

**Freedom Insurance Administration Pty Limited (In
Liquidation)
ACN 164 880 193**

STATUTORY REPORT TO CREDITORS

Section 70-50 of the Insolvency Practice Schedule (Corporations) 2016 [IPS-C]
Section 70-40 of the Insolvency Practice Rules (Corporations) 2016 [IPR-C]

DATE OF REPORT

4 May 2020

DATE OF APPOINTMENT

13 February 2020

EXTERNAL ADMINISTRATORS

Joseph Hayes and Andrew McCabe

CONTACT

Lachlan Minogue
(02) 9210 1706
Email: lminogue@wexted.com

Wexted Advisors
Level 12, 28-34 O'Connell Street
SYDNEY NSW 2000



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1. Executive Summary

We refer to our appointment as Joint and Several Liquidators of Freedom Insurance Administration Pty Limited (In Liquidation) (“the Company”) on 13 February 2020 by resolution of the Company’s members. This report should be read in conjunction with our Report to Creditors dated 14 February 2020 (“First Report”).

This report is mandatory under section 70-40 of the Insolvency Practice Rules (Corporations) 2016 (Cth) (“Rules”). The purpose of the report is to:

- Provide creditors with an update on the progress of the Liquidation; and
- Advise creditors of the likelihood of a dividend being paid in the Liquidation.

Creditors will recall on 13 February 2020, Joseph Hayes and Andrew McCabe of Wexted Advisors were also appointed Joint and Several Liquidators of the five other subsidiaries as listed below:

- Insurance Network Services Australia Pty Limited (In Liquidation);
- Freedom Insurance Pty Limited (In Liquidation);
- Customer Contact Pty Limited (In Liquidation);
- Finwealth Holdings Pty Limited (In Liquidation); and
- Spectrum Wealth Advisers Pty Limited (In Liquidation).

On 21 February 2020, Joseph Hayes and Andrew McCabe of Wexted Advisors were also appointed as Joint and Several Liquidators of Freedom Insurance Group Limited (In Liquidation), the ultimate holding company of the six subsidiaries.

As advised in our First Report the Company was incorporated on 18 July 2013 and is one of the six subsidiaries of Freedom Insurance Group Limited (In Liquidation). We understand the group provided life insurance distribution and administration services as well as financial planning services.

2. Assets and Liabilities

A summary of the assets and liabilities of the Company as at the date of our appointment is set out overleaf.

Description	Report Section	Balance Sheet as at 13-Feb-2020 \$'000	Expected Realisation \$'000
Assets			
Cast at bank	2.1	8	8
Total assets		8	8
Liabilities			
Other claims	2.2	-	(Unknown)
Total liabilities		-	(Unknown)
Net Assets		8	Unknown

We provide the following commentary.



2.1 Cast at bank

We have recovered an amount of approximately \$7.7K from the Company's pre-appointment bank account held with Westpac.

Upon our appointment we wrote to all major financial institutions in Australia to search for any other accounts held in the Company's name. To date, our searches have not identified any other bank accounts operated by the Company. Should creditors be aware of any additional accounts please contact our office.

2.2 Other claims

Prior to our appointment, the Company transferred the insurance administration business to a third party ("the New Administrator"). We have received a claim from the New Administrator, of which part relates to the transfer of the business.

In or around May 2019, the Company made a payment of \$250K to the New Administrator in full and final settlement of any claims arising from the transition to the New Administrator. For this reason, we have rejected these claims from the New Administrator.

The balance of the claim from the New Administrator relates to the conduct of the Company prior to the transition. We are still investigating the validity of these claims and if the Company has any potential recovery action.

3. Activities undertaken to date

At the date of this report, we have undertaken our statutory duties and made inquiries into the Company's affairs. We provide a summary of the key tasks undertaken to date:

- Notifying ASIC and other authorities of our appointment and lodging statutory forms;
- Securing cash at bank on appointment and liaising with CBA to establish the Liquidators' bank accounts;
- Liaising with insurance specialists to obtain appropriate initial and ongoing insurance advice;
- Preparing our Initial Report to Creditors dated 14 February 2020 and notifying creditors of our appointment;
- Accessing and securing the Company books and records;
- Preparing the Company's final accounts up to the date of liquidation (13 February 2020) and lodging the final income tax return with the Australian Taxation Office ("ATO") for the financial year ended 30 June 2020;
- Requesting section 260-45 Tax Clearance from the ATO;
- Advertising our intention to declare a dividend and collecting and processing creditor proofs of debt; and
- Adjudicating on creditor claims.

4. Further tasks to be undertaken

The following tasks may be undertaken prior to the finalisation of the liquidation:

- Paying a first and final dividend to the Company's admitted creditors;
- Finalise the liquidation period accounts and attend to statutory lodgements;
- Distribute surplus funds to Insurance Network Services Australia Pty Limited (In Liquidation) as the Company's sole member;
- Attend to statutory lodgements to finalise liquidation; and
- Notify ASIC of the finalisation of the liquidation and request deregistration of the Company.



5. Likelihood of a dividend

As the Company is solvent, all admitted creditor claims will be paid in full.

6. Possible recovery actions

To date we have not been made aware of any potential recovery actions available for creditors. As detailed in this report, the Company is solvent, all admitted claims will be paid in full.

If creditors are aware of any potential recovery actions, please contact Lachlan Minogue at the details below.


7. Further information and contact details

Should you have any enquiries, please contact Lachlan Minogue of this office on (02) 9210 1706 or by email at lminogue@wexted.com.

DATED this 4th day of May 2020.

Freedom Insurance Administration Pty Limited (In Liquidation)


Joseph Hayes
Joint and Several Liquidator


Andrew McCabe
Joint and Several Liquidator