



WEXTEDadvisors
SPECIALISED | CORPORATE | STRUCTURING

Administrators' Report to Creditors

24 March 2025

Bellgrove Scaffolding Pty Ltd (Administrators Appointed)
ACN 148 998 216 ("the Company")

Liability limited by a scheme approved under Professional Standards Legislation



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Glossary

Term	Definition
\$	Australian Dollar
Act	Corporations Act 2001 (Cth)
Administrators	Andrew McCabe and Christopher Johnson of Wexted Advisors
AEDT	Australian Eastern Daylight Time
ALLPAAP	All present and after-acquired property, a term associated with security interests under the PPSA
ARITA	Australian Restructuring Insolvency and Turnaround Association
ARITA Code	The Code of Professional Practice 4 th edition effective from 1 January 2020, which sets the standards for ARITA Members in the provision of quality and ethical Insolvency and Advisory Services
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
Avanti Scaffolding	Avanti Scaffolding Pty Ltd ACN 682 736 492, incorporated on 29 November 2024, with its registered office in Mosman NSW 2088
c. or “~”	circa
Code	ARITA Code of Professional Practice
COI	Committee of Inspection
Company	Bellgrove Scaffolding Pty Ltd (Administrators Appointed) ACN 148 998 216, from 11 Lemon Close, Prairiewood NSW 2176
CYXX	Calendar year from 1 January 20XX to 31 December 20XX
DEWR	Department of Employment and Workplace Relations
Director	Nikolas Jelic
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities, pursuant to section 436DA of the Act and Code dated 10 March 2025 and lodged with ASIC on 10 March 2025
DOCA	Deed of Company Arrangement
ERV	Estimated Realisable Value
FEG	Fair Entitlements Guarantee, a scheme administered by the Commonwealth Government to aid employees owed outstanding employee entitlements following the insolvency of an employer
First Meeting	The first meeting of creditors of the Company held on 17 March 2025 pursuant to section 436E of the Act
FYXX	Financial year ending 30 June 20XX
IPR	Insolvency Practice Rules (Corporations)
K	Thousand
Leased Premises	Concrete Yard, 100 Long Street Smithfield NSW 2164
M	Million



Term	Definition
p.a.	Per annum
PMSI	Personal Money Security Interest as defined in the PPSA
POD	Proof of Debt Form
PPE	Property, Plant and Equipment
PPSA	Personal Property Security Act 2009 (Cth)
PPSR	Personal Property Security Register – a register set up under the PPSA for the registration of security interests
Report	This report, prepared pursuant to IPR 75-225 of the Act about the business, property, affairs and financial circumstances of the Company
Review Period	7 September 2024 to 6 March 2025
ROCAP	Report on Company Activities and Property submitted by the Director on 10 March 2025 and lodged with ASIC on 12 March 2025
SGC	Superannuation Guarantee Charge
Section or “s”	Section of the Act, or Section of the Report
Second Meeting	Meeting held pursuant to section 439A of the Act where creditors determine the future of the Company, convened for 1 April 2025
TBC	To Be Confirmed, used in circumstances where no quantum has been advised to date, or where further investigation is required to be undertaken by a liquidator (if appointed) to quantify
Wexted Advisors or WXA	Wexted Pty Ltd atf Wexted Unit Trust t/as Wexted Advisors, Level 17, 68 Pitt Street, Sydney NSW 2000 (Sydney Office)



1 Disclaimer

This Report is based upon our preliminary investigations to date. Any additional material issues that are identified subsequent to the issue of this Report may be the subject of a further written report or tabled at the Second Meeting.

The contents of this Report are based on information obtained from the Company's books and records, representations from the Director, our own enquiries and investigations.

The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. Except where otherwise stated, we reserve the right to alter any conclusions reached on the basis of any amended or additional information which may be provided to us between the date of this Report and the date of the Second Meeting.

In considering the options available to creditors and formulating our recommendation, we have necessarily made forecasts of asset realisations and total creditor claims. These forecasts and estimates may change as asset realisations progress and claims are received from creditors. While the forecasts and estimates are based on my best assessment in the circumstances, creditors should note that the eventual outcome for creditors may differ from that estimated in this Report.

Neither Andrew McCabe, Christopher Johnson, Wexted Advisors nor any member or employee of the firm is responsible in any way whatsoever to any person in respect of any errors in this Report arising from incorrect information provided to us.

The Administrators do not assume or accept any responsibility for any liability or loss sustained by any creditor or any other party as a result of the circulation, publication, reproduction or any use of the information presented in this Report.

This Report is not for general circulation, publication, reproduction or any use other than to assist creditors in evaluating their position as creditors of the Company and must not be disclosed without the prior approval of the Administrator.

Creditors should consider seeking their own independent legal advice as to their rights and the options available to them at the Second Meeting.

Limited liability by a scheme approved by the Professional Standards Legislation.



2 Executive Summary

2.1 Appointment background

The Company was registered on 27 January 2011, employing four staff from the leased premises at Concrete Yard, 100 Long Street Smithfield NSW 2164 (initially from a site in Mt Druitt NSW). The Company provides scaffolding for hire.

On 25 October 2024, the ATO issued a statutory demand for Running balance account deficit debt and Superannuation guarantee in the amount of \$1.4M.

In November 2024, the Director's accountant liaised with the ATO and proposed a payment arrangement. The payment plan was declined.

On 29 January 2025, a winding up application was filed by the ATO. The winding up hearing date is scheduled for 4 April 2025.

Following the filing of the winding up application, the Director through his accountant, approached Jessie Wang of Wexted Advisors, advising that he intended to propose a Deed of Company Arrangement, to continue trading the business, retain employees and complete all scaffolding hire works in progress.

Andrew McCabe and Christopher Johnson were appointed Voluntary Administrators of the Company on 6 March 2025 by the Company's Director pursuant to section 436A of the Act.

Subsequent to our appointment and considering the trade on costs and expenses of undertaking a voluntary administration and deed of company arrangement, the Director decided not to fund the VA trade on or propose a DOCA to restructure the Company.

Without funding to trade on activities or arrange suitable insurance / security of the security assets, we had no alternative other than to cease all trading activities. The Director has advised that no scaffolding hire projects or any other trading activities of the Company are continuing since the date of our appointment. To date, we have not identified any trading activities continuing.

Immediately following our appointment, we liaised with key stakeholders including the ATO, the Landlord, secured creditors and the Director.

The purpose of the appointment of the Administrators is to allow an independent insolvency practitioner to investigate the affairs of the insolvent company. There is a moratorium on creditors' claims as at the date of the Administrators' appointment. The Administrators are required to provide creditors with information and recommendations to assist in understanding their position prior to deciding the future of the Company.

To assist creditors in understanding the contents of this Report, we have provided a summary of the key matters disclosed in this Report. We recommend creditors read the body of this Report before attending the upcoming meeting through the videoconference facilities available.

2.2 Reasons for the Company's Difficulties

On appointment, we wrote to the Director of the Company to request the Company's books and records, the completion of a ROCAP, and the provision of background information relating to the Company, including reasons for the financial difficulties.

The Director advised that the main reason for the Company's difficulties was poor financial control and outstanding debts owed to the ATO, which led to the ATO commencing wind-up action.

Based on our preliminary investigations during the Administration, our review of the books and records and discussions with various stakeholders of the Company, we have no reason to disagree with the reasons for failure provided by the Director. In addition, we note the Company's revenue was insufficient to meet operating expenses, as the Company traded at a loss.

A liquidator, if appointed, will conduct further investigations to understand the reasons for the Company's difficulties or failure which led to the Administration and any transfer of assets or projects to any related party prior to administration.

2.3 Assets and liabilities

The Company's assets and liabilities are discussed in detail in **Section 6** and **Section 7** of this Report.



2.4 Employees

Upon our appointment, we were informed that the Company had four employees, two full-time (including the Director) and two casual. On 7 March 2025, we issued a Notice to Employees to the Director, requesting that it be distributed to all employees. This notice advised of our appointment and the immediate termination of their employment. The Director has confirmed this Notice was passed on to the employees. We have since been provided with the employee's postal addresses.

In general, since our appointment, we have conducted the following key tasks on employee matters:

- Worked with Management and requested employee information;
- Notified the former employees (via Director) of the Administrators' appointment and FEG scheme;
- Reviewed former employees' entitlements as of our date of appointment; and
- Issued Notice of Termination to the employees.

To date, no party has indicated an interest in proposing a DOCA. In the (presently) unlikely event a DOCA is proposed at the Second Meeting, should creditors vote to accept a DOCA, the employment and entitlements of employees would be preserved, and be paid in full in priority to any payments to unsecured creditors.

We have not received a DOCA proposal, nor any interest from the Directors or any third party to provide a DOCA. Absent a DOCA proposal being received, the likely outcome at the Second Meeting is the Company to be wound up (i.e. liquidation).

In a liquidation, there is expected to be insufficient asset realisation to meet any outstanding employee entitlements, and employees will be able to access employee entitlements through the FEG Scheme.

Outstanding superannuation contributions are not covered by FEG and FEG assistance is not available to non-Australian resident employees. Certain other limits also apply under the FEG scheme.

2.5 Investigations

Our preliminary investigations indicate that the Company has been insolvent as early as 24 August 2018. We examined the Company's historical financial performance. We found that the Company consistently had a current ratio below 1, a net asset deficiency, and incurred net losses except for FY20 and FY24.

On 24 August 2018, the ATO reinstated a previously non-pursued tax debt. Since then, the Company has been unable to meet its statutory tax obligations, resulting in the accumulation of additional tax liabilities up to the date of our appointment.

We have not identified any material preferential payments in the six months preceding our appointment. However, the Director or the Company sold several assets, including scaffolding equipment and three motor vehicles, to a company owned by a related entity. We are assessing the commerciality of these transactions and whether they constitute creditor-defeating dispositions.

Additionally, we have requested repayment of the loans advanced to the Director and are reviewing those loans to determine their reasonableness given the Company's financial position.

The liquidator, if one is appointed, will undertake further investigations into possible voidable transactions and to ascertain if it will be commercial to pursue those possible claims.

Further details of our investigations into the Company are detailed in **Section 8** and **Section 9** of this Report. We note our preliminary investigations are ongoing.

2.6 DOCA Proposals

Prior to the issuance of this report, we sought interest in providing a DOCA Proposal to secure the Company's business and leased premises.

As at the date of this Report, no DOCA proposal has been received, and no party has indicated any interest in proposing a DOCA in the administration. Subject to receiving a DOCA proposal between now and the Second Meeting, this option may not be available for creditors at the Second Meeting. We will notify creditors in writing to provide details with our recommendation if a DOCA proposal is received prior to the Second Meeting. Further details on our opinion are outlined in **Section 11** of this Report.



2.7 Dividend

Any potential dividend under a liquidation scenario is uncertain, both in terms of quantum and timing. Any dividend in a liquidation scenario will be subject to the realisable value of the Company's assets, liquidators' recoveries of antecedent transactions, the quantum of creditor claims and the costs of the external administration.

Based on our preliminary investigations since 6 March 2025, considering the limited recovery of the Company's assets, the closure of the business pre-appointment, and limited funds available for further recovery, a dividend to any class of creditor in this administration is unlikely.

We note that any dividend in a liquidation is highly contingent on the realisation of the recoverable amount of the claims available to a liquidator.

We expect any insolvent trading claim against the director may require creditor or litigation funding to pursue. Should any creditor wish to fund an insolvent trading claim, please contact our office, preferable within three months of the second meeting (e.g. by 1 July 2025).

Further information on the expected return to creditors is detailed in **Section 10** of this Report.

2.8 Recommendation

Pursuant to section 439A of the Act, the Second Meeting will be held on **Tuesday, 1 April 2025 at 10:30am (AEDT)** from Wexted Sydney Offices, also available via Microsoft Teams.

At the Second Meeting, creditors will be able to vote for one of the following options:

- a) That the proposed DOCA be accepted (if one is proposed);
- b) That the Company be wound up in liquidation; or
- c) That the Administration end, and control be returned to the Director.

Under IPR 75-225, the Administrators must provide a recommendation to creditors based on the information available.

Recommendation: that the Company be wound up

As no DOCA Proposal has been received and the Company is insolvent, the Administrators are of the view that it is in the interests of creditors to vote in favour of the Company being wound up (i.e. liquidation).

We are of the opinion that the winding up of the Company will allow the former employees to access the FEG Scheme to receive their entitlements (where applicable).

A liquidation would also allow an external administrator additional time and resources to conduct a full investigation of the affairs of the Company, any potential breaches of the director and other officers, and the commercial merits of pursuing the claims identified throughout this Report.

Further information on the Administrators' recommendation to creditors is detailed in **Section 11** of this Report.

2.9 Second Meeting

Pursuant to section 439A of the Act, the Second Meeting of Creditors of the Company will be held on **Tuesday, 1 April 2025 at 10:30am (AEDT)** from Wexted Sydney Offices, also available via Microsoft Teams.

Further details in relation to videoconference facilities will be circulated to creditors upon request prior to the Second Meeting. Please note that pursuant to IPR 75-35 if you wish to participate in the meeting using such facilities you must provide notice not later than **12:00pm (AEDT) on Monday, 31 March 2025**.

To register attendance and be entitled to vote at the Second Meeting, creditors must complete and submit Form 532 – Appointment of Proxy and Form 535 – Formal Proof of Debt Form (only complete, if not already submitted), both of which are attached in **Appendix A**. In consideration of the number of creditors who may wish to attend the Second Meeting, we invite creditors to complete a Special Proxy (and mark the resolutions, for, against or abstain) to assist with the conduct of the Second Meeting.



Forms must be submitted by no later than **12:00pm (AEDT) on Monday, 31 March 2025** to this office or by email to cwijaya@wexted.com. Please note those creditors who have already lodged a Formal Proof of Debt Form are not required to submit a further proof, unless you have amended your claim, in which case please resubmit your claim.

A listing of known creditors and summary of claims submitted is attached in **Appendix B**.

3 Introduction

3.1 Purpose of appointment and Report

The purpose of the appointment of the Administrators is to allow for independent insolvency practitioners to take control of and investigate the affairs of the Company. Creditors' claims are put on hold as at the date of the Administrators' appointment for the duration of the voluntary administration.

Administrators are empowered by the Act to assume control of an insolvent company, superseding the powers of the directors and officers and to deal with a company's assets in the interests of creditors.

The intention of a voluntary administration is to maximise the prospects of a company, or as much as possible of its business, continuing in existence (via a DOCA or sale of business) or, if that is not possible, to achieve a better return to creditors than what would have been achieved by its immediate liquidation.

Administrators are required to provide creditors with sufficient information and recommendations to assist them in making an informed decision on a company's future.

The purpose of this Report is to provide creditors with information regarding the Company's business, property, affairs and financial circumstances (including my recommendations) to assist creditors to make an informed decision on the future of the Company. This Report provides information on the following:

- Background information about the Company;
- The results of our preliminary investigations into the affairs of the Company;
- The estimated returns to creditors of the Company;
- The options available to creditors; and
- Our opinion on each of the options available.

3.2 First meeting of creditors

Following our appointment as Administrators of the Company on 6 March 2025, the First Meeting was held on 17 March 2025 in accordance with section 436E of the Act. At this meeting:

- Our appointment as Administrators was confirmed; and
- The creditors did not appoint a COI for the Company.

Minutes of the First Meeting were lodged with ASIC on 17 March 2025.

3.3 Second meeting of creditors

We advise that pursuant to section 439A of the Act the Second Meeting is to be held on **Tuesday, 1 April 2025 at 10:30am (AEDT)** from Wexted Sydney Offices, also available via Microsoft Teams.

The notice of the Second Meeting is attached as **Appendix C**.

At this meeting, creditors will be asked to decide on the Company's future, by passing a resolution in respect of the options available to them as follows:

- Whether the Company should execute a DOCA (if one is proposed); or
- Whether the Company should be wound up; or
- Whether the Administration should end.

