



**Minutes of Meeting of Creditors of
MGW Engineering Pty Ltd (Administrators Appointed)
ACN 104 180 734
(the Company or Forefront)**

Held online via Zoom on 26 July 2021 at 3:00 PM

Present	As per the attached register of attendees and observers.
Chairperson and Opening of meeting	Mr Barry Kogan introduced himself as Chairperson of the meeting pursuant to Insolvency Practice Rules (Corporations) 2016 (IPR), section 75-50, and declared the Second Meeting of Creditors of Forefront open at 3:03 PM on Monday, 26 July 2021.
Introductions	The Chairperson introduced Louise Mann (Ms Mann), a Director at McGrathNicol and staff members assisting the Administrators who were also in attendance.
Quorum	The Chairperson declared that a quorum was present pursuant to IPR 75-105.
Attendance	The Chairperson confirmed that an attendance register was being maintained, and asked any creditors who wished to address the meeting to identify themselves for the minutes.
Voting	The Chairperson advised the meeting of the requirements of IPR 75-85, 75-110 and 75-115 as they apply to voting at this meeting.
Time and place of meeting	The Chairperson declared that in accordance with IPR 75-30, the Chairperson is of the opinion that the meeting has been validly convened at a date, time and place most convenient for the majority of persons entitled to receive notice of the meeting.
Online meeting specifics	<p>The Chairperson advised that the meeting was being recorded for the purposes of the minutes. The Chairperson also advised that since creditors were in attendance via an online meeting platform, Zoom, that voting would be conducted via a poll.</p> <p>The Chairperson explained to the meeting how resolutions were passed when voting via a poll.</p>
Proofs of Debts and Proxies	The Chairperson tabled the proof of debt and proxy registers, recording all of the proof of debt and proxies received for the meeting. The Chairperson informed the meeting that the documents were available for inspection.
Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)	The Chairperson tabled the Declaration of Independence, Relevant Relationships and Indemnities circulated with the meeting information, as required by Section 436DA of the Corporations Act and the Australian Restructuring, Insolvency & Turnaround Association (ARITA) Code of Professional Practice, and noted that there had been no changes to the DIRRI.



Tabled documents

The Chairperson tabled:

- the Notice of Meeting;
- the ASIC Published Notices Meeting Advertisement;
- a list of proxies and proofs of debt submitted;
- the DIRRI; and
- a register of attendees and observers present at the meeting as **Annexure A**.

Purpose of meeting

The Chairperson advised that the purpose of the meeting was to:

- 1 consider the Administrators Report to Creditors dated 19 July 2021 as well as the Supplementary Report to Creditors dated 22 July 2021;
- 2 consider and vote on the future of the Company;
- 3 consider the approval of the remuneration of the Administrators;
- 4 consider the approval of the prospective remuneration of the Administrators, Deed Administrators and Liquidators; and
- 5 any other business.

Online meeting specifics

The Chairperson also advised that since creditors were in attendance via Zoom, that voting will not be undertaken on the voices and that voting will be conducted via a poll.

Administrators' Report to Creditors

The Chairperson tabled the Administrators Report to Creditors dated 19 July 2021 and the Supplementary Report to Creditors dated 22 July 2021. A presentation summarising the Administrators report was presented to the meeting and is attached at **Annexure B**.

The Chairperson proceeded to provide the meeting with an overview of the Administration process and details contained within the Administrators' Report, which included:

- the corporate structure;
- a timeline of the key events leading to the Administrators' appointment;
- overview of the Administration, including key actions undertaken;
- Forefront's financial performance, financial position and the reasons for its failure;
- the Administrators' sale process; and
- the investigations conducted by the Administrators.

Proposed Deed of Company Arrangement (DOCA)

The Chairperson then outlined the key terms of the proposed DOCA and provided a brief explanation to creditors of the assets which would make up the Deed Fund and that:

- the control of the company will remain with the Administrators until certain conditions are satisfied, which must occur within 3 weeks, after which time the Director, Anthony Redfern would take control;



- continuing employees would remain employed, with all entitlements recognised including years of service with only their outstanding superannuation paid out of the Deed Fund;
- former employees, including those made redundant during the Voluntary Administration, would retain their statutory rights to claim employee priority entitlements and are expected to be paid in full from the Deed Fund; and
- unsecured creditors would be divided into two classes, which would be subject to varying dividend rates / priorities.

Outcome and key benefits of the DOCA

The Chairperson stated that in all three scenarios set out in the Administrators supplementary report, non-continuing employees and continuing employees (for their outstanding superannuation) are expected to be paid in full.

The Chairperson advised that those creditors classed as Essential Creditors by the Deed Proponent were expected to receive between 20c/\$ and 100c/\$ and Ordinary Unsecured Creditors were expected to receive between 5.70c/\$ and 18.75c/\$.

The Chairperson noted that the benefits to entering into the Proposed DOCA would be that the business would continue, jobs would be maintained, and it was likely to result in a more certain and superior return to creditors.

The Chairperson explained that in a liquidation scenario, the business would cease to trade, and all employees would be made redundant. He further noted that the estimated return to employees would be between 54.42 – 100c/\$ and the estimated return to unsecured creditors is estimated to be between 0/\$ and 2.51c/\$ in a liquidation.

The Chairperson noted that whilst it would be possible that a further sale process, and an ability to recover voidable transactions may increase the assets available to creditors, this would involve additional cost and significant uncertainty.

Options for creditors and recommendation

The Chairperson outlined each of the options available to creditors being:

- Forefront be returned to the director;
- Forefront entering liquidation;
- Forefront entering into a DOCA; and
- An adjournment of up to 45 business days.

The Chairperson confirmed his recommendation that creditors resolve that Forefront enter into a DOCA on the basis it maximises the chances of the Company remaining in existence, continues employment of staff and is expected to result in a better return to creditors than an immediate winding up of the Company.

Questions

The Chairperson then paused for questions from creditors.

Ms Valerie Payn representing Stratacrete Pty Ltd asked the Chairperson to outline the Directors' wages over the last few financial years. The Chairperson



noted that this material was not currently on hand, however he will be able to communicate these details in writing separately. The Chairperson followed up noting that the Directors were paid salaries, held loan accounts and received distributions from Forefront.

Scott Small representing Spinifex Recruiting questioned the likelihood of recovering the outstanding Director/Shareholder loans owed to Forefront. The Chairperson confirmed that as part of the DOCA proposal, Anthony Redfern will repay his loan in full. He further noted that the Administrators have demanded the repayment of Michael Clout's loan and are currently in communication with his solicitors regarding repayment.

Scott Small representing Spinifex Recruiting then queried the impact to creditors if Michael Clout's loan is not received in full. The Chairperson noted that the "low" case DOCA scenario in the Administrators report, assumed minimal recoveries from this loan and in the "high" case DOCA scenario, it is assumed the loan is paid in full.

Valerie Payn representing Stratacrete Pty Ltd asked how creditors could pursue Directors for trading whilst insolvent. The Chairperson confirmed that the Company may have traded whilst insolvent from at least September 2020 and advised that insolvent trading can be pursued by a Liquidator but not by a Deed Administrator. The Chairperson advised that if a Liquidator was appointed, further investigations would be conducted and claims could be pursued against Directors, however various defences may be available to the Directors and recoveries are only available to the extent the parties have assets. He further noted that the Liquidator would have to undertake a cost benefit analysis based on the assets available to those parties which the Liquidator wished to pursue.

Scott Small representing Spinifex Recruiting asked about the expected recoveries from Sydney-based projects. The Chairperson detailed that amounts owing from those customers are subject to disputes and counterclaims, but the Administrators have contacted those parties asserting the rights of the Company. In respect of the outcomes to creditors, the Chairperson noted that in a low case DOCA scenario, the Administrators have assumed minimal recoveries and in the high case DOCA scenario, the Administrators have assumed more fulsome recoveries from these claims.

