

Bellgrove Scaffolding Pty Ltd (In Liquidation)
ACN 148 998 216
("the Company")

Statutory Report to Creditors
30 June 2025

We refer to the appointment of Andrew McCabe and Christopher Johnson of Wexted Advisors as Voluntary Administrators on 6 March 2025 and their subsequent appointment as Liquidators of the Company at the Second Meeting of Creditors on 1 April 2025.

This report is issued in compliance with Section 70-40 of the *Insolvency Practice Rules (Corporations) 2016*. The purpose of this report is to:

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

This report should be read in conjunction with the Administrators' Report to Creditors dated 24 March 2025 (**Administrators' Report**), and the Liquidator's Circular to Creditors dated 11 April 2025, copies of which can be found on our website: <https://wexted.com/creditors/bellgrove-scaffolding-pty-ltd>. The definitions used in previous reports have been adopted in this report.

1. Update on the progress of the Liquidation

1.1. Background

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 *Corporations Act 2001 (the Act)*.

On 27 January 2011, the Company was incorporated in New South Wales (**NSW**). It traded as a scaffolding hiring service provider from the leased premises on Long Street, Smithfield NSW 2164 (previously from a site in Mt Druitt NSW) prior to our appointment.

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.

Subsequent to our appointment and considering the trade-on costs and expenses of undertaking a voluntary administration and deed of company arrangement (**DOCA**), 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 advised that no scaffolding hire projects or any other trading activities of the Company were continuing since the VA appointment. We have not identified any trading activities continuing.

At the second meeting of creditors on 1 April 2025, creditors resolved that the Company be wound up (liquidation) and that Andrew McCabe and Christopher Johnson of Wexted Advisors be appointed Joint and Several Liquidators of the Company.



1.2. Estimated assets and liabilities of the Company

Further to the Administrators' Report, we provide an updated Estimated Outcome Statement below.

Estimated Outcome Statement	Report Section	ROCAP (\$)	Liquidator ERV Low (\$)	High (\$)
Upfront Contribution (incl. \$25,000 refundable)		n/a	80,000	80,000
Circulating assets				
Cash and Cash Equivalent	1.2.1	-	3,176	3,176
Accrued Income	1.2.2	-	-	-
Trade and Other Receivables	1.2.3	22,053	22,053	22,053
Total Circulating Assets		22,053	25,229	25,229
Property, Plant and Equipment	1.2.4	100,000	71,408	76,408
Computer	1.2.5	-	-	-
Motor Vehicle	1.2.6	-	-	-
Debit Loan	1.2.7	-	-	-
Security Deposits and Bond	1.2.8	-	7,793	7,793
Total Non-circulating Assets		100,000	79,201	84,201
Total Assets Available		122,053	104,430	109,430
Recovery Actions Available to Liquidators				
Insolvent Trading Claim	2.2		-	Unknown
Unfair Preference Payments	2.3.1		-	49,148
Uncommercial Transactions	2.3.2		-	Unknown
Unfair Loans	2.3.3		-	Unknown
Unreasonable Director-Related Transactions	2.3.4		-	Unknown
Total Recovery Actions Available to Liquidators		n/a	-	49,148
Total Funds Available		122,053	184,430	238,578
External Administration costs				
Administrators' Remuneration			88,833	88,833
Liquidators' Remuneration			60,000	75,000
Asset Realisation Costs			30,230	32,346
Disbursements (incl. Legal Costs)			1,000	20,000
Total External Administration Costs			180,063	216,179
Funds Available for Creditors			4,367	22,399
Priority Creditors				
Estimated Priority Creditor Claims	1.2.9	48,768	53,880	55,324
Estimated Return to Priority Creditors (c/\$)	3		8	40
Unsecured Creditors				
Secured Creditors - Estimated Shortfall	1.2.10	-	-	-
Unsecured Statutory Creditors	1.2.11	1,438,000	1,439,627	1,439,627
Related Party Creditors	1.2.12	30,931	38,551	63,728
Other Unsecured Creditors	1.2.13	-	24,478	24,478
Total Non-Priority Unsecured Creditors		1,468,931	1,502,656	1,527,833
Estimated Return to Non-Priority Unsecured Creditors (c/\$)	3		Nil	Nil
Total Unsecured Creditors		1,517,699	1,556,536	1,583,157

The estimated assets and liabilities of the Company are discussed in further detail in the sections below.



1.2.1. Cash and Cash Equivalent

Further to the Administrators' Report, we have received the credit balance transfers totalling \$3.1K from the Commonwealth Bank of Australia in the Company's liquidation account.

We are not aware of any other pre-appointment bank accounts and have not received any further pre-appointment funds.

1.2.2. Accrued Income

In our previous report, we noted an accrued income of \$182.7K. We have requested further information from the Director and the Accountant regarding this account and are waiting for a response.

1.2.3. Trade and Other Receivables

As discussed in the Administrators' report, we have demanded the debtor payment and received full payment from Avanti Scaffolding. There are no other outstanding trade receivables as at the date of our appointment.

1.2.4. Property, Plant and Equipment

As previously reported in the Administrators' Report, ROCAP has listed scaffolding equipment valued at \$100.0K. Our auctioneer subsequently provided a preliminary valuation of c. \$75.0K.

The auctions of the scaffolding equipment were completed in May 2025 and achieved total gross proceeds of \$76.2K. However, the auctioneer subsequently informed us that approximately \$5.0K worth of scaffolding equipment would need to be re-auctioned, as the original buyer did not complete the transaction. The sale of the last few lots has not been completed as at the date of this report.

We have received net sale proceeds of \$41.2K in the liquidation account out of the collected sales proceeds of \$71.4K, net of realisation costs (i.e. transport and auctioneer's commissions) of \$30.2K.