We have recommended in this Report that the Company be wound up. Our recommendation is discussed in detail in **Section 11** of this Report.



The Administrators have not received any DOCA proposals, and the Company is insolvent.

Additionally, at the Second Meeting, creditors will be asked to approve our remuneration as Administrators, Deed Administrators and Liquidators, if appointed. Further information on our remuneration is provided in **Section 12** and in **Appendix D**.

Creditors who wish to attend and vote at the Second Meeting of Creditors are required to complete and return a Formal Proof of Debt Form, attached in Appendix A if they have not already done so. Individuals attending the meeting on behalf of a creditor will also need to complete and return an Instrument of Proxy attached in Appendix A. In consideration of the number of creditors who may wish to attend the Second Meeting, we invite creditors to complete a Special Proxy (and mark the resolutions, for, against or abstain) to assist with the conduct of the Second Meeting.

Those creditors who have already lodged a Formal Proof of Debt Form are not required to submit a further proof, unless you have amended your claim, in which case please resubmit your claim. Completed forms must be returned to this office by **12:00pm (AEDT) on Monday, 31 March 2025**. The relevant return address is detailed below:

Email: cwijaya@wexted.com; or

Mail: Bellgrove Scaffolding Pty Ltd (Administrators Appointed)
c/- Wexted Advisors
Level 17, 68 Pitt Street
Sydney NSW 2000

Where sending by post, please allow sufficient time to be received at my office prior to the meeting.

3.4 Declaration of Independence, Relevant Relationships and Indemnities

In accordance with section 436DA of the Act, a DIRRI was provided with our Initial Report to Creditors. There has been no change to our DIRRI.

We conduct ongoing assessments as to whether any potential conflict of interest issues develop during the course of the Administration. There have been no material changes to our independence that require further disclosure.

3.5 Indemnities and up-front payments

As set out in our DIRRI, we have received an upfront payment of \$80,000 from the Company to cover our initial remuneration and expenses associated with the VA of the Company.

We have not received any other indemnities or upfront payments.

3.6 Further information

To assist creditors, employees, and shareholders in understanding the voluntary administration process, ASIC has released a package of insolvency information sheets endorsed by ARITA.

Enclosed in **Appendix E** is ASIC's publication "*Insolvency information for directors, employees, creditors and shareholders*", which provides an index of all the information sheets that are available. You can download these information sheets from www.asic.gov.au or www.arita.com.au.

4 Company Background

4.1 Company overview

The Company was registered on 27 January 2011, employing four staff from the leased premises at Concrete Yard, 100 Long Street Smithfield NSW 2164 (initially from a site in Mt Druitt NSW). The Company provides scaffolding for hire.

The Director has advised that no scaffolding hire projects or any other trading activities of the Company are continuing since the date of our appointment. To date, we have not identified any trading activities continuing.

On 25 October 2024, the ATO issued a statutory demand for \$1.4M relating to Running Balance Account deficit debt and Superannuation Guarantee obligations. Efforts to negotiate a payment arrangement in November 2024 were unsuccessful.



On 29 January 2025, the ATO filed a winding-up application, with the hearing scheduled for 4 April 2025. In response, on 19 February 2025, the Director, through his accountant, approached Jessie Wang of Wexted Advisors to outline the VA process, as the Director was seeking to retain employees and continue to trade the business.

On 6 March 2025, Andrew McCabe and Christopher Johnson were appointed as Voluntary Administrators under section 436A of the Act.

Immediately following our appointment, we liaised with key stakeholders (where contact details available) including the Landlord, the ATO's legal representatives, former employees, and secured creditors.

4.2 Statutory information

An ASIC search reveals the following details on the Company, its directors and shareholders.

Legal Name	Bellgrove Scaffolding Pty Ltd (Administrators Appointed)
ACN	148 998 216
ABN	20 148 998 216
Incorporation Date	27 January 2011
Director(s) - Appointment from/to	Nikolas Jelic - 27 January 2011 to date Matt Gareth Collins – 8 August 2011 to 9 December 2012
Share Capital	\$2.00
Shareholders - Share (%)	Nikolas Jelic – 100.0%
Registered Office	1 Lemon Close, Prairiewood NSW 2176
Principal place of business	11 Lemon Close, Prairiewood NSW 2176

Source: ASIC Company Search at 4 March 2025

We note the Director has advised the principal place of business, was a property he previously rented. ASIC records may incorrectly record the Registered Office, which we are of the view should have been 11 Lemon Close, Prairiewood NSW 2176. We have not identified any other discrepancies with ASIC's records.

4.3 PPSR security interests

A 'secured creditor' is a creditor that holds a security interest over some or all of a company's assets. To be valid, the security interest must generally be registered on the PPSR or, in the case of land and buildings, at the relevant Land Titles Office. Security interests can be over:

- Circulating assets (formerly known as 'floating' assets) e.g. debtors, stock and cash; and
- Non-circulating assets (formerly known as 'fixed' assets) e.g. property, plant and equipment, land, goodwill and rights to dividends.

A search of the PPSR revealed the following PMSI registered over the Company's assets as at the date of my appointment as summarised in the table below:

Creditor	Security Interest	Date of registration	Registration	Date of Discharge
Technocraft Australia Pty Limited	All PAAP	20/8/2020	202008200015523	20/03/2025
Acrow Formwork and Scaffolding Pty Ltd	Other Goods	12/9/2018	201809120042684	10/03/2025
Layher Pty Limited	Other Goods	13/10/2020	202010130036185	6/03/2025
Acrow Formwork and Scaffolding Pty Ltd	Other Goods	18/02/2022	202202180040701	10/03/2025

Source: ASIC Company and PPSR search at 4 March 2025 and correspondence from secured creditors

On 6 March 2025, we notified all security interest holders with PPSR registrations of the appointment. We requested further particulars regarding security interests and any claims over the Company's assets.



We have been informed that all secured creditors have discharged their security interests, and we have received discharge certificates.

Details of the secured creditor claims are provided in Section 7.3.2.

Should any additional creditors claim to hold a registered security interest, we request supporting documentation from creditors to assist the Administrator's investigations. We request any information be provided by **12pm AEDT on Monday, 31 March 2025** to allow the Administrators adequate time to review any documents provided prior to the Second Meeting.

4.4 Winding up applications

On 29 January 2025, the ATO filed a winding-up application due to the outstanding statutory demand for a running balance account deficit debt and superannuation guarantee totalling \$1.4M. The winding-up hearing is scheduled for 4 April 2025.

We have engaged in correspondence with both the Director and the solicitor representing the ATO regarding the winding-up application, and have been provided with copies of the application and associated documents.

5 Conduct of the Administration

The Director has advised the Company has ceased trading prior to the appointment of Administrators on or around 6 March 2025.

On appointment, we conducted statutory and administrative tasks, and held discussions with the Director, Management, employees and key suppliers (where contact details available). We have also reviewed the Company's records and undertaken preliminary investigations into the affairs of the Company.

A detailed outline of the tasks performed over the course of the Administration is provided with our Remuneration Report at Appendix D and a summary of these actions is set out below.

5.1 Administration

Since our appointment, we have undertaken the following key administration tasks and actions:

- Notified ASIC of appointment;
- Notified major financial institutions of appointment and updated banking authorisations;
- Established Administration bank account;
- Issued correspondence to creditors, employees, suppliers, statutory bodies and other key stakeholders;
- Liaised with Accountant advising of appointment and requesting for books and records;
- Advertised appointment and the First Meeting of Creditors via the ASIC insolvency notices website;
- Issued requests to the Director to complete ROCAP and to deliver the books and records of the Company;
- Liaised with Director for collection of Company books and records;
- Prepared and lodged statutory notifications and lodgements;
- Liaised with our insurance broker regarding initial and ongoing insurance requirements; and
- Attended to other general administrative tasks as required.

5.2 Creditors

We have undertaken the following key creditor tasks:

- Reviewed the Company's records to identify and liaise with potential creditors;
- Prepared and issued initial correspondence to all known creditors on 10 March 2025;
- Reviewed the PODs and supporting documentation received from creditors;
- Convened and held the First Meeting of Creditors on 17 March 2025;
- Prepared and lodged minutes of the First Meeting of Creditors with ASIC;



- Prepared the Second Report to Creditors dated 24 March 2025 (this report);
- Convened the Second Meeting of Creditors on 1 April 2025;
- Prepared correspondence to the Secured Creditors registered on the PPSR;
- Reviewed security discharge documents provided by secured creditors;
- Received and responded to creditor enquiries via email and telephone.

5.3 Employees

We have undertaken the following key employee tasks:

- Liaised with the Director to understand the employee status and requested employee details;
- Reviewed employee records with respect to employment details and entitlements; and
- Issued Notice of Termination to employees.

5.4 Asset realisations

We have undertaken the following key asset realisation tasks:

- Liaised with our insurance broker regarding auto-cover insurance and exclusions regarding scaffolding assets on leased property;
- Engaged security to undertake patrol visits of the leased property, to secure scaffolding assets;
- Engaged with director and auctioneer to collect and commence the realisation process of the Company's scaffolding equipment;
- Discussed the collection of remaining scaffolding material from a completed project site in Merrylands, NSW with director and auctioneer;
- Collected Company records on assets, including debtor ledgers, outstanding invoices, insurance policy documentation and claims lodged;
- Issued demand letters to debtors and liaised with debtors on individual accounts receivable;
- Realised cash at bank as at appointment;
- Conducted property and motor vehicle searches in the state the Company traded;
- Assessed potential realisable value of assets identified; and
- Liaised with director regarding his interest in scaffolding equipment.

5.5 DOCA process

Prior to our appointment, the Director, through his accountant, engaged Jessie Wang of Wexted Advisors to outline the VA process, as the Director was seeking to retain employees and continue to trade.

At this stage, we are not aware of any parties interested in proposing a DOCA. Creditors who wish to propose a DOCA prior to the Second Meeting should contact the Administrators as soon as possible and provide a DOCA Term Sheet at least 48 hours before the creditor meeting. Any DOCA proposal will need to address key considerations, including the payment of all employee entitlements, notwithstanding the termination of employees prior to or at the time of appointment.

5.6 Investigations

As outlined in this Report, we have undertaken our statutory investigations into the affairs of the Company. In undertaking our statutory investigations, we have undertaken the following key tasks:

- Collected Company's books and records, including bank statements, accounting and financial records, and contracts, etc. from the Director and Accountant;
- Liaised with the Director regarding the operation of the Company;
- Undertook a preliminary review of the records made available to me as well as the completed ROCAP;



- Prepared investigation files including comparative financials;
- Undertook various statutory searches, including ASIC, PPSR, NSW property and NSW motor vehicle searches on the Company;
- Reviewed loan ledgers;
- Reviewed lease agreements;
- Considered potential claims and recoveries in a liquidation scenario;
- Conducted investigations into the affairs of the Company including potential insolvent trading and voidable transactions; and
- Reported investigation findings to ASIC as required.

Our investigations into the affairs of the Company are detailed in **Section 8** of this Report.

To date, we have been provided with access to the Company's MYOB accounting software, Xero accounting software and lease agreement for the Smithfield property. There may be additional records of the Company. A liquidator, if appointed, may demand further information to obtain all relevant books and records to enable further investigations.

5.7 Receipts and payments

We provide a summary of our receipts and payments, on a cash basis, during the Administration period from 6 March 2025 to 23 March 2025.

Summary Receipts and Payments - Period: 6 March 2025 to 23 March 2025		\$
Upfront payment fee		80,000.00
Pre-appointment debtor		22,052.80
Total receipts		102,052.80
CBA – Bank statements		(154.00)
Security patrol hire		(1,320.00)
Total payments		(1,474.00)
Cash at bank as at 23 March 2025		100,578.80

We note that the above represent cash payments only, and do not include accrued liabilities such as Administrator's fees and expenses.

A full account of our receipts and payments will be prepared at the finalisation of the Administration and lodged with ASIC as a Form 5603.

6 Historical and Financial Performance and Position

Upon appointment, we requested books and records, including financial records and management accounts from the Directors and his accountant. We have been provided with the Company's MYOB and Xero access.

We have undertaken a preliminary review of the financials and the management accounts, and provided a summary of the Company's management accounts below for creditors' information. We have not audited or verified the management accounts.

Copies of the Company's Balance Sheet as at the date of appointment, and monthly Profit and Loss from September 2024 to March 2025 are attached at **Appendix F**.



6.1 Financial performance

The financial performance for the Company is summarised below:

Profit and Loss (\$)	6-Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Oct-24	Sep-24	Total
Total Income	-	69,817	92,033	74,415	153,506	66,656	69,525	525,952
Total Cost Of Sales	-	9,773	3,810	3,031	4,898	29,379	2,851	53,743
Gross Profit	-	60,044	88,223	71,384	148,608	37,276	66,674	472,209
Operating Expenses	9,177	227,619	50,104	78,787	69,807	89,464	65,036	589,995
Other Income	-	22,818	-	50,000	-	-	-	72,818
Net Profit	(9,177)	(144,757)	38,119	42,597	78,801	(52,188)	1,638	(44,968)

Source: Financials, Management accounts, WXA summaries

	2021 \$	2022 \$	2023 \$	2024 \$	FY25 YTD 6-Mar-25 \$
Trading Income	691,043	616,953	1,005,549	1,620,884	627,002
Contractors	85,436	90,545	88,364	37,818	-
Cost of Goods Sold	81,088	8,840	-	-	919
Materials & Supplies	3,163	5,577	1,470	1,945	742
Purchases - Scaffolding Material	241,273	140,315	395,804	417,775	25,950
Scaffolding Hire	4,784	-	1,680	35,000	28,411
Total Cost of Sales	415,744	245,278	487,318	492,538	56,022
Gross Profit	275,299	371,675	518,231	1,128,346	570,980
GP Margin (%)	39.8%	60.2%	51.5%	69.6%	91.1%
Total Other Income	13,326	52,600	16,395	39,306	72,818
Total Operating Expenses	496,272	530,827	646,409	775,316	720,265
Net Profit	(207,648)	(106,552)	(111,783)	392,336	(76,467)

Source: Company's Xero Accounting Records

6.2 Commentary on financial performance

We provide the following commentary on the financial performance of the Company:

- Historically the Company traded at GP margin of 60.5% (average past three years);
- With the acquisition of scaffolding material in FY23 and FY24, revenue increased from \$1.0M to \$1.6M. Investigations are continuing into the disposal of scaffolding materials, transfer of any client contracts, and fall in revenue to FY25 annualised \$0.9M (a YoY decline of 43.1% or \$0.7M). In FY25YTD key expense items were Employee Expenses (\$386K) and Interest expense (\$138K);
- The Company incurred a loss of \$45K over the past six months;
- Despite the gross profit margin, the Company's profitability remains constrained due to high operating expenses, which exceed its gross profit.

A liquidator, if appointed, will undertake further investigations into the financial performance of the Company.

