



## STATUTORY REPORT TO CREDITORS

**BELL CARE SERVICES PTY LIMITED**

**(IN LIQUIDATION)**

**ACN 649 504 218**

**ABN 58 649 504 218**

**28 May 2025**

**PETER KREJCI  
LIQUIDATOR**

Phone: 02 8263 2320

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Sydney NSW 2000

## INTRODUCTION

I refer to my initial report to creditors dated 14 March 2025 in which my appointment as Liquidator of the Company was advised along with your rights as a creditor in the liquidation.

The purpose of this report is to provide creditors with information regarding the following:

- ▲ The estimated amount of asset and liabilities of the Company;
- ▲ An update on the progress of the Liquidation and further actions that may need to be undertaken;
- ▲ What happened to the business;
- ▲ The likelihood of creditors receiving a dividend before the affairs of the Company are fully wound up; and
- ▲ Possible recovery actions.

This report should be read in conjunction with the initial report. If you have any questions relating to the liquidation in general, or specific questions relating to your position, please do not hesitate to contact this office.

Creditors can find copies of all previous reports on this matter on our website.

- ▲ BRI Ferrier <https://briferrier.com.au/>

## COMPANY DETAILS

<b>Name</b>	Bell Care Services Pty Limited (In Liquidation)
<b>Incorporated</b>	16 April 2021
<b>ACN</b>	649 504 218
<b>Registered Office</b>	D R Banks Accounting Suite 2 Level 1 336-338 Keira Street Wollongong NSW 2500
<b>Trading Address</b>	Unit 3 69 Worrigee Street Nowra NSW 2541

## LIQUIDATOR

<b>Name</b>	Peter Krejci
<b>Date Appointed</b>	28 February 2025

## ADMINISTRATION CONTACT

<b>Name</b>	Joshua Coorey
<b>Email</b>	jcoorey@brifnsw.com.au
<b>Phone</b>	02 8263 2320

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## GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS

ABN	Australian Business Number
ACN	Australian Company Number
Act	Corporations Act 2001 (Cth)
ARITA	Australian Restructuring Insolvency and Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
CBA	Commonwealth Bank of Australia
BAS	Business Activity Statements
CL	Court Liquidation
Company	Bell Care Services Pty Limited (In Liquidation)
Company Accounting Firms	DRB Group and BLG Advisors
DEWR	Department of Employment and Workplace Relations
DCoT	Deputy Commission of Taxation
Director	Lauren Margaret Brown
DIRRI	Declaration of Independence, Relevant Relationships & Indemnities
Department	Department of Employment and Workplace Relations
FEG	Fair Entitlements Guarantee
Firm	BRI Ferrier
iCare	Workers Compensation Nominal Insurer
Initial Report	Initial Report to Creditors dated 14 March 2025
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations) 2016
NSW	New South Wales
Petitioning Creditor	DCoT
POD	Proof of Debt
PPSR	Personal Properties Securities Register
RBA	Running Balance Account
RBP	Relation Back Period
ROCAP	Report on Company Activities and Property
Shareholder	Lauren Margaret Brown
SGC	Superannuation Guarantee Charge

## EXECUTIVE SUMMARY

As you are aware, I was appointed Liquidator of the Company pursuant to an Order of the Federal Court of Australia. The Petitioning Creditor in this matter is the DCoT who in their proof of debt advised of a debt of \$828,499 relating to running balance account deficit, superannuation guarantee charge and its petitioning creditor costs.

This report has been prepared in accordance with Rule 70-40 of the Insolvency Practice Rules to provide creditors with an update on developments in this Liquidation. I provide hereunder a summary of my preliminary investigations into the affairs of the Company to date, the potential return for creditors and the conduct of the Liquidation over the past three (3) months.

As advised in my Initial Report to Creditors, the Company was incorporated on 16 April 2021 and operated as a service provider to NDIS clients, specialising in aged care and disability support services in the Illawarra region.

I confirm the Company ceased to trade on 4 December 2024 prior to my appointment, with all staff being terminated on this date.

As at the date of this report, I have identified the Company previously held an account with the CBA which was closed prior to my appointment. The management accounts of the Company disclose fixed assets by way of office furniture and equipment with a book value of \$83,831. However, based on advice obtained from an independent valuer, I have determined that this figure is significantly overstated, with the estimated forced liquidation value being approximately \$2,400.

In relation to liabilities, my investigations have identified two unsecured creditors: iCare, with a claim of \$2,000, and the Australian Taxation Office (ATO), with a current debt of approximately \$828,000. It should be noted that the ATO liability is expected to increase, pending the lodgement of outstanding Business Activity Statements (BAS).

Based on my investigations to date, I am of the view that the Director may have breached her duties to the Company under sections 180 to 183 of the Corporations Act 2001 (Cth). Furthermore, I have formed a preliminary view that the Company may have been insolvent from at least 1 July 2021. As such, there may be a potential insolvent trading claim against the Director in the amount of approximately \$831,000.

In addition, I have identified potentially unreasonable director-related transactions totalling \$656,000. These findings are preliminary in nature and any recovery action will require further investigation and may be contingent upon funding being made available to pursue such claims for the benefit of creditors.

Details of my findings are set out in Section 13 of this Report. At this stage, the prospects of recovery remain uncertain. A New South Wales Land Title Search conducted under both the Director's maiden and married names indicates that she does not appear to be the registered proprietor of any real property.

Notwithstanding the above, and given the serious nature of the Director's conduct, I have issued a letter of demand seeking payment of the aforementioned claims.

I have prepared and lodged with ASIC a report pursuant to Section 533(1) of the Act. This report to ASIC is a legislative requirement in liquidations where potential offences and breaches of the Act by Directors and Officers of the Company have been identified and/or the estimated return to unsecured creditors is less than fifty (50) cents in the dollar. Subject to any response received from ASIC, I do not intend to prepare any further report for ASIC or Creditors.

At this stage, there have been minimal recoveries in the Liquidation sufficient to discharge the costs of the administration. I have identified potential avenues for recovery; however, these remain subject to the receipt of further information to substantiate and strengthen the relevant claims. I anticipate pursuing these claims where appropriate.

For further information regarding the Director's asset position and prospective recovery actions, please refer to the section titled *Findings and Recovery Actions*.

Given the current circumstances, I do not anticipate any dividends will be available to any class of creditors in this Liquidation.

Should a creditor have any relevant information which may assist my investigations or potential asset recoveries or wish to fund my further investigations, they should contact my office by no later than 11 June 2025. Otherwise, absent any substantive new information, the Liquidation may continue for the next two (2) to three (3) months.

## 1. BASIS OF REPORT

This report has been prepared primarily from information received from the Director's completed ROCAP and the financial reports produced from the Company's MYOB file.

In order to complete this report and in conducting my investigations, I have also utilised information from:

- ▲ ASIC;
- ▲ Bank statements provided by CBA;
- ▲ Litigation documents provided by DCoT; and
- ▲ Extracts from public information databases.

## 2. DISCLAIMER

An investigation of the Company's affairs has been conducted and this report and the statements made herein have been prepared based upon available books and records, information provided by the Director and from my own enquiries.

Whilst I have no reason to doubt the accuracy of the information provided or contained herein, I reserve the right to alter my opinions or conclusions should the underlying data prove to be inaccurate or materially change after the date of this report.

Neither I, nor any member or employee of BRI Ferrier accepts responsibility in any way whatsoever to any person in respect of any errors in this report arising from incorrect information provided to me, or necessary estimates and assessments made for the purposes of the 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 Liquidator.

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

Should any creditor have material information in relation to the Company's affairs which they consider may impact on my investigations or report, please forward details in writing as soon as possible.

### 3. DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS, AND INDEMNITIES

I confirm that my DIRRI as previously circularised has not been amended.

### 4. CORPORATE INFORMATION

The following is a summary of the Company's statutory and business details obtained from the ASIC database and the Personal Property Securities Register ("PPSR") database:

#### 4.1 COMPANY DETAILS

<b>Company Name</b>	Bell Care Services Pty Limited (In Liquidation)
<b>Registered Address</b>	D R Banks Accounting Suite 2 Level 1 336-338 Keira Street Wollongong NSW 2500
<b>Principal Place of Business</b>	Unit 3 69 Worrigea Street Nowra NSW 2541
<b>Incorporation Date</b>	16 April 2021
<b>ABN</b>	58 649 504 218
<b>ACN</b>	649 504 218

#### 4.2 COMPANY OFFICE HOLDERS

<b>Name</b>	<b>Position</b>	<b>App Date</b>	<b>Cease Date</b>
Lauren Margaret Brown	Director and Secretary	16/04/2021	Current

#### 4.3 SHAREHOLDINGS

<b>Name</b>	<b>Share Class</b>	<b>No. of Shares</b>	<b>Fully Paid Up</b>	<b>Status</b>
Lauren Margaret Brown	ORD	10	Yes	Current

## 5. LEGAL PROCEEDINGS

Pursuant to Section 500(2) of the Act, my appointment as Liquidator automatically stays any current legal proceedings against the Company.

Creditors cannot commence or continue proceedings against the Company without my written consent or without leave of the Court.

I am not aware that the Company is involved in any other legal proceedings.

## 6. COMPANY BACKGROUND AND EVENTS LEADING TO MY APPOINTMENT

The following information was obtained from enquiries with third parties and information obtained from same by me.

- ▲ The Company was registered on 16 April 2021 and provided aged care and disability support services to NDIS clients in the Illawarra region.
- ▲ Ms Lauren Brown is the sole director, secretary and shareholder of the Company having been appointed director since the Company's incorporation.
- ▲ My investigations reveal that the Company's Registered Address and Principal Place of Business as 'D R Banks Accounting Suite 2 Level 1 336-338 Keira Street Wollongong NSW 2500' and 'Unit 3 69 Worrigee Street Nowra NSW 2541'. I have conducted a statutory search of the registered office and confirm the Director is not recorded as the owner of this property.
- ▲ Over the course of the Company's trading history, I am advised the Director experienced significant health issues which adversely impacted her ability to attend to the operational requirements of the Company.
- ▲ I am advised that, at some stage prior to my appointment, the Director stepped away from the business and informally delegated responsibility for its day-to-day operations to an employee. It is understood that this individual possessed only limited knowledge of the Company's operations at the time, which further exacerbated the challenges the Company was experiencing. The Director's mother, Mrs Marcella Brown, became aware of the Company's financial situation by way of the winding up application made by the DCoT on 28 November 2024.
- ▲ On 30 November 2024, the Director executed a letter of authority appointing Mrs Brown to act on her behalf for all matters concerning the Company. Mrs Brown subsequently ceased the operations of the business and terminated all remaining employees on 4 December 2024.
- ▲ Subsequently, I was appointed Liquidator of the Company by Order of the Federal Court of Australia on 28 February 2025.

## 7. REASONS FOR FAILURE

In her ROCAP, the Director attributes the business' failure due to mismanagement by appointed staff as well as her own absence due to poor health.