Separately, as outlined in the Administrators' Report, 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 from \$813.6K to the directors ROCAP estimate of \$100K.

Apart from the above scaffolding equipment realised via auctions and the \$22.1K sold to Avanti Scaffolding (collected during the VA period), the Director has provided invoices relating to scaffolding equipment sold by the Company to unrelated third parties between October 2022 and November 2024, with a total invoiced value of \$232.2K, of which \$222.9K was sold to 4Ken Pty Ltd and \$9.3K to Scaffolding King Pty Ltd. We note that payments for these invoices have been received in full into the Company's pre-appointment CBA account. Based on the above, in consideration of the purchases, sales and ROCAP estimate, this leaves an unreconciled balance of scaffolding equipment of \$459.3K.

We have not sighted any other records on the scaffolding equipment movement and our investigations and reconciliation into any theft, sale, depreciation or write-off is continuing. If any creditor is aware of the location of any additional scaffolding, please contact our office by 31 July 2025.

1.2.5. Computer

As outlined in the Administrators' Report, the Company's records indicate computer equipment valued at \$10.7K, which was fully depreciated on its balance sheet.

We have previously requested further details on the Company's assets, including the computer equipment. No further details have been received to date.



Having regard to the ageing of the computer equipment and the costs of collecting and realising the computer equipment, we consider it would be uncommercial to pursue the computer equipment further.

1.2.6. Motor Vehicle

As outlined in the Administrators' Report, the motor vehicle search in NSW has returned four past registrations in the Company's name, including one vehicle which had different registrations in 2017 and 2020 respectively.

Plate No.	Year / Make	Model	VIN / Chassis	Owned from	Owned to	Buyer Declared Value	Current Status	Expiry	Fair Market Value	Forced Liquidation Value
XN96SE	1999 MITSUBISHI	FE	JMFFE647E0KJ40	20/07/2020	31/12/2999	\$3,000	Cancelled	19/07/2021	\$15,000	\$10,000
CN90VE	1999 MITSUBISHI	FE	JMFFE647E0KJ40	27/09/2017	31/12/2999	\$3,000	Cancelled	26/09/2018	Duplicate of above	
CG79UO	2016 TOY	HILUX 4X2	MR0EX3CBX01102546	4/01/2022	14/11/2024	\$5,000	Expired	3/03/2025	\$12,000	\$9,000
EJB82P	2019 B.M.W.	X Series - G01	WBATR920109A32469	28/08/2020	14/11/2024	\$71,100	Expired	14/01/2025	\$30,000	\$24,000
AZ41YG	2007 ISUZU	FVR 950 LOMG	JALFVR34R67000120	12/11/2015	14/11/2024	\$30,000	Expired	12/02/2025	\$25,000	\$15,000

Two vehicles, namely the 2007 Isuzu FVR 950 LOMG and the 2019 BMW X Series - G01, were sold to Avanti Scaffolding for \$20,000 and \$30,000 respectively. Sale proceeds had been sighted in the Company's pre-appointment account, and the sale prices appear reasonable based on the valuer's advice (refer to the last two columns in the table above).

We have enquired with the Director about the other two vehicles, the 1999 Mitsubishi FE and the 2016 Toyota Hilux, and are currently waiting for a response.

In addition to the above four vehicles, the Director advised that the Company sold a forklift for \$5,000 to Avanti Scaffolding prior to our appointment and provided a copy of the relevant invoice. No further details have been identified among the Company's books and records on this forklift. We have requested details on the forklift and are currently waiting for a response.

Our investigations are continuing into whether any Company assets had been transferred prior to our appointment below market value or for no consideration.

1.2.7. Debit Loans

As outlined in the Administrators' Report, there were debit Director Loans totalling \$491.7K as at the date of the VA appointment. We have requested repayment from the Director. No repayment has been received to date.

We have also requested a personal assets and liabilities statement from the Director, which revealed net liabilities of \$354.8K.

We have conducted a property search on the Director's name in the state where he resides. No property ownership is found in the Director's name. If any creditor has further information on the Director's personal assets, directly or through corporate entities, please contact our office by 31 July 2025 to assist with our investigations.

1.2.8. Security Deposits and Bond

Further to the Administrator's Report, the landlord has refunded \$7.8K to the liquidation account in respect of the lease bond for the Concrete Yard located at 100 Long Street, Smithfield NSW 2164.

We have also reviewed the lease documentation for the old site in Mt Druitt NSW. We do not anticipate any realisation from that site.



1.2.9. Priority creditors

We have written to employees to notify them of our appointment and the Fair Entitlement Guarantee (FEG) scheme. No FEG claims have been received to date.

1.2.10. Secured Creditors

As previously reported, we notified all security interest holders with PPSR registrations of the appointment. In response, we have received discharge certificates from each of the secured creditors.

To date, none of the secured creditors have advised us of any shortfall amounts.

1.2.11. Statutory Creditors

We understand that the ATO had previously lodged a winding-up application, which was subsequently dismissed following the resolution passed by creditors to wind up the Company at the second creditors' meeting held on 1 April 2025. During that meeting, a representative of the ATO asked that any outstanding SGC statements be lodged.

We have reviewed the available information and records on unpaid superannuation and requested clarification from the Director and the external accountant of the Company. Subject to any response being received, we will lodge the relevant SGC statements with the ATO in due course.

1.2.12. Related-party creditors

The Director and his wife were former employees of the Company. We understand they are owed employee entitlements totalling \$44.1K, of which the priority portion is \$5.5K and the balance \$38.6K are unsecured non-priority claims.

1.2.13. Other Unsecured Creditors

We have received a claim from iCare for \$24.5K. We are not aware of any other unsecured creditors.