Valerie Payn representing Stratacrete Pty Ltd then asked whether Mr Small's question related to money owed in relation to the Northparkes dispute. The Chairperson confirmed that the Sydney-based recoveries relate to a different customer. He further noted that all disputes relating to Northparkes were settled prior to the Administrators' appointment and in the event a Liquidator was appointed, the Liquidator could investigate whether the settlement reached was on an appropriate basis.

Jordan Crouch representing Inductabend Pty Ltd asked for further clarification relating to the ongoing monthly contributions under a DOCA scenario. The Chairperson confirmed that under the terms of the DOCA, payments from the Company would include a fixed monthly sum for an 11-month period and an additional 5% of revenue from November 2021 to April 2022. In respect of the outcomes to creditors, the Chairperson noted that in a "low" case DOCA scenario, the Administrators have assumed no deferred payments are received and in the "high" case DOCA scenario, the Administrators have assumed all deferred payments are received. The Chairperson further noted



that the Director is heavily incentivised to comply with the DOCA as he had pledged his personal assets as security to a lender funding the initial contribution to the Deed Fund.

Scott Small representing Spinifex Recruiting asked whether the Administrators have the ability to increase the fixed monthly payments in order to increase the return to creditors. The Chairperson noted that extensive interactions between the Administrators and the Deed Proponent had occurred in order to obtain the current DOCA Proposal.

Jordan Crouch representing Inductabend Pty Ltd asked whether revenue had declined during the Administration period and what the revenue was forecasted to be during the period November 2021 to April 2022 (i.e. the period of revenue contributions). The Chairperson noted that the Company has returned to its core focus during the Administration period (of predominantly undertaking maintenance work for Newcrest Mining), therefore revenue had decreased accordingly. He further noted that over time, the Company may have capacity to undertake other projects, however for the immediate future the Company is focussed on servicing Newcrest Mining via maintenance and fabrication works.

No further questions were asked.

Resolutions

The Chairperson then put the following resolutions to the meeting and explained the mechanics of the voting via a poll.

Ms Mann announced the outcome of the voting. The Chairperson advised that he held 4 general proxies in the amount of \$100,575.03 and confirmed that he would abstain from exercising these proxies in relation resolutions connected to his remuneration.

Voluntary Administrators' Retrospective Remuneration

The Chairperson put the following resolution to the meeting:

"That the remuneration of the Administrators for the period 21 June 2021 to 9 July 2021, calculated at hourly rates as detailed in the Initial Remuneration Notice dated 24 June 2021, is determined in the sum of \$301,095.50, exclusive of GST."

Record of votes based on a poll:

Vote	Number of votes	Value of votes (\$)
In Favour	44	\$1,239,818
Against	1	\$499,112
Abstaining	41	\$10,365,376

The chairperson therefore declared the resolution carried.

Voluntary Administrators' Prospective Remuneration

The Chairperson put the following resolution to the meeting:

"That the future remuneration of the Administrators from 10 July 2021 to the Second Meeting of Creditors is determined at a sum equal to the cost of time spent by the Administrators and their partners and staff, calculated at



the hourly rates as detailed in the Initial Remuneration Notice dated 24 June 2021, up to an initial amount of \$125,000.00, exclusive of GST."

Record of votes based on a poll:

Vote	Number of votes	Value of votes (\$)
In Favour	42	\$992,891
Against	1	\$499,112
Abstaining	43	\$10,612,302

The chairperson therefore declared the resolution carried.

Future of the Company

The Chairperson put the following resolution to the meeting:

"That MGW Engineering Pty Ltd (Administrators Appointed) execute a Deed of Company Arrangement and Barry Kogan and Jonathan Henry be appointed Joint and Several Deed Administrators".

Record of votes based on a poll:

Vote	Number of votes	Value of votes (\$)
In Favour	71	\$10,570,245
Against	4	\$170,842
Abstaining	11	\$1,363,219

The chairperson therefore declared the resolution carried.



Proposed Remuneration to the date of the DOCA execution

The Chairperson put the following resolution to the meeting:

"That the future remuneration of the Administrators from the Second Meeting of Creditors to the execution of the DOCA is determined at a sum equal to the cost of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 24 June 2021, up to an initial amount of \$200,000.00, exclusive of GST."

Record of votes based on a poll:

Vote	Number of votes	Value of votes (\$)
In Favour	63	\$4,945,710
Against	0	\$0
Abstaining	23	\$7,158,596

The chairperson therefore declared the resolution carried.

Prospective Deed Administrators' remuneration

The Chairperson put the following resolution to the meeting:

"That the future remuneration of the Deed Administrators of MGW Engineering Pty Ltd (subject to a Deed of Company Arrangement) for the period of the DOCA calculated at the hourly rates as detailed in the Remuneration Report dated 19 July 2021 be approved, up to an initial amount of \$300,000.00, exclusive of GST."

Record of votes based on a poll:

Vote	Number of votes	Value of votes (\$)
In Favour	61	\$4,432,217
Against	1	\$499,112
Abstaining	24	\$7,172,976

The chairperson therefore declared the resolution carried.

Committee of Inspection

The Chairperson recommended that a Committee of Inspection be formed for Forefront due to the large, diverse creditor base.

The Chairperson put forward a resolution to form a committee of inspection and to nominate prospective members.

A discussion ensued whereby a number of creditors nominated themselves to act as committee members.

The following resolution was put to creditors:

"That

1. Arthur Zafiriou representing Akzo Nobel Pty Ltd



2. Harry Collins representing Bright Dot Pty Ltd
 3. Mitchell Adkins representing One Track Workforce Pty Ltd (In Liquidation) (Receivers and Managers Appointed)
 4. Grant Morris representing Southern Steel Supplies Pty Ltd
 5. Brade Davidson (a former employee)
 6. Jenna Lawson (a current employee)
- be appointed to the Committee of Inspection."*

Record of votes based on a poll:

Vote	Number of votes	Value of votes (\$)
In Favour	68	\$10,332,757
Against	0	\$0
Abstaining	18	\$1,759,798

The Chairperson declared the resolution carried.

Closure

The Chairperson asked the meeting whether any creditors had further questions. No further questions were asked.

The Chairperson asked the creditors whether any person had any concerns regarding the convening or chairing of this meeting.

No creditors raised any issues.

As there was no further business, the Chairperson declared the meeting closed at 4:41 PM on 26 July 2021.

Signed as a true and correct record.

Chairperson – Barry Kogan

**Meeting Attendance Register -
MGW Engineering Pty Ltd**

2nd Creditors Meeting held online at <https://mcgrathnicol.zoom.us/j/94478361631?pwd=TVIyemh5aWNjZkxQaWU0RHUzVXpadz09> on 26 July 2021 at 3:00 PM

Chairperson: Barry Kogan

All Creditors

Creditor Name	Related Party? state 'Yes'	Name of Proxy or Attorney	Type of Proxy (General / Spec	Creditor ROCAP Amount	Creditor Claimed Amount	Value of Security	Admitted to Vote for	Signature of Person Attending
3D Consulting Pty Ltd T/AS SyncEzy							0.00	
A Brown Welding Pty Ltd				0.00	26,562.25		0.00	
A G Kowaliw & Associates Pty Ltd T/AS Koala Forklifts				1,177.34	1,177.34		0.00	
A J Daley T/AS Cutting Edge Lawns Parkes				3,443.00	6,145.54		0.00	
AA Laser Pty Ltd				28,017.00	28,017.00		0.00	
About Compliance and Training Pty Ltd		Jenna Lawson	General	840.00	840.00		0.00	
ADH Plumbing Pty Ltd				1,516.68	1,516.68		0.00	
Advanced Piping Systems		Stuart Craig	Special	220,976.61	220,976.61		220,976.61	Attended via Zoom
Advantage Industries Pty Ltd				27,610.36	27,610.36		0.00	
Akzo Nobel Pty Ltd				127,623.76	122,756.26		0.00	
Alibu Pty Ltd T/AS Waterways of Singleton		Chairperson	General	83,024.79	88,700.03		88,700.03	Attended via Zoom
ALS Industrial Pty Ltd				29,942.59	29,942.59		0.00	
Anderson, Adrian (Mr)		Jenna Lawson	General	21,406.90	21,406.90		21,406.90	Attended via Zoom
AnyDesk Software				330.05	330.05		0.00	
Apex Fire & Plumbing Solutions Pty Ltd				14,361.39	14,361.96		0.00	
APS Hydraulic Services Pty Ltd				12,490.50	12,490.50		0.00	
ARL Laboratory Services Pty Ltd				15,415.16	15,415.16		0.00	
Arostique, Jerwin (Mr)				8,135.58	8,135.58		0.00	
Atkins, Charles (Mr)				1,841.58	1,841.58		0.00	
Australian Taxation Office		Brett Sullivan	General	0.00	1,458,819.72		1,458,819.72	Attended via Zoom
Backhouse, Lachlan (Mr)		Jenna Lawson	General	3,461.06	18,610.13		18,610.13	Attended via Zoom
Backhouse, Sebastian (Mr)		Jenna Lawson	General	2,357.31	30,457.39		30,457.39	Attended via Zoom