Based on my investigations to date, I have identified the following reasons for the Company's failure:

- ▶ **Poor financial control, including lack of records.** As at the date of this report, the only books and records that have been made available to me comprise access to the Company's MYOB accounting software. Based on my investigations to date, my review indicates that the MYOB file is largely unreliable, incomplete and lacks supporting source documentation aside from limited bank feed data.
- ▶ **Poor strategic management.** Analysis of the Company's bank statements reveals significant personal expenditure by the Director at a time when statutory obligations remained unpaid, reflecting a lack of financial discipline and prioritisation.
- ▶ **Inadequate cash flow or high cash use.** The Company's bank statements show excessive wages being drawn by the Director, which adversely impacted the Company's liquidity and overall financial stability.
- ▶ **Insufficient working capital or high cash use.** Available records suggest the Company consistently operated with inadequate working capital, resulting in an inability to meet its statutory liabilities. Records available to me indicate these statutory liabilities remained outstanding for a prolonged period whilst the Company continued to trade without addressing same.

## 8. HISTORICAL FINANCIAL INFORMATION

I have reviewed the Company's management accounts for the years ending 30 June 2021 to 28 February 2025. I note the management accounts were provided in absence of any source documentation or further books and records, as such I am unable to verify the validity of same.

### 8.1 BALANCE SHEETS

Attached as **Annexure B** is a comparative analysis of the Balance Sheets for the abovementioned periods. I make the following comments on the Company's Financial Position for FY21, FY22, FY23, FY24 and as at the date of appointment:

- ▶ The balance sheets for the period indicate the Company to have held minimal assets. The assets are predominantly comprised of office equipment and computers with a book value of \$83,831 as at the date of my appointment. My investigations suggest this figure to be greatly overstated. I provide further commentary on these assets at Section 9.1.2 of this report.
- ▶ The Company's current liabilities predominantly comprise of statutory taxation debts of with a book value of \$525,603 as at the date of my appointment however the DCoT has submitted a POD in the amount of \$828,499. My investigations indicate that around the time the Company ceased trading, the book value of the taxation debt was broadly consistent with the amount claimed by the ATO, which has since increased to \$828,499 at the date of my appointment.
- ▶ The balance sheets for FY22 to F24, FY24 and as at the date of my appointment reflects a position of poor liquidity, with the Company current asset ratio remaining below 1 across all periods. Whilst it would be unusual for a business of this nature to carry any material assets,

the Company's inadequate working capital appears to be primarily attributable to the excessive spending and the payment of exorbitant wages. These payments were made in priority to the Company's growing taxation liabilities.

## 8.2 PROFIT AND LOSS STATEMENTS

Attached as **Annexure C** is a comparative analysis of the Profit and Loss Statements for the abovementioned periods. I make the following comments on the Company's Profit and Loss for FY21, FY22, FY23, FY24 and as at the date of appointment:

- The Company experienced significant revenue growth in its first years of trading until FY24 which saw a decline of c. \$280K. I have not yet accounted for this decline however, I understand FY24 to be when the Director stepped away from the business which may have impacted its sales.
- The Company's operational expenses appear standard for a business of its size, amounting to less than 10% of revenue across the periods.
- The Company's profit and loss statements disclose exorbitant wages across the relevant financial periods. From review of the Company's payroll data in MYOB, against bank statements provided by CBA, it appears that historically employees were paid in excess of their weekly wage. Across each of the periods, weekly payments to employees were often made in rounded figures that did not correspond with pay slips recorded in the MYOB system suggesting inconsistencies in the payroll processing. In addition, I have identified significant wages being drawn by the Director which appear to have caused material detriment to the financial position of the Company. These payments were made in priority to the Company's outstanding taxation liabilities and contributed to its ongoing liquidity issues

## 9. CURRENT FINANCIAL POSITION (EDIT)

Below is my analysis of the current financial position of the Company, with regard to available books and records and my enquiries to date.

Bell Care Services Pty Limited (In Liquidation) ACN 649 504 218 Summary of Director's Report on Company Activities and Property				
	Report Reference	Book Value as at 28/02/2025 (\$)	Director's ERV (per ROCAP) (\$)	Administrators' ERV (\$)
<b>Assets</b>				
Cash and Cash Equivalents	9.1.1	-	-	Nil
Fixed Assets	9.1.2	83,831	-	2,400
<b>Total Assets</b>		<b>83,831</b>	<b>-</b>	<b>2,400</b>
<b>Liabilities</b>				
Petitioning Creditor's Costs	9.2.1	-	-	2,649
Secured Creditors	9.2.2	-	-	Nil
Priority Creditors	9.2.3	-	-	Unknown
Unsecured Creditors:				
iCare	9.2.4	-	-	2,623
ATO	9.2.4	-	-	825,851
<b>Total Liabilities</b>		<b>-</b>	<b>-</b>	<b>831,122</b>
<b>Estimated Net Asset / (Deficiency)</b>		<b>83,831</b>	<b>-</b>	<b>(828,722)</b>

## 9.1 ASSETS (EDIT)

### 9.1.1 Cash and Cash Equivalents

On appointment, I made enquiries with all major banks in Australia seeking details of any accounts maintained by the Company. These enquiries revealed that the Company previously held one (1) account with the CBA which was closed prior to my appointment.

Based on my enquiries to date, I am not aware of any other bank accounts held by the Company.

### 9.1.2 Fixed Assets

The management accounts of the Company disclosed fixed assets comprising computers, office furniture and equipment with a book value of \$83,000. Following my appointment, I made enquiries with the Director and former employees regarding the location of these assets. I was advised that upon the Company ceasing to trade in December 2024 and the assets transported to a storage unit in North Nowra held in the Director's personal name. Upon my request, the Director provided a listing of the contents of the storage unit with photographs of same. I subsequently obtained advice from a valuer who indicated the assets held a fair market value of \$6,600 and a forced liquidation value of

\$2,400. The advice further confirmed the costs of realisation will greatly exceed the expected gross realisations, as such it is my intention to disclaim the Company's interest in same.

## 9.2 LIABILITIES

### 9.2.1 Petitioning Creditor Costs

The Petitioning Creditor's costs in respect to this matter were determined by the Court at a fixed amount of \$2,649. Pursuant to Section 556(1)(b) of the Act, these costs are afforded a statutory priority over all other unsecured claims and costs incurred in the Liquidation, once expenses incurred in "preserving, realising or getting in" property of the Company are discharged.

### 9.2.2 Secured Creditors

A search of the Personal Property Securities Register ("PPSR") did not reveal any security interests registered against the Company.

In any event, if you have leased property to the Company, have a retention of title claim or hold a Personal Property Security in relation to the Company, please contact Mr. Joshua Coorey of this office as soon as possible.

### 9.2.3 Priority Creditors

My investigations reveal the Company to have been employing thirteen (13) staff at the time of ceasing trade. These staff are comprised of five (5) full time, three (3) part time and five (5) casual employees. I have since issued termination letters to each member of staff. From review of the Company's management accounts, it appears \$30,000 remains in outstanding annual leave. As mentioned previously in this report, without source documentation to verify the contents of the MYOB file, the records available to me are unreliable and incomplete and I am unable to verify the amounts outstanding to employees. I have since been contacted by FEG who have confirmed two (2) former employees have since lodged claims for outstanding entitlements. I have provided FEG with details of employee entitlements as they are currently available to me, however, have confirmed to FEG that I am unable to verify the validity of same.

To the extent that there are amounts owed to former employees, they are eligible to apply to the Federal Government, which has established a safety net scheme known as the FEG, for payment of their outstanding entitlements. FEG is administered by the Attorney General's Department ("the Department") for eligible employees who have been terminated as a result of their employer's insolvency and are owed entitlements.

In order for an employee to be eligible to claim outstanding entitlements under FEG:

- The employee must be an Australian citizen or permanent resident (contact FEG for further details); and
- The end of their employment must be due to the insolvency of the employer; or have occurred less than six (6) months before the appointment of an insolvency practitioner; or occurred on or after the appointment of an insolvency practitioner.

Employees may submit claims in respect of the following entitlements, provided they are entitled to claim under their respective industrial instrument, contract of employment or by any other means:

- Up to thirteen (13) weeks unpaid wages for the period ending at the earlier of the date on which employment ended or the appointment of an insolvency practitioner;
- Unpaid annual leave and long service leave;
- Up to a maximum of five (5) weeks unpaid payment in lieu of notice;
- Up to a maximum of four (4) weeks redundancy entitlement for each completed year of service.

In calculating employee entitlements payable under the scheme, the maximum annual wage applies.

FEG will not cover:

- Outstanding superannuation entitlements;
- Entitlements such as rostered days off unless the relevant legislation, award, statutory agreement, or written contract of employment provides they are payable upon termination of employment; and
- Employee entitlements of the Directors and relatives of the Director as defined by the *Corporations Act 2001*.

To obtain further information, the Department may be contacted on 1300 135 040 or alternatively, please visit their website at: <https://www.ag.gov.au/industrial-relations/fair-entitlements-guarantee>.

#### 9.2.4 Unsecured Creditors

As previously noted, my investigations to date have identified two (2) unsecured creditors. I provide details of their claim as follows:

- iCare have advised of a debt owed to them in the amount of \$2622.57, relating to unpaid insurance premiums since June 2021.
- The DCoT have advised of a debt owed to them in the amount of \$828,499.80 relating to running balance account deficits, superannuation guarantee charge and petitioning creditor costs. I note the DCoT has advised of significant outstanding lodgements, which if completed, will likely increase the Company's taxation liabilities.

I encourage any creditors who have not already done so to lodge their creditor claims with this office. In this regard, please complete the Formal Proof of Debt form, attached as **Annexure A**, and return the same together with documentary evidence to support your claim.

## 10. INVESTIGATIONS

As Liquidator, I am required to review certain transactions to determine whether or not claims for statutory recoveries may be made for the benefit of creditors. Attached as **Annexure I** is the ARITA creditor information sheet on Offences, Recoverable Transactions, and Insolvent Trading.

Whilst a potential claim may be identified having regard to the Company's records, any net recovery ultimately depends upon:

- ▲ The costs involved in pursuing a claim; and
- ▲ The capacity of the defendant to meet such a claim.

## 10.1 INVESTIGATIONS UNDERTAKEN

During the course of these investigations, I have:

- ▲ Gained access to the Company's MYOB file and reviewed same;
- ▲ Written to relevant authorities requesting information required for investigations;
- ▲ Carried out ASIC and other searches available to me in relation to the Company;
- ▲ Ascertained by inquiring with the Director, Former Employees and the Company's Accountant about the history of the Company and the nature of the business and circumstances leading to its failure;
- ▲ Performed a review of the available bank statements to identify potential preferences, uncommercial transactions, and unfair loans (sections 588FA, 588FB, 588FD and 588FE of the Act).

## 10.2 BOOKS AND RECORDS

Section 286 of the Act requires a company is to keep written financial records that:

- ▲ correctly record and explain its transactions, financial position, and performance; and
- ▲ would enable true and fair financial statements to be prepared and audited.