1.3. Inquiries relating to the winding up of the Company undertaken to date

Key tasks undertaken since the commencement of the liquidation are listed below:

- Notifying the creditors of the appointment of Liquidators and the employees of the FEG scheme;
- Liaising with Auctioneer regarding the sale of scaffolding equipment;
- Liaising with the Landlord regarding the release of the bond;
- Continued investigation into the assets of the Company;
- Reviewing employee records and preparing breakdown of unpaid superannuation;
- Enquiring with the Director and the Accountant on assets and certain transactions;
- Investigating the Company's affairs, identifying the possible recovery actions available to the Liquidators (refer to **Section 2** below for details);
- Commencing recovery actions for the unfair preference payments identified;
- Responding to creditors' enquiries;
- Preparing statutory report to ASIC; and
- Preparing this statutory report to creditors and the Liquidators' Remuneration Approval Report.



2. Investigation and possible recovery actions

2.1. 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 Xero that includes:
 - Management accounts up to March 2025;
 - General ledger;
 - Employee information;
 - Creditor listing;
 - Ledgers of trade debtors and related party loans;
 - Copy of invoices;
- Bank statements;
- Contracts and leases; and
- Other records.

Further to our previous report, while we have been provided with access to the Company's books and records, our continued review indicates that the financial records may not adequately reflect the Company's true financial position or performance.

2.2. Insolvent trading

Pursuant to Section 588G of the Act, a director has a duty to prevent a company from incurring debts when there are reasonable grounds for suspecting that the company will be unable to pay its debts as and when they fall due (i.e. it is insolvent).

Equally, a holding company can be held liable for the insolvent trading of its subsidiaries pursuant to Section 588V of the Act in certain circumstances.

Section 588M of the Act provides that a Liquidator is entitled to recover compensation from a director and/or a holding company equal to the loss or damage suffered by the company because of a breach of Section 588G.

Section 588E of the Act provides that the company is to be presumed insolvent from the date of incorporation if the company failed to maintain its records in accordance with Section 286 of the Act.

Based on the records available to us, we are of the opinion that the Company may have traded while insolvent from 30 June 2016.

We have identified debts totalling \$675K that were incurred by the Company in the period leading up to our appointment at a time when the Company was possibly insolvent. We have excluded related party claims and general interest charge on the underlying tax debts for the purposes of insolvent trading calculations. We note that this amount may vary as the Company's tax lodgements (i.e. PAYG annual report FY2025, monthly Activity Statements from January 2025 to March 2025, quarterly statement for the quarter ended 31 December 2024, and the Income Tax Return for FY2025) remain outstanding.

We are currently conducting further investigations of the Company's insolvency and considering issuing a Demand to the Director. However, the Director may have defences available to any insolvent trading claim we may make.



As discussed in **section 1.2.7**, the Director's statement of personal assets and liabilities shows that he has a personal asset deficiency, and a property search against the Director's name in NSW shows no property ownership under the Director's name. If any creditor is aware of the financial position of the Director, in his own name or through any corporate or trust structure, please contact our office as soon as possible and by 31 July 2025 at the latest to assist with our investigations.

Pursuing an insolvent trading claim can be expensive, and the prospect of any successful recovery is uncertain. We consider that the funds in the liquidation will be insufficient to bring any recovery actions we may commence to an end. Should creditors wish to provide funding in order for the Liquidators to undertake further investigations and pursue the recovery of claims, including an insolvent trading claim against the Director, please contact our office by **5pm AEST on 31 July 2025**.

2.3. Voidable transactions

Pursuant to Section 588FE of the Act, there are several different types of transactions that may be voidable by a liquidator. Voidable transactions include unfair preferences, uncommercial transactions, unfair loans, unreasonable director-related transactions and circulating security interests created within six months ending on the relation back day (i.e. the date of the winding up application being filed, 29 January 2025) and the period from the relation back day to the VA appointment on 6 March 2025. However, the transaction can relate back further in certain circumstances. In this case, the relation back date is 29 July 2024 (being six months prior to the filing of the winding up application on 29 January 2025).

2.3.1. Unfair preference payments

The provisions of the Act allow some payments made to creditors, after the date of insolvency, but within the "relation back period" (in this case, from 29 July 2024 to 6 March 2025) to be recovered by a liquidator if those payments prove to be "preferential" to the recipients. Even though a payment may be proven to be "preferential" the law also allows a creditor that has received such a payment to mount a variety of defences such as "good faith" and "running account" and "received in the ordinary course of business".

Our initial investigations have identified payments to the ATO totalling \$49.1K within the relation back period. We are preparing the claim and will lodge it with the ATO shortly. We note that the ATO may have defences available to it against any claims we may make.

2.3.2. Uncommercial transactions

The provisions of the Act deem a transaction entered into by the company, after the date of insolvency, but within the two years before the "relation back day" to be voidable if a "reasonable" person in the company's circumstances would not have entered into the transaction. The two-year period is extended to four years if the parties of the transaction are related parties.

The Director debit loans may be considered uncommercial transactions, subject to any defences that may be available to the Director.

Our investigations to date have not identified any other uncommercial transactions.

2.3.3. Unfair loans

A loan is unfair if it is made to the company and the interest or charges relating to the loan are extortionate. Our investigations have not identified any unfair loans.



2.3.4. Unreasonable director-related transactions

The provisions of the Act allow some payments made to a director or a related party, within the four years before the “relation back day” to be recovered by a liquidator if those payments prove to be “unreasonable”.

The Director debit loans may be considered unreasonable director-related transactions, subject to any defences that may be available to the Director.

Further investigations may change our view on the above potential voidable transactions.

2.4. Director’s financial capacity

In circumstances where an insolvent trading claim or a breach of director’s duty claim is commenced, the avenues of recovery include any insurance coverage of the company and/or the director personally.

We conducted searches with Land Titles Offices in NSW on the director’s name. Our investigations have revealed no property ownership under the Director’s name.

