liquidation) ACN 610 326 559 for the period from 1 February 2021 to the conclusion of the Liquidation (inclusive) is determined and approved for payment at a sum equal to the cost of time incurred by the Liquidators and staff of FTI Consulting, calculated at the hourly rates set out in the schedule of FTI Consulting Standard Rates effective 1 May 2019, up to an initial capped amount of \$11,000.00 plus GST, and the Liquidator can draw the remuneration as required."

Reasons for the proposal and the likely impact it will have on creditors if it is passed

The proposal is being put to creditors to approve remuneration as allowed under law.

The proposal if passed will minimise the cost of approving remuneration to the Liquidation which would otherwise require a meeting of creditors or court application to be approved – which can be costly.

Remuneration of the Liquidators are to be paid in priority to other claims under the Corporations Act. This ensures that when there are sufficient funds, the Liquidators receive payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve my remuneration, this does not guarantee that I will be paid, as I am only paid if sufficient assets are recovered.

If sufficient assets are recovered, there may be funds available to pay a dividend to creditors, however this is affected by many variables including the value of assets and complexity of realising those assets, the

level of creditor enquiries, the priority of claims (including employee claims) and the total value of creditor claims to be admitted to participate in a dividend.

Please refer to the enclosed report to creditors for details on the likelihood of a dividend in the liquidation.

My remuneration approval report, which has been provided with this notice provides more detailed information on the remuneration I am seeking to be approved.

Vote on proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

- | | | |
|--------|--------------------------|--|
| Yes | ☐ | I approve the proposal |
| No | ☐ | I do not approve the proposal |
| Object | ☐ | I object to the proposal being resolved without a meeting of creditors |

Your claim against the Company must be admitted for the purposes of voting by the Liquidators for your vote to count. Please select the option that applies:

- ☐ I have previously submitted a proof of debt form and supporting documents
- ☐ I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: _____ ACN / ABN (if applicable): _____

- ☐ I am not a related creditor of the Company.
- ☐ I am a related creditor of the Company, relationship: _____

Address: _____

Name of creditor / authorised person: _____

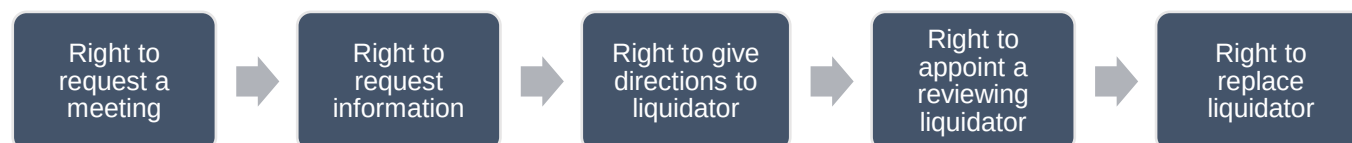
Signature: _____ Date: _____

Annexure D

ARITA Creditor Rights in Liquidations

Creditor Rights in Liquidations

As a creditor, you have rights to request meetings and information or take certain actions:



Right to request a meeting

In liquidations, no meetings of creditors are held automatically. However, creditors with claims of a certain value can request in writing that the liquidator hold a meeting of creditors.

A meeting may be requested in the first 20 business days in a creditors' voluntary liquidation by $\geq 5\%$ of the value of the debts held by known creditors who are not a related entity of the company.

Otherwise, meetings can be requested at any other time or in a court liquidation by:

- $> 10\%$ but $< 25\%$ of the known value of creditors on the condition that those creditors provide security for the cost of holding the meeting
- $\geq 25\%$ of the known value of creditors
- creditors by resolution, or
- a Committee of Inspection (this is a smaller group of creditors elected by, and to represent, all the creditors).

If a request complies with these requirements and is 'reasonable', the liquidator must hold a meeting of creditors as soon as reasonably practicable.

Right to request information

Liquidators will communicate important information with creditors as required in a liquidation. In addition to the initial notice, you should receive, at a minimum, a report within the first three months on the likelihood of a dividend being paid.

Additionally, creditors have the right to request information at any time. A liquidator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the liquidation, and the provision of the information would not cause the liquidator to breach their duties.