The failure to maintain books and records in accordance with Section 286 of the Act may allow a Liquidator to presume the Company was insolvent throughout the period the books and records were not maintained (Section 588E of the Act).

Books and records required to sufficiently prepare financial statements that would correctly record and explain its transactions and financial position and performance and that would enable true and fair financial statements to be prepared and audited, at minimum, include the following:

- ▲ Financial statements including P & L's, balance sheets, depreciation schedule, tax returns;
- ▲ General Ledger;
- ▲ General Journal;
- ▲ Asset register;
- ▲ Computer Back up Discs;
- ▲ Cash records including bank statements, cash receipts journal, bank deposit books, cash payments journal, cheque butts and petty cash books.

On my appointment, I requested the Company's Director and Accountant to deliver the books and records of the Company to enable me to investigate the affairs of the Company. To date, the following Company's books and records have been provided:

- ▲ MYOB Management Accounts;

I have additionally received a completed ROCAP and Questionnaire stating the affairs of the Company prior to my appointment, however, note the ROCAP was largely devoid of any material information attributed to the Director's inability to recall key details regarding the Company's operations and financial position. Additionally, while the Company's MYOB file was provided, it was not supported with sufficient source documentation to verify its contents. Accordingly, I have determined the management accounts and financial reports to be incomplete and unreliable. As a result, I am of the view that the Company has not satisfied the requirements set out in Section 286 of the Act. In the circumstances, I consider it appropriate to rely I can rely on the presumption of insolvency pursuant to Section 588E of the Act.

### 10.3 RISK OF LITIGATION ACTIONS GENERALLY

Part 5.7B of the Act gives Liquidators the right to commence certain legal proceedings to recover money, property, or other benefits for the benefit of the Unsecured Creditors of a company.

Creditors should note that recovery actions:

- ▲ have the potential to increase the pool of funds available to Creditors;
- ▲ are usually expensive, lengthy and have unpredictable outcomes;
- ▲ should not be commenced unless defendants have the financial resources to satisfy any judgement; and
- ▲ must be funded out of the Company's existing assets or, where such assets do not exist, by Creditors or by external litigation funders (who are likely to require a significant share of the proceeds of any judgement as a condition of funding the litigation).

### 10.4 PROVING INSOLVENCY

Recovery actions under Part 5.7B of the Act, including unfair preferences, uncommercial transactions, and insolvent trading, require the Liquidators to demonstrate that the Company was insolvent at the time of the transaction. Proving insolvency may be a complex, lengthy and costly exercise.

## 11. FINDINGS AND RECOVERY ACTIONS

### 11.1 INSOLVENT TRADING

Pursuant to Section 588G of the Act, a director may be personally liable for insolvent trading by a company where:

- ▲ 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 Act 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.

As at the date of this report I have not been provided with proper reconciled financial information of the Company to accurately determine any potential insolvent trading claim and/or conduct a comprehensive investigation into the insolvency of the Company. However, as per section 588E(4) of the Act, failure to maintain books and records allows for a presumption of insolvency of the Company during the period of failure to maintain books and records. Since I do not hold any source documentation on file, I have the option to rely on the presumption that the Company was insolvent since the date of commencement of trade however note there to also be other indicators of insolvency that carry more leverage in my determination of the Company's insolvency which have detailed in section 11.2.

At present, the insolvent trading claim against the Director appears to be at least \$831,122 representing the outstanding debts owed to creditors as at the date of my appointment to the Company. The value of the insolvent trading claim may increase upon lodgement of outstanding tax/BAS returns with the ATO.

I am also investigating the potential of an insolvent trading claim against a shadow director. I have been advised that at some stage prior to my appointment the Director stepped away from the Company and appointed a member of staff to run the business in her stead. During this time, this employee may have held significant control over the company's affairs without being formally appointed as a director of the Company, thus potentially being liable for the continued trade of the business whilst insolvent. My investigations into this potential claim are continuing.

Detailed below are further reasons for my assessment.

## 11.2 INDICATORS OF INSOLVENCY

In addition, I have observed the following indicators of insolvency:

- ▲ The books and records of the Company inform that the Company incurred trading losses of \$266,435 in the financial year ending 30 June 2024 and \$204,510 in the following financial part-year ending 28 March 2025.
- ▲ The Company's management accounts indicate that there has been insufficient working capital from July 2021. A summary of my working capital analysis is set out in Section 11.4

- The Company has significant outstanding taxation reporting obligations. Further, the DCoT has lodged a POD in the amount of \$828,499 for outstanding statutory liabilities.
- The ATO issued a statutory demand for the aforementioned taxation liabilities on 22 August 2024.
- As previously stated, I believe the Company is in breach of Section 286 of the Act and therefore it is appropriate to rely on the presumption that the Company has been trading whilst insolvent.

### 11.3 ASSESSMENT OF INSOLVENCY

In light of the above, I am of the view that the Company may have been trading whilst insolvent from 1 July 2021.

### 11.4 WORKING CAPITAL ANALYSIS

The working capital analysis has been based on a review of the Company's management accounts. A summary is shown below:

	Year Ended 30-Jun-21	Year Ended 30-Jun-22	Period Ended 30-Jun-23	Period Ended 30-Jun-24	Period Ended 30-Jun-25
Working Capital Analysis	(\$)	(\$)	(\$)	(\$)	(\$)
Current Assets	13,967	48,433	63,602	(123,068)	(273,176)
Current Liabilities	10,209	115,671	155,586	432,025	508,931
<b>Net Working Capital</b>	<b>3,758</b>	<b>(67,238)</b>	<b>(91,984)</b>	<b>(555,093)</b>	<b>(782,106)</b>
<b>Current Asset Ratio</b>	<b>1.37</b>	<b>0.42</b>	<b>0.41</b>	<b>(0.28)</b>	<b>(0.54)</b>

The working capital analysis supports that working capital of the Company deteriorated around July 2021. This is seen by the Company's current asset ratio falling below 1 in FY22 and continuing at less than 1 in the ensuing years.

### 11.5 POTENTIAL QUANTUM OF CLAIM

Determining the value of an insolvent trading claim will generally involve a forensic review of the debts incurred after the date on which it can be maintained that the Company was insolvent and remains outstanding. For the purposes of this Report, I have prepared a preliminary assessment of the claim, assuming the Company was insolvent since incorporation.

My preliminary investigations indicate that an insolvent trading claim may be valued at circa \$831,122, based on proofs of debts received to date, as detailed below.

Insolvent Trading Calculation	Total Amount (\$)
DCoT	828,499
iCare	2,622
<b>Total</b>	<b>831,122</b>

## 11.6 Defences available

A defence is available under the Act where a director can establish:

- ▲ There were reasonable grounds to expect that the company was solvent, and they actually 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.

It appears that the Director may have a defence to an insolvent trading claim pursuant to Section 588H(4) of the Act, in that she did not take part in management for illness. The Director has advised of her health issues and has provided medical documents evidencing same. Whilst this defence may be available, it is my understanding that the health issues did not cause the Director to be absent for the entirety of the Company's trading history. I understand her to have sporadically been present in the running of the business, during which times I am of the opinion that a reasonable person would have been made aware of the Company's financial position and attended to same.

## 11.7 RECOVERY OF CLAIM

When assessing any potential litigation for insolvent trading, a Liquidator must assess the director's financial position and their ability to meet any insolvent trading claim should it be successfully proven. I am not empowered at law to demand from the Director a statement as to her personal financial position. A NSW Land Title Search on the Director's maiden and married names indicates that she does not appear to be the registered proprietor of any real property. Notwithstanding the above, given the egregious nature of the Director's conduct, I have issued a demand letter to her seeking payment of the aforementioned claim.

## 12. VOIDABLE TRANSACTIONS

Voidable transactions include transactions such as unfair preferences, uncommercial transactions, unfair loans, unreasonable director-related transactions and circulating security interests created within six months before the relation-back day, which is the date the winding up application was filed against the Company, i.e., 26 November 2024.

These transactions usually relate to the period six (6) months prior to the date of my appointment; however, in certain circumstances, this period can be extended to four (4) years in relation to transactions with related entities and up to ten (10) years if the transactions were entered into with related parties with the intention to defraud.

### 12.1 UNFAIR PREFERENCES (588FA)

An unfair preference results when the Company and a Creditor are parties to a transaction(s) and the Creditor receives more than it would receive if the transaction(s) are set aside, and the Creditor proved for the debt in the winding up. If it is ultimately determined that certain payments are potentially recoverable as unfair preferences, it would be necessary to establish:

- ▲ that the Company was insolvent at the time the payments were made; and
- ▲ that the recipient had reasonable grounds to suspect that the Company was insolvent at that time or would become insolvent as a result of the payment.

The clawback provisions available to the Liquidator relate only to payments to unrelated parties made within six (6) months from the date of my appointment if the Company is insolvent at that time. I additionally note that pursuant to S588FE(2D) (4) of the Act clawback provisions available to the Liquidator extend to four (4) years from the RBP for transactions to related-party creditors.

Based on the limited financial information available to me, I have not identified any payments that may be considered preferential in nature.

### 12.2 UNCOMMERCIAL TRANSACTIONS (588FB)

A transaction is considered uncommercial if it is made at a time when the Company is insolvent, and 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 or detriment to the Company of entering into the transaction; and
- ▲ The prospective benefits to other parties to the transaction.

Based on the limited financial information available to me, I have not identified any payments that may be considered uncommercial in nature.

### 12.3 UNFAIR LOANS (S588FD)

A loan is unfair if it is made to a Company at extortionate interest rates or the charges in relation to the loan are extortionate. In considering whether interest and charges are extortionate, regard must be had to the following:

- ▲ Risk the lender is exposed to;
- ▲ Value of the security;
- ▲ Term;
- ▲ Repayment schedule; and

- Amount of loan.

Based on the limited financial information currently available to me, I have not identified unfair loans.

## 12.4 UNREASONABLE DIRECTOR RELATED TRANSACTIONS (S588FDA)

A transaction is an unreasonable Director-related transaction of the Company if:

- The transaction is a payment, a conveyance, transfer or disposition of property, the issue of securities, or incurring of an obligation to make a payment, disposition, or issue by the Company.
- The transaction is to a director or close associate of the Director or for their benefit.
- A reasonable person in the Company's circumstances would not have entered into the transaction having regard to the benefit or detriment to the Company or other parties involved in the transaction.

I have reviewed the Company's CBA account statements from 16 April 2021 to 28 February 2025 and identified transactions totalling \$656,081 that appear to be voidable pursuant to Section 588FDA of the Act. The identified transactions constitute an unreasonable director-related transaction for which the Director derived a financial benefit to the detriment of the Company. Namely, exorbitant wages drawn from the business and significant personal transactions and purchases from the Company's bank account that were in addition to wages. Whilst I am of the opinion the Director was entitled to draw a wage from the Company, I have not identified any justification for the amounts drawn in priority to the outstanding taxation liabilities. I have since issued a demand letter to the Director seeking to recover these transactions.

