

9 October 2020



**ROBAYNE PTY LTD
ACN 150 673 475
(IN LIQUIDATION) (“THE COMPANY”)**

REPORT TO CREDITORS

I refer to:

- our appointment as Joint and Several Administrators of the Company on 23 January 2019;
- our circular to creditors dated 15 March 2019, which enclosed the Administrators' report to creditors pursuant to section 75-225 of the Insolvency Practice Rules (Corporations) 2016 ("IPR");
- our subsequent appointment as Joint and Several Liquidators at the second creditors meeting held on 25 March 2019; and
- our report to creditors dated 31 May 2019 ("Previous Report").

I advise that the purpose of this report is to:

- provide sufficient information to assist creditors to make an informed decision with respect to the compromise of certain debts owed in accordance with section 477(2A) of the Corporations Act 2001 ("the Act") and in this regard please see **Section 1.2** of this report;
- provide you with an update on the progress of the liquidation, including assets realised and investigations undertaken to date;
- advise you of the likelihood of a dividend being paid in the liquidation; and
- provide notice of a meeting of creditors to be held on **Tuesday, 27 October 2020**.

1 REALISATION OF COMPANY ASSETS

Since my previous report, I have realised a further sum totalling \$972,934 (including GST, before realisation costs) from the collection of amounts due by debtors of the Company:

Table 1: Asset Realisations	
Description	Amount (incl. GST) \$
Debtors	972,934
Total	972,934

Further details regarding the realisation of assets is as follows:

1.1 Trade Debtors

As previously reported, given the quantum of debtors, I engaged a contractor (at a cost of \$45/hour) and the services of debt collecting agency, AMPAC, to assist with the collection of the Company's debtors. This was a cost-effective and successful means of collecting the Company's debtors. The contractor's engagement was concluded in September 2019 and the collection of all remaining outstanding debtors were handed to AMPAC. Total debts provided to AMPAC were \$506,683.89 of which \$277,372.51 (before costs) have been collected (54.7%). The balance of debts provided to AMPAC are not collectible due to lack of supporting information, disputes from

customers on the amounts owed, the age of the debts outstanding and the inability to locate a number of the said parties. Table 2 below provides a summary of balances which are collectible.

1.2 Other Debtors and Supplier Rebates

By exception, we report on monies due to the Company by the following parties:

Coast to Coast Customs ("COAS08")

The above Debtor continues to pay \$20 per week in satisfaction of the Company's debt. As at the date of this report, the outstanding balance is \$2,804.31, which is, in our opinion, fully recoverable.

Bowra Panel & Paint Pty Ltd ("Bowra")

As at the date of this report the amount owed to the Company is \$101,005.98. We have met with Bowra on a 'without prejudice' basis and held numerous discussions to discuss a commercial settlement of the amount outstanding. Based on information provided there is significant uncertainty as to whether Bowra has the financial capacity to repay the amount owed. We have nevertheless received an offer from the director of Bowra, Peter Coupland, in his personal capacity to pay the sum of \$10,000.00 in full and final settlement of the outstanding debt. We have been provided sufficient financial information to accept Bowra's position, that the offer received is the highest and best offer available. ***We recommend creditors approve the offer, as presented.***

AkzoNobel Car Refinishes Australia Pty Ltd ("AkzoNobel")

In our opinion, AkzoNobel owes the Company \$119,889.04 being in respect of unpaid supplier rebate. AkzoNobel disputes any amount is owed to the Company, given the Company failed to meet certain obligations based on non-performance by the Company. We reject this assertion. The Company's books and records evidenced a supply agreement between AkzoNobel (one of the Company's main supplier of paint products) and the Company ("Supply Agreement"). The Supply Agreement provided an amount payable to the Company relating to an annual rebate for purchases from AkzoNobel during calendar year 2019. We sought legal advice in relation to the matter and the basis of the counter claim by AkzoNobel. After lengthy discussions and negotiations with AkzoNobel, we have received an offer of \$39,963.01 in full and final settlement of the Company's claim. Notwithstanding our view that there is a strong claim against AkzoNobel, given the inherent risk of litigation and the costs associated with same, ***we recommend creditors approve the offer, as presented.***

Given the amounts detailed above are in excess of the statutory limit pursuant to section 477(2A) of the Act, creditor approval is required where a liquidator intends to compromise a debt exceeding \$100,000. Creditors are required to vote on the resolutions at the meeting of creditors on Tuesday, 27 October 2020 or by completion of the Appointment of Proxy Form to approve the settlements.

