BRI Ferrier

STATUTORY REPORT TO CREDITORS

NATIONAL FREIGHT GROUP PTY LTD
(IN LIQUIDATION)
ACN: 618 496 254
ABN: 61 618 496 254

7 October 2025

PETER KREJCI
LIQUIDATOR

Phone: 02 8263 2333
Email: info@brifnsw.com.au
Website: www.briferrier.com.au
Address: Level 26 25 Bligh Street
Sydney NSW 2000

INTRODUCTION

I refer to my Initial Report to Creditors dated 31 July 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 assets 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

Name	National Freight Group Pty Ltd (In Liquidation)
Incorporated	11 April 2017
ACN	618 496 254
ABN	61 618 496 254
Registered Office	5 Longfellow Street Wetherill Park NSW 2164
Trading Address	5 Longfellow Street Wetherill Park NSW 2164

LIQUIDATOR

Name	Peter Krejci
Date Appointed	7 July 2025

ADMINISTRATION CONTACT

Name	Say Murayama
Email	smurayama@brifnsw.com.au
Phone	02 8263 2314

TABLE OF CONTENTS

1	Basis of Report	6
2	Disclaimer	7
3	Declaration of Independence, Relevant Relationships and Indemnities	7
4	Corporate Information	8
5	Legal Proceedings	9
6	Company Background and Events Leading to My Appointment	9
7	Reasons for Failure	10
8	Historical Financial Information	10
9	Current Financial Position	11
10	Assets	12
11	Liabilities	13
12	Investigations	15
13	Findings and Recovery Actions	17
14	Voidable Transactions	19
15	Receipts and Payments	21
16	Estimated Return to Creditors	21
17	Matters Outstanding	21
18	Conclusion	22

TABLE OF ANNEXURES

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

B Comparative Balance Sheets

C Comparative Profit and Loss statements

D Initial Remuneration Notice

E Remuneration Approval Report

F Proposals Without Meeting Forms

G ASIC Information Sheet – Proposals without a Meeting

H ASIC Information Sheet – Insolvency Information for Directors, Employees, Creditors and Shareholders

I ARITA Information Sheet – Offences, Recoverable Transactions and Insolvent Trading

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
CL	Court Liquidation
Company	National Freight Group Pty Ltd (In Liquidation) ACN 618 496 254
DEWR	Department of Employment and Workplace Relations
DCoT	Deputy Commission of Taxation
Director	Mahnad Farho
DIRRI	Declaration of Independence, Relevant Relationships & Indemnities
Department	Department of Employment and Workplace Relations
FEG	Fair Entitlements Guarantee
Firm	BRI Ferrier NSW
iCare	Workers Compensation Nominal Insurer
Initial Report	Initial Report to Creditors dated 31 July 2025
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations) 2016
Mr Farho	Mahnad Farho
Petitioning Creditor	iCare
POD	Proof of Debt
PPSR	Personal Properties Securities Register
ROCAP	Report on Company Activities and Property

EXECUTIVE SUMMARY

As you are aware, I was appointed Liquidator of the Company on 7 July 2025, pursuant to an Order of the Supreme Court of NSW, on an application brought by iCare for unpaid workers compensation insurance premiums.

This report has been prepared in accordance with Rule 70-40 of the Insolvency Practice Rules to provide creditors with an update on the developments of this Liquidation. I provide hereunder a summary of my preliminary investigations into 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 11 April 2017 and provided transportation services in NSW.

My investigations to date have been hindered by non-compliance by the Company's Director, Mr Mahnad Farho. To date, the Director has not;

- Contacted my office to discuss the affairs of the Company;
- submitted a ROCAP; or
- provided books and records to my office pursuant to section 475(4) of the Act.

A failure to submit a ROCAP and books and records within the required time frame is a breach of the Act and I have sought the assistance of ASIC to obtain compliance from the Director.

As at the date of this report, I have identified that the Company was the registered owner of a number of motor vehicles. Most of these vehicles appear to have been sold or at least transferred in the months leading to my appointment. Of particular note, is a vehicle subject to a registered purchase money security interest held by Toyota Finance. I am currently liaising with Toyota Finance regarding this vehicle, as my investigations indicate the possibility of surplus equity. Creditors are referred to Section 10.2 below for further comments.