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Barton, Jody (Mr)				3,980.84	3,980.84		0.00	
Battishall, Ronald (Mr)							0.00	
Bennett, Curtis (Mr)		Jenna Lawson	General	2,769.54	12,932.81		12,932.81	Attended via Zoom
Bermingham-Friend, Daniel (Mr)				3,751.39	3,751.39		0.00	
Betts, Daniel (Mr)		Jenna Lawson	General	11,512.92	46,916.76		46,916.76	Attended via Zoom
Bexon Crane Rail Pty Limited		Julie Simpson	General	13,469.98	14,380.00		14,380.00	Attended via Zoom
Blacktown Commercial Real Estate Unit Trust T/AS Solve Commercial Real Estate				8,325.60	8,325.60		0.00	
Blair, Wesley (Mr)		Jenna Lawson	General	4,009.21	14,522.26		14,522.26	Attended via Zoom
Blayney Crane Services Pty Ltd				399,230.10	399,230.10		0.00	
Blomfield, Jody (Mr)				15,829.22	15,829.22		15,829.22	Attended via Zoom
BLP Training & Services Pty Ltd				22,440.00	22,440.00		0.00	
BMJ Truckin Pty Ltd				2,651.00	2,651.00		0.00	
BOC Limited		Richard Andjelkovic	General	9,332.12	107,801.51		107,801.51	Attended via Zoom
Botany Access Pty Ltd T/AS Botany Hire				22,842.73	22,842.73		0.00	
Box Plumbing and Civil Pty Ltd		Nicolas Box	General	71,346.00	71,346.00		71,346.00	Attended via Zoom
Bright Dot Pty Ltd		Harry Collins	General	154,612.25	154,612.25		154,612.25	Attended via Zoom
BRL Design Pty Ltd				7,458.00	7,458.00		0.00	
Brown, Michael (Mr)							0.00	
Brown, Shawn (Mr)		Jenna Lawson	General	4,798.68	21,673.53		21,673.53	Attended via Zoom
Brownley, Scott (Mr)							0.00	
Brutton, Derek (Mr)							0.00	
Building Chemical Supplies (Australia) Pty Ltd				51,791.80	51,791.80		0.00	

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Bullivants Pty Ltd				48,425.11	48,425.11		0.00	
Bunnings Group Ltd.				397.00	397.00		0.00	
Calampinay, Rodel (Mr)		Jenna Lawson	General	8,123.90	21,050.47		21,050.47	Attended via Zoom
Campbell, Brett (Mr)		Jenna Lawson	General	7,353.40	33,952.59		33,952.59	Attended via Zoom
Carrabay Reo Pty Ltd		Brian Flannelly	General	654,235.06	654,234.06		654,234.06	Attended via Zoom
Central Plate & Gal Pty Ltd				4,150.30	4,150.30		0.00	
Central West Fluid Power Pty Ltd		Stephen Beath	Special	3,418.14	3,418.14		3,418.14	Attended via Zoom
Central West Inspection Pty Ltd				6,946.50	6,946.50		0.00	
Centurne Pty Ltd T/AS Central Crane Services				13,923.00	13,923.00		0.00	
Civil Consulting Pty Ltd				3,326.40	3,326.40		0.00	
Clarke, Cameron (Mr)				7,899.83	7,899.83		0.00	
Cleanaway Equipment Services Pty Ltd				2,557.49	2,557.49		0.00	
Clout & Redfern Unit Trust	Y			12,870.00	12,870.00		0.00	
Clout, Michael (Mr)	Y			133,744.38	133,744.38		133,744.38	Attended via Zoom
CMW-BVA Valves Pty Ltd T/AS Challenger Valves & Actuators				2,502.50	2,502.50		0.00	
Coates Hire Operations Pty Limited		Grant Morris	General	220,518.46	235,768.86		235,768.86	Attended via Zoom
Coelli, Joseph (Mr)							0.00	
Colin J & Sue M Caldwell				9,099.99	9,099.99		0.00	
Colless, William (Mr)							0.00	
Colton Computer Technologies Pty Ltd				561.00	561.00		0.00	
Concrete World Industries Pty Ltd				67,425.70	67,425.70		0.00	
Cono Services Pty Ltd				924,304.58	924,304.58		0.00	

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Cornelissens, Travis (Mr)		Jenna Lawson	General	5,041.86	25,741.65		25,741.65	Attended via Zoom
Cottam, John (Mr)							0.00	
Cotter, Darryn (Mr)				1,492.94	1,492.94		0.00	
Coventry Group Ltd T/AS Konnect Fastening Systems				6,993.08	6,993.08		0.00	
Craig Raymond Dolbel T/AS Test 'N' Tag Orange				3,588.76	3,588.76		0.00	
Craig, James (Mr)							0.00	
Critical Input Pty Ltd				11,880.00	11,880.00		0.00	
Daniel Betts				3,657.66	3,657.66		0.00	
Dantes, Oliver				13,945.46	44,703.81		44,703.81	Attended via Zoom
David Kennedy Electrical Pty Ltd T/AS Everything Welding				6,442.50	6,442.50		0.00	
Davidson, Brade (Mr)				14,072.44	100,369.00		100,369.00	Attended via Zoom
Deliyiannis, Chantel (Mrs)		Jenna Lawson	General	810.47	8,573.91		8,573.91	Attended via Zoom
Dordanai Civil Pty Ltd		Greta Koshy	Special	224,725.23	224,725.19		224,725.19	Attended via Zoom
Double T Haulage Pty Ltd				10,535.25	9,099.16		0.00	
Downey, Paul (Mr)							0.00	
DuluxGroup (Australia) Pty Ltd				344.92	344.92		0.00	
E L Beuzeville & S J Beuzeville T/AS Parkes Top Town Traders				5,383.50	5,383.50		0.00	
Earsman, Kain (Mr)		Jenna Lawson	General	3,755.46	16,112.87		16,112.87	Attended via Zoom
Edcon Steel Pty Ltd				1,064.02	1,064.02		0.00	
Enduraclad East Pty Ltd		Chairperson	General	5,200.00	5,200.00		5,200.00	Attended via Zoom
Fentarian Pty Ltd T/AS Sullivans Mining & Hardware				66,833.44	66,833.44		0.00	
Fiona Maree Glasheen T/AS Rascals Indoor Play Café				12,855.00	13,127.94		0.00	