Given:

- the financial information reviewed in relation to Bowra's capacity to repay the balance of the outstanding debt in full; and
- the inherent risk associated with, and the cost that would be incurred to pursue the claim against AkzoNobel

we are of the view that it is in creditors' best interests to accept the offers to settle the claims with Bowra and, AkzoNobel, respectively.

The table below summarises the estimated future asset realisations (noting two amounts are subject to creditor approval).

Debtor	Current Balance Outstanding (\$)	Liquidators' ERV (\$)
AkzoNobel Car Refinishes Pty Ltd (AkzoNobel)*	119,889.04	39,963.01
Bowra Panel and Paint (Bowra)*	101,005.98	10,000.00
Frank Newman Smash Repairs (FRAN06)	3,894.41	3,894.41
Todd Quigley t/a High Quality Crash Repairs (HIGH61)	3,570.81	3,570.81
Coast to Coast Customs (COAS08)	2,804.31	2,804.31
Total ERV (before realisation costs)		60,232.54

*Subject to creditor approval

As the assets of the Company's business were sold via a going concern sale during the voluntary administration, I am not aware of any further Company's assets available for realisation for the benefit of creditors. Any further asset realisations, in addition to the above, would be minimal. Given realisations to date have been insufficient to discharge the Company's secured creditor, any further asset realisations will be applied to the secured creditor's debt.

1.3 Statement of Receipts and Payments

Since my last report, I have made the following receipts and payments:

	Amount (\$)
Opening Balance	741,209
Receipts	
Debtors	976,070
Incorrectly Received Debtor Receipts	684,936
Post Settlement Adjustments	386,238
Refunds	14,655
Interest Income	679
Total Receipts	2,062,579
Payments	
Trading Expenses	(1,144,408)
Refund of Incorrectly Received Debtor Receipts	(683,308)
Liquidators Fees & Disbursements	(275,387)
GST Paid	(228,002)

Settlement - Claims	(122,412)
Super Paid (Trading)	(83,604)
Net Distributions to Secured Creditor	(80,011)
Agent's Fees	(47,244)
Contractors	(41,121)
Distribution to Priority Creditors	(36,790)
Legal Fees & Disbursements	(26,491)
Utilities	(8,308)
Bank Charges	(6,197)
Freight Charges	(1,738)
IT Expenses	(995)
Total Payments	(2,786,014)
Cash at bank held by Liquidators as at 6 October 2020	17,773

2 INVESTIGATIONS AND RECOVERY ACTIONS

As Liquidator, I am required to investigate and specify whether there may be any voidable transactions in respect of which money, property or other benefits that may be recoverable by me in my capacity as liquidator of the Company.

I set out below details of my investigations to date and findings in relation to same.

2.1 Investigations Undertaken

I refer to my Previous Report for the details of my investigations undertaken to date.

2.2 Finding and Possible Recoveries

Based on our investigations to date and our review of the available records, I advise that we have not identified any circumstances where money or property would likely be recovered for the benefit of creditors.

2.3 Report to ASIC

Section 533 of the Act requires a liquidator to investigate any offences that may have been committed by the directors or persons who took part in the formation, promotion, administration management or winding up of a company and to lodge a report on his findings to ASIC. I have lodged my report with ASIC which has since advised that it will not be taking any action and that I may proceed to finalise the liquidation.

3 LIKELIHOOD OF A DIVIDEND

I advise that the likelihood of a dividend being paid to creditors will be affected by a number of factors including:

- the size and complexity of the administration;
- the amount of assets realisable and the costs of realising those assets;
- the statutory priority of certain claims and costs;
- the value of various classes of claims including secured, priority and unsecured creditor claims; and
- the volume of enquiries by creditors and other stakeholders.