6.3 Financial position

The financial position of the Company is summarised below per the management accounts provided:

Balance Sheet	6-Mar-25	28-Feb-25	31-Jan-25	31-Dec-2024	30-Nov-24	31-Oct-24	30-Sep-24
Total Current Assets	204,798.80	209,798.80	237,746.00	237,746.00	182,746.00	182,746.00	182,746.00
Total Non-Current Assets	104,620.42	24,620.42	24,620.42	24,620.42	24,620.42	24,620.42	24,620.42
Total Assets	309,419.04	315,405.50	305,500.62	323,640.09	286,878.58	218,516.25	214,628.51
Total Current Liabilities	1,533,869.38	1,530,678.87	1,050,572.24	1,066,831.20	1,050,166.21	1,039,604.54	987,728.99
Total Non-Current Liabilities	(491,656.60)	(491,656.60)	(491,656.60)	(451,656.60)	(429,156.60)	(408,156.60)	(412,356.60)
Total Liabilities	1,042,212.78	1,039,022.27	558,915.64	615,174.60	621,009.61	631,447.94	575,372.39
Net Assets	(732,793.74)	(723,616.77)	(253,415.02)	(291,534.51)	(334,131.03)	(412,931.69)	(360,743.88)
Working Capital	(1,329,070.58)	(1,320,880.07)	(812,826.24)	(829,085.20)	(867,420.21)	(856,858.54)	(804,982.99)
Current Ratio	0.13	0.14	0.23	0.22	0.17	0.18	0.19

Source: Financials, Management accounts, WXA calculations



6.4 Commentary on financial position

We provide the following commentary on the Company's financial position:

- The Company has negative net assets and a current asset ratio below 1.0, being one indicator of insolvency;
- Working capital has remained negative over the period, reflecting ongoing liquidity challenges. As of our date of appointment, the Company's working capital deficit stands at \$1.3M;
- We have requested repayment of the director loan account of \$491.7K. The director has provided a personal assets and liabilities statement, indicating negative personal net assets of \$354.8K;
- We have requested a breakdown of the accrued revenue of \$182.7K. The accountant informed us that a portion of this revenue was received in December 2024 but has not yet been reflected in Xero;
- The P&L indicates significant purchases in FY23 and FY24 of \$813.6K. There is no corresponding movement in assets in the Company's balance sheet. The Director has suggested that this discrepancy may be due to scaffolding hire expenses being incorrectly coded as purchases of scaffolding in Xero. Further investigations are required; and
- A Transport NSW motor vehicle search indicates the Company previously owned three vehicles. The Director has advised these were sold prior to our appointment. We have requested further details, including any valuations obtained and details of sale consideration paid to the Company. We have sighted the sale proceeds in the Company's Xero bank feed and will verify the payments with the bank statements upon receipt.

Further investigations will be required to assess the recoverability of assets and the Company's ability to meet its financial obligations.

We have not audited the accuracy of the financials or the management accounts of the Company. A liquidator, if appointed, may undertake further investigations into the financial position of the Company.

7 Report on Company Activities and Property

7.1 Summary

Pursuant to section 438B(2) of the Act, directors are required to provide a statement about a company's business, property, affairs and financial circumstances as at the date of the appointment of the Administrators within five business days of receiving a request from the administrator, or such longer period as the Administrators allows.

We confirm receipt of the Director's ROCAP on 10 March 2025 and lodgement with ASIC on the same date. A summary of the Director's ROCAP, the management accounts on appointment, and the Administrators' estimated realisable value (ERV) of assets and liabilities is provided below.



ERV of Director ROCAP	Reference	ROCAP \$	Administrator ERV \$
Assets			
Cash and Cash Equivalent	7.2.1	-	3,025.00
Accrued Income	7.2.2	-	-
Trade and Other Receivables	7.2.3	22,052.80	22,052.80
Inventories	7.2.4	-	-
Prepaid expenses	7.2.5	-	-
Property, Plant and Equipment	7.2.6	100,000.00	60,000.00
Computer	7.2.7	-	-
Motor Vehicle	7.2.8	-	-
Security deposits and bond	7.2.9	-	7,700.00
Real property	7.2.10	-	-
Debit Loan	7.2.11	-	Unknown
Total Assets		122,052.80	92,777.80
Liabilities			
Employee Entitlements	7.3.1	44,768.03	53,879.55
Secured Creditors	7.3.2	-	-
Statutory Creditors	7.3.3	1,438,000.00	1,464,105.09
Related Party Non-Priority Claims	7.3.4	-	38,551.00
Total Liabilities		1,517,699.03	1,556,535.64
Net Asset Surplus / (Deficiency)		(1,395,646.23)	(1,463,757.84)

Source: Directors' ROCAP, Management Accounts and WXA estimates

7.2 Assets

7.2.1 Cash and Cash Equivalent

The Company's balance sheet records cash on hand of \$2.

Upon appointment, we contacted major Australian banks to identify any accounts held in the Company's name. CBA confirmed the existence of two accounts with credit balances of \$3,022.91 and \$0.22, and we have issued a request to transfer funds. We have received bank statements and transaction listings for further review.

7.2.2 Accrued Income

The Company's balance sheet reports accrued income of \$182.7K. We have contacted the Director and his accountant to obtain details regarding this accrued income and to confirm its recoverability. The accountant informed us that a portion of this revenue was received in December 2024 but has not yet been reflected in Xero. A liquidator will conduct further review if one is appointed.

7.2.3 Trade and Other Receivables

The Director's ROCAP indicate there was one outstanding debtor at the time of appointment, Avanti Scaffolding, with an amount owing of \$22.1K. We issued a demand letter to Avanti Scaffolding requesting payment of \$22.1K on 13 March 2025, and received payment of this debt on 20 March 2025.

Preliminary investigations suggest that Avanti Scaffolding is owned by a former casual employee of the Company who is also related entity to the Director. A company search on Avanti Scaffolding shows it was incorporated on 29 November 2024. We understand Avanti Scaffolding operates a similar business to the Company's.

As outlined below, the Company sold motor vehicles and a forklift to Avanti Scaffolding prior to our appointment. Our investigation in potential phoenix activity is ongoing. Should a liquidator be appointed, further investigations will be conducted.



7.2.4 Inventories

The Company's books and records do not indicate any inventories.

A liquidator, if appointed and commercial for creditors, will conduct further investigations into this matter.

7.2.5 Prepaid expenses

The Company's books and records do not indicate any pre-paid expenses on hand.

A liquidator, if appointed and commercial for creditors, will conduct further investigations into this matter.

7.2.6 Property, Plant and Equipment

The ROCAP provided by the Director listed scaffolding equipment valued at \$100.0K. Our auctioneer has collected scaffolding equipment from the Leased Premises and is currently undertaking a stocktake and valuation, prior to taking the assets to market for sale.

As outlined above, the P&L indicates significant purchases of scaffolding equipment in FY23 and FY24 of \$813.6K. There is no corresponding movement in assets in the Company's balance sheet. The Director has suggested that this discrepancy may be due to scaffolding hire expenses being incorrectly coded as purchases of scaffolding in Xero. Further investigations are required.

Without funding to trade on operations, the following actions were undertaken:

- Inspected and arrange security patrol for the scaffolding equipment on site;
- Arranged for the relocation of scaffolding equipment from the site to the auctioneer's yard for sale;
- Liaised with the Director to approach potential buyers to offer these assets; and
- Coordinated with the auctioneer to facilitate the valuation and sale process.

We will provide the creditors with further information regarding the realisation of the scaffolding as soon as more information becomes available.

Prior to our appointment, the Company sold scaffolding equipment to Avanti Scaffolding for \$22K, valued at \$1.0K per tonne and to various external parties, with recorded sales totalling \$232.2K.

A liquidator, if appointed will conduct further investigations into this matter. Further updates will be provided as the realisation process progresses.

7.2.7 Computer

The Company's books and records list computer equipment valued at \$10.7K, as detailed below:

Asset	Cost	Qty	Value	Purchase Date
Office PC	1,771.17	1.00	1,771.17	6/11/2020
Laptop - Purchase from JB HiFi	2,663.64	1.00	2,663.64	19/08/2016
Office Equipment	635.45	1.00	635.45	4/07/2020
Office Computer	1,653.64	1.00	1,653.64	7/04/2020
Office PC - Purchase from MWAVE	1,180.91	1.00	1,180.91	12/01/2024
Office Laptop - Purchase from MWVE	1,817.27	1.00	1,817.27	21/06/2023
Software - Scaffplan0A98BF41	1,000.00	1.00	1,000.00	1/11/2023

The balance sheet has fully depreciated these assets.

We have requested the location, description and images of these computers from the Director. To date, we have not received any response. On receipt of this information, we will liaise with our auctioneer to determine the commercial benefit in pursuing the recovery and sale of the Company's computer assets. Further investigations are required.

7.2.8 Motor Vehicle

We have conducted NSW Motor Vehicle searches identifying several vehicles previously registered to the Company.



Plate No.	Make	Model	VIN / Chassis	Owned to	Sold	Redbook Valuation	FLV	FMV
XN96SE	MITSUBISHI	FE	JMFFE647E0KJ40	31/12/1999	n/a	\$14,000	\$10,000	\$15,000
EJB82P	BMW	X Series - G01	WBATR920109A32469	14/11/2024	\$30,000	\$29,700 - \$39,150	\$24,000	\$30,000
CN90VE	MITSUBISHI	FE	JMFFE647E0KJ40	31/12/1999	n/a	\$14,000	\$10,000	\$15,000
CG79UO	TOY	HILUX 4X2	MR0EX3CBX01102546	14/11/2024	n/a	\$11,000 - \$16,000	\$ 9,000	\$12,000
AZ41YG	ISUZU	FVR 950 LOMG	JALFVR34R67000120	14/11/2024	\$20,000	\$35,000 - \$52,500	\$15,000	\$25,000

The search confirmed that all three vehicles were sold on 14 November 2024. Notably, the Isuzu and BMW were sold to Avanti Scaffolding for \$20,000 and \$30,000 respectively. Additionally, as outlined above, we note the Company sold a forklift to Avanti Scaffolding for \$5,000 prior to our appointment.

We have identified the sale proceeds in the Company's bank feed in Xero and are currently awaiting bank statements from CBA to verify the transactions.

We have investigated the market value from external third-party website www.redbook.com.au and have engaged our valuer to provide an estimated fair market value (FMV) and forced liquidation value (FLV). The estimate valuation is based on the assumption that the vehicles are in good condition with reasonable mileage.

We are continuing our investigations to determine the nature of this sale, as well as the ownership and status of the remaining vehicles, and whether any recovery action may be warranted against the Director, and / or Avanti Scaffolding, if assets were sold below market value.

7.2.9 Security deposits and bond

The Company's balance sheet lists a rental bond of \$24.6K in relation to the Leased Property and the former property leases. This includes, the bond amount of \$8.0K for the Leased Property, equivalent to three months' rent. The Administrators issued a Form 509B Notice of Intention Not to Exercise Property Rights to the landlord on 14 March 2025. The Director has advised that the site has since been re-leased to a new tenant. We are currently liaising with the landlord to recover the rental bond and may commence legal action, to recover the bond.

7.2.10 Real property

We have conducted NSW property searches to identify any real property owned by the Company. The Company does not hold any real property (i.e. land) in NSW.

7.2.11 Debit loans

The Balance Sheet as of our appointment indicated three outstanding debit loans to the Director totalling \$491,656.60, as detailed below:

- Nikolas Jelic FY2023 - \$9,954.28
- Nikolas Jelic FY2024 - \$315,502.32
- Nikolas Jelic FY2025 - \$166,200.00

We contacted the director on 13 March 2025 to obtain further information regarding these loans and request repayment but have not received a response yet. These balances remain subject to further verification, and we are assessing their recoverability as part of our ongoing investigations.

The Director has provided a personal assets and liabilities statement, which indicates negative net assets of \$354,800. The statement includes the following assets: a 1997 Toyota Landcruiser Prado (valued at \$3,000) and cash on hand of \$586.11. Liabilities include a CBA credit card debt of \$32,000, a NAB credit card debt of \$39,000, PAYG DPN of \$257,000, and GST DPN of \$31,000.

A liquidator, if appointed and commercial for creditors, will conduct further investigations into the personal assets of the Director.



7.3 Liabilities

7.3.1 Employee Entitlements

The Directors' ROCAP discloses amounts owing to priority creditors in respect of outstanding employee entitlements including accrued leave and superannuation liabilities totalling ~\$53K.

Prior to our appointment, the Director advised the Company had ceased trading and had three employees including the director, two full-time and one casual.

On 7 March 2025, we notified the former employees of our appointment, referred to the Company ceasing to trade prior to our appointment, and formally advised that their employment was terminated on 6 March 2025.

Based on the Company records, including MYOB accounting software and employee payslips, we calculated employee entitlements including annual leave and superannuation.

Based on the Company's books and records, one employee has outstanding leave entitlements and four employees have outstanding superannuation. A summary of employee entitlement calculations is provided below.

Employees	Unpaid Wages	Leave Entitlements	Leave Loading	PILN & Redundancy	Super / SGC	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Athol Tanner	-	-	-	-	10,862.62	10,862.62
Caleb Smith	-	-	-	-	9,220.00	9,220.00
Jacob Miller	-	-	-	-	7,086.26	7,086.26
Joel Johnson	-	2,119.48	-	3,611.52	15,479.67	21,210.67
Janja Jelic (Related)	-	-	-	-	2,000.00	2,000.00
Nikolas Jelic (Related)	-	-	-	1,500.00	2,000.00	3,500.00
Total	-	2,119.48	-	5,111.52	46,648.55	53,879.55

In a liquidation process, employees should note that while we are able to assist in the verification and processing of employee claims with FEG, the adjudication of any claims is undertaken by FEG. FEG has the sole discretion to form a view on whether employee entitlements claims should be admitted and paid, or rejected and not paid.

Pursuant to section 556 of the Act, directors and their related parties are excluded employees and only entitled to a priority for an amount of \$2,000 for unpaid superannuation and wages, and \$1,500 for leave of absence. The balance of their employee entitlements will be treated as ordinary unsecured creditor claims.

As Mr Nicholas Jelic and Ms Janja Jelic are related-party employees, the provisions of section 556 of the Act apply to them. The residual balance of employee entitlements treated as ordinary unsecured creditor claims is \$38,551.

If the Company is placed into liquidation at the Second Meeting, any distribution to priority employee creditors from the administration estate will be subject to asset realisations.

Where there are insufficient funds in the liquidation to facilitate a distribution to priority creditors, employees may be eligible for the Australian Government's FEG scheme. This government body specialises in assisting employees with outstanding entitlements that become due because of employers becoming insolvent. The scheme provides assistance with regard to the following employee entitlements:

- Up to a maximum of 13 weeks unpaid wages for the period prior to the appointment of the Liquidator;
- Unpaid annual leave;
- Unpaid long service leave;
- Up to a maximum of five (5) weeks unpaid payment in lieu of notice; and
- Up to a maximum of four (4) weeks unpaid redundancy entitlement for each completed year of service.



FEG funding can only be obtained if the Company is placed into liquidation. Further information regarding FEG is available on the DEWR website <https://www.dewr.gov.au/fair-entitlements-guarantee>.

In circumstances where FEG advance funds to priority creditors in satisfaction of their claims, FEG will receive the same priority that the employee creditors would have received to the realisation of circulating assets.

Outstanding superannuation contributions are not covered by FEG and FEG assistance is not available to non-Australian resident employees and apprentices. Certain other caps also apply. FEG processing times are currently 16 weeks.

7.3.2 Secured Creditors

We provide a full listing of secured creditors as recorded on the PPSR in Section 4.3.

A summary of expected secured creditor claims received are as follows:

Secured Creditor	Type	ROCAP Amount (\$)	Est. Amount (\$)
Acrow Formwork and Scaffolding Pty Ltd	Other Goods	-	-
Technocraft Australia Pty Limited	AllPAAP With Except	-	-
Layher Pty Limited	Other Goods	-	-
Acrow Formwork and Scaffolding Pty Ltd	Other Goods	-	-
Total Estimated Secured Creditor Claims		-	-

Source: PPSR search, Directors' ROCAP, WXA Estimate

On 6 March 2025, we notified all security interest holders with PPSR registrations of the appointment. We requested further particulars regarding security interests and any claims over the Company's assets.

We have been informed that all secured creditors have discharged their security interests, and we have received discharge certificates.

Any shortfalls on specific security interests will be unsecured creditor claims. Further updates on creditor claims will be provided at the Second Meeting, if any additional information becomes available

7.3.3 Statutory Creditors

Company records indicate it has outstanding debts owing to the ATO for GST and PAYG Withholding in the amount of \$1,438,000.