A liquidator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the liquidator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

Requests must be reasonable.

They are not reasonable if:

Both meetings and information:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) there is not sufficient available property to comply with the request
- (c) the request is vexatious

Meeting requests only:

- (d) a meeting of creditors dealing with the same matters has been held, or will be held within 15 business days

Information requests only:

- (e) the information requested would be privileged from production in legal proceedings
- (f) disclosure would found an action for breach of confidence
- (g) the information has already been provided
- (h) the information is required to be provided under law within 20 business days of the request

If a request is not reasonable due to (b), (d), (g) or (h) above, the liquidator must comply with the request if the creditor meets the cost of complying with the request.

Otherwise, a liquidator must inform a creditor if their meeting or information request is not reasonable and the reason why.

Right to give directions to liquidator

Creditors, by resolution, may give a liquidator directions in relation to a liquidation. A liquidator must have regard to these directions, but is not required to comply with the directions.

If a liquidator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons.

An individual creditor cannot provide a direction to a liquidator.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a liquidator's remuneration or a cost or expense incurred in a liquidation. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

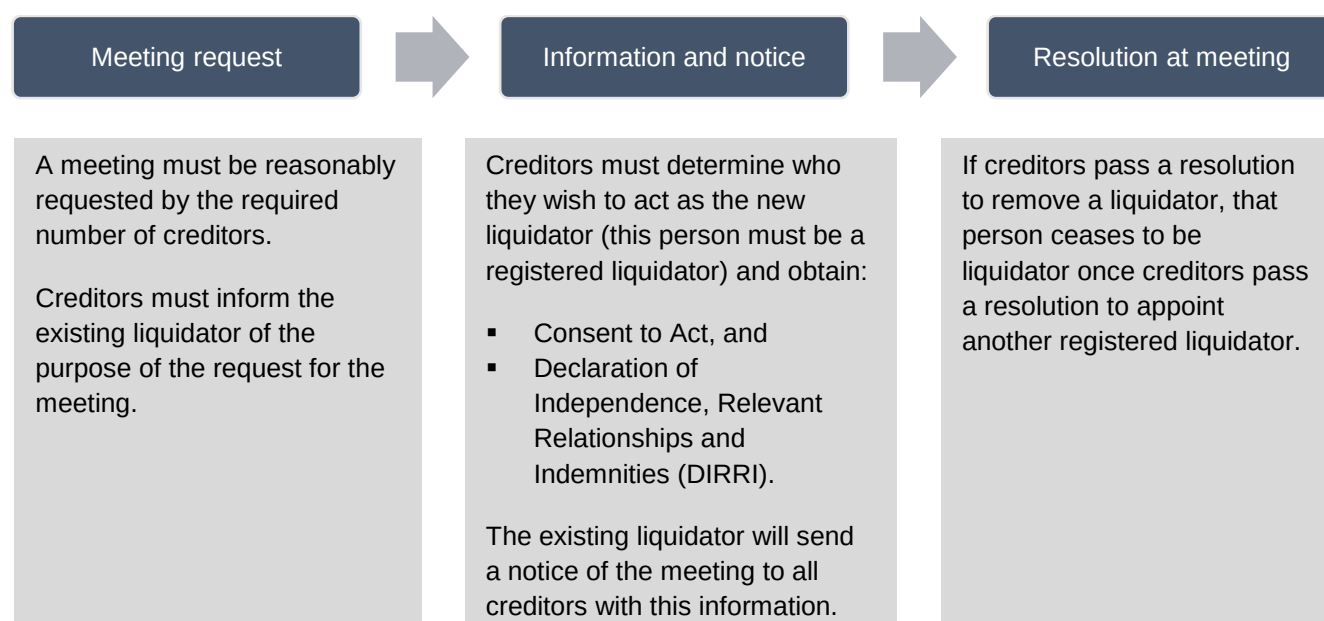
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the liquidator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace liquidator

Creditors, by resolution, have the right to remove a liquidator and appoint another registered liquidator.

For this to happen, there are certain requirements that must be complied with:



For more information, go to www.arita.com.au/creditors