## 12.5 CREDITOR-DEFEATING DISPOSITIONS (S588FDB)

A disposition of company's property is a creditor-defeating disposition if the consideration payable to the company for the disposition was less than the market value of the property and if the disposition has the effect of preventing the property from becoming available for the benefit of the company's creditors in the winding-up of the company.

Based on the limited financial information currently available to me, I have not identified any creditor-defeating dispositions.

## 13. SUMMARY OF POTENTIAL OFFENCES

In summary, I consider there are various potential contraventions of the Act as follows:

Breach	Commentary
s180—Failure to exercise due care and diligence (civil)	<ul style="list-style-type: none"> <li>Trading whilst insolvent</li> <li>Failure to pay statutory liabilities.</li> <li>Failure to comply with statutory lodgement obligations</li> </ul>

Breach	Commentary
	<ul style="list-style-type: none"> <li>Failure to address demands for payments issued by the DCoT.</li> <li>Electing to draw funds for personal expenditure whilst outstanding debts were owed to creditors of the Company.</li> </ul>
s181(1)—Absence of good faith or proper purpose (civil)	<ul style="list-style-type: none"> <li>Electing to draw funds for personal expenditure whilst outstanding debts were owed to creditors of the Company.</li> </ul>
s182 - Use of Position	<ul style="list-style-type: none"> <li>Failure to address demands for payments issued by the DCoT.</li> <li>Electing to draw funds for personal expenditure whilst outstanding debts were owed to creditors of the Company.</li> </ul>
s286 (civil)/ —Failure to maintain adequate financial records	<ul style="list-style-type: none"> <li>As I have not been provided with reconciled and up to date Company's books and records, my preliminary view is that the Company has failed to maintain sufficient books and records to meet the requirements of Section 286 of the Act.</li> </ul>
S588G(2) - Trading whilst insolvent (civil)	<ul style="list-style-type: none"> <li>As the Director has failed to maintain reconciled Company books and records, as per section 588E(4) of the Act, failure to maintain sufficient/source books and records allows for a presumption that the Company was insolvent from the date of its incorporation.</li> <li>The insolvency of the Company is further supported by the DCoT debt having been outstanding since July 2021 and demands issued by external parties, being the DCoT, for outstanding debts due.</li> </ul>

## 14. RECEIPTS AND PAYMENTS

There have been no receipts or payments to date in the Liquidation.

## 15. ESTIMATED RETURN TO CREDITORS

The likelihood of a dividend being paid to creditors will be affected by a number of factors including:

- the size and complexity of the administration.
- the amount of voidable transactions recovered and the costs of these recoveries;
- the statutory priority of certain claims and costs;

- ▲ the value of various classes of claims including secured, priority and unsecured creditor claims; and
- ▲ the volume of enquiries by creditors and other stakeholders.

At this stage, there have been minimal recoveries in the Liquidation, and I have been unable to discharge my professional costs in full. Any return to creditors is therefore contingent on pursuing and recovering the abovementioned potential claims against the Director, which may require obtaining further evidence and conducting further investigations. Absent any funding, I may consider pursuing a commercial settlement of all potential claims identified against the Director and unless there are significant recoveries from these claims, there will not be any dividends available for any class of creditors in this Liquidation.

## 16.REMUNERATION OF LIQUIDATOR

On 14 March 2025, I asked creditors to approve my retrospective and prospective remuneration of \$40,000 (excl. GST) which comprised of work completed for the period 28 February 2025 to 12 March 2025 for \$8,411.00 (excl. GST) and future work for the period 13 March 2025 to conclusion of the Liquidation for \$31,589.00 (excl. GST). I advise creditors have not approved my retrospective and prospective remuneration.

I am now asking creditors to approve my remuneration of \$60,000.00 (excl. GST).

Details of work completed for the period 28 February 2025 to 25 May 2025 are summarised as follows:

- ▲ Conversations with the Director and her Mother to ascertain the affairs of the Company;
- ▲ Conversations with former employees of the Company regarding outstanding entitlements;
- ▲ Conversations with the Company Accountants regarding books and records of the Company that need to be provided to the Liquidator's office at a minimum;
- ▲ Issuance of termination letters to former employees of the Company;
- ▲ Liaising with FEG regarding outstanding entitlements and employee claims;
- ▲ Reviewing Company Xero file in detail and subsequently the Company bank statements in detail due to a lack of reconciled management accounts;
- ▲ Investigations into potentially voidable transactions; and
- ▲ Investigations in relation to the insolvent trading claims and Director's asset position.

Creditors are referred to the following items set out at the Remuneration Approval Report attached as **Annexure D**:

- ▲ The spreadsheet which sets out the calculation of remuneration by appointee, employee and position for the work undertaken by myself and my staff for the period 28 February 2025 to 25 May 2025;

- ▲ A summary sets out a general description of additional necessary work carried out for the period 26 May 2025 to conclusion of the Liquidation.

It is my intention to seek approval from creditors of my remuneration in the sum of \$60,000.00 for the work I have completed/intend to complete from 26 May 2025 to the conclusion of the Liquidation. Attached as **Annexure E** is a copy of the Proposals without Meeting forms. These forms need to be returned to my office by **close of business, 20 June 2025**.

## 17. MATTERS OUTSTANDING

The outstanding matters in the administration are:

- ▲ Potential pursuit of the demands against the Director;
- ▲ Correspondence with creditors;
- ▲ Confirming the total amounts owed to the Creditors, including employees;
- ▲ Liaising with lawyers regarding recovery action, pending the total amounts owed to the Creditor;
- ▲ Statutory lodgements and general administrative matter; and
- ▲ Finalise.

Subject to the timing of the finalisation of the above matters and any unforeseen circumstances, I currently estimate that the administration will be finalised within 2-3 months.

## 18. CONCLUSION

It would be appreciated if you would consider the matters detailed in this report and please write to this office setting out full particulars if you are:

- ▲ Aware of any errors in the information contained within this report including the non-disclosure of any divisible assets; and
- ▲ Have any information that you consider is relevant for creditors' decision making or relevant information that may help assist the liquidator's investigations into the affairs of the Company.

Creditors should however, maintain their records in relation to the affairs of the Company and advise this office of any change of address.

Additional general information regarding liquidations which may be of assistance, is available from the following websites:

- ▲ ARITA at [www.arita.com.au/creditors](http://www.arita.com.au/creditors) ; and
- ▲ ASIC at [www.asic.gov.au](http://www.asic.gov.au) (search for "insolvency information sheets"), also attached as **Annexure H** to this report.

Should you require assistance in completing the relevant forms or have any queries, please contact the Administration Contact shown at page 1 of this report.

Any further reports will be issued as considered appropriate.

Yours faithfully,

**BELL CARE SERVICES PTY LIMITED (IN LIQUIDATION)**



**PETER KREJCI**  
LIQUIDATOR



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**Bell Care Services Pty Limited**  
**(In Liquidation)**

**ACN 649 504 218**

**ABN 58 649 504 218**

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**Annexure "A"**  
**Form 535 Formal Proof of Debt or Claim**  
**(General Form)**

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FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidator of Bell Care Services Pty Limited (In Liquidation) ACN 649 504 218

1. This is to state that the company was, on 28 February 2025 <sup>(1)</sup> and still is, justly and truly indebted to<sup>(2)</sup> (full name):

.....  
(‘Creditor’)  
.....

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

Particulars of the debt are *(please attach documents to support your claim e.g. purchase orders, invoices, interest schedules)*:

Date	Consideration <sup>(3)</sup> state how the debt arose	Amount \$ (Incl. GST)	Remarks <sup>(4)</sup> 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 <sup>(5)</sup>

☐ I am a related creditor of the Company <sup>(5)</sup>  
relationship: .....

3A. <sup>(6)\*</sup> 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. <sup>(6)\*</sup> 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.

The External Administrators' (whether as Voluntary Administrators/Deed Administrators/Liquidators) will send and give electronic notification of documents in accordance with Section 600G and 105A of Corporations Act 2001. Please provide your email address below:

Contact Name: .....

Email Address: .....

DATED this ..... day of ..... 2025

NAME IN BLOCK LETTERS .....

Occupation .....

Address .....

Signature of Signatory .....

OFFICE USE ONLY

POD No:		ADMIT (Voting / Dividend) - Ordinary	\$
Date Received:		ADMIT (Voting / Dividend) – Preferential	\$
Entered into CORE IPS:		Reject (Voting / Dividend)	\$
Amount per CRA/RATA	\$	Object or H/Over for Consideration	\$
Reason for Admitting / Rejection			
PREP BY/AUTHORISED		TOTAL PROOF	\$
DATE AUTHORISED / /			

### 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.

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The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey rectangular background. A green triangle is positioned at the bottom right corner of the grey rectangle.

**BRI Ferrier**

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**Bell Care Services Pty Limited**

**(In Liquidation)**

**ACN 649 504 218**

**ABN 58 649 504 218**

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**Annexure "B"**

**Comparative Balance Sheets**

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**Bell Care Services Pty Limited (In Liquidation)**  
**ACN 649 504 218**  
**Balance Sheet**  
**For the End of Financial Ended 1 July 2021 to 30 June 2025**

	End of Financial 30-Jun-21 (\$)	End of Financial 30-Jun-22 (\$)	End of Financial 30-Jun-23 (\$)	End of Financial 30-Jun-24 (\$)	End of Financial 28-Mar-25 (\$)
<b>ASSETS</b>					
<b>Banking</b>					
Cheque account	3,793	50,793	62,767	(52,707)	(172,137)
PAYG & Tax Payments	-	-	-	(20,100)	(25,600)
Payroll Clearing	5,465	(4,474)	-	46,711	41,309
Business Loan Account	4,709	2,113	2,113	2,113	2,113
Suspense account	-	-	(1,278)	(1,278)	(1,278)
Electronic Clearing Account	-	-	-	(86,169)	(105,944)
Super Payments	-	-	-	(12,438)	(12,438)
<b>Total Banking</b>	<b>13,967</b>	<b>48,433</b>	<b>63,602</b>	<b>(123,868)</b>	<b>(273,976)</b>
<b>Current Assets</b>					
Rent Security Bond	-	-	-	800	800
<b>Total Current Assets</b>	<b>13,967</b>	<b>48,433</b>	<b>63,602</b>	<b>(123,068)</b>	<b>(273,176)</b>
<b>Fixed Assets</b>					
Furniture & fittings	-	-	-	6,136	6,136
Motor vehicles	-	86	86	86	86
Office equipment & computers	6,521	18,844	53,576	72,609	72,609
Plant & equipment	-	-	-	5,000	5,000
<b>Total Fixed Assets</b>	<b>6,521</b>	<b>18,929</b>	<b>58,662</b>	<b>83,831</b>	<b>83,831</b>
<b>Total Assets</b>	<b>20,488</b>	<b>67,362</b>	<b>122,263</b>	<b>(39,237)</b>	<b>(189,344)</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
GST collected	-	951	1,662	2,360	2,360
GST paid	(1,111)	(10,204)	(24,276)	(36,416)	(38,513)
PAYG withholdings payable	6,477	103,228	103,228	354,620	429,805
Payroll deductions	342	2,900	2,900	3,585	3,585
Superannuation payable	4,501	18,795	72,071	100,264	95,798
Centrelink debt repayment	-	-	-	7,613	15,896
<b>Total Current Liabilities</b>	<b>10,209</b>	<b>115,671</b>	<b>155,586</b>	<b>432,025</b>	<b>508,931</b>
<b>Non-Current Liabilities</b>					
ATO Payments/Refunds	-	(25,800)	(71,701)	(145,276)	(145,276)
ST Super Instalments	-	(2,100)	(2,100)	(2,100)	(2,100)
Directors Super - HESTA	-	(5,500)	(8,000)	(8,000)	(8,000)
Child Support Payments	-	(2,515)	(5,394)	(5,776)	(5,776)
<b>TOTAL LIABILITIES</b>	<b>10,209</b>	<b>79,756</b>	<b>68,391</b>	<b>270,874</b>	<b>347,779</b>
<b>NET ASSETS</b>	<b>10,279</b>	<b>(12,394)</b>	<b>53,873</b>	<b>(310,110)</b>	<b>(537,123)</b>
<b>EQUITY</b>					
Retained Earnings	-	23,833	97,395	427,133	160,699
Current Year Earnings	23,833	73,562	329,738	(266,435)	(204,510)
Owners Contribution	-	(1,350)	3,792	3,792	3,792
Owners Drawings	(13,554)	(108,439)	(377,053)	(474,601)	(497,104)
<b>TOTAL EQUITY</b>	<b>10,279</b>	<b>(12,394)</b>	<b>53,873</b>	<b>(310,110)</b>	<b>(537,123)</b>