We have requested the Director to submit a Personal Assets and Liabilities Statement, which indicates negative net assets of \$354.8K.

Further investigations to assess the financial capacity of the director will be required if it is established that viable recovery actions against the Director are available to the Liquidators, and creditor, litigation funding or FEG funding is made available to the Liquidators.

2.5. Statutory report to ASIC

Section 533 of the Act requires a liquidator to report to ASIC if it appears that:

- A past or present officer, or member, of the company may have been guilty of an offence in relation to the company; or
- A person who has taken part in the formation, promotion, administration, management or winding up of the company may have misapplied money or property of the company or may have been guilty of negligence, default, breach of duty or trust in relation to the company; or
- The company may be unable to pay its unsecured creditors more than 50 cents in the dollar.

We are completing our investigations and will lodge such a report with ASIC shortly.

3. Likelihood of a dividend

Based on the asset realisation, the balance sheet, our investigations and administration costs, subject to any successful recovery actions and any further creditors’ claims to receive, we estimate a dividend for Priority Creditors to range between 8 and 40 cents in the dollar, while at this stage of the administration, no return to the Unsecured Non-priority Creditors is anticipated (detailed in **section 1.2**).

In the event a dividend is declared, we will write to creditors to formally call for proof of debt.

4. Summary of receipts and payments

We provide a summary of our receipts and payments, on a cash basis, during this liquidation period up to 29 June 2025 in **Appendix C**.



5. Liquidators' remuneration

The Act sets the order for payment of claims against the Company, and it provides for remuneration of the external administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Administrators, now Liquidators, receive payment for the work done to recover assets, investigate the Company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid in full, as we are only paid if sufficient assets are recovered.

We note that at the second meeting of creditors on 1 April 2025, creditors approved the remuneration of the Administrators. No remuneration approval was received for the liquidation period.

Attached at **Appendix D** is a detailed report on the Liquidators' remuneration, called a Remuneration Approval Report. We are unable to pay our remuneration without the approval of creditors or the court. We are seeking creditor approval of our remuneration by a proposal without a meeting.

To participate in the proposals, please complete and return the following by no later than **5pm AEST, Monday, 21 July 2025**.

- The "Notice of Proposal to Creditors" forms are included at **Appendices E and F**.
- The "proof of debt" form included at **Appendix B** which provides information about what the Company owes you, along with supporting documents for your claim (if not returned previously).

The documents can be scanned and emailed to Calvin Wijaya of our office at cwijaya@wexted.com. Please allow sufficient time (at least eight days) if documents are returned by post. An information sheet on "proposals without a meeting" is included at **Appendix G**.

6. Further investigations required

We will proceed with the Liquidation, including:

- Finalising asset realisation;
- Continuing insolvent trading investigations and any potential claims (subject to available funding);
- Further investigations into possible voidable transactions (subject to available funding);
- Continuing to respond to creditor and employee queries;
- Lodging statutory returns and forms with the ATO and ASIC; and
- Attending to administrative tasks in the Liquidation.

7. Finalisation

We expect to finalise this liquidation within six months. If you are aware of matters you believe should cause us to delay the finalisation of the liquidation, you should advise us of those matters immediately. Should creditors wish to provide funding to the Liquidators to pursue any matters outlined above, please contact our office by **31 July 2025**. In the absence of receiving that advice, we will proceed to resolve matters as we see fit and will finalise the liquidation when the outstanding matters are complete.

8. Where can you get more information?

You can access information which may assist you on the following websites:

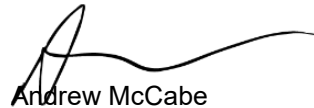
- ARITA at www.arita.com.au/creditors
- ASIC at www.asic.gov.au (search for "insolvency information sheets").



Should creditors have any further information that may assist us in our investigation, be interested in providing funding, or require further information regarding this matter, please contact Calvin Wijaya of this office via cwijaya@wexted.com or on (02) 9210 1708.

Dated this 30th day of June 2025

Bellgrove Scaffolding Pty Ltd (In Liquidation)



Andrew McCabe
Joint and Several Liquidator

List of attachments

- Appendix A – List of Creditors' Claims
- Appendix B – Proof of Debt form
- Appendix C – Summary of Receipts and Payments
- Appendix D – Remuneration Approval Report
- Appendix E – Notice of Proposal to Creditors – Resolution 1
- Appendix F – Notice of Proposal to Creditors – Resolution 2
- Appendix G – ARITA Information Sheet: Proposals without Meetings



Appendix A – List of Creditors' Claims

Bellgrove Scaffolding Pty Ltd (In Liquidation)

Based on Company records / POD received

Creditor name	Related Entity (Yes / No)	Estimated Debt \$
Priority Creditors		
Joel Johnson	N	21,210.67
Athol Tanner	N	10,862.62
Caleb Smith	N	9,220.00
Jacob Miller	N	7,086.26
Nikolas Jelic	Y	3,500.00
Janja Jelic	Y	2,000.00
Total Priority Creditors	6	53,879.55
Unsecured Creditors		
Australian Taxation Office (ATO)	N	1,439,627.17
iCare	N	24,477.92
Nikolas Jelic - Non priority portion	Y	32,541.00
Janja Jelic - Non priority portion	Y	6,010.00
Total Unsecured Creditors	4	1,502,656.09
GRANT TOTAL	8	1,556,535.64

Appendix B

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 (In Liquidation) 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.....

Email.....

Telephone.....