Based on the information presently available, the extent of the assets realised, the investigations undertaken to date and the quantum of the current amount still owing to the Company's secured creditor, I do not expect a dividend to be paid to unsecured creditors. If a dividend is declared, any creditor whose claim has not yet been admitted will be contacted and asked to submit a proof of debt.

4 LIQUIDATOR'S REMUNERATION

I advise that FTI Consulting charges professional fees based on time spent by the Liquidator and their staff at rates reflecting their level of experience.

As you are aware, I initially sought fee approval of \$125,000.00 for the period 26 March 2019 to 30 April 2019 and future fees of \$295,000.00 for the period 1 May 2019 to 31 December 2019 by way of "proposal without holding a meeting". The resolutions were approved by creditors by way of proposal without meeting process. To date, I have paid fees of \$368,427.25 (excluding GST) and have fee approval of \$51,572.75 remaining. As such, I will not be asking for further fee approval. Creditors should be aware that there have been insufficient recoveries to enable full payment of my fees.

5 MEETING OF CREDITORS

I advise that a Meeting of Creditors will be held at **11:00 AM (AWST) on Tuesday, 27 October 2020 ("the Meeting")**. The principal purpose of the Meeting will be to:

- discuss the conduct of the Liquidation to date; and
- authorise the Liquidator to enter into an agreement and compromise debts related to Bowra and AkzoNobel.

In this regard, I enclose the following documents:

- i) Notice of Meeting;
- ii) Appointment of Proxy Form;
- iii) Form 535 - Proof of Debt or Claim; and
- iv) Statement for Attendance.

Please note that due to the threat of COVID-19 and consistent with the Australian Government's policy on gatherings, a virtual meeting will be held. Creditors attending will need to do so by electronic means as **no physical place for the Meeting will be provided.**

If you wish to access the electronic facilities, the enclosed Statement For Attendance must be completed and returned to Lo Taderera of this office at lo.taderera@fticonsulting.com by **no later than the second-last business day before the day on which the meeting is to be held** so that the necessary arrangements can be made. On receipt of this statement, you will be provided with instructions on how to access the electronic facilities for the meeting.

To enable you to vote, the enclosed proof of debt form must be completed and returned to Lo Taderera of this office no later than **4:00 PM (AWST) on Friday, 23 October 2020.**

If you intend to appoint another person to act on your behalf at the Meeting, or if you are a corporate creditor, I request that you complete and return the enclosed proxy form appointing your representative, to Lo Taderera of this office no later than **4:00 PM (AWST) on Friday, 23 October 2020.**

If you are representing a company, please ensure that your Proxy is executed pursuant to Section 127 of the Act or your representative is appointed pursuant to Section 250D of the Act, otherwise you will not be entitled to vote at the meeting.

6 WAY FORWARD

The following actions are required to proceed with the liquidation, including:

- Convene the meeting of creditors;
- Prepare and lodge minutes with ASIC;
- Pursue and recover amounts owed to the Company; and
- Finalise the liquidation.

Following the meeting of creditors and, subject to approval of creditors to compromise the claims owed to the Company outlined in **Section 1.2**, I intend to finalise the liquidation.

I expect to conclude the liquidation within 6 months, subject to successful recovery of the remaining assets.

Additional information which may assist you can be found on the following websites:

- ARITA at www.arita.com.au/creditors
- ASIC at www.asic.gov.au (search for "insolvency information sheets").

Should you have any queries or require any further information, please contact Lo Taderera of my office on (08) 9321 8533.

Dated this 9th day of October 2020



Ian Francis

Liquidator



Lo Taderera
(08) 9321 8533
Lo.taderera@fticonsulting.com

EXPERTS WITH IMPACT™

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organisations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. FTI Consulting professionals, who are located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring.

www.fticonsulting.com

Annexure A
Notice of meeting and details

**NOTICE OF MEETING OF CREDITORS OF COMPANY UNDER LIQUIDATION
ROBAYNE PTY LTD (IN LIQUIDATION)
ACN 150 673 475 (“THE COMPANY”)**

NOTICE IS GIVEN that a virtual meeting of the creditors of the Company will be held on **Tuesday, 27 October 2020** via telephone conference, commencing at **11AM (AWST)**. Please note that due to COVID-19 and consistent with the Australian Government’s policy on gatherings, a **virtual** meeting will be held. Creditors attending will need to do so by electronic means as no physical place for the Meeting will be provided.