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**Bell Care Services Pty Limited**  
**(In Liquidation)**  
**ACN 649 504 218**  
**ABN 58 649 504 218**

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**Annexure "C"**  
**Comparative Profit and Loss**  
**Statements**

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**Bell Care Services Pty Limited (In Liquidation)**  
**ACN 649 504 218**  
**Comparative Profit and Loss Statements**  
**For the End of Financial Year Ended 1 July 2020 to 28 March 2025**

	End of Financial 30-Jun-21 (\$)	End of Financial 30-Jun-22 (\$)	End of Financial 30-Jun-23 (\$)	End of Financial 30-Jun-24 (\$)	End of Financial 28-Mar-25 (\$)
<b>Income</b>					
Fee Income	86,786	739,662	1,280,008	1,001,554	172,241
<b>Total Income</b>	<b>86,786</b>	<b>739,662</b>	<b>1,280,008</b>	<b>1,001,554</b>	<b>172,241</b>
<b>Expenses</b>					
<b>Operational</b>					
Accounting fees	(420)	3,550	300	23,106	1,624
Advertising	-	723	6,988	11,476	-
Bank charges	-	40	67	51	-
Bookkeeping	1,640	9,622	1,045	-	-
Consultancy & support services	-	661	5,713	5,713	-
Client expenditure	-	-	1,365	-	-
Cleaning	-	1,355	9,769	110	-
Donations & charity	-	235	438	105	-
Discounts given	-	-	-	5	-
Electricity & gas	534	2,427	1,677	174	-
Subscriptions	37	2,129	3,853	4,486	2,819
Insurance	-	4,008	1,469	1,039	-
Interest paid	-	-	-	-	-
Internet	-	2,438	2,599	3,958	939
Office supplies & expenses	397	2,655	12,083	7,303	475
Postage & courier	-	378	232	-	-
Printing & stationery	141	333	1,406	753	-
Rent	300	25,223	30,443	33,531	10,636
Repairs & maintenance	63	1,048	293	728	47
Telephone	27	753	2,021	2,664	645
Legal Fees	-	2,065	-	-	-
<b>Total Operational</b>	<b>2,719</b>	<b>59,642</b>	<b>81,760</b>	<b>95,201</b>	<b>17,185</b>
<b>Other Expenses</b>					
<b>Motor Vehicle</b>					
Motor vehicle - expenses	523	5,193	10,412	8,282	944
Motor vehicle - rego & insurance	549	2,299	3,838	3,080	571
<b>Staff expenses</b>	-	-	-	-	-
Staff amenities & welfare	111	1,967	1,144	4,551	481
Staff training & education	-	407	3,177	-	-
Sub contractors	-	3,269	-	-	-
Superannuation expense	4,501	49,000	83,443	104,884	34,390
Wages & salaries	53,312	537,318	757,477	1,044,860	319,639
Wages paid - work cover	-	204	-	-	-
Work cover insurance	-	4,594	3,146	4,442	3,543
Business Coaching and Training	-	393	-	-	-
Travel & accommodation	1,168	1,812	5,874	2,688	-
<b>Total Expense</b>	<b>62,884</b>	<b>666,099</b>	<b>950,270</b>	<b>1,267,988</b>	<b>376,752</b>
Operating Profit	23,902	73,562	329,738	(266,435)	(204,510)
<b>Total Operating Profit</b>	<b>23,902</b>	<b>73,562</b>	<b>329,738</b>	<b>(266,435)</b>	<b>(204,510)</b>
Other Expenses	69	-	-	-	-
<b>Net Profit</b>	<b>23,833</b>	<b>73,562</b>	<b>329,738</b>	<b>(266,435)</b>	<b>(204,510)</b>



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**Bell Care Services Pty Limited**  
**(In Liquidation)**  
**ACN 649 504 218**  
**ABN 58 649 504 218**

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**Annexure "D"**  
**Remuneration Report**

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# Remuneration Approval Report

## **Bell Care Services Pty Limited** (In Liquidation)

ACN 649 504 218  
ABN 58 649 504 218

28 May 2025

Peter Krejci  
Liquidator

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## 1. EXECUTIVE SUMMARY

On 14 March 2025, I asked creditors to approve my remuneration of \$40,000 (excl. GST) which comprised of work completed for the period 28 February 2025 to 12 March 2025 for \$8,411 (excl. GST) and future work for the period 13 March 2025 to the conclusion of the Liquidation for \$31,589 (excl. GST). Both my retrospective and prospective remuneration have not been approved by creditors.

I am now asking creditors to approve my further remuneration of \$60,000 (excl. GST).

Details of remuneration can be found in section 3 of this report.

I am asking creditors to approve my remuneration via a proposal without a meeting.

I estimate the total cost of this Liquidation will be approximately \$60,000 (excl. GST). This has increased from my previous estimate of \$40,000 for the following reasons:

- Requests to the Director to complete a ROCAP and provide documents relating to the Company;
- Reviewing Company bank statements in detail due to a lack of books and records;
- Conversations with the Director and her mother to ascertain the affairs of the Company due to a lack of books and records;
- Issuance of termination letters to former employees of the Company
- Correspondence with FEG in relation to outstanding employee entitlements owed by the Company;
- Correspondence with ASIC to seek Director compliance with ROCAP and Company Books and Records;
- Conducting investigations in relation to the insolvent trading claims and investigation of the Director's asset position;
- Investigations into potentially voidable transactions; and
- Preparing and Lodging with ASIC a report pursuant to Section 533(1) of the Act.

I anticipate that this is my final remuneration approval request. If further information is provided by creditors and additional work is required, then I will seek further remuneration approval from creditors as necessary in due course.

## 2. DECLARATION

I, Peter Krejci of BRI Ferrier, have undertaken an assessment of this remuneration and disbursement claim in accordance with the law and applicable professional standards. I am satisfied that the remuneration and disbursements claimed are necessary and proper.

I have reviewed the work in progress report for the Liquidation to ensure that remuneration is only being claimed for necessary and proper work performed and no adjustment was necessary.

### 3. REMUNERATION SOUGHT

The remuneration I am asking creditors to approve is as follows:

For	Period	Amount \$ (excl. GST)	Rates	When it will be drawn
Current Work	28 February 2025 to 25 May 2025	\$39,798	Provided in my Initial Remuneration Notice dated 14 March 2025	It will be drawn when approved and funds are available
Future Work	26 May 2025 to Conclusion	\$20,202	Provided in my Initial Remuneration Notice dated 14 March 2025	It will be drawn when approved and funds are available, and it is incurred
TOTAL		\$60,000 (excl. GST)		

Details of work completed for the period 28 February 2025 to 25 May 2025 and future work to be undertaken for the period 26 May 2025 to conclusion are included in **Schedule A**.

Schedule B includes a breakdown of time spent by staff members on each major task for completed work.

Actual resolutions to be put to creditors by way of a proposal are included at **Schedule C** for your information. These resolutions also appear in the proposal without a meeting form provided to you.

### 4. LIKELY IMPACT ON DIVIDENDS

The Liquidator is entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as an external administrator. The remuneration and disbursements of the Liquidator have a priority ranking ahead of creditors.

I am unable to pay my remuneration without the approval of the Committee of Inspection, Creditors, or the Court. Approval by Creditors is efficient and timely and less costly than an application to the Court.

However, any dividend will ultimately be impacted by the realisations achieved by the Liquidator and the value of creditor claims admitted to participate in the dividend. The likely impact of approval of remuneration and disbursements on dividends to creditors is that it will reduce such dividends.

### 5. SUMMARY OF RECEIPTS & PAYMENTS

A summary of the receipts and payments for the Liquidation as of 28 May 2025 is attached to the Statutory Report to Creditors.

### 6. QUERIES & INFORMATION SHEET

If you have any queries in relation to the information in this report, please contact my office.

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

- ▶ ARITA at [www.arita.com.au/creditors](http://www.arita.com.au/creditors)
- ▶ ASIC at <http://www.asic.gov.au> (search for INFO 85).

Further supporting documentation for my remuneration claim can be provided to creditors on request.