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Fitzpatrick, Benjamin (Mr)							0.00	
G E & M R Boardman T/AS Parkes Contract Cleaning Service				5,292.82	5,292.82		0.00	
G Hunter & Co Pty Ltd T/AS Hunter Real Estate Parkes				258.10	258.10		0.00	
G K Craig Pty Ltd T/AS GK Craig Printing				3,903.92	3,903.92		0.00	
Garland, Peter (Mr)				6,522.22	39,082.00		39,082.00	Attended via Zoom
GB Auto Group Pty Ltd		Tasman Dykes	General	3,237.87	3,381.92		3,381.92	Attended via Zoom
GJB Enterprises		Gary Burt	General	21,472.00	21,472.00		21,472.00	Attended via Zoom
Glanville, Trent (Mr)		Jenna Lawson	General	4,384.65	6,652.83		6,652.83	Attended via Zoom
Gloria, Roland (Mr)		Jenna Lawson	General	7,397.95	22,633.80		22,633.80	Attended via Zoom
Grassi, Paulo (Mr)				4,096.20	4,096.20		0.00	
Green, Thomas (Mr)							0.00	
Gregory J Lowe T/AS The Maintenance Shed				1,152.58	1,152.58		0.00	
Grigg, Michael (Mr)				6,352.76	24,303.77		24,303.77	Attended via Zoom
Gunes, Hulisi (Mr)				1,607.72	1,607.72		0.00	
GWS Personnel Pty Ltd T/AS Spinifex Recruiting		Scott Small	General	142,225.49	142,225.50		142,225.50	Attended via Zoom
H & I Safety and Training Pty Ltd				2,550.00	2,500.00		0.00	
Hamilton, James (Mr)							0.00	
Hausler, Craig (Mr)				829.61	829.61		0.00	
Haynes, Alisa (Mrs)		Jenna Lawson	General	0.00	15,157.49		15,157.49	Attended via Zoom
Hertz Australia Pty. Ltd				238,438.52	238,438.52		0.00	
Hetherington, Dylan (Mr)		Jenna Lawson	General	2,431.92	20,021.74		20,021.74	Attended via Zoom
HG Farley Laserlab Co Pty Ltd				6,121.11	6,121.11		0.00	

**Meeting Attendance Register -
MGW Engineering Pty Ltd**

2nd Creditors Meeting held online at <https://mcgrathnicol.zoom.us/j/94478361631?pwd=TVIyemh5aWNjZkxQaWU0RHUzVXpadz09> on 26 July 2021 at 3:00 PM

Chairperson: Barry Kogan

All Creditors

Creditor Name	Related Party? state 'Yes'	Name of Proxy or Attorney	Type of Proxy (General / Spec	Creditor ROCAP Amount	Creditor Claimed Amount	Value of Security	Admitted to Vote for	Signature of Person Attending
Hilti Australia Pty Ltd				7,912.41	7,912.41		0.00	
Homes, Andrew (Mr)				0.00	8,084.11		0.00	
Hoppa Family Trust T/AS Midwest Signs				149.60	149.60		0.00	
Howard, Jonathan (Mr)				11,361.85	40,100.31		40,100.31	Attended via Zoom
HPH Construction Pty Ltd				120,180.50	120,180.50		0.00	
Iconic Services Pty Ltd				7,073.00	7,073.00		0.00	
INDUCTABEND PTY LTD		Jordan Crouch	Special	46,018.50	46,018.50		46,018.50	Attended via Zoom
IXL Metal Castings Pty Ltd		Matthew Blackwell	General	22,440.00	250,307.20		26,092.20	Attended via Zoom
J & A Beard Pty Ltd				26,528.70	26,528.70		0.00	
Jaybro Group Pty Ltd T/AS Jaybro Civil & Safety				6,385.55	6,385.55			Attended via Zoom
J J Richards & Sons Pty Ltd T/AS JJ's Waste & Recycling				5,050.37	5,053.49		0.00	
J R & E G Richards Pty Ltd T/AS JR Richards & Sons				560.00	560.00		0.00	
J R Richards Family Trust T/AS Colour City Waste Solutions				2,581.89	2,581.89		0.00	
J.Blackwoods & Son Pty Ltd T/AS Blackwoods				22,728.60	22,728.60		0.00	
JA Coburn & PF Knudsen T/AS Oasis Motel Peak Hill				8,100.00	8,100.00		0.00	
JAX Tyres Orange		Alan Sharp	General	4,111.60	5,845.60		5,845.60	Attended via Zoom
Jaybro Group Pty Ltd T/AS Jaybro Civil & Safety Products				6,385.55	6,385.55		6,385.55	Attended via Zoom
JDB Plumbing Pty Ltd				21,104.05	21,104.05		0.00	
JDN Monocrane Pty Ltd				2,357.45	2,357.45		0.00	
Jordan, Callum (Mr)							0.00	
Jotun Australia Pty Ltd				34,678.38	34,678.38		0.00	
JTMEC Pty Ltd				7,728.52	7,728.52		0.00	

**Meeting Attendance Register -
MGW Engineering Pty Ltd**

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Chairperson: Barry Kogan

All Creditors

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Judy Coburn				0.00	8,100.00		0.00	
K & H Geotechnical Services Pty Ltd				27,527.50	27,527.50		0.00	
K & H Machinery & Excavations Pty Ltd T/AS K&H Earthmoving & Haulage				1,672.00	1,672.00		0.00	
Kane and Jodie Wyburn				3,000.00	3,465.00		0.00	
Kaseya Australia Pty Ltd				811.59	811.59		0.00	
Kelly, Mark (Mr)		Jenna Lawson	General	7,399.20	43,690.58		43,690.58	Attended via Zoom
Kennards Hire Pty Ltd				1,817.00	1,878.00		0.00	
KHSP Engineering Pty Ltd				16,874.00	15,340.00		0.00	
Kitson Mining Services Pty Ltd T/AS Kitson Manufacturing Solutions				35,635.50	35,635.50		0.00	
Koala Forklifts							0.00	
Kotzur Marine Industries Pty Ltd T/AS Offshore Fabrications				6,063.75	6,063.75		0.00	
Lakeland Hire Group Pty Ltd				42,055.75	42,055.75		0.00	
Langfield, Jakeob (Mr)							0.00	
Lanser, Ben (Mr)				5,933.00	5,933.00		0.00	
Lawson, Jenna (Ms)				908.91	19,822.41		19,822.41	Attended via Zoom
Lazzarini, Mitchell (Mr)				3,003.10	3,003.10		0.00	
Leslie, Nicholas (Mr)				8,501.81	8,501.81		0.00	
Lewis, James (Mr)				9,171.07	19,509.51		19,509.51	Attended via Zoom
Lexington Engineering				39,420.00	94,860.00		0.00	
Lion Services Pty Ltd				60,333.90	60,333.40		0.00	
Locker Group Pty Ltd T/As Webforge				87,169.61	87,169.00		0.00	
M D Morrissey Services Pty Ltd				59,981.47	52,734.01		0.00	

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MGW Engineering Pty Ltd**

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All Creditors

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M Gillis & Gana Holdings Trust & D T Newey T/AS Gillis Delaney Lawyers				935.00	935.00		0.00	
M J Brace Pty Ltd T/AS Plumpton Autos				1,490.50	1,490.50		0.00	
MAAS Group Pty Ltd				29,443.34	29,443.34		0.00	
Maksacheff, Agnieszka (Mrs)							0.00	
Mansley Family Trust T/AS Advance Accessories				11,659.20	11,659.20		0.00	
Masson, William (Mr)				17,208.55	70,630.15		70,630.15	Attended via Zoom
MCA Engineering Pty Ltd		Andrew Poscore	Special	120,374.10	120,374.10		120,374.10	Attended via Zoom
McAnulty, Mathew (Mr)				6,503.22	6,503.22		0.00	
McCulloch Family Trust T/AS OLT Group				19,266.50	27,285.50		0.00	
MDMS Pty Ltd T/AS Whites Electrical				1,923.27	1,923.27		0.00	
Meales Concrete Pumping NSW Pty Ltd				76,103.50	76,103.50		0.00	
Meales NSW Concrete Pumping Pty Ltd				201,195.57	201,195.57		0.00	
Mercedes Benz Financial Services Australia Pty Ltd				0.00	77,970.10		0.00	
Morgan, William (Mr)							0.00	
MSB Total Solutions				14,133.64	14,133.64		0.00	
MTS Mechanical Repairs				1,577.22	1,577.22		0.00	
Mulligan-Hely Family Trust T/AS Jax Tyres Kensington				10,511.00	10,511.00		0.00	
Neist, Dylan (Mr)		Jenna Lawson	General	1,701.17	13,699.38		13,699.38	Attended via Zoom
Neville Family Trust T/AS Orange City Cleaning Service				6,406.40	6,406.40		0.00	
Nicole Death				3,698.00	6,170.00		0.00	
Oakes, Robert (Mr)		Jenna Lawson	General	1,666.23	14,654.87		14,654.87	Attended via Zoom
O'Donnell, Matthew (Mr)				4,905.93	4,905.93		0.00	

