



McGrathNicol

**McGrathNicol
Partnership**

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**MGW Engineering Pty Ltd
(Subject to Deed of Company Arrangement)
Trading as Forefront Services
ACN 104 180 734
(Forefront Services)**

Circular to Creditors - Update

As you are aware, on 21 June 2021, Forefront Services entered into Voluntary Administration and Jonathan Henry and I were appointed as Joint and Several Voluntary Administrators (**the Administrators**).

At the Second Meeting of Creditors on 26 July 2021, creditors voted for Forefront Services to enter into a Deed of Company Arrangement (**DOCA**) and that Jonathan Henry and I be appointed as Joint and Several Deed Administrators (**Deed Administrators**).

On 13 August 2021, the DOCA instrument was executed by the Deed Administrators and the Deed Proponent, Forefront Services' Director, Anthony Redfern.

Under the terms of the DOCA (as set out in our Report to Creditors dated 19 July 2021), the control of Forefront Services' business, assets and operations would remain with the Administrators until certain conditions had been satisfied (**Control Conditions**).

Please note that at **4.30pm on 27 August 2021**, the Control Conditions were met, and the control of Forefront Services' business, assets and operations (excluding certain assets which would comprise the Deed Fund) were passed to the Director.

This means that the Director has regained his full powers to act on behalf of and legally bind Forefront Services without the ongoing oversight of the Deed Administrators.

Finalisation of supplies made to the Administrators

The Administrators have therefore ceased control of Forefront Services' affairs and operations from 27 August 2021, and no further Administrators' purchase orders will be issued and the Administrators' liability for goods or services supplied to Forefront Services will cease accordingly.

Please adopt the following procedure for the Administrators' account(s):

- close your Administrators or Deed Administrators account(s) that were opened as at the date of our appointment, being 21 June 2021;
- please open an account(s) from the date the Control Conditions were met, being 27 August 2021, which should be in the name of MGW Engineering Pty Ltd followed by (Subject to Deed of Company Arrangement). Please note this account will not be under the control of the Deed Administrators; and
- forward relevant tax invoices to the Deed Administrators for payment for the period of 21 June 2021 to 27 August 2021.

All purchase orders previously authorised by the Deed Administrators, where goods or services **have not been** supplied or delivered to Forefront by 27 August 2021, are revoked.

In association
with



Liability limited by a scheme approved
under Professional Standards Legislation

**ADVISORY
RESTRUCTURING**



Suppliers should contact Forefront Services to confirm if goods or services previously ordered by the Deed Administrators are required by Forefront after 27 August 2021.

Payments made by the Administrators must be applied against debts incurred by the Administrators and cannot be applied against any debt owed to you by Forefront Services either prior to 21 June 2021 or following 27 August 2021.

Please note:

- The Deed Administrators did not and have not personally adopted any contract that existed, between you and Forefront Services at the date of appointment of the Administrators. Payment for any goods or services by the Administrators is not an adoption of a contract or liability.
- Under taxation legislation, we are obliged to withhold 46.5% from payments to suppliers who do not quote a current Australian Business Number (ABN). Please ensure that a current ABN is quoted for each supply made by you.
- Input tax credits for payments made to registered suppliers cannot be claimed until a valid tax invoice has been received. Accordingly, suppliers must provide a valid tax invoice for GST purposes before payment will be made.

Pre-appointment debts and expected dividends

Pursuant to the terms of the DOCA, amounts owed by Forefront prior to 21 June 2021 will be claimable under the DOCA.

The Deed Administrators will be in contact in relation to the procedure for claiming and receiving a distribution under the DOCA around early November, noting that preferential employee claims must be repaid and various administrative matters attended to prior to a distribution to unsecured creditors.

Privacy and Personal Information

We may have collected personal information from you, Forefront or otherwise, in connection with your trading arrangements with Forefront. McGrathNicol takes all reasonable steps to protect the information that we hold (including personal information) from misuse, loss and from unauthorised access, modification or disclosure. Our Privacy Policy can be found on the McGrathNicol website.

Further information

Further information regarding our appointment and information to creditors is available via our website: <https://www.mcgrathnicol.com/creditors/mgw-engineering-pty-ltd/>.

If you have any queries, please contact Scott Rogers by email at forefront-general@mcgrathnicol.com.

Dated: 30 August 2021

Barry Kogan
Deed Administrator