## 7. ATTACHMENTS

Schedule A – Details of work

Schedule B – Time spends by staff on each major task

Schedule C – Resolutions

Schedule D – Disbursements

## SCHEDULE A – DETAILS OF WORK

Company	Bell Care Services Pty Limited (In Liquidation)	Period From	28 February 2025	To	Conclusion
Practitioner	Peter Krejci	Firm	BRI Ferrier		
Administration Type	Court Liquidation				

		Tasks	
		Work already completed (excl. GST)	Future work (excl. GST)
<b>Period</b>		<b>28 February 2025 to 25 May 2025</b>	<b>26 May 2025 to Conclusion</b>
<b>Amount to be approved (excl. GST)</b>		<b>\$39,798</b>	<b>\$20,202</b>
<b>Task Area</b>	<b>General Description</b>		
<b>Assets</b>		<b>0.4 hours \$180</b>	<b>\$0</b>
	Plant and Equipment	Internal discussion regarding office furniture and equipment and the potential for a recovery on the matter Liaising with valuers regarding the potential value of office furniture and equipment belonging to the business	
	Other Assets	Correspondence with banks Conducting unclaimed money search	
<b>Creditors</b>		<b>23 hours \$7,900</b>	<b>\$4,040.40</b>
	Creditor Reports	Preparing Initial Report to Creditors Preparing annexures to Initial Report to Creditors Preparing Statutory Report by Liquidator Preparing annexures to Statutory Report	Complete and Issue Statutory Report to Creditors Prepare further reports to creditors (if required)

Task Area	General Description		
	Proposal to Creditors	Preparing proposal notices and voting forms Forward notice of proposal to all known creditors Reviewing votes and determining outcome of proposal Preparation and lodgement of proposal outcome with ASIC	Preparing proposal notices and voting forms Forward notice of proposal to all known creditors Reviewing votes and determining outcome of proposal Preparation and lodgement of proposal outcome with ASIC
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Corresponding with OSR and ATO regarding POD when not related to a dividend	Receipting and filing POD when not related to a dividend
	Creditor Enquiries	Receive and respond to creditor enquiries Maintaining creditor request log Compiling information requested by creditors Review and prepare correspondence to creditors and their representatives	Receive and respond to creditor enquiries Maintaining creditor request log Compiling information requested by creditors Review and prepare correspondence to creditors and their representatives
Employees		<b>16.3 hours</b> <b>\$6,180</b>	<b>\$4,040.40</b>
	Employees enquiries	Preparation of letters to employees advising of their termination and entitlement options available	Receive and follow up employee enquiries via telephone Maintain employee enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post Receive and prepare correspondence in response to employee's objections to leave entitlements
	Workers compensation claims	Liaising with insurers and solicitors regarding claims	
	FEG	Correspondence with FEG Preparing notification spreadsheet Preparing FEG quotations Completing FEG questionnaires	Correspondence with FEG

Task Area	General Description		
	Preparing notification spreadsheet	Calculating employee entitlements Reviewing employee files and Company's books and records	
Investigation		<b>45.2 hours</b> <b>\$16,515</b>	<b>\$8,080.80</b>
	Conducting Investigation	Issuing Day One correspondences to statutory creditors Issuing Director Pack to company officers to obtain a background on the company history Conducting initial investigations in relation to the Company's business and affairs Conducting and summarising statutory searches Review of the Company's bank statements to conduct investigations Review and preparation of narrative of business nature and history Conducting investigations to identify potential voidable transactions and consider potential recovery actions to be taken Preparation of investigation file Preliminary investigations to identify potential voidable transactions and consider potential recovery actions to be taken Conducting further investigations with respect to solvency position of the Company and considering whether any potential insolvent trading claim exists	Detailed investigations to identify potential voidable transactions and consider potential recovery actions to be taken Conducting further investigations with respect to potential insolvent trading claim

Task Area	General Description		
	ASIC reporting	Preparing statutory investigation reports Lodgement of investigation with the ASIC Liaising with ASIC to receive assistance in obtaining reconstruction of financial statements, Company's books and records and Report on Company Affairs and Property	
Administration		<b>26.2 hours</b> <b>\$9,023</b>	<b>\$4,040.40</b>
	Bank account administration	Preparing correspondence opening accounts Preparing bank opening accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Prepare receipts and payment vouchers	Preparing correspondence closing accounts Bank account reconciliations Prepare receipts and payment vouchers
	ASIC Forms and lodgements	Preparing and lodging ASIC forms including 505, 533 and 5022	Preparing and lodging ASIC forms including 507, 5601, 5602, 5022
	ATO and other statutory reporting	Notification of appointment Preparing and Lodging BAS Liaising with ATO regarding request for documents	Liaising with ATO regarding request for documents Preparing and Lodging BAS
	Correspondence	Correspondence to Directors regarding their obligations, ROCAP and requesting delivery of the Company's books and records	General correspondence with stakeholders
	Document maintenance/file review/checklist	Filing of documents File review Updating checklists	Filing of documents File review Updating checklists
	Insurance	Initial correspondence with insurer regarding insurance requirements	Correspondence with Insurance broker regarding ongoing insurance requirements (if required)
	Planning / Review	Discussions regarding status of administration	Discussions regarding status of administration

**SCHEDULE B – TIME SPENT BY STAFF ON MAJOR TASKS (COMPLETED WORK)**

## Bell Care Services Pty Limited (In Liquidation)

**ACN 649 504 218**

**For the period 28 February 2025 to 25 May 2025**

Staff Classification	Name	Hourly Rate (\$, ex GST)	Assets Hrs	Assets \$	Creditors Hrs	Creditors \$	Employees Hrs	Employees \$	Investigation Hrs	Investigation \$	Administration Hrs	Administration \$	Total Hrs	Total \$	
Principal Supervisor	David Cocker	750.00			0.6	450.00	0.9	675.00	0.1	75.00	0.3	225.00	1.9	1,425.00	
	Ashleigh Roche	510.00									1.8	918.00	1.8	918.00	
	Joshua Coorey	450.00	0.4	180.00	4.8	2,160.00	5.9	2,655.00	19.4	8,730.00	4.2	1,890.00	34.7	15,615.00	
	Sushma Mandira	400.00			0.1	40.00					0.2	80.00	0.3	120.00	
	Mikaeel English	300.00									0.7	210.00	0.7	210.00	
	Mustafa Kashif	300.00			15.2	4,560.00	9.5	2,850.00	25.0	7,500.00	13.0	3,900.00	62.7	18,810.00	
	Zachary George	300.00			2.3	690.00					0.3	90.00	2.6	780.00	
	Andrea Moulukova	300.00							0.7	210.00	4.0	1,200.00	4.7	1,410.00	
	Tiarnan Teague	300.00									0.3	90.00	0.3	90.00	
Senior Administrator	Sarita Gurung	300.00									1.4	420.00	1.4	420.00	
Total			0.4	180.00	23.0	7,900.00	16.3	6,180.00	45.2	16,515.00	26.2	9,023.00	111.1	39,798.00	
Average rate per hour															
												GST		3,979.80	
												Total (incl GST)		43,777.80	
														358.22	
												344.39			
												365.38			
												379.14			
												343.48			
												450.00			

## SCHEDULE C – RESOLUTIONS

I will be seeking approval of the following resolutions to approve my remuneration. Details to support these resolutions are included in section 3 and in the attached Schedules.

### **Resolution 1: Liquidator's Remuneration for the period 25 February 2025 to 25 May 2025**

*"That the remuneration of the Liquidator, his partners and staff for the period 28 February 2025 to 25 May 2025, not previously approved, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator's Initial Report to Creditors dated 14 March 2025, be fixed and approved at \$39,798.00 (excl. GST), and that the Liquidator be authorised to draw that amount as required."*

### **Resolution 2: Liquidator's Remuneration for the period 26 May 2025 to Conclusion**

*"That the remuneration of the Liquidator, his partners and staff for the period 26 May 2025 to the conclusion of the Liquidation, not previously approved, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator's Initial Report to Creditors dated 14 March 2025 and approved to an interim cap of \$20,202.00 (excl. GST) and that the Liquidator be authorised to draw that amount as and when incurred."*

### **Resolution 3: Liquidator's Internal Disbursements for the period 28 February 2025 to Conclusion**

*"That the Liquidator be allowed internal disbursements for the period 28 February 2025 to the conclusion of the Liquidation, not previously approved, at the rates of charge annexed to the Liquidator's Initial Report to Creditors dated 14 March 2025, up to an amount of \$1,000.00 (excl. GST) and that the Liquidator be authorised to draw that amount as accrued."*

### **Resolution 4: Early Destruction of Books and Records**

*"That subject to the consent of the Australian Securities & Investment Commission, the Liquidator be approved to destroy the books and records of the Company at any time after the dissolution of the Company."*

***[This area is intentionally left blank]***

## SCHEDULE D – DISBURSEMENTS

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation, and search fees. These are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally charge 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.

I advise that to date, I have not paid any disbursements incurred during this Liquidation by my Firm.

I am not obliged to seek creditor approval for disbursements paid to third parties, but must account to creditors, this includes providing details of the basis of charging for these types of disbursements to creditors as part of the Remuneration Approval Report.

I am required to seek creditor approval for internal disbursements where there could be a profit or advantage. Accordingly, I will be seeking approval from creditors for **Resolution 3**, of which details are provided in **Schedule C** of this Remuneration Approval Report.

Future disbursements provided by my Firm will be charged to the administration on the following basis:

Disbursement Type	Rate (excl GST)
Externally provided professional services	At cost
Externally provided non-professional costs	At cost
Internal disbursements	
ASIC charges for appointments and notifiable events	At cost
Faxes and Photocopying	\$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowances

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The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey rectangular background. A green triangle is positioned at the bottom right corner of the grey rectangle.

**BRI Ferrier**

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**Bell Care Services Pty Limited**

**(In Liquidation)**

**ACN 649 504 218**

**ABN 58 649 504 218**

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**Annexure "E"**

**Proposal Without Meeting**

**Forms**

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## NOTICE OF PROPOSAL TO CREDITORS

Dated: 28 May 2025

Voting Poll Closes: 20 June 2025

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**BELL CARE SERVICES PTY LIMITED (IN LIQUIDATION)**  
**ACN 649 504 218**  
**("the Company")**

### Proposal No. 1 for creditor approval

*"That the remuneration of the Liquidator, his partners and staff for the period 28 February 2025 to 25 May 2025, not previously approved, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator's Initial Report to Creditors dated, 14 March 2025 be fixed and approved at \$39,798.00 (excl. GST), and that the Liquidator be authorised to draw that amount as required."*

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

- A Liquidator is entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as a liquidator.
- I am unable to pay my remuneration without the approval of the Committee of Inspection (if one has been appointed), Creditors, or the Court.
- Approval by Creditors is efficient and timely and is less costly than an application to the Court.
- Approval of my remuneration will allow me to progress further investigations in a timely manner to ensure the prospect of any dividends can be maximised.

### Vote on the Proposal No. 1

Please select the appropriate Yes, No or Object box referred to below with a ☒ to indicate your preferred position.

- Yes ☐ I approve the proposal
- No ☐ I do not approve the proposal
- Object ☐ I object to the proposal being resolved without a meeting of creditors

For your vote to count, your claim against the Company must have been admitted for the purposes of voting by the Liquidator. 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*

*Address*

*ABN (if applicable)*

*Contact number*

*Email address*

☐

I am **not** a related creditor of the Company

☐

I am a related creditor of the Company\*

relationship: \_\_\_\_\_

\*eg Director, relative of Director, related company, beneficiary of a related trust.

**Name of creditor  
/authorised person:**

\_\_\_\_\_

**Signature:**

\_\_\_\_\_

**Date:**

\_\_\_\_\_

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For your vote to count, you **must complete** this document and return it together with any **supporting documents** by no later than close of business on **20 June 2025**, by email to Joshua Coorey at [jcoorey@brifnsw.com.au](mailto:jcoorey@brifnsw.com.au). Should you have any queries in relation to this matter, please contact Joshua Coorey on (02) 8263 2320.