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MGW Engineering Pty Ltd**

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Chairperson: Barry Kogan

All Creditors

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Officeworks Ltd				465.12	465.12		0.00	
Offner, Jake (Mr)				11,280.07	11,280.07		0.00	
One Track Workforce Pty Ltd		Mitchell Atkins	Special	4,855,557.13	5,357,756.00		5,357,756.00	Attended via Zoom
onwatch				115.50	115.50		0.00	
Orange Clothing Company Pty Ltd				5,440.07	5,440.07		0.00	
Orange Equipment Pty Ltd T/AS Orange Hire				108,995.86	108,995.86		0.00	
Oretek Pty Ltd				17,504.12	17,504.12		0.00	
Origin Energy Electricity Ltd				9,677.29	11,743.78		0.00	
Pathtech Pty Ltd				4,344.95	4,344.95		0.00	
Patterson, Mathew (Mr)		Jenna Lawson	General	1,183.28	4,613.75		4,613.75	Attended via Zoom
Pentreath Enterprises Pty Ltd T/AS Grants Express				201.40	201.40		0.00	
PERI AUSTRALIA PTY LTD				2,147.76	2,147.76		0.00	
Peter C Mueller T/AS Pete's Car Wash				92.80	92.80		92.80	Attended via Zoom
Pittis, Harrison (Mr)		Jenna Lawson	General	631.25	3,539.45		3,539.45	Attended via Zoom
PMW Trading Trust T/AS Pigot Miller Wilson				880.00	880.00		0.00	
Polymer Industries Australia Pty Ltd				7,895.00	7,895.00		0.00	
Porter, Cameron (Mr)							0.00	
Power Tools Plus Pty Ltd				4,646.00	4,646.00		0.00	
Preindre Pty Ltd T/AS Gosford Printing				2,068.00	1,880.00		0.00	
PremiAir Fuels Pty Ltd				4,060.99	4,060.99		0.00	
Priddle, Matthew (Mr)				3,982.67	40,282.00		40,282.00	Attended via Zoom
R G Miller T/AS Millers Crushing & Earthmoving Repairs				3,669.18	3,669.18		0.00	

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MGW Engineering Pty Ltd**

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Chairperson: Barry Kogan

All Creditors

Creditor Name	Related Party? state 'Yes'	Name of Proxy or Attorney	Type of Proxy (General / Spec	Creditor ROCAP Amount	Creditor Claimed Amount	Value of Security	Admitted to Vote for	Signature of Person Attending
Rallestan, Fernan (Mr)		Jenna Lawson	General	4,820.87	17,191.06		17,191.06	Attended via Zoom
Randstad Pty Ltd				235,244.39	235,244.39		0.00	
Redfern, Anthony (Mr)	Y	Jenna Lawson	General	0.00	136,030.33		136,030.33	Attended via Zoom
Redfern, Brooke (Mrs)	Y			166.29	166.29		0.00	
Reece Australia Pty Ltd		Grant Morris	General	55,710.99	55,710.99		55,710.99	Attended via Zoom
Reimbursement for Staff				81.23	81.23		0.00	
Reliable Conveyor Belt Pty Ltd				31,417.10	31,417.10		0.00	
Reyter, Joshua (Mr)				1,434.01	1,434.01		0.00	
Rigger Imports Safety Pty Ltd				693.00	693.00		0.00	
RJKO Engineering Pty Ltd				239,775.25	239,775.25		0.00	
RMP (NSW) Pty Ltd T/AS Regos Plus Tyre & Mechanical				20,912.44	20,912.44		0.00	
Rollco Pty Ltd				731.32	731.32		0.00	
Rowse, Kurtley (Mr)		Jenna Lawson	General	5,319.98	31,827.97		31,827.97	Attended via Zoom
Russell, Robert (Mr)							0.00	
S M Adams & Others T/AS Piper Alderman				5,258.00	5,258.00		0.00	
Schramm, Dan (Mr)							0.00	
Scott Camery Welding & Fabrication		Jodie Soley	General	22,384.93	23,639.81		0.00	
Shannon Australia Pty Ltd				41,122.95	41,122.95		0.00	
Shared Safety & Risk Pty Ltd				9,680.00	9,680.00		0.00	
Sharpe, Danny (Mr)		Jenna Lawson	General	3,530.28	17,928.48		17,928.48	Attended via Zoom
Sheen, Jason (Mr)				4,700.41	4,700.41		0.00	
Sheridan, Angela (Mrs)		Jenna Lawson	General	0.00	21,771.71		21,771.71	Attended via Zoom

**Meeting Attendance Register -
MGW Engineering Pty Ltd**

2nd Creditors Meeting held online at <https://mcgrathnicol.zoom.us/j/94478361631?pwd=TVIyemh5aWNjZkxQaWU0RHUzVXpadz09> on 26 July 2021 at 3:00 PM

Chairperson: Barry Kogan

All Creditors

Creditor Name	Related Party? state 'Yes'	Name of Proxy or Attorney	Type of Proxy (General / Spec	Creditor ROCAP Amount	Creditor Claimed Amount	Value of Security	Admitted to Vote for	Signature of Person Attending
Sheriff, Warwick (Mr)							0.00	
Shiatsu Pty Ltd T/AS Griffins Leading Edge				14,146.77	14,146.77		0.00	
Silverwater Welding Pty Ltd T/AS Silverwater Welding Supplies				3,456.74	3,456.74		0.00	
SLS Mechanical Services Pty Ltd				4,208.96	4,208.96		0.00	
Sommer, Melyka		Jenna Lawson	General	1,458.77	8,657.64		8,657.64	Attended via Zoom
Southern Cross Truck Rentals Pty Ltd				15,033.04	15,033.04		0.00	
Southern Steel Supplies Pty Ltd		Grant Morris	General	442,825.46	33,550.00		33,550.00	Attended via Zoom
Specialised CNC Engineering Pty Ltd		Geoffrey Parkes	Special	5,269.00	5,269.00		5,269.00	Attended via Zoom
Spencer, Shaun (Mr)		Jenna Lawson	General	5,000.92	13,967.55		13,967.55	Attended via Zoom
Stanley, Warren (Mr)				1,588.48	1,588.48		0.00	
Stratacrete Pty Ltd		Albert Loncaric	General	499,111.90	499,111.90		499,111.90	Attended via Zoom
Stratton Finance Pty Ltd				865.07	865.07		0.00	
Sullivan, Scott (Mr)							0.00	
Swain, Zeb (Mr)							0.00	
Tarr, Vicki (Ms)		Jenna Lawson	General	12,209.91	36,849.84		36,849.84	Attended via Zoom
Teleo Design Pty Ltd		Eric Hooimeyer	General	5,082.00	5,082.00		5,082.00	Attended via Zoom
Telstra Corporation Ltd				2,534.95	2,534.95		0.00	
Teufel Innovative Engineering Pty Ltd				12,012.00	12,012.00		0.00	
The Acko Group Pty Ltd				85,933.42	89,611.19		0.00	
The Bell Family Trust T/AS ALO Design		Chairperson	General	808.50	735.00		735.00	Attended via Zoom
The Eilbeck Unit Trust T/AS Eilbeck Cranes				2,457.40	2,457.40		0.00	
The Hogan Working Trust T/AS Telescope Tyres & Batteries				8,873.00	8,873.00		0.00	