The ATO has lodged a winding-up notice, which is scheduled to be on 4 April 2025.

We notified the ATO of our appointment. On 13 March 2025, ATO provided us with proof of debt for \$1.44M.

We note that amounts owing to statutory authorities, are unsecured debts that do not receive any priority over other ordinary unsecured creditors (excluding SGC).

7.3.4 Related Party Non-Priority Claims

As outlined in section 7.3.1, the remaining balances of Mr. Nikolas Jelic's unpaid superannuation and payment in lieu of notice (\$32,541) and Mrs. Janja Jelic's unpaid superannuation (\$6,010) have been classified as ordinary unsecured creditor claims, totalling \$38,551.

The Company's books and records do not disclose any other ordinary unsecured creditor claims.

Creditors are referred to **Appendix B** for a list of known creditors and summary of claims of the Company.

Should any other parties purport to have claims against the Company, please submit the Formal Proof of Debt Form, attached in **Appendix A**, to this office.



8 Investigations

8.1 Introduction

Section 438A of the Act requires that as soon as practicable after a voluntary administration begins the Administrators must investigate the company's business, property, affairs and financial circumstances and form an opinion as to whether it would be in the interests of creditors for:

- The company to execute a DOCA;
- The voluntary administration to end; or
- The company to be wound up (placed in liquidation).

Pursuant to IPR 75-225(3) the Administrators is also required to prepare a report which outlines the above investigations and opinions and which must also state, amongst other things, whether there are any transactions that appear to the Administrators to be voidable transactions in respect of which money, property or other benefits may be recoverable by a liquidator under Part 5.7 of the Act should creditors resolve that the company be wound up.

In addition to recovery of voidable transactions, a liquidator has the power to pursue the directors of a company in respect of certain offences under the Act. Further information on a liquidator's powers is provided in an ARITA information sheet at **Appendix G**. Creditors who are not familiar with the nature of these actions should refer to the appendix for further information. Creditors should contact our office if further information is required regarding the material contained in Appendix G, the Report or any appendices to the Report.

In this section of the Report, we outline the various causes of action that may be available to a liquidator of the Company, should a liquidator be appointed, and the potential for any recoveries, noting that such recoveries would be subject to the defendants to any such cause of action having the ability to meet any claims.

8.2 Overview of investigation

Since appointment, we have undertaken the following investigations to prepare this Report and formulate our opinions:

- ASIC and real property searches on the Company;
- Personal Property Securities Register searches on the Company;
- Held discussions with the Director, creditors and other key stakeholders of the Company;
- Property searches on the Director
- Reviewed the books and records of the Company, including, but not limited to:
 - The Company's accounting records for the Review Period;
 - Bank statements for period prior to our appointment (7 September 2024 to 6 March 2025); and
 - Management financials from FY18 to DOA.
- Conducted investigations into potential insolvent trading and voidable transactions.

8.3 Director's explanation for the Company's difficulties

On appointment, we wrote to the Director of the Company to request the Company's books and records, the completion of ROCAP, and provision of background information relating to the Company, including reasons for the financial difficulties.

The Director advised the main reason for the Company's difficulties was poor financial control and outstanding debts owed to the ATO, which led to the ATO commencing wind-up action.

Based on our preliminary investigations during the Administration, our review of the books and records currently available and our discussions with various stakeholders of the Company, we have no reason to disagree with the reasons for failure provided by the Director.



8.4 Adequacy of books and records

Section 286 of the Act requires a Company to keep written financial records that correctly record and explain its transactions, financial position and performance, to enable true and fair financial statements to be prepared and audited. Financial records must be kept for seven years after the completion of the transactions to which the records pertain.

We have been provided with (amongst other things):

- Access to MYOB and Xero;
- Employee information regarding potential outstanding entitlements;
- Ledgers of trade debtors;
- Creditor listing;
- Contracts and leases; and
- Other records.

Based on the books and records available to us, they appear to be inadequate to explain all transactions of the Company, including but not limited to:

- any disposal, transfer or write off of the \$1.3M of scaffolding assets acquired since FY20
- the disposal of other assets at market value (motor vehicles, forklift etc); and
- the status of recent or any current projects and invoicing of same.

We have reported on the adequacy of books and records to ASIC. Further investigation will be undertaken by a liquidator, if appointed.

8.5 Insolvency

Part of our role as Administrators is to conduct a preliminary examination of the Company's solvency to determine whether the Company is currently solvent, whether the Company may be able to return to solvency and when the Company first became insolvent. This examination is preliminary and based the time available and the best information available at this time:

We have based our investigations on information obtained from:

- Books and records made available to me by the Company's accountant, including MYOB and Xero financial accounts, including but not limited to:
 - Profit and loss statements;
 - Balance sheets;
 - Aged creditors payable;
 - Bank statements;
 - General ledger;
 - Asset listings; and
 - Discussions with the Director and Financial Controller;
- Publicly available information from ASIC; and
- An assessment of the usual indicators of insolvency, as set out in the case *ASIC v Plymin (2003)* which is discussed in further detail below.

Pursuant to section 588G of the Act the director of a company has a duty to prevent continued trading of a company when they have reason to believe that the company is insolvent or is likely to become insolvent, and it is unlikely to be able to pay the debts that it incurs. If there are reasonable grounds for suspecting that a company is insolvent at the time when a debt is incurred, or that the company will become insolvent as a result of incurring the debt, then the director or directors at the time the debt was incurred may be guilty of breaching section 588G of the Act and may be ordered to compensate the company for such liabilities.



Our preliminary investigations indicate that the Company has been insolvent as early as 24 August 2018. We examined the Company's historical financial performance. We found that the Company consistently had a current ratio below 1, a net asset deficiency, and incurred net losses of \$45K over the past six months.

On 24 August 2018, the ATO reinstated a previously non-pursued tax debt. Since then, the Company has been unable to meet its statutory tax obligations, resulting in the accumulation of additional tax liabilities up to the date of our appointment. Company records indicate that it purchased \$1.3M of scaffolding assets since around 30 June 2020. Further investigations are required into the funds available to the Company and timing of when the initial ATO notices, and debts due at the time, and whether or not the insolvent trading date may be later than August 2018.

We have not identified any material preference payments or other voidable transactions in the six-month period leading up to my appointment. The liquidator, if one is appointed, will undertake further investigations into possible voidable transactions and to ascertain if it will be commercial to pursue those possible claims.

8.5.1 Balance Sheet Test

The balance sheet test is one of the tests to consider when assessing insolvency and indicates that a company is or may be insolvent if its total liabilities exceed the value of its total assets, (i.e. there are insufficient assets to discharge its liabilities at a point in time).

Balance Sheet Metrics (\$) as at	6-Mar-25	28-Feb-25	31-Jan-25	31-Dec-24	30-Nov-24	31-Oct-24	30-Sep-24
Net Assets	(732,793.74)	(723,616.77)	(253,415.02)	(291,534.51)	(334,131.03)	(412,931.69)	(360,743.88)
Working Capital	(1,329,070.58)	(1,320,880.07)	(812,826.24)	(829,085.20)	(867,420.21)	(856,858.54)	(804,982.99)
Current Ratio	0.13	0.14	0.23	0.22	0.17	0.18	0.19

Source: Financials, Management accounts, WXA calculations

We set out below key financial metrics for the Company during the review period:

- The Company has maintained a negative net asset position throughout the review period, with total liabilities consistently exceeding total assets. As of 6 March 2025, net liabilities stood at \$732.8K;
- The Company has recorded negative working capital across all periods reviewed, indicating that current liabilities exceed current assets. The working capital deficit has averaged over \$1.0M, reaching \$1.3M as of the latest reporting date; and
- The Company's current ratio has remained significantly below 1.0, averaging 0.18 over the past six months, further suggesting potential insolvency risk. A ratio below 1.0 indicates that the Company does not have sufficient short-term assets to cover its short-term liabilities.

As shown in the table below, the Company has historically operated with negative working capital and a low current ratio. However, we note that during this period, the Company has not secured additional financing from either the Director or an external financier, despite incurring net losses and an increasing loan to the Director's account.

Metrics (\$) as at	6 May 2025	FY24	FY23	FY22	FY21	FY20	FY19	FY18
Net Assets	(732,793.74)	(330,882.45)	(723,218.78)	(611,436.26)	(504,884.20)	(297,236.05)	(302,867.06)	(204,070.92)
Director Loan	(491,656.60)	(325,456.60)	(447,904.13)	(302,542.11)	(263,893.88)	(294,812.36)	(221,416.28)	(130,443.32)
Net Losses	(76,466.97)	392,336.33	(111,782.52)	(106,552.06)	(207,648.15)	5,631.01	(98,796.14)	(60,098.36)
Working Capital	(1,329,070.58)	(658,737.85)	(1,141,108.12)	(885,319.96)	(791,168.39)	(624,434.96)	(557,717.37)	(355,353.05)
Current Ratio	0.13	0.33	0.01	0.08	0.04	0.05	0.00	0.14

Source: Financials, Management accounts, WXA calculations

Our investigation also reveals that the Company has made significant purchases of scaffolding equipment over the years. However, the Company and/or its external accountant have directly expensed these purchases rather than recording them as assets on the balance sheet. This raises concerns regarding the solvency and accuracy of the financial records and may warrant further investigation.

We note that determining when a company became insolvent can be a costly and complex exercise, involving a detailed review of the Company's cashflow, financial position and other relevant information.

8.5.2 Cash Flow Test

An assessment of a company's solvency position on a cash flow basis requires a review of the company's ability to meet its ongoing liabilities from its available cash and/or other resources. This is consistent with the



'solvency' test as set out in section 95A of the Act and is the preferred test used by the courts when considering a company's solvency.

In assessing the Company's solvency position on a cash flow basis, we have not been provided with any cashflow forecasts or budgets.

Our review indicates that the Company has incurred losses and maintained negative net assets over the years. We are not aware of any equity raised or financing agreements, suggesting that the Company relied solely on cash flow from operations to continue trading.

As of our appointment, the Company's only known liabilities arise from taxation debts, including GST (with penalties and interest), PAYG withholding, and superannuation payable. We have not identified any other unsecured creditors.

Given these factors, it is likely that the Company has been trading while insolvent since as early as August 2018, or earlier, when the ATO re-raised a previously non-pursued tax debt.

A liquidator, if appointed, would conduct further investigations into the solvency of the Company with the benefit of further time and potentially further books and records.

8.5.3 Indicia of Insolvency

We have assessed the Company's solvency using the indicators of insolvency adopted in the case *ASIC v Plymin (2003)*. Our analysis is provided below:

#	Indicator	Indicia Present	WXA Comments
1	Continuing Losses	Yes	The Company incurred a cumulative trading loss of \$45K since September 2024 and net losses of \$263K since FY18.
2	Current Asset ratio below 1	Yes	The Company has had a current ratio below 1 since FY18.
3	Overdue Commonwealth and State Taxes	Yes	We have received a POD from the ATO claiming an amount of \$1.4M.
4	Poor relationship with present bank including inability to borrow additional funds	No	There is no evidence sighted to suggest the Company had a poor relationship with its bank or was unable to borrow additional funds. That said, asset finance appears limited and cashflow finance would be challenging on historical financials.
5	No access to alternative finance	No	We are not aware of any approaches to alternative financiers at the date of my appointment.
6	Inability to raise further capital	No	We are not aware of any attempts to raise further capital or funding contributions received by the Company.
7	Supplier placing the debtor on COD terms, or otherwise demanding special payments before resuming supply	No	Our preliminary investigations have not identified any supplier placing the Company on COD terms or otherwise demanding special payments before resuming supply.
8	Creditors unpaid outside trading terms	No	There is no evidence to suggest that creditors were unpaid outside trading terms.



#	Indicator	Indicia Present	WXA Comments
9	Issuing of post-dated cheques	No	Our preliminary investigations have not identified any post-dated cheques.
10	Dishonoured cheques	No	Our preliminary investigations have not identified any dishonoured cheques or payments.
11	Special arrangements with selected creditors	No	In November 2024, the Company proposed for a payment plan with the ATO, but the request was denied.
12	Solicitors letter, summons(es), judgements or warrants issued against the Company	Yes	On 25 October 2024, the ATO issued a statutory demand for outstanding GST, PAYG tax liabilities in the amount of \$1.1M. The winding up hearing scheduled for 4 April 2025.
13	Payments to creditors of rounded figures, which are irreconcilable to specific invoices	No	Our preliminary investigations have not identified any rounded figures payment to any creditors.
14	Inability to produce timely and accurate financial information to display the company's trading performance and financial position and make reliable forecasts	Yes	Our preliminary review indicates that the Company's financial records may be unreliable. Key concerns include accrued income amounts and an unusually high gross profit margin, which may suggest inaccuracies in financial reporting. Further investigation is warranted to assess the validity of these records and determine the true financial position of the Company.

Taking the above into consideration, there are several indicators present that suggest the Company traded while insolvent.

If the Company is wound up at the forthcoming meeting of creditors, further investigations will be undertaken in relation to the indicators of insolvency present and potential date of insolvency.

8.6 Outstanding or previous winding up applications

As previously stated, on 29 January 2025, the ATO filed a winding-up application due to the outstanding statutory demand for a running balance account deficit debt and superannuation guarantee totalling \$1.4M. The winding-up hearing is scheduled for 4 April 2025.

8.7 Legal / class actions

We are not aware of any other legal proceedings on foot against the Company at, or since appointment

9 Offences and Litigation Recoveries

A liquidator can pursue certain claims that may result in recoveries for creditors. These claims are not available to a Deed Administrator should creditors vote to execute a DOCA or if control of the Company is returned to the Directors.

Administrators are obligated to identify claims that a liquidator could pursue, including:

- Voidable transactions and other potential recoveries; and
- Recoveries against past or present directors, secretaries, other officers and company advisors.

Enclosed at **Appendix G** is a Creditor Information Sheet: Offences, Recoverable Transactions and Insolvent Trading published by ARITA, which provides general information for creditors on the types of claims that a liquidator can pursue.



9.1 Insolvent trading

Insolvent trading is when a company incurs a debt at a time when:

- The company was insolvent or became insolvent by incurring the debt; and
- There were reasonable grounds to suspect the company was insolvent or would become so as a result of incurring the debt. Directors of a company have a duty to prevent insolvent trading by not incurring debt when there are reasonable grounds for suspecting that the company is or will be unable to pay its debts as and when they fall due.

The objective test or standard of measure in deciding whether insolvent trading has occurred is whether a director can demonstrate that their actions are at the same degree and level that would be required of an ordinary reasonable person holding a similar position and responsibility in the same circumstances.

A director who fails to prevent a company from incurring a debt at a time when there are reasonable grounds for suspecting that the company is insolvent, or will become insolvent by incurring that debt, contravenes section 588G of the Act.

As discussed in **Section 8** of this Report, our preliminary investigations indicate that the Company may have been insolvent from on or around August 2018.

Creditors should note that only a liquidator or an individual creditor with the liquidator's permission can bring an action against a director for breach of section 588G. An Administrators or deed Administrators cannot pursue a director for recoveries from contraventions of section 588G of the Act.

A liquidator may recover from a director the amount of loss or damages suffered by a creditor (section 588M of the Act).

9.1.1 Insolvent trading claim

Taking into consideration the limited time available to conduct our investigations, our views are preliminary in nature regarding potential insolvent trading claims against the Director.

Creditors should note that the maximum value of an insolvent trading claim is the value of unsecured debts that were incurred during the period in which the Company was insolvent. As previously noted, there are indicators present that the Company may have been insolvent from on or before August 2018. Investigations are ongoing to determine the likely date of insolvency.

We note that the total amount of any claim is subject to the insolvent trading date and could be as much as the total value of unsecured creditor claims (~\$1.5M). The quantum of any insolvent trading claim would need to exclude future amounts owing under contracts that have become due and payable as a result of the external administration. The quantum of any insolvent trading claim is subject to further investigation in a liquidation.