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 C – Summary of Receipts and Payments up to 29 June 2025

Summary of Receipts and Payments	
Bellgrove Scaffolding Pty Ltd (In Liquidation)	\$
From 1 April 2025 to 29 June 2025	(incl. GST)
Credit Balance Transfer from VA Account	111,548.07
Auction Sale Proceeds	71,408.00
ATO GST Refund	134.00
Total Receipts (incl. GST)	183,090.07
VA Remuneration	88,833.80
Asset Realisation Costs - Auctioneer Commission	15,709.76
Asset Realisation Costs - Transport	14,520.00
Total Receipts (incl. GST)	119,063.56
Cash at Bank as at 29 June 2025	64,026.51



WEXTEDadvisors
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Appendix D
Bellgrove Scaffolding Pty Ltd (In Liquidation)
ACN 148 998 216 ("the Company")
30 June 2025

Liability limited by a scheme approved under Professional Standards Legislation
Wexted Pty Ltd atf Wexted Unit Trust t/as Wexted Advisors ABN 46 346 904 995
Level 17, 68 Pitt Street Sydney NSW 2000 | GPO Box 7091 Sydney NSW 2001
t (02) 9210 1700 | www.wexted.com | enquiries@wexted.com



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 Liquidation of the Company.

1. Summary

We are asking creditors to approve our remuneration of \$74,543 plus GST.

Details of remuneration can be found in sections 3 to 5 of this report. To date, no creditors' approval has been obtained for the Liquidators' remuneration. For completeness, creditors have previously approved the Voluntary Administrators' remuneration of \$80,758 plus GST.

We are asking creditors to approve our remuneration via a proposal without a meeting relating to work undertaken and to be undertaken during the Liquidation period. We estimate that the total cost of this liquidation will be c. \$75K plus GST.

This is our last remuneration approval request. However, we may write to the creditors again if further remuneration approvals are required.

2. Declaration

We, Andrew McCabe and Christopher Johnson of Wexted Advisors, have undertaken a proper assessment of this remuneration claim for our appointment as Liquidator of the Company 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 this matter.

We have reviewed the work in progress report for the Liquidation to ensure that remuneration is only being claimed for necessary and properly performed work.

3. Remuneration sought

To date, no Liquidators' remuneration or internal disbursements have been approved or paid in this Liquidation.

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

Approvals sought	Report reference	Amount (ex GST) \$
Liquidators' Remuneration		
Resolution 1: Retrospective fees 1 April 2025 to 29 June 2025	4.1	\$39,543
Resolution 2: Prospective ¹ fees 30 June 2025 to the conclusion of the liquidation	4.2	\$35,000
Total Liquidators' Remuneration		\$74,543
Notes		
1. Approval sought for future remuneration is based on an estimate of the work necessary to complete the Liquidation. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.		

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



4. Remuneration

4.1 Retrospective remuneration

We will request that the following resolution be passed to approve our retrospective remuneration. Details to support this resolution are included further below.

Retrospective remuneration resolution	Appointment Type	Amount (ex GST) \$
Resolution 1: Liquidators' remuneration 1 April 2025 to 29 June 2025	Liquidation	\$39,543

Resolution 1: Liquidators' remuneration from 1 April 2025 to 29 June 2025

"That the remuneration of the Liquidators of Bellgrove Scaffolding Pty Ltd (In Liquidation) for the period from 1 April 2025 to 29 June 2025, calculated at the hourly rates as detailed in the Initial Remuneration Notice provided to creditors be approved in the sum of \$39,543 exclusive of GST, and that the Liquidators can draw the remuneration immediately or as required."

We will withdraw funds from the Liquidation account in respect of the Liquidators' remuneration immediately upon approval if funds are available. If funds are not available, we will withdraw funds progressively over time as funds become available.

The table below sets out the time charged to each major task area by staff members working on the Liquidation for the period 1 April 2025 to 29 June 2025, which is the basis of Resolution 1.

Bellgrove Scaffolding Pty Ltd (In Liquidation) Liquidator's Remuneration for the period 1 April 2025 to 29 June 2025											
Employee details		Actual \$/hr	Total hours	Total cost	Administration		Assets		Creditor		Investigation & Recovery
Name	Position				Hrs	\$	Hrs	\$	Hrs	\$	Hrs
Andrew McCabe	Partner	750	2.4	1,800	0.2	150	0.5	375	1.0	750	0.7
Jessie Wang	Director	650	37.9	24,635	1.0	650	1.2	780	8.0	5,200	27.7
Jessie Wang	Senior Manager	550	1.9	1,045	1.1	605	0.2	110	0.3	165	0.3
Calvin Wijaya	Senior Accountant	380	24.8	9,424	4.2	1,596	0.2	76	6.9	2,622	13.5
Tristan Kelleher	Accountant	290	9.1	2,639	4.7	1,363	0.6	174	0.7	203	3.1
Subtotal (Ex GST)			76.1	39,543	11.2	4,364	2.7	1,515	16.9	8,940	45.3
Total Remuneration to be approved (Exc GST)				39,543							
GST				3,954							
Total Remuneration to be approved (Inc GST)				43,497							
Average hourly rate (Exc GST)				520							

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

Resolution 1: Liquidators' remuneration from 1 April 2025 to 29 June 2025 (actual past remuneration)

Task Area	General Description	Includes
Assets 2.7 hours \$1,515	Plant and Equipment	Liaising with valuers, auctioneers and interested parties Reviewing asset listings Review of vendor statements Reconciliation of realisation proceeds and costs Monitoring receipt of sale proceeds
	Other Assets	Tasks associated with investigations into other assets