**Meeting Attendance Register -
MGW Engineering Pty Ltd**

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Chairperson: Barry Kogan

All Creditors

Creditor Name	Related Party? state 'Yes'	Name of Proxy or Attorney	Type of Proxy (General / Spec	Creditor ROCAP Amount	Creditor Claimed Amount	Value of Security	Admitted to Vote for	Signature of Person Attending
Wechsel Family Trust				9,625.00	9,625.00		0.00	
Weir Minerals Australia Limited				123,843.89	123,843.89		0.00	
Western Battery Company Pty Ltd				132.70	132.70		0.00	
Whites (Orange) Pty Ltd		Chairperson	General	5,940.00	5,940.00		5,940.00	Attended via Zoom
Wielgaard, Royden (Mr)							0.00	
Wighton, Jared (Mr)							0.00	
Williams, Jo-anne (Mrs)				2,730.92	17,690.12		17,690.12	Attended via Zoom
Wilson, Dean (Mr)		Jenna Lawson	General	2,873.52	28,442.96		28,442.96	Attended via Zoom
Work Metrics Pty Ltd				176.00	176.00		0.00	
Workers Compensation Nominal Insurer T/AS Icare Workers Insurance				41,118.31	41,118.31		0.00	
Worldpoly Pty Ltd				13,255.00	13,255.00		0.00	
Wright, Toby (Mr)		Jenna Lawson	General	5,706.56	36,489.68		36,489.68	Attended via Zoom
Yates, Barry (Mr)							0.00	
Zamora, Victoriano (Mr)		Jenna Lawson	General	8,575.27	22,153.58		22,153.58	Attended via Zoom
Zero Harm Safety Solutions Pty Ltd				22,990.00	22,990.00		0.00	
Zographos, Nicolas (Mr)		Jenna Lawson	General	7,191.38	31,927.91		31,927.91	Attended via Zoom

Meeting Attendance Register - Observers

MGW Engineering Pty Ltd (Administrators Appointed)

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Chairperson: Barry Kogan

Name of Observer	Signature of Person Attending
Andrew Ng	Attended via Zoom
Danielle Funston	Attended via Zoom
Angela Sheridan	Attended via Zoom
Mark Wilson	Attended via Zoom
Cheryl Fender	Attended via Zoom
Curtis Bennett	Attended via Zoom
David Waters	Attended via Zoom
Roger Denston	Attended via Zoom
Melyka Sommer	Attended via Zoom
Nicolas Zographos	Attended via Zoom
Valerie Payn	Attended via Zoom

MGW Engineering Pty Ltd (Administrators Appointed) (Forefront Services)

Second Meeting of Creditors

26 July 2021



1

Agenda

- **Introduction**
 - Meeting formalities
 - Purpose of meeting
- **Administrator's Report**
 - The Voluntary Administration and reasons for failure
 - Administrators' actions to date
 - Administrators' sale process
 - Investigations
 - Proposed Deed of Company Arrangement
 - Expected return to creditors
- **Administrators' recommendation**
- **Questions**
- **Resolutions**

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Formalities

- Open meeting
- Administrator Chairperson: IPR 75-50
- Introductions:
 - Barry Kogan (Administrator)
 - Louise Mann (McGrathNicol Director)
- Attendance register – meeting via Zoom/Teleconference
- Quorum: IPR 75-105
- Time and place convenient: IPR 75-30
- Administrators' report to creditors pursuant to IPR 75-225 (the Administrators' Report)
- Proofs of debt and proxies
- DIRRI
- Voting



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3

Purpose of meeting

Creditors to resolve one of the following:

- 1** Forefront Services be returned to the Director
- 2** Forefront Services enters into a Deed of Company Arrangement
- 3** Forefront Services enters into liquidation

Creditors may also resolve that the meeting be adjourned for a period of up to 45 business days



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Voting

Due to the extraordinary circumstances regarding the COVID-19 pandemic, ASIC have advised that all votes should now be carried by poll rather than on the voices.

How to vote



Votes will be conducted via a poll for each resolution proposed at the meeting.
There may be an adjournment for specific resolutions whilst votes are counted.

Voting via proxy



General proxies: creditors holding general proxies will be individually asked if they are "In favour of", "Against" or "Abstain" for each resolution.
Special proxies: we already have your creditor's vote (provided in advance).

How the resolution is passed



When more creditors vote for it than vote against it **AND** When those who vote for it are owed a greater amount of money than those who vote against it
Where there is a deadlock, the Chairman exercises a casting vote in accordance with IPR 75-115



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Administrators' actions to date



Statutory obligations



Continuing to trade the business on a 'BAU' basis



Asset realisation



Employees



Creditors



Sale & DOCA proposal



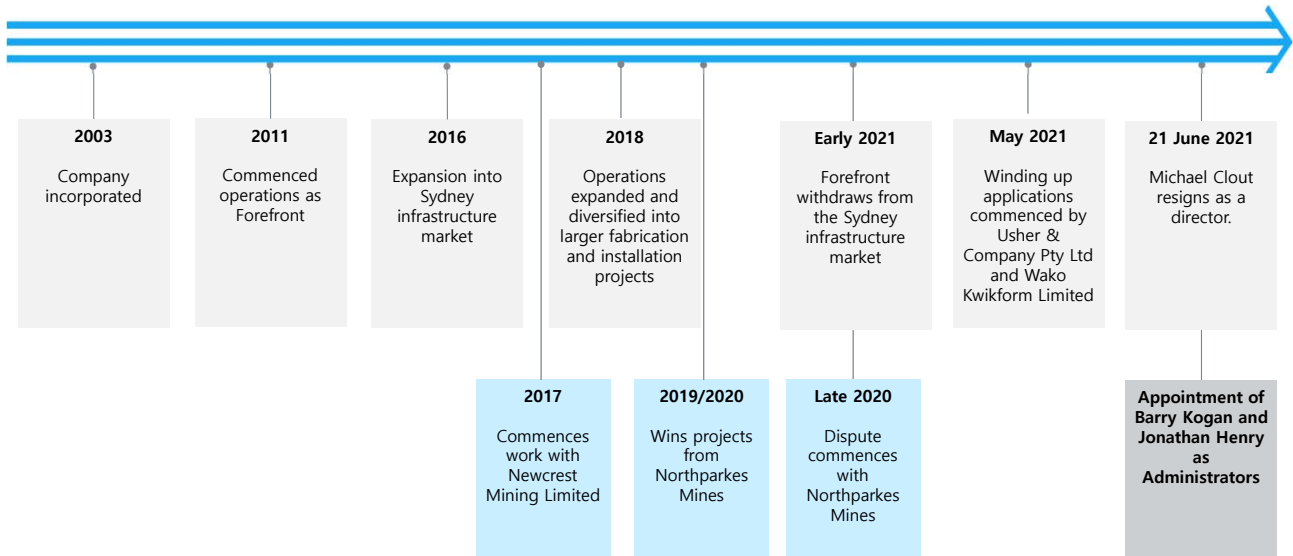
Investigations



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Historical timeline



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Financial performance

Statement of Financial Performance				
(\$,000)	FY18	FY19	FY20	FY21 YTD
Revenue				
Revenue	22,176	36,279	42,075	37,081
Cost of goods	(16,405)	(27,783)	(31,539)	(38,335)
Gross profit/(loss)	5,771	8,496	10,535	(1,254)
Administrative and trading expenses				
Administration and trading expenses	(1,937)	(2,846)	(4,812)	(3,608)
Employee costs	(2,720)	(4,118)	(4,502)	(5,856)
Depreciation and amortisation	(317)	(580)	(598)	(651)
Tax expense	(430)	(45)	(275)	(123)
Interest paid	(447)	(896)	(1,224)	(2,209)
Total administration and trading expenses	(5,851)	(8,486)	(11,411)	(12,446)
Other income including government incentives	71	153	846	3,789
Net profit/(loss) after tax	(8)	164	(30)	(9,912)
<i>Gross profit margin</i>	<i>26.0%</i>	<i>23.4%</i>	<i>25.0%</i>	<i>(3.4%)</i>
<i>Net profit margin</i>	<i>(0.6%)</i>	<i>(0.0%)</i>	<i>(0.6%)</i>	<i>(26.7%)</i>

Source: 30 June 2018, 30 June 2019 and 30 June 2020 audited accounts and management accounts (21 June 2021)

Due to an increase in costs which were unable to be allocated to projects or overheads, the Company generated a negative gross profit.