The Director's potential defences against such a claim, and ability to meet a judgement (if one should be made against them) are discussed below.

We note insolvent trading claims are generally challenging to undertake, time consuming and can be expensive claims to administer and run. They usually involve a public examination of the directors, obtaining an expert opinion on insolvency and litigation over a considerable period of time.

In any case, should creditors resolve to place the Company in liquidation at the Second Meeting, a liquidator will conduct further investigations into any potential insolvent trading claims and the commercial merit in pursuing any such claims.

9.1.2 Directors' defences

Defences available to directors under the Act regarding allegations of insolvent trading are that:

- The director had reasonable grounds to expect, and did expect, that the company was solvent at that time and would continue to be solvent if it incurred the debt;
- The director had reasonable grounds to believe that a competent and reliable person was responsible for providing adequate information about whether the company was solvent and that person was fulfilling the responsibility and it was expected, that on the basis of the information provided, that the Company was solvent and would continue to be solvent when the debt was incurred;



- At the time the debt was incurred the director, due to illness or other good reason, did not take part in the management of the company; and
- The director was taking a course of action that was reasonably likely to lead to a better outcome for the company (i.e. the Safe Harbour defence). We are not aware of any safe harbour defence claimed by the directors.

A liquidator (if appointed) would undertake further investigations into the merits of any defences, as well as a claim for insolvent trading.

9.1.3 Safe Harbour

Provisions under section 588GA of the Act provide directors with an exception against insolvent trading claims. The legislation was introduced to allow directors, in circumstances where the company's solvency is in question, to formulate and take courses of action that they expect will result in a better outcome than the immediate appointment of an external administrator.

The protection is available in circumstances where, as soon as insolvency is suspected, directors develop a course of action reasonably likely to lead to a "better outcome" for the company and relates to any new debts incurred from that time directly or indirectly in connection with that course of action. Certain other requirements in relation to payments and lodgements must also be met for the protection to be available.

We are not aware of any Safe Harbour advisors engaged by the Company prior to appointment.

Further investigations into any claims made by a liquidator and available defences in relation to insolvent trading will be undertaken should the Company be placed into liquidation.

9.2 Voidable transactions

The Act requires an Administrators to specify whether there are any transactions that appear to be voidable transactions in respect of which money, property or other benefits may be recoverable by a liquidator under the Act.

Pursuant to section 588FE(2) of the Act, a transaction of a company may be voidable if:

- a) It is an insolvent transaction of the company; and
- b) It was entered into, or an act was done for the purpose of giving effect to it during the six months ending on the relation-back day, 6 September 2024 to 6 March 2025.

A liquidator, if appointed, would undertake further analysis of whether the Company traded whilst insolvent, consider any voidable transactions, and the commercial benefit of commencing any recovery actions. Our preliminary investigations, including the prospects of success of any recoveries from potential voidable transactions are detailed below.

9.2.1 Unfair preferences (section 588FA)

A source of recoveries available to a liquidator are transactions considered voidable pursuant to section 588FA of the Act. If a transaction appears voidable, a liquidator may commence action to recover the proceeds of the transaction in order to distribute them in accordance with the priorities set out in the Act. Such transactions normally cover payments made to creditors within six months prior to my appointment, when a payment confers an advantage to the creditor above what would be received in a general distribution to creditors in a liquidation.

If creditors resolve to place the Company into liquidation at the Second Meeting, then the relation back period is the six-months prior to the date of appointment as Administrator, being from 7 September 2024 to 6 March 2025.

Factors which indicate payments might be unfair preferences are:

- Payments in response to winding up applications, statutory demands and other pressure from the creditor;
- Repayment plans with the creditor; and
- Significant 'round' payments made to the creditor.

The payments would be protected if the creditor from whom the liquidator seeks to recover:



- Became a party to the transaction in good faith; and
- At the time when they became a party:
 - had no reasonable grounds for suspecting that the Company was insolvent at that time, or would become insolvent;
 - a reasonable person in that person's circumstances would have had no such grounds for suspecting insolvency; and
 - provided valuable consideration under the transaction or changed their position in reliance on the transaction.

A creditor seeking protection must prove all three elements.

Further, where a creditor received a series of payments as part of a so called 'running account' and their overall indebtedness increases over the same period, the creditor is taken not to have received an unfair preference. This is called 'the running account defence'.

A liquidator would likely seek legal advice on the strength of a claim including the applicability of these defences. It is likely any recovery action commenced by a liquidator would be defended. Therefore, costs are a major consideration.

We have reviewed the books and records of the Company available to us, with a focus on:

- A detailed review of general ledgers for the six months prior to the relation-back day (7 September 2024 to 6 March 2025.), noting any significant sums and/or round payments to creditors; and

Our initial investigations have not identified any potential preference payment.

Notwithstanding, a liquidator, if one is appointed, would have the benefit of additional time and potentially additional books and records, to allow for further investigations to be undertaken in relation to potential preference payments.

In the event creditors pass a resolution at the Second Meeting to wind up the Company, creditor funding will be required to pursue any preference claims. In advance of our appointment as liquidator, we request creditors to consider and notify our office by **31 March 2025** if you wish to provide any funding to pursue further investigations into these claims.

9.2.2 Uncommercial transactions (section 588FB)

Section 588FB of the Act provides that a transaction of a company is an uncommercial transaction of the company if, and only if, it may be expected that a reasonable person in the company's circumstances would not have entered into the transaction, having regard to:

- The benefits (if any) to the company of entering into the transaction;
- The detriment to the company of entering into the transaction;
- The respective benefits to the other parties to the transaction of entering into it; and
- Any other relevant matter.

The company must be insolvent at the time of the transaction or become insolvent as a result of entering into the transaction. In addition, the transaction must have occurred within two years of the appointment of the Administrators or four years for related parties (section 588FE(3) and section 588FE(4) of the Act).

Section 588FG of the Act provides, in summary, that a transaction is not voidable as against certain persons if it is proved that:

- The person received no benefit as a result of the transaction;
- The person received the benefit in good faith;
- The person had no reasonable grounds for suspecting that the company was insolvent at the time or would become insolvent; and



- A reasonable person in the person's circumstances would have had no such grounds for so suspecting.

Our preliminary investigations have not identified any uncommercial transactions. Notwithstanding, a liquidator, if one is appointed, would have the benefit of additional time and potentially additional books and records, to allow for further investigations to be undertaken in relation to potential uncommercial transactions.

9.2.3 Unfair loans (section 588FD)

A loan is unfair if it is made to the company and the interest or charges relating to the loan are extortionate.

Our preliminary investigations have not identified any unfair loans.

Notwithstanding, a liquidator, if one is appointed, would have the benefit of additional time and potentially additional books and records, to allow for further investigations to be undertaken in relation to potential unfair loans.

9.2.4 Unreasonable director-related transactions (section 588FDA)

A transaction of a company is an unreasonable director-related transaction of the company if, and only if, the transaction is a payment, conveyance, transfer, disposition, issue of securities, incurring of an obligation made by the company to a director, a close associate of a director or a person on behalf of the director, and it may be expected that a reasonable person would not have entered into the transaction having regard to the benefit (if any) or detriment to the company entering into the transaction.

Pursuant to section 588FDA(1)(c) of the Act we consider whether or not a reasonable person in the company's circumstances would not have entered into the transaction, having regard to:

- The benefits, if any, to the company of entering into the transaction;
- The detriment to the company of entering into the transaction;
- The respective benefits to other parties to the transaction of entering into the transaction; and
- Any other relevant matter.

The timing of the test of the above factors applies at the time the transaction is entered into, rather than as they existed at the time when the obligation was incurred (section 588FDA(2) of the Act).

We consider the Director's debit loan account of \$491K to be an Unreasonable Director-Related Transaction, given the Company's accumulated losses and growing tax debts since 2018. This transaction is detrimental to the Company's financial position.

Notwithstanding, a liquidator, if one is appointed, would have the benefit of additional time and potentially additional books and records, to allow for further investigations to be undertaken in relation to potential unreasonable director-related transactions.

9.2.5 Transactions with the purpose of defeating creditors (section 588FE(5))

A transaction of a company has the purpose of defeating creditors if it is an insolvent transaction of the company, the company became a party to the transaction for the purpose, or for the purposes including the purpose, of defeating, delaying or interfering with, the rights of any or all of its creditors on a winding up of the company, and the transaction was entered into, or an act done was for the purpose of giving effect to the transaction during the 10 years ending on the relation back day, being 6 March 2025 in this case.

Such transactions are normally involved in the removal of assets such that they are not available to a liquidator to meet creditors' claims on a winding up. Such action usually involves concealment and may amount to fraud.

As discussed in **section 7.2**, the Company has sold three vehicles and several scaffolding equipment to a related entity. We are currently reviewing these transactions to assess their commerciality, including whether they were conducted at arm's length and at fair market value.

Notwithstanding, a liquidator, if one is appointed, would have the benefit of additional time and potentially additional books and records, to allow for further investigations to be undertaken in relation to potential creditor-defeating transactions.



9.3 Offences

Directors and officers of a company have duties, obligations and responsibilities in relation to common law and statute.

9.3.1 Corporations Act 2001

Under the provisions of the Act, we must investigate any potential offences and report those offences to ASIC for its consideration.

A report pursuant to section 438D of the Act will be lodged with ASIC, which outlines our preliminary investigations regarding any potential offences. This is a confidential report between the Administrators and ASIC. Based on our investigations to date, we have lodged such a report with ASIC.

If a liquidator is appointed, a liquidator can conduct a more comprehensive investigation and identify potential offences and recoveries, if any.

If a director breaches any duties, obligations and responsibilities, they may be subject to civil and criminal penalties including:

- Compensation to the Company for damages resulting from the contravention;
- Fines (up to \$200K);
- Imprisonment (up to 5 years); and
- Disqualification from managing corporations.

9.3.2 Other legislation

In addition to offences under the Act, directors and officers may commit offences in respect of the company.

To date, we have not identified any breaches of other legislation.

9.4 Directors and officer's insurance policy

A Directors and Officers Insurance Policies (D&O Policies) offer liability cover for company officers to protect them from claims which may arise from the decisions and actions taken within the scope of their regular duties. Such policies cover the personal liability of company directors and officers.

D&O Policies generally contain insolvency exclusion clauses, which may render them unavailable to a liquidator pursuing directors for insolvent trading, or other claims. D&O Policies also generally prohibits the public disclosure of their policy terms.

We are not aware of any D&O Policy available to the Company. However, a liquidator, if appointed, will conduct further investigations in relation to any D&O Policy and its availability to meet any claims.

9.5 Director's personal financial position

As part of our investigations into the Director's personal financial position, we conducted searches with Land Titles Offices with respect to properties owned by the Director.

Our investigations have not identified any properties owned by the Director.

9.6 Public examinations

The Act provides that an 'eligible applicant', such as a liquidator, may examine officers of a company about its 'examinable affairs' and any other person who may be able to provide information relating to such affairs. Examinable affairs is a comprehensive term with wide ranging application and includes:

- The promotion, formation, management, administration or winding up of the company;
- Other affairs of the company; and
- The business affairs of a related company of the company insofar as they appear to be relevant to the company or its affairs.



If the Court is satisfied that a summons for examination should be issued, the examinee is usually required to produce at the examination any specified books that are in the person's possession and relate to the corporation.

We do not believe that there would be any material benefit to creditors in examining the Directors or other stakeholders at this stage. However, a liquidator, if appointed, may conduct public examinations to obtain books and records from various individuals where we have not received a response.

9.7 Reporting of offences to ASIC

As outlined in Section 9.3.1, Administrators are required to complete and lodge a report with ASIC pursuant to section 438D of the Act where it appears that:

- A past or present officer of a company may have committed an offence;
- Money or property has been misapplied or retained; or
- A party is guilty of negligence, default, breach of duty or breach of trust in relation to a company.

We have lodged our section 438D report with ASIC.

A liquidator is required to lodge a report of their findings with ASIC, pursuant to section 533 of the Act.

Creditors should also be aware that any report lodged pursuant to section 438D, or an investigative report lodged by a liquidator pursuant to section 533 of the Act, is not available to the public.

9.8 Costs of investigations and pursuing recovery actions

Creditors should note that recovery actions and associated litigation:

- May be expensive, lengthy and with uncertain outcomes;
- Should not be commenced unless defendants have the financial resources to satisfy any judgement (this is often difficult to establish); and
- Must be funded by existing assets, creditor funding or external litigation funders (who are likely to require a share of the proceeds of any judgement as a condition of funding the litigation).

9.9 Funding investigations and recoveries

Should creditors resolve that the Company be wound up and a liquidator be appointed, the liquidator is able to realise assets of the Company to meet the costs of any recovery actions that may be available to pursue.

In circumstances where the costs of recovery exceed the funds available, the liquidator may invite creditors to consider whether it is commercial to pursue recoveries, and if so, provide funding to conduct further investigations of the Company. Alternatively, a liquidator may seek external funding from a litigation funder in exchange for a share of any recovered proceeds.

10 Estimated Return to Creditors

In the absence of a DOCA proposal, liquidation will be the only option for the future of the Company.

Based on the Director's ROCAP, the balance sheet, our preliminary investigations and administration costs, we are of the view there will be insufficient asset recoveries to provide a return to Priority Creditors or Unsecured Creditors.

We note that priority employee creditors will have access to FEG entitlements.



11 Administrators' Recommendation

The Voluntary Administration process can conclude in one of the following ways:

- Creditors resolve to accept a proposal for a Deed of Company Arrangement;
- Creditors resolve for the winding up of the Company; or
- Creditors resolve for control of the Company to revert to the Directors.

Our opinion of each option available to creditors is discussed below.

11.1 Proposal for Deed of Company Arrangement

At the date of this report no DOCA proposal has been received. In the event a DOCA proposal is received, I will notify creditors and provide my opinion on the DOCA proposal and the updated recommendation on the future of the Company.

At the date of the Report, we have not received any DOCA proposal for the Company, this is not currently an option for creditors. We do not recommend this option as it is not available.

11.2 Creditors may resolve to wind up the Company

Winding up the Company is likely to be the only viable option for the creditors, which is also in the best interest of the creditors.

Winding up the Company will place a liquidator in control of the Company to wind up their affairs and eventually deregister the Company. It will also allow for the recovery of any available claims under the provisions of the Act. These potential recoveries are set out in **Section 9** of this Report.

The appointment of a liquidator will end the moratorium imposed by my appointment as Administrator.

If creditors resolve that the Company be placed into liquidation, the Administrators will become the liquidators, unless creditors vote at the Second Meeting to appoint a different liquidator of their choice. The liquidation proceeds as a Creditors Voluntary Liquidation with any payment of dividends to creditors made in the order set out by section 556 of the Act.

We note that any return to any class of creditors in a liquidation is highly contingent on future asset realisations, insolvent trading and voidable transaction recoveries. Undertaking such recovery actions are a costly and time-consuming process, the outcomes of which are highly uncertain, and that recovery is subject to the respective parties' capacity to meet Judgement claims.

Notwithstanding the above, liquidation would allow an external Administrators additional time and resources to conduct a full investigation of the Company's affairs, any potential breaches of the Directors and officers, and the commercial merits of pursuing the claims identified throughout this report.

It is our opinion that it is in creditors' interests for the Company to be wound up.

11.3 Administration to end

Ending the Administration will cause the control of the Company to be handed back to the Directors. This will mean that the Company will not be protected from recovery actions by creditors and there will be no formal process in place for the payment of creditors debts. As the Company is insolvent and unable to meet their liabilities as and when they fall due, we do not recommend that the Administration end without any arrangement that returns the Company to solvency. It is also likely that a creditor(s) would apply to have the Company wound up shortly after the Administration is ended as the Company is unable to pay its debts.

It is our opinion that it is not in creditors interests for the Administration to end.