AGENDA

1. To receive a report by the Liquidators about the business, property, affairs and financial circumstances of the Company.
2. To consider authorising the Liquidator to compromise debts greater than the prescribed amount in accordance with s477(2A) of the Corporations Act 2001 (“the Act”).
3. To consider a summary of the receipts and payments of the external administrator(s).
4. Any other business that may lawfully arise.

Attending and voting at the meeting

Creditors are invited to attend the meeting via teleconference; however, they are not entitled to participate and vote at a meeting unless:

- **Proof of debt:** They have lodged with the Liquidators particulars of the debt or claim and the claim has been admitted, wholly or in part, by the Liquidators. If a proof of debt has already been lodged, they do not need to do so again. Refer to Note 1 for further guidance on entitlement to vote.
- **Proxies or attendance:** They are either present in person or by electronic facilities (if being made available) or validly represented by proxy, attorney or an authorised person under s250D of the Act. If a corporate creditor or representative, a proxy form, power of attorney or evidence of appointment of a company representative pursuant to Section 250D of the Act must be validly completed and provided to the Liquidator at or before the meeting.

To enable sufficient time to review, proofs of debt and proxies (or document authorising the representation) should be submitted to:

- Lo Taderera by email at lo.taderera@fticonsulting.com; or
- PO Box Z5486, St Georges Terrace, PERTH WA 6831

By **no later than 4PM on Friday, 23 October 2020** (two (2) business days before the meeting). If you choose to return these documents, please allow sufficient time for the documents to be received prior to the due date.

Electronic facilities

Electronic facilities will be made available at the meeting via conference telephone call. To access those facilities, you need to provide a statement by email to Lo Taderera at lo.taderera@fticonsulting.com, no later than 2 business days before the meeting which sets out:

- **Name:** The name of the person and of the proxy or attorney (if any)
- **Address:** An address to which notices to the person, proxy or attorney may be sent
- **Contact:** The method of contacting the person, proxy or attorney for the purposes of the meeting.

On receipt of this statement, you will be provided with instructions on how to access the electronic facilities for the meeting.

Any queries should be directed to lo.taderera@fticonsulting.com or (08) 6430 1364.

Dated this 9th day of October 2020



Ian Francis

Joint and Several Liquidator

C/- FTI Consulting (Australia) Pty Ltd

PO Box Z5486

St Georges Terrace

PERTH WA 6831

Note 1: Entitlement to vote and completing proofs

IPR (Corp) 75-85 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 in the notice convening the meeting as the person who may receive particulars of the debt or claim:
 - (i) those particulars; or
 - (ii) 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 its value 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 company directly, or may be liable to the company 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.

IPR (Corp) 75-110 Voting on resolutions

- (7) For the purposes of determining whether a resolution is passed at a meeting of creditors of a company, the value of a creditor of the company who:
 - (a) is a related creditor (within the meaning of subsection 75-41(4) of the Insolvency Practice Schedule (Corporations)), for the purposes of the vote, in relation to the company; and
 - (b) has been assigned a debt; and
 - (c) is present at the meeting personally, by telephone, by proxy or attorney; and
 - (d) is voting on the resolution;is to be worked out by taking the value of the assigned debt to be equal to the value of the consideration that the related creditor gave for the assignment of the debt.

Annexure B
Statement of Attendance

**ROBAYNE PTY LTD (IN LIQUIDATION)
ACN 150 673 475 (the Company)**

**STATEMENT FOR ATTENDANCE BY ELECTRONIC FACILITIES
FOR THE MEETING OF CREDITORS TO BE HELD ON TUESDAY, 27 OCTOBER 2020 AT 11:00AM (AWST)**

1. Name of creditor (person):

.....

2. Name of the person and proxy or attorney (if any):

.....

3. Address that notices to the person, proxy or attorney may be sent:

.....

.....