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Suite 4, Level 26  
25 Bligh Street  
Sydney NSW 2000

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## NOTICE OF PROPOSAL TO CREDITORS

Dated: 28 May 2025

Voting Poll Closes: 20 June 2025

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**BELL CARE SERVICES PTY LIMITED (IN LIQUIDATION)**  
**ACN 649 504 218**  
**("the Company")**

### Proposal No. 2 for creditor approval

*"That the remuneration of the Liquidator, his partners and staff for the period 26 May 2025 to the conclusion of the Liquidation, not previously approved, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator's Initial Report to Creditors dated 14 March 2025 and approved to an interim cap of \$20,202.00 (excl. GST) and that the Liquidator be authorised to draw that amount as and when incurred."*

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

- A Liquidator is entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as a liquidator.
- I am unable to pay my remuneration without the approval of the Committee of Inspection (if one has been appointed), Creditors, or the Court.
- Approval by Creditors is efficient and timely and is less costly than an application to the Court.
- Approval of my remuneration will allow me to progress further investigations in a timely manner to ensure the prospect of any dividends can be maximised.

### Vote on the Proposal No. 2

Please select the appropriate Yes, No or Object box referred to below with a ☒ to indicate your preferred position.

- Yes ☐ I approve the proposal
- No ☐ I do not approve the proposal
- Object ☐ I object to the proposal being resolved without a meeting of creditors

For your vote to count, your claim against the Company must have been admitted for the purposes of voting by the Liquidator. 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*

*Address*

*ABN (if applicable)*

*Contact number*

*Email address*

☐

I am **not** a related creditor of the Company

☐

I am a related creditor of the Company\*

relationship: \_\_\_\_\_

\*eg Director, relative of Director, related company, beneficiary of a related trust.

**Name of creditor  
/authorised person:**

\_\_\_\_\_

**Signature:**

\_\_\_\_\_

**Date:**

\_\_\_\_\_

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For your vote to count, you **must complete** this document and return it together with any **supporting documents** by no later than close of business on **20 June 2025**, by email to Joshua Coorey at [jcoorey@brifnsw.com.au](mailto:jcoorey@brifnsw.com.au). Should you have any queries in relation to this matter, please contact Joshua Coorey on (02) 8263 2320.

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## NOTICE OF PROPOSAL TO CREDITORS

Dated: 28 May 2025

Voting Poll Closes: 20 June 2025

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**BELL CARE SERVICES PTY LIMITED (IN LIQUIDATION)**  
**ACN 649 504 218**  
**("the Company")**

### Proposal No. 3 for creditor approval

*"That the Liquidator be allowed internal disbursements for the period 28 February 2025 to the conclusion of the Liquidation not previously approved at the rates of charge annexed to the Liquidator's Initial Report to Creditors date 14 March 2025, up to an amount of \$1,000.00 (excl. GST) and that the Liquidator be authorised to draw that amount as accrued."*

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

- A Liquidator is entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as a liquidator.
- I am unable to pay my remuneration without the approval of the Committee of Inspection (if one has been appointed), Creditors, or the Court.
- Approval by Creditors is efficient and timely and is less costly than an application to the Court.
- Approval of my remuneration will allow me to progress further investigations in a timely manner to ensure the prospect of any dividends can be maximised.

### Vote on the Proposal No. 3

Please select the appropriate Yes, No or Object box referred to below with a ☒ to indicate your preferred position.

- Yes ☐ I approve the proposal
- No ☐ I do not approve the proposal
- Object ☐ I object to the proposal being resolved without a meeting of creditors

For your vote to count, your claim against the Company must have been admitted for the purposes of voting by the Liquidator. 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*

*Address*

*ABN (if applicable)*

*Contact number*

*Email address*

☐

I am **not** a related creditor of the Company

☐

I am a related creditor of the Company\*

relationship: \_\_\_\_\_

\*eg Director, relative of Director, related company, beneficiary of a related trust.

**Name of creditor  
/authorised person:**

\_\_\_\_\_

**Signature:**

\_\_\_\_\_

**Date:**

\_\_\_\_\_

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For your vote to count, you **must complete** this document and return it together with any **supporting documents** by no later than close of business on **20 June 2025**, by email to Joshua Coorey at [jcoorey@brifnsw.com.au](mailto:jcoorey@brifnsw.com.au). Should you have any queries in relation to this matter, please contact Joshua Coorey on (02) 8263 2320.

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## NOTICE OF PROPOSAL TO CREDITORS

Dated: 28 May 2025

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**BELL CARE SERVICES PTY LIMITED (IN LIQUIDATION)**  
**ACN 649 504 218**  
**("the Company")**

### Proposal No. 4 for creditor approval

*"That subject to the consent of the Australian Securities & Investment Commission, the Liquidator be approved to destroy the books and records of the Company at any time after the dissolution of the Company."*

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

- A Liquidator is entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as a liquidator.
- I am unable to pay my remuneration without the approval of the Committee of Inspection (if one has been appointed), Creditors, or the Court.
- Approval by Creditors is efficient and timely and is less costly than an application to the Court.
- Approval of my remuneration will allow me to progress further investigations in a timely manner to ensure the prospect of any dividends can be maximised.

### Vote on the Proposal No. 4

Please select the appropriate Yes, No or Object box referred to below with a ☒ to indicate your preferred position.

- Yes ☐ I approve the proposal
- No ☐ I do not approve the proposal
- Object ☐ I object to the proposal being resolved without a meeting of creditors

For your vote to count, your claim against the Company must have been admitted for the purposes of voting by the Liquidator. 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*

*Address*

*ABN (if applicable)*

*Contact number*

*Email address*

☐

I am **not** a related creditor of the Company

☐

I am a related creditor of the Company\*

relationship: \_\_\_\_\_

\*eg Director, relative of Director, related company, beneficiary of a related trust.

**Name of creditor  
/authorised person:**

\_\_\_\_\_

**Signature:**

\_\_\_\_\_

**Date:**

\_\_\_\_\_

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For your vote to count, you **must complete** this document and return it together with any **supporting documents** by no later than close of business on **20 June 2025**, by email to Joshua Coorey at [jcoorey@brifnsw.com.au](mailto:jcoorey@brifnsw.com.au). Should you have any queries in relation to this matter, please contact Joshua Coorey on (02) 8263 2320.

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**Bell Care Services Pty Limited**

**(In Liquidation)**

**ACN 649 504 218**

**ABN 58 649 504 218**

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**Annexure "F"**

**ARITA Information Sheet -**

**Proposal Without Meeting Forms**

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## 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](http://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](http://asic.gov.au) (search for "insolvency information sheets").



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**Bell Care Services Pty Limited**  
**(In Liquidation)**  
**ACN 649 504 218**  
**ABN 58 649 504 218**

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**Annexure "G"**  
**ASIC Information sheet**  
**Approving Fees: A Guide for Creditors**

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**ASIC**

Australian Securities & Investments Commission

## ASIC Guide for

### INFORMATION SHEET 85

## Approving fees: A guide for creditors

If a company is in financial difficulty, it can be put under the control of an independent external administrator.

This information sheet (INFO 85) gives general information for creditors on the approval of an external administrator's fees in a liquidation of an insolvent company, voluntary administration or deed of company arrangement (the fees of a receiver are fixed by the secured creditor that appoints the receiver and are not discussed in this information sheet). It outlines the rights that creditors have in the approval process.

It covers:

- entitlement to fees and costs
- who may approve fees
- calculation of fees
- initial remuneration notice
- report on proposed fees
- deciding if fees are reasonable
- reimbursement of out-of-pocket costs
- queries and complaints

### Entitlement to fees and costs

A liquidator, voluntary administrator or deed administrator (i.e. an 'external administrator') is entitled to be:

- paid reasonable fees, or remuneration, for the necessary work they properly perform, once these fees have been approved by creditors, a committee of inspection or a court
- reimbursed for out-of-pocket costs incurred in performing their role.

External administrators are only entitled to an amount of fees that is reasonable for the necessary work that they and their staff properly perform in the external administration. What is reasonable will depend on the type of external administration and the issues that need to be resolved. Some are straightforward, while others are more complex.

External administrators must undertake some tasks that may not directly benefit creditors. These include reporting potential breaches of the law and lodging with ASIC a detailed listing of receipts and payments, known as an annual administration return, annually on the anniversary of their appointment and at the end of their administration.

The external administrator is entitled to be paid for completing these statutory tasks.

**Note:** If the external administration commenced prior to 1 September 2017, the external administrator will continue to lodge the six-monthly Form 524 Presentation of accounts and statement until the six-month period ending on the first anniversary of their appointment date. Thereafter, they will lodge the annual administration return (AAR Form 5602).

Out-of-pocket costs that are commonly reimbursed include:

- legal fees
- valuer's, real estate agent's and auctioneer's fees
- stationery, photocopying, telephone and postage costs
- retrieval costs for recovering the company's computer records
- storage costs for the company's books and records.

Creditors have a direct interest in the level of fees and costs, as the external administrator will generally be paid from the company's available assets before any payments to creditors. If there are not enough assets, the external administrator may have arranged for a third party to pay any shortfall. As a creditor, you should receive details of such an arrangement. If there are not enough assets to pay the fees and costs, and there is no third party payment arrangement, any shortfall is not paid.

### Who may approve fees

An external administrator's fees must be approved by one of the following ways:

- by resolution of creditors
- by a committee of inspection (if there is a committee of inspection) if no resolution has been passed by creditors
- by the court if neither the creditors nor a committee of inspection have passed a resolution.

**Note:** An external administrator in a members' voluntary winding up must have fees approved by a resolution of the company, or the court.

The external administrator must provide sufficient information to enable the relevant decision-making body to assess whether the fees are reasonable.

If fees are not approved by the relevant decision-making body, the liquidator is entitled to be paid reasonable fees up to a maximum of \$5,000 excluding GST (indexed annually).

### Creditors' approval at a creditors' meeting

Creditors can approve fees by passing a resolution at a creditors' meeting. Unless creditors call for a poll, the resolution passes if a simple majority of creditors present and voting, in person or by proxy, indicates that they agree to the resolution.

If a poll is taken, rather than a vote being decided on the voices, a majority in number and value of creditors present and voting must agree. A poll requires the votes of each creditor to be recorded.

A separate resolution of creditors is required for approving fees for an administrator in a voluntary administration and an administrator of a deed of company arrangement, even if the administrator is the same person in both administrations.

A proxy is where a creditor appoints someone else to represent them at a creditors' meeting and to vote on their behalf. A proxy can be either a general proxy or a special proxy. A general proxy allows the person holding the proxy to vote as they wish on a resolution, while a special proxy directs the proxy holder to vote in a particular way.

A creditor will sometimes appoint the external administrator as a proxy to vote on the creditor's behalf. An external administrator, their partners or staff must not use a general proxy to vote on approval of their fees; they must hold a special proxy in order to do this. They must vote all special proxies as directed, even those against approval of their fees.

### **Creditors' approval without a creditors' meeting**

Instead of convening a creditors' meeting, the external administrator can put proposals to creditors by giving notice in writing.