11.4 Adjourn the meeting for up to 45 business days

Creditors may adjourn the forthcoming meeting to a day that is no more than 45 business days after the first day on which the Second Meeting is held. Generally, a meeting is adjourned if there are any matters to consider, such as a DOCA proposal or sale of business.

At this stage, we do not see any reason to adjourn the Second Meeting.



11.5 Recommendation

Under IPR 75-225, the Administrators must provide a recommendation to creditors based on the information available.

Recommendation: that the Company be wound up

Having regard to the insolvency of the Company and the absence of a DOCA proposal at this stage, the Administrators are of the view that it is in the interests of creditors to vote that the Company be placed into liquidation at the Second Meeting.

We may vary our recommendation subject to the receipt and assessment of a DOCA proposal. Should we change our recommendation between the date of this Report and the Second Meeting, we will notify creditors immediately.

12 Remuneration

12.1 Remuneration

Members of ARITA are governed by the ARITA Code issued to members. We operate under the ARITA Code which addresses the following issues in respect to remuneration:

- A Practitioner is entitled to claim remuneration, and disbursements, in respect of necessary work, properly performed in an administration;
- A claim by a Practitioner for remuneration must provide sufficient, meaningful, open and clear disclosure to the approving body to allow that body to make an informed decision; and
- A Practitioner is entitled to draw remuneration once it is approved and according to the terms of the approval.

The Administrators' remuneration for the Company has been and will be calculated by reference to an hourly rate as detailed in our Initial Notice to Creditors dated 10 March 2025. The tasks performed during the Administration have been allocated amongst WXA staff with the requisite qualifications and experience to complete the work in a timely and efficient manner. The level and experience of staff is a prime consideration when allocating resources to the various activities required to be performed during the Administration.

Should creditors have any queries regarding the calculation of the current and prospective remuneration we are seeking approval for, we request that creditors please contact our office prior to the Second Meeting. A copy of our Remuneration Report is provided in **Appendix D**.

13 Enquiries

Should you have any enquiries, please contact Calvin Wijaya of this office on (02) 9210 1700 or via cwijaya@wexted.com.

Dated this 24th day of March 2025

Bellgrove Scaffolding Pty Ltd (Administrators Appointed)

Andrew McCabe
Joint and Several Administrator

**APPOINTMENT OF PROXY
CREDITORS MEETING**To the Administrator of: **Bellgrove Scaffolding Pty Ltd (Administrators Appointed) ACN 148 998 216** ("the Company")

*I/*We ⁽¹⁾	
Of	
being a creditor of the Company, appoint ⁽²⁾ or in his or her absence	
to vote for me/us on my/our behalf at the meeting of creditors to be held on 1 April 2025, or at any adjournment of that meeting.	

Please mark any boxes with an ☒Proxy Type: ☐ General ☐ Special

*Note: if you intend to appoint the Chairman of the meeting as your proxy and vote on resolutions below, you should tick "Special" proxy. If you intend to appoint your own proxy and vote at the meeting, you should tick "General"

Due to the requirement to take a Poll at virtual meetings, we encourage all creditors to vote by Special Proxy where possible.

	For	Against	Abstain
Resolution 1 – To consider and if thought fit pass the following resolution (Choose ONE of a or b): a) "That the Company execute the Deed of Company Arrangement [if one is proposed]" b) "That the Company be wound up and Andrew McCabe and Christopher Johnson of Wexted Advisors be appointed as Joint and Several Liquidators of the Company" c) "That the Administration end and the conduct of the Company be passed back to the Director of the Company"	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Resolution 2 – To consider and if thought fit, approve the Administrators' current remuneration from 6 March 2025 to 21 March 2025 <i>"That the remuneration of the Administrator of the Company for the period from 6 March 2025 to 21 March 2025, calculated on hours spent by the Voluntary Administrators, their partners and staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in the amount of \$55,758 (exclusive of GST), and that the Voluntary Administrators can draw the remuneration immediately or as required."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>Resolution 3 – To consider and if thought fit, approve the future remuneration of the Administrator from 22 March 2025 to the finalisation of the Administration</p> <p><i>“That the remuneration of the Administrators for the period from 22 March 2025 to the finalisation of the Administration of the Company, calculated on hours spent by the Administrators, their partners and staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in the amount of up to \$25,000 (exclusive of GST), and that the Voluntary Administrators can draw the remuneration immediately or as required.”</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 4 – To consider and if thought fit, approve the remuneration of the Liquidator for the period of the Liquidation (if applicable)</p> <p><i>“That the remuneration of the Liquidators for the period from the commencement to the finalisation of the Liquidation of the Company, calculated on hours spent by the Liquidators, their partners and staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in the amount of up to \$75,000 (exclusive of GST), and that the Liquidators can draw the remuneration on a monthly basis or as required.”</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 5 – To consider and if thought fit, approve the formation of a Committee of Inspection (if applicable)</p> <p><i>“That a committee of inspection be formed for the Liquidation of the Company</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 6 – To consider and if thought fit, approve the ability of the Liquidators to compromise debts (if applicable)</p> <p><i>“That so far as necessary for the benefit of winding up the Company, the Liquidators are hereby authorised pursuant to section 477(2A) of the Corporations Act 2001 to compromise any debts greater than the prescribed amount (currently \$100,000).”</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 7 – To consider and if thought fit, approve the ability of the Liquidators to enter into agreements exceeding three months (if applicable)</p> <p><i>“That so far as necessary for the beneficial winding up of the Company, the Liquidators are hereby authorised pursuant to section 477(2B) of the Corporations Act 2001 to enter any agreements on behalf of the Company involving a term or obligations extending for more than three months.”</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 8 – To consider and if thought fit, approve the Destruction of Books and Records (if applicable)</p> <p><i>“That subject to obtaining approval from the Australian Securities and Investments Commission pursuant to subsection 70-35(3)(b) of the Insolvency Practice Schedule (Corporations), the books and records of the Company and of the Liquidator may be destroyed by the Liquidator within a period of twelve months after the deregistration of the Company”</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED this

day of March 2025

Signature

CERTIFICATE OF WITNESS

This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.

I, of
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:

* Strike out if inapplicable

- (1) If a firm, strike out "I" and set out the full name of the firm.
(2) Insert the name, address and description of the person appointed.

FORM 535
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Administrator of Bellgrove Scaffolding Pty Ltd (Administrators Appointed) ACN 148 998 216 ("the Company").

1. This is to state the Company was, on 6 March 2025 ⁽¹⁾ and still is, justly and truly indebted to⁽²⁾:

.....
('Creditor')(full name)

.....
of (full address)

for \$..... dollars and cents.

Particulars of the debt are:

Date	Consideration ⁽³⁾ state how the debt arose	Amount \$	GST included \$	Remarks ⁽⁴⁾ 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 manner of satisfaction or security for the sum or any part of it except for the following:

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

Date	Drawer	Acceptor	Amount \$ c	Due Date

☐ I am **not** a related creditor of the Company ⁽⁵⁾

☐ I am a related creditor of the Company ⁽⁵⁾

relationship:

If the form is being used for the purpose of voting at a meeting:

Is the debt you are claiming assigned to you?

No ☐ Yes ☐

If yes, attach written evidence of the debt, the assignment and consideration given.

☐ Attached

If yes, what value of consideration did you give for the assignment (eg, what amount did you pay for the debt?) \$

3A.^{(6)*} 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, still remains unpaid and unsatisfied.

3B.^{(6)*} I am the creditor's agent authorised to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this day of 2025

Signature of Signatory

NAME IN BLOCK LETTERS

Occupation

Address

Proof of Debt Form Directions

- * Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) 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.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of", "moneys advanced in respect of the Bill of Exchange".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Related Party / Entity: Director, relative of Director, related company, beneficiary of a related trust.
- (6) If the Creditor is a natural person and this proof is made by the Creditor personally. In other cases, if, for example, you are the director of a corporate Creditor or the solicitor or accountant of the Creditor, you sign this form as the Creditor's authorised agent (delete item 3A). If you are an authorised employee of the Creditor (credit manager etc), delete item 3B.

Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
 - (a) have an identifying mark;
 - (b) and be endorsed with the words:
 - i) "This is the annexure of *(insert number of pages)* pages marked *(insert an identifying mark)* referred to in the *(insert description of form)* signed by me/us and dated *(insert date of signing)*; and
 - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
 - (a) the identifying mark; and
 - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.

Appendix B - Listing of Creditors and Summary of Creditors Claims
Bellgrove Scaffolding Pty Ltd (Administrators Appointed)
Based on Company records / POD received as at 23 March 2025

Creditor name	Creditor Address	Related Entity (Yes / No)	Estimated Debt \$
Priority Creditors			
Joel Johnson	Withheld	No	21,210.67
Athol Tanner	Withheld	No	10,862.62
Caleb Smith	Withheld	No	9,220.00
Jacob Miller	Withheld	No	7,086.26
Nikolas Jelic - Priority employee entitlement	Withheld	Yes	3,500.00
Janja Jelic - Priority employee entitlement	Withheld	Yes	2,000.00
Total Priority Creditors			53,879.55
Unsecured Creditors			
ATO		No	1,439,627.17
iCare	321 Kent Street Sydney NSW 2000	No	24,477.92
Nikolas Jelic - Non-priority employee entitlement	Withheld	Yes	32,541.00
Jenja Jelic - Non-priority employee entitlement	Withheld	Yes	6,010.00
Total Unsecured Creditors			1,502,656.09

**Form 529
CORPORATIONS ACT 2001
Section 439A**

Insolvency Practice Rules (Corporations)
75-10, 75-15 & 75-20

NOTICE OF SECOND MEETINGS OF CREDITORS OF COMPANY UNDER ADMINISTRATION

**Bellgrove Scaffolding Pty Ltd (Administrators Appointed)
ACN 148 998 216 ("the Company")**

Notice is given that second meetings of creditors of the Company will be held as follows:

Date: 1 April 2025
Time: 10:30am (AEDT)
Address: Wexted Sydney Office, also available via Microsoft Teams

Agenda

The purpose of the meetings is for creditors to:

1. Consider the Administrators' Report to Creditors;
2. Receive a statement of the Administrators opinion and reasons for the opinion:
 - a) Whether it would be in the creditors' interests for the Company to execute a Deed of Company Arrangement (DOCA); or
 - b) Whether it would be in the creditors' interests for the Company to be wound up; or
 - c) Whether it would be in the creditors' interests for the Administrations to end.
3. Receive any other information known to the Administrators to enable the creditors to make an informed decision about the matters above;
4. Receive details of any transactions that appear to the Administrators to be voidable transactions in respect of which money, property, or other benefits that may be recoverable by a Liquidator under part 5.7B of the Act;
5. Resolve that:
 - a) The Company execute a Deed of Company Arrangement; or
 - b) The Company be wound up; or
 - c) The Administration end;
6. Consider and if thought fit, approve the current remuneration of the Administrators;
7. Consider and if thought fit, approve the future remuneration of the Administrators;
8. If creditors resolve that the Company should enter into Liquidation:
 - a) Consider and if thought fit, approve the Liquidators' future remuneration;
 - b) Consider and if thought fit, approve the formation of a committee of inspection and if so, determine who the members of the committee will be;
 - c) Consider and if thought fit, approve the ability of the Liquidators to compromise debts (if applicable);
 - d) Consider and if thought fit, approve the Liquidators' ability to enter into agreements exceeding three months (if applicable); and
 - e) Consider and if thought fit, approve the early destruction of books and records; and

9. Consider any other business that may lawfully be brought forward.

Other information


Pursuant to the Insolvency Practice Rules (Corporations) section 75-85 (entitlement to vote as creditor at meetings of creditors):

- (1) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at the meeting of creditors;
- (2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote; and
- (3) A person is not entitled to vote as a creditor unless:
 - a) His or her debt or claim has been admitted wholly or in part by the external administrator; and
 - b) If 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 debt or claim.

The meetings will be conducted using Microsoft Teams. Should you wish to participate in the meetings, please contact us on (02) 9210 1700 or by email at cwijaya@wexted.com.

Proofs of debt and proxies are to be submitted by **12:00pm (AEDT) on 31 March 2025**.

DATED this 24th day of March 2025



Andrew McCabe
Joint and Several Administrator

Wexted Advisors
Level 17, 68 Pitt Street
Sydney NSW 2000

Telephone: (02) 9210 1700



WEXTEDadvisors
SPECIALISED | CORPORATE | STRUCTURING

Remuneration Approval Report

24 March 2025

Bellgrove Scaffolding Pty Ltd (Administrators Appointed)
ACN 148 998 216 ("the Company")

Liability limited by a scheme approved under Professional Standards Legislation



1. Introduction

This remuneration approval report provides you with information to assist you in making an informed decision regarding the approval of our proposed remuneration for undertaking the Voluntary Administration of the Company.

2. Declaration

We, Andrew McCabe, Christopher Johnson and Wexted Advisors staff, have undertaken a proper assessment of this remuneration claim for the Administration of Bellgrove Scaffolding Pty Ltd (Administrators Appointed), in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Administration.

3. Executive Summary

The total remuneration for this appointment was estimated to be \$70,000 to \$120,000. We are currently seeking remuneration approval of \$80,758 for the Administration period.

To date, no remuneration or internal disbursements have been approved and paid in this Administration.

This remuneration approval report details the approvals sought for the following remuneration.

Current remuneration approval sought:	Reference	Total amount (excl. GST)
1. Voluntary Administration		
Resolution 2 – To consider and if thought fit, approve the Administrators' current remuneration from 6 March 2025 to 21 March 2025 <i>"That the remuneration of the Administrators of the Company for the period from 6 March 2025 to 21 March 2025, calculated on hours spent by the Voluntary Administrators, their partners and staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in the amount of \$55,758 (exclusive of GST), and that the Voluntary Administrators can draw the remuneration immediately or as required."</i>	4.1	\$55,758
Resolution 3 – To consider and if thought fit, approve the future remuneration of the Administrators from 22 March 2025 to the finalisation of the Administration <i>"That the remuneration of the Administrators for the period from 22 March 2025 to the finalisation of the Administration of the Company, calculated on hours spent by the Administrators, their partners and staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in the amount of up to \$25,000 (exclusive of GST), and that the Voluntary Administrators can draw the remuneration immediately or as required."</i>	4.2	\$25,000



Current remuneration approval sought:	Reference	Total amount (excl. GST)
Total – Voluntary Administrators’ remuneration		\$80,758
3. Liquidation (if applicable)		
Resolution 4 – To consider and if thought fit, approve the remuneration of the Liquidators for the period of the Liquidation (if applicable) <i>“That the remuneration of the Liquidators for the period from the commencement to the finalisation of the Liquidation of the Company, calculated on hours spent by the Liquidators, his partners and staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in the amount of up to \$75,000 (exclusive of GST), and that the Liquidators can draw the remuneration on a monthly basis or as required.”</i>	4.3	\$75,000
Total – Liquidators’ remuneration		\$75,000

Please refer to the report section references detailed in the above table for full details of the remuneration approvals sought.

4. Description of work completed / to be completed

4.1 Resolution 2 – Administrators’ accrued remuneration

“That the remuneration of the Administrators of the Company for the period from 6 March 2025 to 21 March 2025, calculated on hours spent by the Voluntary Administrators, their partners and staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in the amount of \$55,758 (exclusive of GST), and that the Voluntary Administrators can draw the remuneration immediately or as required.”

The table at **Schedule A** sets out the time charged to each major task area by staff members working on the Administration for the period from 6 March 2025 to 21 March 2025, which is the basis of Resolution 2.

More detailed descriptions of the tasks performed within each task area, matching the amounts, are contained further overleaf.