Task Area	General Description	Includes
Creditors 16.9 hours \$8,940	Creditor Enquiries, Requests & Directions	Receiving and responding to creditor enquiries Reviewing and preparing correspondence to creditors and their representatives
	Creditor Report	Preparing Statutory Report to creditors and its workbook Preparing Remuneration Approval Report and its workbook
	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 Adjudicating proofs of debt for voting purposes
Investigation & Recovery 45.3 hours \$24,724	Conducting Investigation	Collecting Company books and records Liaising with Accountant and Xero for Xero access and subscription transfer Liaising with ATO regarding FOI request Reviewing Company books and records Review of specific transactions and liaising with Director and Accountant regarding certain transactions Further investigations into possible voidable transactions Further investigations into possible insolvent trading and potential breaches of directors' duties Investigations to determine likely date of insolvency and quantify insolvent trading claim Investigations into transactions with related party and sale of scaffolding to unrelated parties Perusing documents provided by Petitioning Creditor Reviewing records on unpaid superannuation Enquiring with the Director and Accountant on unpaid superannuation Preparing breakdown of unpaid superannuation based on the Company's and the ATO's records Preparing summary of statutory search results Preparing and updating investigation files
	ASIC Reporting	Investigations into Company affairs for section 533(1) report Preparing section 533(1) report to ASIC



Task Area	General Description	Includes
	Recovery Actions	Internal Discussion regarding voidable transactions and insolvent trading claims identified Preparing unfair preference claim form to the ATO Investigations into the financial position of the Director
Administration 11.2 hours \$4,364	Correspondence	Correspondence with various parties and maintaining file notes
	Document Maintenance / File Review / Checklist	Setting up IPS job profile Filing of documents Updating checklists
	Bank Account Administration	Correspondence with bank regarding specific transfers Bank reconciliation
	ASIC Forms and Lodgements	Preparing and lodging ASIC forms including 505 and 509D Preparing ASIC notice Correspondence with ASIC regarding statutory forms
	ATO and Other Statutory Reporting	Notifying the ATO of the transition from VA to CVL Liaising with ATO for access to tax profile and client account setup Preparing and lodging BAS with the ATO Liaising with the ATO on GST refund
	Planning / Review	Regular file review Internal discussions regarding status of liquidation
Total: 76.1 hours \$39,543 (excl. GST)		



4.2 Prospective remuneration

We will request that the following resolution be passed to approve our prospective remuneration. Details to support this resolution are included further below.

Prospective remuneration resolution	Appointment Type	Amount (ex GST) \$
Resolution 2: Liquidators' remuneration 30 June 2025 – Completion of the Liquidation	Liquidation	\$35,000

Resolution 2: Liquidators' remuneration from 30 June 2025 to completion (estimated future remuneration)

“That the remuneration of the Liquidators of Bellgrove Scaffolding Pty Ltd (In Liquidation) for the period from 30 June 2025 to completion of the Liquidation, calculated at the hourly rates as detailed in the Initial Remuneration Notice provided to creditors be approved at a capped amount of \$35,000 exclusive of GST, and that the Liquidators can draw the remuneration immediately or as required.”

We will withdraw funds from the administration account in respect of the Liquidators' remuneration progressively over time as funds become available and only once it is incurred. If actual costs incurred are below the capped amount, the Liquidators are only authorised to draw the amount incurred. If actual costs incurred exceed the amount approved, the Liquidators may seek further approval from creditors.

The table below sets out the expected costs and a detailed description of the work by task area to be undertaken on the Liquidation for the period 30 June 2025 to completion, which is the basis of Resolution 2.

Task Area	General Description	Includes
Assets \$2,000	Plant and Equipment	Liaising with Auctioneer on re-auction of residual scaffolding Monitoring receipts of sale proceeds Finalising realisation of plant and equipment
	Other Assets	Tasks associated with realising other assets
Creditors \$8,000	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 final reports to creditors
	Dealing with Proofs of Debt	Receiving and filing POD when not related to a dividend Requesting further information from claimants



Task Area	General Description	Includes
		<p>Corresponding with ATO regarding POD when not related to a dividend</p> <p>Adjudicating proofs of debt for voting purposes</p>
Dividend \$9,000	Dividend Procedures	<p>Notifying creditors of Liquidators' intention to declare a dividend for Priority Creditors</p> <p>Publishing notice of Liquidators' intention to declare a dividend</p> <p>Adjudicating proofs of debt received</p> <p>Requesting for further information</p> <p>Notifying creditors of adjudication outcomes</p> <p>Dividend calculation</p> <p>Payment of distribution to creditors</p> <p>Issuing payment vouchers to creditors</p>
Investigation & Recovery \$10,000	Conducting investigation	<p>Further investigations into possible voidable transactions</p> <p>Further investigations into possible insolvent trading and potential breaches of directors' duties</p> <p>Finalising investigation files</p> <p>Lodging section 533(1) report with ASIC</p> <p>Liaising with ASIC regarding the statutory report</p>
	Recovery Actions	<p>Lodging unfair preference claim with the ATO</p> <p>Issuing demand to Director for insolvent trading claims and/or any possible voidable transactions identified</p> <p>Instructing solicitors to assist in recovery actions</p> <p>Applying for production of documents and public examinations (if required)</p> <p>Meetings with legal advisors on recovery actions</p> <p>Attending public examinations or any hearings (if required)</p> <p>Attending settlement negotiations (if any)</p>
Administration \$6,000	Correspondence	General correspondence
	Document Maintenance / File Review / Checklist	<p>Filing of documents</p> <p>Updating checklists</p> <p>Closing job profile on IPS</p>



Task Area	General Description	Includes
	Bank Account Administration	Correspondence with bank regarding specific transfers Bank reconciliation Downloading bank statements Closure of bank account
	ASIC Forms and Lodgements	Preparing and lodging ASIC forms including 5022 and 5603 Correspondence with ASIC regarding statutory forms
	ATO and Other Statutory Reporting	Liaising with ATO where required Preparing and lodging BAS with the ATO Cancellation of GST and ABN
	Planning / Review	Regular file review Discussions regarding status of liquidation
Total: \$35,000 (excl. GST)		

4.3 Estimated future remuneration

In preparing this report, our prospective remuneration approval is our best estimate of what we believe the liquidation will cost to complete and we do not anticipate that we will have to ask creditors to approve any further remuneration. However, should the liquidation not proceed as expected, we will advise creditors and we may seek approval of further remuneration. Matters that may affect the progress and the cost of the liquidation, include:

- Additional asset realisations;
- Complexity surrounding voidable transactions and insolvent trading claims;
- Creditors meeting requested by the creditors;
- The need for legal recovery actions, including public examinations; and
- Funding being provided by creditors to investigate further aspects of the Company's history.