Rapid growth in non-recoverable wages and on-costs, rent and workshop costs as well as professional services costs.

Increased trade finance interest costs and penalty interest on outstanding SGC.

Large variance year-on-year due to government COVID-19 stimulus.

Large loss posted for the FY21 YTD reflecting the unsustainable costs incurred by Forefront Services

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Financial Position

Statement of Financial Position				
(\$,000)	FY18	FY19	FY20	21 June 2021
Assets				
Current assets				
Cash at bank	1	159	408	673
Bank guarantees	-	80	1,012	564
Inventory	-	58	19	23
Trade, other receivables and WIP	8,343	9,923	9,543	3,589
Total current assets	8,343	10,219	10,981	4,848
Non-current assets				
Property, plant and equipment	1,586	2,578	2,678	3,054
Retentions	430	768	1,174	802
Shareholder loans	625	693	797	853
Other non-current assets	82	285	543	548
Total non-current assets	2,723	4,324	5,193	5,256
Total assets	11,066	14,543	16,174	10,105
Liabilities				
Current liabilities				
Trade creditors	3,130	3,202	4,107	13,475
Tax liabilities	1,677	1,570	2,727	2,530
Other liabilities	281	386	1,867	342
Wages and employee entitlements	799	1,121	770	995
Total current liabilities	5,887	6,279	9,472	17,351
Non-current liabilities				
Long term debt	3,564	4,956	4,017	-
Lease liabilities	1,083	2,091	2,017	1,921
Employee entitlements	239	438	617	693
Total non-current liabilities	4,887	7,485	6,651	2,614
Total liabilities	10,774	13,765	16,123	19,965
Net assets	292	778	52	(9,860)

Source: 30 June 2018, 30 June 2019 and 30 June 2020 statutory accounts and management accounts (21 June 2021)



The Company carried modest cash relative to the size of its operations (i.e. turnover of \$22m to \$42m).

Key assets were debtors which were pledged to financiers, and plant and equipment utilised in operations (subject to finance leases).

Significant increase in trade creditors arising from operating losses and cash constraints following the Northparkes dispute.

This relates to outstanding PAYG, BAS and SGC penalties and Payroll tax liabilities.

Long term debt was cleared prior our appointment, from monies received from Northparkes.

Reasons for failure

Director's reasons for difficulties:

A substantial dispute with Northparkes resulted in the non-payment of substantial sums.

The reduction in cashflow, and legal costs resulted in:

- a constriction of working capital;
- an increase of creditor balances; and
- a number of statutory demands and ultimately winding up petitions filed against Forefront Services.

In or around March 2021, the Directors considered that the Company may become insolvent and commenced taking steps to consider placing Forefront Services into administration.

Administrators' commentary

The Administrators consider the following issues also contributed to the Company's failure:

- low margins;
- few tangible assets capable of leverage;
- Undercapitalisation to carry the additional costs incurred to expand;
- expensive capital providers (i.e. invoice discounting facilities); and
- disputes between the Directors impacting the ability to trade and raise capital.



Investigations

Claims available in a liquidation

Breach of directors' duties



Insolvent trading



Voidable transactions



Unfair preference claims



Defenses available to counterparties



COVID-19 Safe Harbour Provisions



Cost benefit analysis required on any potential return



11

11

Administrators' sale process

An expedited sale process was run to investigate third party interest in the business

01.

On 30 June 2021, Administrators placed advertisements in the AFR and the Australian.

02.

The Administrators received interest from four parties and issued Confidentiality Agreements. One party subsequently withdrew.

03.

Following execution of the Confidentiality Agreement, the parties received a process letter and factsheet.

04.

Due diligence materials were compiled and provided in a virtual data room.

05.

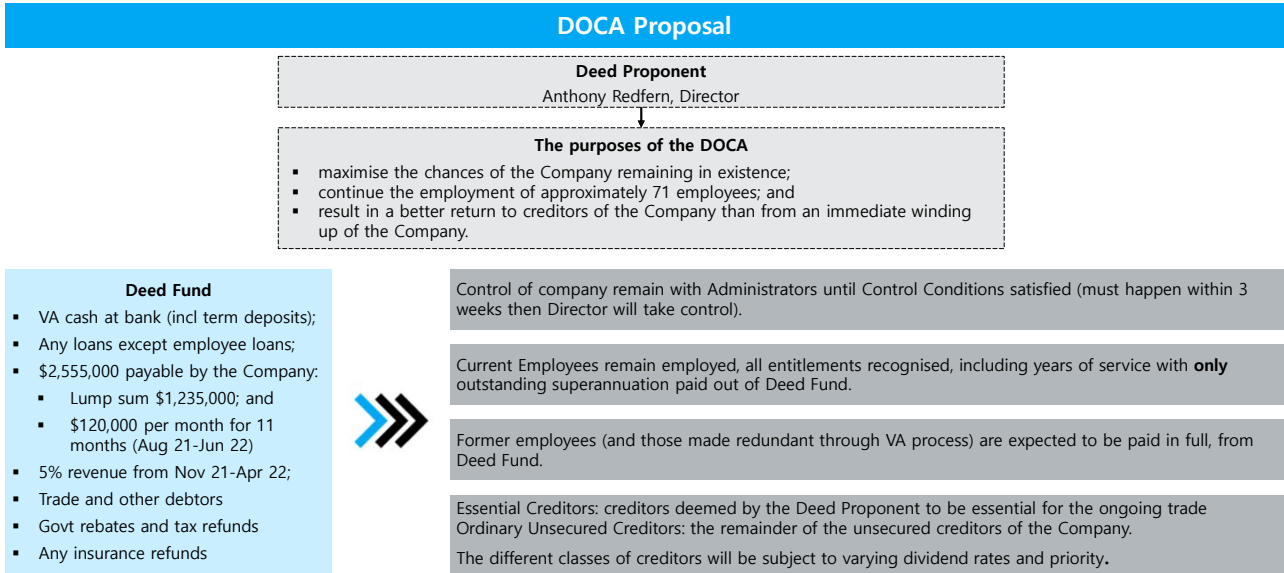
On 6 July 2021, the sale process was ceased as three parties had withdrawn their interest and no parties had submitted an EOI.



12

12

Proposed Deed of Company Arrangement (DOCA)



Outcome

	DOCA	Liquidation
Secured creditor	100 c/\$	100 c/\$
Continuing employees (outstanding SGC)	100 c/\$	54.42 – 100 c/\$
Non-continuing employees	100 c/\$	54.42 – 100 c/\$
Essential creditors	20 – 100 c/\$	0 – 2.51 c/\$
Ordinary unsecured creditors	5.70 – 18.74 c/\$	0 – 2.51 c/\$
Other	Business continues, jobs maintained, a more certain and superior return	Business ceases to exist, all jobs discontinued involves increased risk and cost



Advantages and Disadvantages of proposed DOCA

Advantages



A more certain and superior return to creditors



Continuing employees remain employed, including recognition of years of service and all accrued entitlements, with outstanding Superannuation paid from Deed Fund



Non-Continuing employees (former employees) expected to be paid in full from Deed Fund



Avoids time and cost of Liquidator investigations which may not yield excess recoveries

Disadvantages



Voidable transactions and insolvent trading claims which may be available to a Liquidator cannot be pursued under the DOCA.