Company: Bellgrove Scaffolding Pty Ltd (Administrators Appointed)

Period from: 6 March 2025

Period to: 21 March 2025

Practitioners: Andrew McCabe and Christopher Johnson

Administration Type: Voluntary Administration

Firm: Wexted Advisors



Task Area	General Description	Includes
Assets 23.9 Hours \$14,200	Plant and Equipment	Liaising with director for asset details Liaising with the Valuer and Auctioneer to collect goods from site Liaising with the Valuer and Auctioneer to conduct stocktake Inspecting goods on site in Smithfield Engaging with security service provider to patrol on site
	Debtors	Correspondence with debtor Reviewing and assessing debtors' ledgers Issuing demand letter to debtor
	Other Assets	Liaising with bank for credit balance transfer Conducting NSW motor vehicle search Conducting independent valuation on the vehicles Requesting Valuer to prepare desktop valuation on the vehicles Liaising with Landlord for rental bond refund
	Leased Assets	Reviewing leasing documents in relation to the leased premises Liaising with Landlord through real estate agent Disclaiming lease
Creditors 38.2 Hours \$17,399	Creditor enquiries	Receiving and responding to creditor enquiries Reviewing and preparing initial correspondence to creditors and their representatives Corresponding with ATO's lawyer in relation to winding-up application
	Secured Creditors	Notifying PPSR registered creditors of appointment Perusing charge documentation provided by the PMSI holders Responding to secured creditors' queries Liaising with secured creditors for discharge certificates
	Creditor reports	Preparing initial report, Voluntary Administrators' reports and remuneration approval report



Task Area	General Description	Includes
		Conducting investigations and preparing annexures for reports to creditors
	Dealing with proofs of debt	Receiving and filing POD when not related to a dividend Corresponding with creditors regarding POD and particulars to substantiate their claims
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forwarding notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Attending the initial meeting of creditors Preparation and lodgement of minutes of meeting with ASIC Responding to stakeholder queries and questions before and after the meeting
Employees 0.5 Hours \$295	Employees letters and enquiries	Notifying employees of appointment and FEG information Issuing Notice of Termination Requesting employees' contact details from the Director
	Calculation of entitlements	Collecting records on unpaid entitlements Calculating employee entitlements Reviewing employee files among Company books and records Reconciling superannuation accounts
Investigation 27.3 Hours \$12,325	Conducting investigation	Collection of Company books and records Reviewing Company 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 and liaising with directors regarding certain transactions Investigating to determine possible date of insolvency and quantify possible insolvent trading claim



Task Area	General Description	Includes
		<p>Perusing Company records to identify potential voidable transactions</p> <p>Preparation of investigation file</p> <p>Preparation and lodgement of s438D report with ASIC</p> <p>Liaising with ASIC regarding s438D report</p>
Administration 23.3 Hours \$11,539	Correspondence	Corresponding with various parties and maintaining file notes
	Document maintenance/file review/checklist	<p>Filing of documents</p> <p>Reviewing IPS checklists</p>
	Insurance	<p>Identification of potential issues requiring attention of insurance specialists</p> <p>Corresponding with insurance broker regarding initial insurance requirements</p> <p>Corresponding with insurance broker in relation to assets of the Company for appropriate insurance cover</p> <p>Perusal of insurance policies provided by the Director</p> <p>Liaising with the Director for insurance matters</p>
	Bank account administration	<p>Preparing correspondence opening and closing accounts</p> <p>Requesting bank statements</p> <p>Bank account reconciliations</p> <p>Correspondence with bank regarding specific transfers</p>
	ASIC Forms and lodgements	<p>Preparing and lodging ASIC forms including 505, 531, 507 and 5011</p> <p>Correspondence with ASIC regarding statutory forms</p>
	ATO and other statutory reporting	Notification of appointment
	Planning / Review	Discussions regarding status of administration
Total: \$55,758 (excl. GST) Total Hours: 113.2		



4.2 Resolution 3 – Administrators' future remuneration

“That the remuneration of the Administrators for the period from 22 March 2025 to the finalisation of the Administration of the Company, calculated on hours spent by the Administrators, their partners and staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in the amount of up to \$25,000 (exclusive of GST), and that the Voluntary Administrators can draw the remuneration immediately or as required.”

Company: Bellgrove Scaffolding Pty Ltd (Administrators Appointed)

Period from: 22 March 2025

Period to: Finalisation of the administration (estimated to be 1 April 2025)

Practitioners: Andrew McCabe and Christopher Johnson

Administration Type: Voluntary Administration

Firm: Wexted Advisors

Task Area	General Description	Includes
Assets \$3,000	Plant and Equipment	Liaising with valuers, auctioneers and interested parties Reviewing asset listings Review of vendor statements Monitoring receipts of sale proceeds Finalising realisation of plant and equipment
	Other Assets	Tasks associated with realising other assets
Creditors \$10,000	Creditor Enquiries, Requests & Directions	Receiving and responding to creditor enquiries Maintaining creditor request log Reviewing and preparing correspondence to creditors and their representatives Considering reasonableness of creditor requests Obtaining legal advice on requests (if required) Documenting reasons for complying or not complying with requests or directions Compiling information requested by creditors
	Creditor report	Preparing and issuing Administrators' report to creditors and Remuneration Approval Report
	Dealing with proofs of debt	Receiving and filing POD when not related to a dividend Requesting further information from claimants Corresponding with ATO regarding POD when not related to a dividend



Task Area	General Description	Includes
		Adjudicating proofs of debt for voting purposes
	Meeting of Creditors	<p>Preparation of meeting notices, proxies and advertisements</p> <p>Forwarding notice of meeting to all known creditors</p> <p>Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting</p> <p>Attending the meeting of creditors</p> <p>Preparation and lodgement of minutes of meetings with ASIC</p> <p>Responding to stakeholder queries and questions prior to and immediately following meeting</p>
Employees \$3,000	Employees enquiries	<p>Receiving and following up employee enquiries via telephone and email</p> <p>Maintaining employee enquiry register and response summaries</p>
	FEG	Correspondence with FEG
Investigation \$6,000	Conducting investigation	<p>Reviewing Company books and records</p> <p>Review of specific transactions and liaising with Director regarding certain transactions</p> <p>Further investigations into possible voidable transactions</p> <p>Further investigations into possible insolvent trading and potential breaches of directors' duties</p>
	Legal	Preparing brief to solicitors to respond to any claims in the administration or in response to the winding up application on foot
Administration \$3,000	Correspondence	Correspondence with various parties and maintaining file notes
	Document maintenance/file review/checklist	<p>Filing of documents</p> <p>Updating checklists</p>
	Bank account administration	<p>Correspondence with bank regarding specific transfers</p> <p>Bank reconciliation</p>



Task Area	General Description	Includes
	ASIC Forms and lodgements	Preparing and lodging ASIC forms including 5011 and 5603 Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Liaising with ATO where required Liaising with ATO for access to tax profile and client account setup Preparing and lodging BAS with the ATO
	Planning / Review	Discussions regarding status of administration
Total: \$25,000 (excl. GST)		



4.3 Resolution 4 – Liquidators' future remuneration (if applicable)

“That the remuneration of the Liquidators for the period from the commencement to the finalisation of the Liquidation of the Company, calculated on hours spent by the Liquidators, their partners and staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in the amount of up to \$75,000 (exclusive of GST), and that the Liquidators can draw the remuneration on a monthly basis or as required.”

Company: Bellgrove Scaffolding Pty Ltd (Administrators Appointed)

Period from: Commencement of the Liquidation

Period to: Finalisation of the Liquidation

Practitioners: Andrew McCabe and Christopher Johnson

Administration Type: Liquidation

Firm: Wexted Advisors

Task Area	General Description	Includes
Assets \$10,000	Plant and Equipment	Liaising with valuers, auctioneers and interested parties Reviewing asset listings Monitoring receipts of sale proceeds Finalising sales
	Other Assets	Tasks associated with realising other assets
Creditors \$20,000	Creditor Enquiries, Requests & Directions	Receiving and responding to creditor enquiries Reviewing and preparing initial correspondence to creditors and their representatives Considering reasonableness of creditor requests Obtaining legal advice on requests Documenting reasons for complying or not complying with requests or directions Compiling information requested by creditors
	Creditor reports	Preparing Statutory Report by Liquidators, investigation, meeting and general reports to creditors
	Dealing with proofs of debt	Receiving and filing POD when not related to a dividend Corresponding with ATO regarding POD when not related to a dividend
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements



Task Area	General Description	Includes
		<p>Forwarding notice of meeting to all known creditors</p> <p>Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting</p> <p>Attending meetings of creditors</p> <p>Preparation and lodgement of minutes of meetings with ASIC</p> <p>Responding to stakeholder queries and questions prior to and immediately following meeting</p>
	Proposals to Creditors	<p>Preparing proposal notices and voting forms</p> <p>Forwarding notices of proposals to all known creditors</p> <p>Reviewing votes and determining outcome of proposals</p> <p>Preparation and lodgement of proposal outcomes with ASIC</p>
	Shareholder enquiries	Responding to shareholder enquiries
Employees \$5,000	Employees enquiries	<p>Notifying employees of appointment of liquidators and FEG scheme</p> <p>Receiving and following up employee enquiries via telephone and email</p> <p>Maintaining employee enquiry register and response summaries</p> <p>Preparation of letters to employees advising of their entitlements and options available</p> <p>Receiving and preparing correspondence in response to employees' objections to leave entitlements</p>
	FEG	<p>Completing FEG initial questionnaires</p> <p>Correspondence with FEG</p> <p>Preparing notification spreadsheet</p> <p>Liaising FEG on discrepancies</p> <p>Invoicing FEG verification fees (if applicable)</p>
	Calculation of entitlements	Updating calculations employee entitlements subject to further information provided to the liquidators



Task Area	General Description	Includes
		<p>Reviewing employee files and Company books and records</p> <p>Reconciling superannuation accounts</p> <p>Reviewing awards</p> <p>Liaising with solicitors regarding entitlements (if applicable)</p>
Investigation & Recovery \$30,000	Conducting investigation	<p>Collection of remaining Company books and records</p> <p>Correspondence with ASIC to receive assistance in obtaining other Company's books and records (if applicable)</p> <p>Reviewing Company books and records</p> <p>Conducting and summarising statutory searches</p> <p>Preparation of comparative financial statements</p> <p>Preparation of deficiency statement</p> <p>Review of specific transactions</p> <p>Liaising with directors regarding certain transactions</p> <p>Preparation of investigation file</p> <p>Lodgement of investigation with the ASIC</p> <p>Preparation and lodgement of supplementary report if required</p>
	Examinations	<p>Preparing brief to solicitor</p> <p>Liaising with solicitor(s) regarding examinations</p> <p>Attendance at examination</p> <p>Reviewing examination transcripts</p> <p>Liaising with solicitor(s) regarding outcome of examinations and further actions available</p>
	Litigation / Recoveries	<p>Assessing merits of recovery actions identified</p> <p>Issuing demand letters</p> <p>Internal meetings to discuss status of litigation</p> <p>Preparing brief to solicitors</p> <p>Liaising with solicitors regarding recovery actions</p> <p>Attending to negotiations</p> <p>Attending to settlement matters</p>



Task Area	General Description	Includes
	ASIC reporting	Preparing statutory investigation reports Liaising with ASIC
Administration \$10,000	Correspondence	Correspondence with various parties and maintaining file notes
	Document maintenance/file review/checklist	First month, then six monthly administration reviews (action required) Filing of documents File reviews Updating checklists
	Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Forms and lodgements	Preparing and lodging ASIC forms including 505, 5602, 5603, 5011, 5022 etc Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment Preparing BAS
	Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP
	Planning / Review	Discussions regarding status of administration
Total: \$75,000 (excl. GST)		

5. Calculation of Remuneration

A breakdown of the past remuneration sought for the Company is provided at 4.1 of this Remuneration Report.

6. Likely impact on dividends

The Administrators are seeking to have their remuneration approved by creditors under section 60-10 of the Insolvency Practice Schedule (Corporations). The proposed resolutions outline the terms for that approval. This Remuneration Report provides detail of the Administrators and Liquidators proposed remuneration.



Administrators', Deed Administrators' and Liquidators' remuneration is paid in priority to unsecured creditors in accordance with the priorities provided by section 556 of the Corporations Act. If the proposed resolutions are passed it will allow the Administrators / Deed Administrators / Liquidators to draw their fees from the funds either presently held or funds recovered in the future. This may reduce the pool of funds available for distribution to unsecured creditors.

Based on our preliminary investigations since 6 March 2025, considering the limited recovery of the Company's assets, the closure of the business pre-appointment, and limited funds available for further recovery, a dividend to any class of creditor in this administration is unlikely.

However, the passing of the proposed resolutions will also allow for further work to be performed in the external administration, possibly resulting in further recoveries to be made or identified for the benefit of creditors.

7. Statement of remuneration claim

Resolution 2

"That the remuneration of the Administrator of the Company for the period from 6 March 2025 to 21 March 2025, calculated on hours spent by the Voluntary Administrators, their partners and staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in the amount of \$55,758 (exclusive of GST), and that the Voluntary Administrators can draw the remuneration immediately or as required."

Resolution 3

"That the remuneration of the Administrators for the period from 22 March 2025 to the finalisation of the Administration of the Company, calculated on hours spent by the Administrators, their partners and staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in the amount of up to \$25,000 (exclusive of GST), and that the Voluntary Administrators can draw the remuneration immediately or as required."

Resolution 4

"That the remuneration of the Liquidators for the period from the commencement to the finalisation of the Liquidation of the Company, calculated on hours spent by the Liquidators, their partners and staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in the amount of up to \$75,000 (exclusive of GST), and that the Liquidators can draw the remuneration on a monthly basis or as required."

8. Remuneration recoverable from external sources

As outlined in our DIRRI, we have received an upfront payment of \$80,000.

9. Disbursements

Disbursements can be divided into two types:

- 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.
- Externally provided services - these are recovered at cost. Examples of externally provided disbursements include legal fees, travel or accommodation.



Classification	Disbursements	Charges
Internal	Photocopying	\$0.20 per copy
	Printing	\$0.20 per copy
	Postage	Australia Post rates
	Storage	\$40 per box
	Searches, couriers, advertising and ASIC Lodgement fees	At cost
	ASIC Service Levy	Estimated at \$100 per Company in external administration and per notifiable event
External	Professional services (non-insolvency) for specific tasks that are properly incurred by independent consultants	At a reasonable cost
	Non-professional services incurred with a third party in relation to work required	At a reasonable cost

We have not put forward any resolutions on disbursements for creditors' approval at this time.

10. Report on progress of the administration

Please refer to the Administrators' Report to Creditors dated 24 March 2025

11. Summary of receipts and payments

Please refer to the Administrators' Report to Creditors dated 24 March 2025.

12. Queries

Creditors have the right to request further information from the external administrator if they wish to do so. Please contact Calvin Wijaya of this office on (02) 9210 1700 or via cwijaya@wexted.com.

13. Information sheet

The remuneration sheet guide "Approving Fees Guide to Creditors" can be accessed from the ASIC website.

Schedule A

Time charged to each major task area by staff members working on the Administration for the period from 6 March 2025 to 21 March 2025

Bellgrove Scaffolding Pty Ltd (Administrators Appointed)														
Administration Remuneration for the period 6 March 2025 to 21 March 2025														
Employee details		Actual \$/hr	Total actual hours	Total actual cost	Administration		Assets		Creditor		Employee		Investigation	
Name	Position				Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Christopher Johnson	Partner	750	7.1	5,325	3.9	2,925	2.4	1,800	0.8	600	-	-	-	-
Andrew McCabe	Partner	750	14.7	11,025	2.4	1,800	5.8	4,350	4.9	3,675	0.1	75	1.5	1,125
Jessie Wang	Senior Manager	550	38.2	21,010	3.3	1,815	13.0	7,150	12.6	6,930	0.4	220	8.9	4,895
Calvin Wijaya	Senior Accountant	380	33.0	12,540	11.4	4,332	1.3	494	4.7	1,786	-	-	15.6	5,928
Tristan Kelleher	Undergraduate	290	20.2	5,858	2.3	667	1.4	406	15.2	4,408	-	-	1.3	377
Subtotal (Ex GST)			113.2	55,758	23.3	11,539	23.9	14,200	38.2	17,399	0.5	295	27.3	12,325
Total Remuneration to be approved (Exc GST)				55,758										
GST				5,576										
Total Remuneration to be approved (Inc GST)				61,334										
Average hourly rate (Exc GST)				493										



Insolvency information for directors, employees, creditors and shareholders

This information sheet (INFO 39) lists ASIC's information sheets for directors, employees, creditors and shareholders affected by a company's insolvency.