5. Total remuneration reconciliation

At this point in time, we estimate that the total remuneration for the liquidation will be \$74,543 (GST exclusive), as shown in the table below.

Approvals sought	Report Reference	Amount (ex GST) \$
Liquidators' Remuneration		
Resolution 1: Retrospective Liquidators' Remuneration From 1 April 2025 to 29 June 2025	4.1	\$39,543
Resolution 2: Prospective Liquidators' Remuneration From 30 June 2025 to the completion of the liquidation	4.2	\$35,000
Total Liquidators' Remuneration		\$74,543



6. Likely impact on dividends

It is both reasonable and appropriate for a professional service provider to be remunerated for their services. A Liquidator is entitled to be remunerated for necessary work that is properly performed. That work generates the funds that may be recovered for the benefit of creditors and other stakeholders.

The impact of the approval of the Liquidators' remuneration is that the remuneration will then be paid, provided sufficient funds are generated to enable it to be paid. The remuneration will be paid from those funds that are generated prior to the payment of most creditors in the Liquidation.

It is noted that funds would only be available to any stakeholder as a consequence of the work necessarily undertaken by the Liquidators.

7. Statement of remuneration claim

Resolution 1

"That the remuneration of the Liquidators of Bellgrove Scaffolding Pty Ltd (In Liquidation) for the period from 1 April 2025 to 29 June 2025, calculated at the hourly rates as detailed in the Initial Remuneration Notice provided to creditors be approved in the sum of \$39,543 exclusive of GST, and that the Liquidators can draw the remuneration immediately or as required."

Resolution 2

"That the remuneration of the Liquidators of Bellgrove Scaffolding Pty Ltd (In Liquidation) for the period from 30 June 2025 to completion of the Liquidation, calculated at the hourly rates as detailed in the Initial Remuneration Notice provided to creditors be approved at a capped amount of \$35,000 exclusive of GST, and that the Liquidators can draw the remuneration immediately or as required."

8. Remuneration recovered 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



Classification	Disbursements	Charges
	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 Liquidators' Statutory Report to Creditors dated 30 June 2025.

11. Summary of receipts and payments

Please refer to the Liquidators' Statutory Report to Creditors dated 30 June 2025.

12. Queries

Further supporting documentation for our remuneration claims can be provided to creditors on request, provided sufficient notice is given.

If you require any further information, please contact Calvin Wijaya of our office on (02) 9210 1708 or via cwijaya@wexted.com.

13. Other information

The Australian Securities and Investments Commission (**ASIC**) and the Australian Restructuring Insolvency and Turnaround Association (**ARITA**) have released several guides to assist directors, shareholders, creditors and employees of companies in external administration. In particular, ASIC has released a remuneration information guide for creditors - *INFO 85 Approving fees: a guide for creditors*.

Creditors can obtain a copy of this information sheet at www.asic.gov.au/insolvencyinfosheets.

You can also access ARITA's information sheets from www.arita.com.au/creditors.

Dated this 30th day of 2025

Andrew McCabe
Joint and Several Liquidator

Appendix E

NOTICE OF PROPOSAL TO CREDITORS

Bellgrove Scaffolding Pty Ltd (In Liquidation)
ACN 148 998 216 ("the Company")

Resolution No.1 for creditor approval

"That the remuneration of the Liquidators of Bellgrove Scaffolding Pty Ltd (In Liquidation) for the period from 1 April 2025 to 29 June 2025, calculated at the hourly rates as detailed in the Initial Remuneration Notice provided to creditors be approved in the sum of \$39,543 exclusive of GST, and that the Liquidators can draw the remuneration immediately or as required."

Reasons for the proposal and the likely impact it will have on creditors if it is passed

The Liquidators are entitled to be remunerated for the work undertaken by us, our partners and our staff. We consider that the method of this approval by a proposal, rather than incurring the costs of convening a meeting of creditors, will achieve the dual aims of:

- allowing creditors to properly consider detailed information regarding the remuneration that we request they approve; and
- minimise the costs of the consideration and approval process, with the aim of maximising the potential return to creditors from the liquidation.

If the resolution is passed, the Liquidators will rely on the resolution to pay the approved remuneration (or a lesser amount if there are insufficient funds available) from the bank account maintained by the Liquidators.

Vote on resolution No.1

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. If more than 25% of responding creditors object to the proposal being resolved without a meeting of creditors, a meeting of creditors would be required to be convened to pass the resolution.

Please select the appropriate Yes, No or Object box referred to below:

- | | | |
|--------|--------------------------|--|
| Yes | <input type="checkbox"/> | I approve the proposal |
| No | <input type="checkbox"/> | I do not approve the proposal |
| Object | <input type="checkbox"/> | I object to the proposal being resolved without a meeting of creditors |

Your claim against the Company must be admitted for the purposes of voting by the Liquidators for your vote to count. Please select the option that applies:

- ☐ I have previously submitted a proof of debt form and supporting documents
- ☐ I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: _____ ACN / ABN (if applicable): _____

- ☐ I am not a related creditor of the Company.
- ☐ I am a related creditor of the Company, relationship: _____

Address: _____

- Return those forms by post, scanned and emailed:
- The forms must be received by the liquidator by **5pm AEST, Monday, 21 July 2025** for your vote to count.
- Submission options:
 - By email: cwijaya@wexted.com
 - By mail: C/- Wexted Advisors, Level 17, 68 Pitt Street, Sydney NSW 2000
- If you choose to use post, allow enough time for your letter to be delivered (up to eight days).