This notice must be given to each creditor who would be entitled to receive notice of a meeting and:

- include a statement of the reasons for the proposal and the likely impact the proposal will have on creditors
  - invite the creditor to either:
  - vote 'yes' or 'no' for the proposal
- object to the proposal being resolved without a meeting
- specify a reasonable time for creditors' replies to be received by the external administrator.

To vote on the proposal, a creditor must lodge details of your debt or claim with the external administrator and complete the voting documents provided by the external administrator.

Creditors can vote 'yes' or 'no' on the proposal or object to the proposal being resolved without a creditors' meeting. You should return your response to the external administrator within the time specified in the notice which must be at least 15 business days after the notice is given to creditors.

A resolution is passed if the majority of creditors in number and value who responded to the notice voted 'yes' and if not more than 25% in value of the creditors who responded objected to the proposal being resolved without a creditors' meeting.

The external administrator should provide creditors enough information to allow them to make an informed decision about the proposal. A creditor should contact the external administrator to obtain further information if they think it necessary for them to make a decision.

The external administrator must lodge with ASIC the outcome of the proposal. A copy of the outcome of the proposal may be obtained by searching the ASIC registers and paying the relevant fee.

### **Committee of inspection approval**

If there is a committee of inspection, the committee of inspection can approve an external administrator's fees. In approving the fees, the members represent the interests of all creditors or employees, not just their own individual interests.

A committee of inspection makes its decision by a majority in number of its members present at a meeting, but it can only act if a majority of its members attend.

To find out more about committees of inspection and how they are formed, see Information Sheet 45 Liquidation: A guide for creditors (INFO 45), Information Sheet 74 Voluntary administration: A guide for creditors (INFO 74) and Information Sheet 41 Insolvency: A glossary of terms (INFO 41).

## Calculation of fees

Fees may be calculated using one of a number of different methods, such as:

- on the basis of time spent by the external administrator and their staff
- a quoted fixed fee, based on an upfront estimate
- a percentage of asset realisations.

Charging on a time basis is the most common method. If an external administrator seeks approval for charging wholly or partly on a time basis, and the work is yet to be carried out, the approval sought must include a maximum limit ('cap') on the amount of remuneration the external administrator is entitled to receive. For example, future fees calculated according to time spent may be approved on the basis of the number of hours worked at the rates charged (as set out in the provided rate scale) up to a cap of \$X. If the work involved then exceeds this figure, the external administrator will have to ask the creditors/committee to approve a further amount of fees, after accounting for the fees already incurred.

The external administrator and their staff will record the time taken for the various tasks involved, and a record will be kept of the nature of the work performed.

External administrators have a scale of hourly rates, with different rates for each category of staff working on the external administration, including the external administrator. If the external administrator intends to charge on a time basis, you should receive a copy of these hourly rates soon after their appointment and before you are asked to approve the fees. It is important to note that the hourly rates do not represent an hourly wage for the external administrator and their staff. The external administrator is running a business – an insolvency practice – and the hourly rates will be based on the cost of running the business, including overheads such as rent for business premises, utilities, wages and superannuation for staff who are not charged out at an hourly rate (such as personal assistants), information technology support, office equipment and supplies, insurances, taxes, and a profit.

External administrators are professionals who are required to have qualifications and experience, be independent and maintain up-to-date skills. Many of the costs of running an insolvency practice are fixed costs that must be paid, even if there are insufficient assets available to pay the external administrator for their services. External administrators compete for work and their rates should reflect this.

These are all matters that committee members or creditors should be aware of when considering the fees presented. However, regardless of these matters, creditors have a right to question the external administrator about the fees and whether the rates are negotiable.

It is up to the external administrator to justify why the method chosen for calculating fees is an appropriate method for the particular external administration. As a creditor, you also have a right to question the external administrator about the calculation method used and how the calculation was made.

## Initial remuneration notice

The external administrator must send creditors a notice setting out the following information if they propose to seek fee approval for the external administration:

- the method by which they seek to be paid
- the rate of fees
- an estimate of the expected amount of total fees

- the method how out-of-pocket costs will be calculated
- a brief explanation of the different methods to calculate fees
- an explanation why they chose the particular fee method by which they seek to be paid
- if a time-cost basis was chosen, the hourly rates of the external administrator and other staff who will work on the external administration.

This initial remuneration notice must be sent to creditors:

- in a voluntary administration – at the same time as the notice of the first meeting of creditors is sent
- in a court liquidation – within 20 business days after the liquidator's appointment
- in a voluntary liquidation – within 10 business days after the day of the meeting at which the resolution to wind up the company is passed.

### Report on proposed fees

When seeking approval of fees, the external administrator must send creditors/committee members a report setting out:

- a summary description of the major tasks performed, or likely to be performed
- the costs associated with each of these tasks and the method of calculation of the costs
- the periods when funds will be drawn to pay the fees
- an estimated total amount, or range of amounts, of total fees
- an explanation of the likely impact the fees will have on any dividends to creditors
- such other information that will assist in assessing the reasonableness of the fees claimed.

Creditors/committee members may be asked to approve fees for work already performed or an estimate of work yet to be carried out. For more on the tasks involved, see INFO 45 and INFO 74.

### Deciding if fees are reasonable

If asked to approve an amount of fees, your task is to decide if that amount of fees is reasonable, given the work carried out in the external administration and the results of that work.

In addition to the information the external administrator must provide to you before seeking approval of fees, you may find the following additional information from the external administrator useful in deciding if the fees claimed are for necessary work properly performed and reasonable:

- an explanation of why the work performed was necessary
- the size and complexity (or otherwise) of the external administration
- the value and nature of the property dealt with
- the level of risk or responsibility involved with the external administration
- whether there are any extraordinary issues that were required to be dealt with
- the amount of fees (if any) that have previously been approved
- if the fees are calculated, in whole or in part, on a time basis:
  - the period over which the work was or is likely to be performed

- the time spent by each level of staff on each of the major tasks performed or likely to be performed
- if the fees are for work that is yet to be carried out, whether the fees are capped.

If you need more information about fees than is provided in the external administrator's report, you should let them know before the meeting at which fees will be voted on.

### What can you do if you think the fees are not reasonable?

If you do not think the fees claimed are reasonable, you should raise your concerns with the external administrator. It is your decision whether to vote in favour of, or against, a resolution to approve fees.

Generally, if creditors or a committee of inspection approves fees and you wish to challenge this decision, you may apply to the court and ask the court to review the fees.

You may wish to seek your own legal advice if you are considering applying for a court review of the fees.

As well as a court review of the external administrator's fees, creditors (by resolution of creditors) or one or more creditors (with the external administrator's consent) can appoint a registered liquidator to carry out a review of fees and/or costs incurred by the external administrator of the company.

**Note:** A creditor can also apply to ASIC in the approved form for it to appoint a reviewing liquidator (see Form 5605 Application for ASIC to appoint a reviewing liquidator).

This review is limited to:

- remuneration approved within the six months before the reviewing liquidator is appointed
- costs or expenses incurred during the 12-month period before the reviewing liquidator is appointed (unless the external administrator agrees to a longer period).

The reviewing liquidator must be a registered liquidator. A creditor who wishes to appoint a reviewing liquidator must approach a registered liquidator to get a written consent from that person that they would be prepared to act as reviewing liquidator. The person must also make a written declaration about any relationships they or their firm may have that might affect their independence to act as reviewing liquidator.

The external administrator and their staff, must cooperate with the reviewing liquidator.

If creditors pass a resolution to appoint the reviewing liquidator, the reviewing liquidator's costs form part of the expenses of the external administration of the company. If one or more of the creditors appoint the reviewing liquidator with the consent of the external administrator, the reviewing liquidator's costs are borne by the creditor(s) appointing the reviewing liquidator.

### Reimbursement of out-of-pocket costs

An external administrator should be very careful incurring costs that must be paid from the external administration – as careful as if they were dealing with their own money. Their report on fees must also include information on the out-of-pocket costs of the external administration.

Out of pocket expenses (or disbursements) can be categorised into:

- external services or costs such as legal fees, valuation fees, travel, accommodation and search fees
- internal services or costs such as photocopying, printing and postage.

External costs are usually charged at cost and do not require prior approval of creditors.

Internal costs may be charged at a rate higher than actual cost in order to recover overheads and similar costs. In instances where costs are charged at a rate higher than cost, the external administrator will need to obtain creditor approval before being reimbursed.

When seeking approval of out-of-pocket expenses, the external administrator must send creditors/committee members a report setting out:

- a summary description of the out-of-pocket expenses
- how they were calculated
- the total amount the external administrator is seeking reimbursement for
- why the expenses were necessary.

Creditors/committee members may be asked to approve reimbursement of out-of-pocket expenses for expenses already incurred or an estimate of expenses to be incurred.

If the expenses are yet to be incurred, a maximum limit ('cap') should be placed on the amount that the external administrator may incur and reimbursed for.

## Queries and complaints

You should first raise any queries or complaints with the external administrator. If this fails to resolve your concerns, including any concerns about their conduct, you can lodge a report of misconduct with ASIC – see How to complain.

Lodging your report of misconduct online ensures the quickest response from ASIC to your concerns.

ASIC usually does not become involved in matters of an external administrator's commercial judgement.

Reports of misconduct against companies and their officers can also be made to ASIC.

If you cannot report misconduct online to ASIC, you can contact us on 1300 300 630.

## Where can I get more information?

For an explanation of terms used in this information sheet, see Information Sheet 41 Insolvency: A glossary of terms (INFO 41). For more on external administration, see the related information sheets listed in Information Sheet 39 Insolvency information for directors, employees, creditors and shareholders (INFO 39).

Further information is available from the Australian Restructuring Insolvency & Turnaround Association (ARITA) website. The ARITA website also contains the ARITA Code of Professional Practice for Insolvency Practitioners.

## Important notice

Please note that this information sheet is a summary giving you basic information about a particular topic. It does not cover the whole of the relevant law regarding that topic, and it is not a substitute for professional advice. You should also note that because this information sheet avoids legal language wherever possible, it might include some generalisations about the application of the law. Some provisions of the law referred to have exceptions or important qualifications. In most cases your particular circumstances must be taken into account when determining how the law applies to you.

***This is Information Sheet 85 (INFO 85), updated on 1 September 2017. Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.***



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**Bell Care Services Pty Limited  
(In Liquidation)**

**ACN 649 504 218**

**ABN 58 649 504 218**

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**Annexure "H"**

**ARITA Information sheet**

**Insolvency Information for Directors,  
Employees, Creditors and Shareholders**

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# Insolvency information for directors, employees, creditors and shareholders

This is **Information Sheet 39 (INFO 39)**. It 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](#).

Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

This information sheet was updated on 1 September 2017.



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**Bell Care Services Pty Limited**

**(In Liquidation)**

**ACN 649 504 218**

**ABN 58 649 504 218**

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**Annexure "I"**

**ARITA Information sheet**

**Offences, Recoverable Transactions, and  
Insolvent Trading**

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# 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.**