We have produced these with endorsement from the Australian Restructuring Insolvency & Turnaround Association (ARITA).

The information sheets give a basic understanding of the three most common company insolvency procedures – liquidation, voluntary administration and receivership – as well as the independence requirements for external administrators and approving external administrator remuneration. There is also a glossary of commonly used insolvency terms.

List of information sheets

- [INFO 41](#) Insolvency: A glossary of terms
- [INFO 42](#) Insolvency: A guide for directors
- [INFO 43](#) Insolvency: A guide for shareholders
- [INFO 45](#) Liquidation: A guide for creditors
- [INFO 46](#) Liquidation: A guide for employees
- [INFO 54](#) Receivership: A guide for creditors
- [INFO 55](#) Receivership: A guide for employees
- [INFO 74](#) Voluntary administration: A guide for creditors
- [INFO 75](#) Voluntary administration: A guide for employees
- [INFO 84](#) Independence of external administrators: A guide for creditors
- [INFO 85](#) Approving fees: A guide for creditors

Where can I get more information?

Further information is available from the [ARITA website](#). The ARITA website also contains the [ARITA Code of Professional Practice for Insolvency Practitioners](#).

This is **Information Sheet 39 (INFO 39)** updated on 1 September 2017. Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Profit and Loss

Bellgrove Scaffolding Pty Ltd

For the period 1 July 2024 to 6 March 2025

1 JULY 2024-6 MAR
2025

Trading Income

Other Revenue	28.40
Sales	626,973.98
Total Trading Income	627,002.38

Cost of Sales

Cost of Goods Sold	918.82
Materials & Supplies	741.87
Purchases - Scaffolding Material	25,950.08
Scaffolding Hire	28,411.16
Total Cost of Sales	56,021.93

Gross Profit

570,980.45

Other Income

Interest Income	2,769.59
Sale of Property, Plant & Equipment	70,048.00
Total Other Income	72,817.59

Operating Expenses

Accounting & Advisory	16,577.28
Advertising	629.29
Bank Fees	1,990.00
Client Gifts	1,600.80
Cloud Applications & Software	405.00
Consulting & other professional fees	6,282.37
Filing Fees	1,432.00
Fines & Penalties	13,638.00
General Expenses	1,238.13
Hire of Plant & Equipment	21,817.65
Insurance	51,397.47
Interest Expense	137,963.30
Motor Vehicle - HP Interest	1,138.69
Motor Vehicle - Truck Expense	27,152.49
Motor Vehicle Expenses	4,010.89
Office Expenses	2,957.86
Rent	20,106.64
Repairs and Maintenance	2,870.73
Subscriptions	2,323.61
Superannuation	38,289.74
Telephone & Internet	2,318.01
Tools	6,135.70
Travel - National	10,038.94

1 JULY 2024-6 MAR 2025	
Uniforms & Protective Clothing	621.10
Wages - Allowance	54,777.32
Wages and Salaries	292,552.00
Total Operating Expenses	720,265.01
Net Profit	(76,466.97)

Balance Sheet

Bellgrove Scaffolding Pty Ltd As at 6 March 2025

6 MAR 2025

Assets

Current Assets

Accounts Receivable	22,052.80
Accrued Income	182,744.00
Cash on Hand	2.00
Total Current Assets	204,798.80

Fixed Assets

Computer Equipment	10,722.08
Computer Equipment - Less Accumulated Depreciation	(10,722.08)
Motor Vehicles	(0.18)
Total Fixed Assets	(0.18)

Non-current Assets

Rental Bond	24,620.42
Trust Account - Wexted Advisors	80,000.00
Total Non-current Assets	104,620.42

Total Assets	309,419.04
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Liabilities

Current Liabilities

ATO Payable/Refundable	1,425,733.64
Business Trans Acct	795.13
GST	15,505.49
GST Adjustment	(17,113.36)
PAYG Withholdings Payable	28,203.98
Superannuation Payable	80,744.86
Wages Payable - Payroll	(0.36)
Total Current Liabilities	1,533,869.38

Non-current Liabilities

Loan - Nikolas Jelic 2023 FY	(9,954.28)
Loan - Nikolas Jelic 2024 FY	(315,502.32)
Loan - Nikolas Jelic 2025 FY	(166,200.00)
Total Non-current Liabilities	(491,656.60)

Total Liabilities	1,042,212.78
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Net Assets	(732,793.74)
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Equity

Current Year Earnings	(76,466.97)
Owner A Share Capital	2.00
Retained Earnings	(656,328.77)
Total Equity	(732,793.74)

Profit and Loss

Bellgrove Scaffolding Pty Ltd For the month ended 31 March 2025

	MAR 2025	FEB 2025	JAN 2025	DEC 2024	NOV 2024	OCT 2024	SEPT 2024
Trading Income							
Sales	1,155.00	69,817.16	92,033.27	74,415.00	153,506.00	66,655.55	69,525.00
Total Trading Income	1,155.00	69,817.16	92,033.27	74,415.00	153,506.00	66,655.55	69,525.00
Cost of Sales							
Cost of Goods Sold	-	-	-	918.82	-	-	-
Materials & Supplies	-	284.67	53.52	-	403.68	-	-
Purchases - Scaffolding Material	-	9,488.31	3,756.35	2,112.45	2,772.55	2,690.17	2,850.93
Scaffolding Hire	-	-	-	-	1,722.00	26,689.16	-
Total Cost of Sales	-	9,772.98	3,809.87	3,031.27	4,898.23	29,379.33	2,850.93
Gross Profit	1,155.00	60,044.18	88,223.40	71,383.73	148,607.77	37,276.22	66,674.07
Other Income							
Interest Income	-	2,769.59	-	-	-	-	-
Sale of Property, Plant & Equipment	-	20,048.00	-	50,000.00	-	-	-
Total Other Income	-	22,817.59	-	50,000.00	-	-	-
Operating Expenses							
Accounting & Advisory	-	-	-	9,027.28	4,000.00	2,750.00	-
Advertising	-	-	-	-	-	629.29	-
Bank Fees	-	-	100.00	30.00	20.00	1,775.00	5.00
Client Gifts	-	-	-	1,600.80	-	-	-
Cloud Applications & Software	-	-	-	-	405.00	-	-
Consulting & other professional fees	-	-	1,955.00	730.00	2,106.58	1,058.29	-
Filing Fees	-	-	-	-	-	1,432.00	-
Fines & Penalties	-	13,638.00	-	-	-	-	-
General Expenses	-	-	-	-	1,238.13	-	-
Hire of Plant & Equipment	482.72	4,701.06	1,227.27	4,156.51	1,200.00	1,200.00	3,547.65
Insurance	-	30,282.54	388.62	4,272.10	4,660.74	3,883.48	7,134.53
Interest Expense	-	132,954.18	400.34	1,622.65	494.92	1,174.84	412.50
Motor Vehicle - Truck Expense	423.81	5,303.12	3,019.60	2,144.83	2,815.88	6,424.62	2,054.27
Motor Vehicle Expenses	-	-	-	2,457.93	1,552.96	-	-
Office Expenses	-	169.82	18.70	37.40	253.15	2,422.69	18.70
Rent	-	2,513.33	2,513.33	2,513.33	2,513.33	2,513.33	2,513.33

	MAR 2025	FEB 2025	JAN 2025	DEC 2024	NOV 2024	OCT 2024	SEPT 2024
Repairs and Maintenance	-	-	412.91	352.00	412.91	1,280.00	-
Subscriptions	272.73	256.36	256.36	256.36	256.36	256.36	256.36
Superannuation	771.31	3,602.74	3,775.24	4,719.05	4,473.86	5,650.57	4,706.76
Telephone & Internet	120.02	359.93	-	36.36	1,533.85	149.68	36.36
Tools	-	-	698.42	429.80	-	3,837.42	-
Travel - National	-	912.64	912.64	1,368.96	1,368.96	1,368.96	1,825.28
Uniforms & Protective Clothing	-	-	-	-	-	525.65	-
Wages - Allowance	1,299.37	5,197.48	5,197.48	6,496.85	6,397.48	8,096.85	6,797.48
Wages and Salaries	5,807.00	27,728.00	29,228.00	36,535.00	34,103.00	43,035.00	35,728.00
Total Operating Expenses	9,176.96	227,619.20	50,103.91	78,787.21	69,807.11	89,464.03	65,036.22
Net Profit	(8,021.96)	(144,757.43)	38,119.49	42,596.52	78,800.66	(52,187.81)	1,637.85

Balance Sheet

Bellgrove Scaffolding Pty Ltd

As at 6 March 2025

	6 MAR 2025	28 FEB 2025	31 JAN 2025	31 DEC 2024	30 NOV 2024	31 OCT 2024	30 SEPT 2024
Assets							
Bank							
Business Trans Acct	-	80,986.46	43,134.38	61,273.85	79,512.34	11,150.01	7,262.27
Total Bank	-	80,986.46	43,134.38	61,273.85	79,512.34	11,150.01	7,262.27
Current Assets							
Accounts Receivable	22,052.80	27,052.80	55,000.00	55,000.00	-	-	-
Accrued Income	182,744.00	182,744.00	182,744.00	182,744.00	182,744.00	182,744.00	182,744.00
Cash on Hand	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total Current Assets	204,798.80	209,798.80	237,746.00	237,746.00	182,746.00	182,746.00	182,746.00
Fixed Assets							
Computer Equipment	10,722.08	10,722.08	10,722.08	10,722.08	10,722.08	10,722.08	10,722.08
Computer Equipment - Less Accumulated Depreciation	(10,722.08)	(10,722.08)	(10,722.08)	(10,722.08)	(10,722.08)	(10,722.08)	(10,722.08)
Motor Vehicles	(0.18)	(0.18)	(0.18)	(0.18)	114,397.82	114,397.82	114,397.82
Motor Vehicles - Less Accumulated Depreciation	-	-	-	-	(114,398.00)	(114,398.00)	(114,398.00)
Scaffolding Equipment	-	-	29,423.68	29,423.68	40,995.50	40,995.50	40,995.50
Scaffolding Equipment - Less Accumulated Depreciation	-	-	(29,423.68)	(29,423.68)	(40,995.50)	(40,995.50)	(40,995.50)
Total Fixed Assets	(0.18)	(0.18)	(0.18)	(0.18)	(0.18)	(0.18)	(0.18)
Non-current Assets							
Rental Bond	24,620.42	24,620.42	24,620.42	24,620.42	24,620.42	24,620.42	24,620.42
Trust Account - Wexted Advisors	80,000.00	-	-	-	-	-	-
Total Non-current Assets	104,620.42	24,620.42	24,620.42	24,620.42	24,620.42	24,620.42	24,620.42
Total Assets	309,419.04	315,405.50	305,500.62	323,640.09	286,878.58	218,516.25	214,628.51
Liabilities							
Current Liabilities							
ATO Payable/Refundable	1,425,733.64	1,425,733.64	845,888.97	855,536.97	855,536.97	870,536.97	877,536.97
Business Trans Acct	795.13	-	-	-	-	-	-

	6 MAR 2025	28 FEB 2025	31 JAN 2025	31 DEC 2024	30 NOV 2024	31 OCT 2024	30 SEPT 2024
GST	15,505.49	15,635.41	56,601.48	48,919.42	39,719.43	27,290.42	26,392.80
GST Adjustment	(17,113.36)	(17,113.36)	(17,113.36)	(17,113.36)	(17,113.36)	(17,113.36)	(17,113.36)
Loan - Elantis Premium Funding	-	-	(18,903.08)	(15,415.48)	(11,927.88)	(8,410.28)	(4,922.68)
Mastercard Business	-	-	19,218.38	24,449.78	26,225.87	26,356.43	26,092.34
PAYG Withholdings Payable	28,203.98	26,449.98	84,946.98	76,714.98	66,424.98	56,776.98	44,598.98
Superannuation Payable	80,744.86	79,973.55	76,370.81	72,595.57	67,876.52	63,402.66	55,358.09
Suspense	-	-	3,562.37	21,143.59	23,423.90	25,423.90	(15,555.02)
Wages Payable - Payroll	(0.36)	(0.35)	(0.31)	(0.27)	(0.22)	(4,659.18)	(4,659.13)
Total Current Liabilities	1,533,869.38	1,530,678.87	1,050,572.24	1,066,831.20	1,050,166.21	1,039,604.54	987,728.99
Non-current Liabilities							
Loan - Nikolas Jelic 2023 FY	(9,954.28)	(9,954.28)	(9,954.28)	(9,954.28)	(9,954.28)	(9,954.28)	(9,954.28)
Loan - Nikolas Jelic 2024 FY	(315,502.32)	(315,502.32)	(315,502.32)	(315,502.32)	(315,502.32)	(315,502.32)	(315,502.32)
Loan - Nikolas Jelic 2025 FY	(166,200.00)	(166,200.00)	(166,200.00)	(126,200.00)	(103,700.00)	(82,700.00)	(86,900.00)
Total Non-current Liabilities	(491,656.60)	(491,656.60)	(491,656.60)	(451,656.60)	(429,156.60)	(408,156.60)	(412,356.60)
Total Liabilities	1,042,212.78	1,039,022.27	558,915.64	615,174.60	621,009.61	631,447.94	575,372.39
Net Assets	(732,793.74)	(723,616.77)	(253,415.02)	(291,534.51)	(334,131.03)	(412,931.69)	(360,743.88)
Equity							
Current Year Earnings	(76,466.97)	(67,290.00)	77,467.43	39,347.94	(3,248.58)	(82,049.24)	(29,861.43)
Owner A Share Capital	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Retained Earnings	(656,328.77)	(656,328.77)	(330,884.45)	(330,884.45)	(330,884.45)	(330,884.45)	(330,884.45)
Total Equity	(732,793.74)	(723,616.77)	(253,415.02)	(291,534.51)	(334,131.03)	(412,931.69)	(360,743.88)

Voluntary Administration

Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading



Offences

A summary of offences under the Corporations Act that may be identified by the administrator:

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to the administrator.
588G	Incurring liabilities while insolvent
588GAB	Officer's duty to prevent creditor-defeating disposition
588GAC	A person must not procure a company to make a creditor-defeating disposition
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.
596AB	Entering into an agreement or transaction to avoid employee entitlements.

Recoverable Transactions

Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Where a creditor receives a preference, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the Corporations Act.

Creditor-defeating disposition

Creditor-defeating dispositions are the transfer of company assets for less than market value (or the best price reasonably obtainable) that prevents, hinders or significantly delay creditors' access to the company's assets in liquidation. Creditor-defeating dispositions are voidable by a liquidator.

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to the benefit or detriment to the company; the respective benefits to other parties; and any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Unfair Loan

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before the winding up began.

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person or from members of a corporate group (Contribution Order).

Unreasonable payments to directors

Liquidators have the power to reclaim '*unreasonable payments*' made to directors by companies prior to liquidation. The provision relates to payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

Voidable charges

Certain charges over company property are voidable by a liquidator:

- circulating security interest created within six months of the liquidation, unless it secures a subsequent advance;
- unregistered security interests;
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

Insolvent trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they did so expect;
- they did not take part in management for illness or some other good reason; or
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

Queries about the voluntary administration should be directed to the administrator's office.