The distributions to creditors are limited to the Deed Fund. In liquidation, recoveries depend on the outcomes of successful litigation, although presently uncertain and require funding.



A significant proportion of the Deed Fund is subject to a deferred payment arrangement.



15

15

Administrators' Recommendation



Enter into a DOCA as it provides a more certain and superior return to creditors than a liquidation



16

16

Remuneration resolution summary

Forefront Services - Total remuneration

Resolutions	Amount (\$) (ex GST)
Voluntary Administration	
Actual remuneration for the period 21 June 2021 to 9 July 2021	301,095.50
Estimated remuneration for the period 10 July 2021 to the Second Meeting of Creditors	125,000.00
Estimated remuneration for the period between Second meeting of creditors to execution of DOCA	200,000.00
Total	626,095.50
Deed of Company Arrangement	
Estimated remuneration for the Deed Administrators (allowing for trading period required)	300,000.00
Liquidation	
Estimated remuneration for the period Second meeting of creditors to finalisation of liquidation	500,000.00

** Note: Approval for the future remuneration sought is based on an estimate of the work necessary to reach this milestone. Should additional work be required beyond what is contemplated, further approval may be sought from creditors.*



17

17

Q & A

18

Voting

How to vote

Visit link provided for resolution (link will also be copied to Zoom chat) or scan the QR code and enter your voting ID. Each vote and respective proxy will then be counted to determine the outcome.

Voting via proxy

General proxies: proxy holder chooses vote for each creditor they are proxy holder for

How the resolution is passed

When more creditors vote for it than vote against it
AND
When those who vote for it are owed more than those who vote against it
OR, IF EITHER OF THE ABOVE (BUT NOT BOTH),
when the Chairman exercises a casting vote (IPR 75-115)



19

19

Voluntary Administrators' remuneration

Retrospective Voluntary Administrators' remuneration

"That the remuneration of the Administrators for the period 21 June 2021 to 9 July 2021, calculated at hourly rates as detailed in the Initial Remuneration Notice dated 24 June 2021, is determined in the sum of \$301,095.50, exclusive of GST."

Prospective Voluntary Administrators' remuneration

"That the future remuneration of the Administrators from 10 July 2021 to the Second Meeting of Creditors is determined at a sum equal to the cost of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 24 June 2021, up to an initial amount of \$125,000.00, exclusive of GST."

To vote, either:

1. Visit – <https://forms.office.com/r/u3EHwXTAeQ> (link will be provided in Zoom chat)

or

2. Scan the following QR code:



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Resolution – Deed of Company Arrangement

Future of the Company

“That MGW Engineering Pty Ltd (Administrators Appointed) execute a Deed of Company Arrangement and Barry Kogan and Jonathan Henry be appointed Joint and Several Deed Administrators”.

To vote, either:

1. Visit – <https://forms.office.com/r/gNdW23WzWS> (link will be provided in Zoom chat)

or

2. Scan the following QR code:



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Votes being tallied



The tallying process may take up to 5 minutes



22

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Resolution – Proposed DOCA remuneration

Prospective Voluntary Administrators' remuneration (from the Second Meeting of Creditors to the execution of the DOCA)

"That the future remuneration of the Administrators from the Second Meeting of Creditors to the execution of the DOCA is determined at a sum equal to the cost of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 24 June 2021, up to an initial amount of \$200,000.00, exclusive of GST."

Prospective Deed Administrators' remuneration

"That the future remuneration of the Deed Administrators of MGW Engineering Pty Ltd (subject to a Deed of Company Arrangement) for the period of the DOCA calculated at the hourly rates as detailed in the Remuneration Report dated 19 July 2021 be approved, up to an initial amount of \$300,000.00, exclusive of GST."

To vote, either:

1. Visit – <https://forms.office.com/r/mwDkzDZKHt> (link will be provided in Zoom chat)

or

2. Scan the following QR code:



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Resolution – Committee of Inspection

Formation of Committee of Inspection

"That

- | | |
|-----------------------------|-----------------------------|
| 1. _____ representing _____ | 6. _____ representing _____ |
| 2. _____ representing _____ | 7. _____ representing _____ |
| 3. _____ representing _____ | 8. _____ representing _____ |
| 4. _____ representing _____ | 9. _____ representing _____ |
| 5. _____ representing _____ | |

be appointed to the Committees of Inspection"

To vote, either:

1. Visit – <https://forms.office.com/r/GUg0bX1aUP> (link will be provided in Zoom chat)

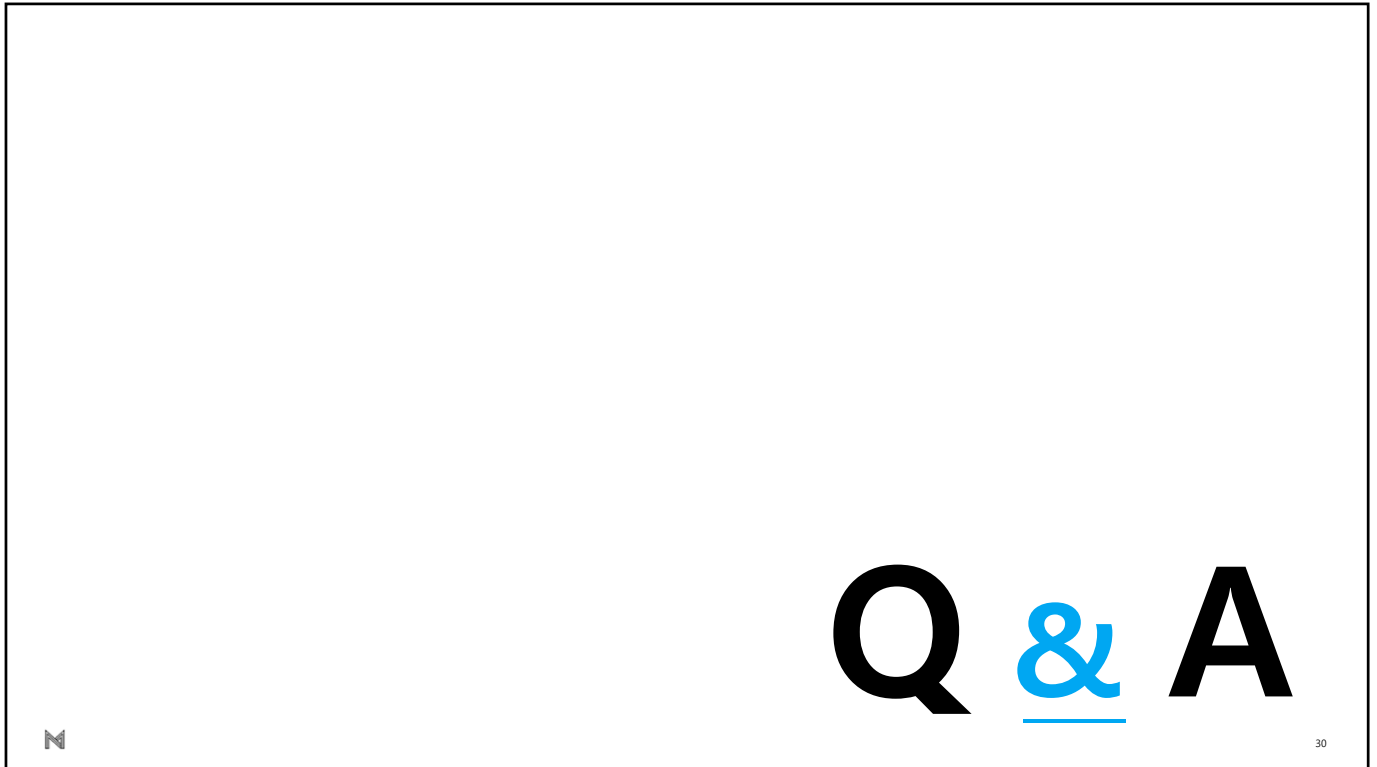
or

2. Scan the following QR code:



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