Appendix F

NOTICE OF PROPOSAL TO CREDITORS

Bellgrove Scaffolding Pty Ltd (In Liquidation)
ACN 148 998 216 ("the Company")

Resolution No.2 for creditor approval

"That the remuneration of the Liquidators of Bellgrove Scaffolding Pty Ltd (In Liquidation) for the period from 30 June 2025 to completion of the Liquidation, calculated at the hourly rates as detailed in the Initial Remuneration Notice provided to creditors be approved at a capped amount of \$35,000 exclusive of GST, and that the Liquidators can draw the remuneration immediately or as required."

Reasons for the proposal and the likely impact it will have on creditors if it is passed

The Liquidators are entitled to be remunerated for the work undertaken by us, our partners and our staff. We consider that the method of this approval by a proposal, rather than incurring the costs of convening a meeting of creditors, will achieve the dual aims of:

- allowing creditors to properly consider detailed information regarding the remuneration that we request they approve; and
- minimise the costs of the consideration and approval process, with the aim of maximising the potential return to creditors from the liquidation.

If the resolution is passed, the Liquidators will rely on the resolution to pay the approved remuneration (or a lesser amount if there are insufficient funds available) from the bank account maintained by the Liquidators.

Vote on resolution No.2

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. If more than 25% of responding creditors object to the proposal being resolved without a meeting of creditors, a meeting of creditors would be required to be convened to pass the resolution.

Please select the appropriate Yes, No or Object box referred to below:

- | | | |
|--------|--------------------------|--|
| Yes | <input type="checkbox"/> | I approve the proposal |
| No | <input type="checkbox"/> | I do not approve the proposal |
| Object | <input type="checkbox"/> | I object to the proposal being resolved without a meeting of creditors |

Your claim against the Company must be admitted for the purposes of voting by the Liquidators for your vote to count. Please select the option that applies:

- ☐ I have previously submitted a proof of debt form and supporting documents
- ☐ I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: _____ ACN / ABN (if applicable): _____

- ☐ I am not a related creditor of the Company.
- ☐ I am a related creditor of the Company, relationship: _____

Address: _____

- Return those forms by post, scanned and emailed:
- The forms must be received by the liquidator by **5pm AEST, Monday, 21 July 2025** for your vote to count.
- Submission options:
 - By email: cwijaya@wexted.com
 - By mail: C/- Wexted Advisors, Level 17, 68 Pitt Street, Sydney NSW 2000
- If you choose to use post, allow enough time for your letter to be delivered (up to eight days).

Information sheet: Proposals without meetings

You may be a creditor in a liquidation, voluntary administration or deed of company arrangement (collectively referred to as an external administration).

You have been asked by the liquidator, voluntary administrator or deed administrator (collectively referred to as an external administrator) to consider passing a proposal without a meeting.

This information sheet is to assist you with understanding what a proposal without a meeting is and what your rights as a creditor are.

What is a proposal without a meeting?

Meetings of creditors were previously the only way that external administrators could obtain the views of the body of creditors. However, meetings can be very expensive to hold.

A proposal without a meeting is a cost effective way for the external administrator to obtain the consent of creditors to a particular course of action.

What types of proposals can be put to creditors?

The external administrator is able to put a range of proposals to creditors by giving notice in writing to the creditors. There is a restriction under the law that each notice can only contain a single proposal. However, the external administrator can send more than one notice at any single time.

What information must the notice contain?

The notice must:

- include a statement of the reasons for the proposal and the likely impact it will have on creditors if it is passed
- invite the creditor to either:
 - vote yes or no to the proposal, or
 - object to the proposal being resolved without a meeting, and
- specify a period of at least 15 business days for replies to be received by the external administrator.

If you wish to vote or object, you will also need to lodge a Proof of Debt (POD) to substantiate your claim in the external administration. The external administrator will provide you with a POD to complete. You should ensure that you also provide documentation to support your claim.

If you have already lodged a POD in this external administration, you do not need to lodge another one.

The external administrator must also provide you with enough information for you to be able to make an informed decision on how to cast your vote on the proposal. With some types of proposals, the law or ARITA's Code of Professional Practice sets requirements for the information that you must be provided.

For example, if the external administrator is asking you to approve remuneration, you will be provided with a Remuneration Approval Report, which will provide you with detailed information about how the external administrator's remuneration for undertaking the external administration has been calculated.

What are your options if you are asked to vote on a proposal without a meeting?

You can choose to vote yes, no or object to the proposal being resolved without a meeting.

How is a resolution passed?

A resolution will be passed if more than 50% in number and 50% in value (of those creditors who did vote) voted in favour of the proposal, but only so long as not more than 25% in value objected to the proposal being resolved without a meeting.

What happens if the proposal doesn't pass?

If the proposal doesn't pass and an objection is not received, the external administrator can choose to amend the proposal and ask creditors to consider it again or the external administrator can choose to hold a meeting of creditors to consider the proposal.

The external administrator may also be able to go to Court to seek approval.

What happens if I object to the proposal being resolved without a meeting?

If more than 25% in value of creditors responding to the proposal object to the proposal being resolved without a meeting, the proposal will not pass even if the required majority vote yes. The external administrator will also be unable to put the proposal to creditors again without a meeting.

You should be aware that if you choose to object, there will be additional costs associated with convening a meeting of creditors or the external administrator seeking the approval of the Court. This cost will normally be paid from the available assets in the external administration.

This is an important power and you should ensure that it is used appropriately.

Where can I get more information?

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding external administrations and insolvency.

This information is available from ARITA's website at artia.com.au/creditors.

ASIC also provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at asic.gov.au (search for "insolvency information sheets").