4. Method by which the person, proxy or attorney may be contacted for purposes of the meeting:

Email Telephone (contact details)

5. A completed Appointment of Proxy for the meeting is enclosed. OR

5. An Appointment of Proxy for the meeting has already been submitted.

**Select as applicable. Omit if you do not need to appoint a proxy.*

6. A completed Proof of Debt or Claim Form is enclosed. OR

6. A Proof of Debt or Claim Form has already been submitted.

**Select as applicable.*

Dated:

.....
Name and signature of authorised person

.....
Name and signature of authorised person

Please return to:

Robayne Pty Ltd (In Liquidation)
c/- FTI Consulting (Australia) Pty Ltd
Level 47, Central Park, 152-158 St Georges Terrace,
PERTH WA 6000 Fax: (08) 9321 8544
Email: lo.taderera@fticonsulting.com

Note: This statement is to be provided to FTI no later than the **two business days** before the day on which the meeting is to be held.

Annexure C
Proof of debt or Claim Form

FORM 535

Subregulation 5.6.49(2)
Corporations Act 2001

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidators of Robayne Pty Ltd ACN 150 673 475 (In Liquidation) ("the Company")

1. This is to state that the Company was on 23 January 2019, and still is, justly and truly indebted to:

_____ full name, ABN and
address of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the
occupation of the creditor) for _____ dollars and _____ cents

Particulars of the debt are:

Table with 4 columns: Date, Consideration (state how the debt arose), Amount, Remarks (include details of voucher substantiating payment)

\$

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or
received any satisfaction or security for the sum or any part of it except for the following: _____

(Insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other
negotiable securities are held, show them in a schedule in the following form).

Table with 5 columns: Date, Drawer, Acceptor, Amount, Due Date

\$

3. Signed by (select option):

- I am the creditor personally.
I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that
the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief,
remains unpaid and unsatisfied.
I am the creditor's agent authorised in writing to make this statement in writing. I know the debt was
incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains
unpaid and unsatisfied.

Signature: _____ Dated: _____

Name: _____ Occupation: _____

Address: _____

RECEIVE REPORTS BY EMAIL

Yes No

Do you wish to receive all future reports and correspondence from our office via email?

Yes No

Email:.....

Annexure D
Appointment of Proxy Form

GUIDANCE NOTES FOR COMPLETING PROXY AND PROOF OF DEBT OR CLAIM FORMS

APPOINTMENT OF PROXY FORM

A person can appoint another person to attend the meeting on their behalf by completing the Form of proxy.

If the creditor is a Company or a firm, a person needs to be appointed to represent the Company.

This representative needs to be appointed by completing the Form of Proxy in accordance with section 127 of the Corporations Act 2001 ("the Act"). Alternatively, the appointed person must be authorised to act as a representative for the Company per section 250D of the Act.

The Form of proxy is valid only for the meeting indicated (or any adjournment).

You may appoint either a general proxy (a person who may vote at their discretion on motions at the meeting) or a special proxy (who must vote according to your directions). If you appoint a special proxy, you should indicate on the form what directions you have given. In many instances, there will be a box or section on the proxy form where you can mark how you want your proxy to vote for you.

If you are unable to attend the meeting and you do not have a representative who can attend on your behalf, you may if you wish appoint the Chairperson of the Meeting as your proxy. The Chairperson can be appointed as a general proxy or a special proxy. This is entirely your choice.

INFORMAL PROOF OF DEBT OR CLAIM FORM

The proof of debt submitted during an Administration is informal in that it does not mean that the Administrator has agreed with your proof for the purpose of making a dividend distribution.

It is used for voting purposes at any meetings of creditors and also to help establish the overall level of creditor claims in the administration. In the event that there are monies to be distributed to creditors in the future, you will need to submit a Formal Proof of Debt or Claim form.

You should include a description of how your debt/claim arose, whether you are claiming a security interest in property and if you have any guarantees and indemnities for the debt. If you need more space, you can attach any additional details you wish to include – just make sure that you mention this on the Form so we know what you've attached and how many pages.

You should provide supporting documents that substantiate what you are owed by the Company. This may include things like account statements, unpaid invoices and their corresponding purchase orders, PPSR registration, agreements/terms of trade, contracts, lease or hire agreements, court order or judgment, guarantee or loan document, emails/other correspondence with the Company.

If you need help in completing the forms or if you are uncertain what information you should attach, please email or telephone the nominated FTI Consulting contact person.