At this stage, I have received creditor's claims totalling $359,249, the largest of which is from the ATO in the amount of $315,333.

My investigations indicate that the Company previously engaged an external accountant to prepare its financial statements. I have been provided the Company's financial statements for the financial years ended 30 June 2021 and 30 June 2022. In addition, I received a limited number of bank statements from the accountant and was advised that the Company did not utilise any management accounting software (such as Xero or MYOB).

At this stage, my investigations into the Company's affairs remain preliminary. I have received no compliance from the Director and have been provided with a limited quantity of books and records. From the records provided, I do not believe that any further financial statements could be prepared. Accordingly, I may be able to rely on Section 588E of the Act, where permits a liquidator to presume a company was during any period in which adequate books and records were not maintained. A further discussion of the Company's solvency is set out in Section 13.1 of this report.

I have also identified potential breaches of directors' duties, unreasonable director related transactions and claims for trading whilst insolvent. My preliminary investigations into the Director's personal financial position suggest that he may have the financial capacity to satisfy any claims that may be pursued against him.

A Liquidator may consider selling the cause of action on a commercial basis in order to achieve a return within a shorter timeframe, albeit typically at a substantial discount due to the removal of litigation risk. Creditors who may be interested in this option are invited to contact this office by 31 October 2025. In the absence of creditor funding, I may consider pursuing a commercial settlement of all potential claims identified against the Director.

I intend to shortly report my findings to ASIC pursuant to Section 533(1) of the Act. This report to ASIC is a legislative requirement 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 that fifty (50) cents in the dollar.

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.

Should any 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 **31 October 2025.** Otherwise, absent any substantive new information, the Liquidation may continue for the next six (6) to twelve (12) months.

1 BASIS OF REPORT

This report has been prepared primarily from information received through my own enquiries with third parties. I note that I am yet to receive a completed ROCAP or books and records from the Director.

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

- ASIC;
- Bank statements obtained from the Company's pre-appointment banker;
- The limited books and records provided by the Company's former accountants;
- Extracts from various public information databases; and
- Correspondence with creditors.

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 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 circulated 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

Company Name	National Freight Group Pty Ltd
Registered Address	5 Longfellow Street, Wetherill Park NSW 2164
Principal Place of Business	5 Longfellow Street, Wetherill Park NSW 2164
Incorporation Date	11 April 2017
ACN	618 496 254
ABN	61 618 496 254

4.2 COMPANY OFFICE HOLDERS

Name	Position	Appointment Date	Cease Date (Upon appointment)
Mahnad Farho	Director	11/04/2017	07/07/2025

4.3 SHAREHOLDERS

Company	Share Class	No. of Shares	Fully Paid Up	Status

Mahnad Farho	ORD	100	Yes	Current

4.4 RELATED PARTIES AND ASSOCIATES

A directorship search was undertaken in respect to the Company's Director which indicates that the Director holds/held the following roles:

Directorships:

Company	Company Status	ACN	Start Date	Status
National Freight Group Pty Ltd	In Liquidation	618 496 254	11-04-2017	Current
National Tobacco Imports Pty Ltd	Registered	638 041 371	13/12/2019	Current
NT Café Pty Ltd	Registered	630 336 079	30/11/2018	06/12/2018
NT Café Smithfield Pty Ltd	Registered	639 744 577	13/03/2020	29/04/2020
Frank Star Transport Pty Ltd	Deregistered	162 675 587	04/03/2013	29/07/2018

Shareholdings:

Company	ACN	Class	No. Shares	Fully Paid Up	Status
National Freight Group Pty Ltd	618 496 254	ORD	100	Yes	Current
NT Café Pty Ltd	630 336 079	ORD	100	Yes	Current
National Tobacco Imports Pty Ltd	638 041 371	ORD	50	Yes	Current
NT Café Smithfield Pty Ltd	639 744 577	ORD	50	Yes	Ceased

5 LEGAL PROCEEDINGS

Pursuant to Section 471B 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 was a party in any legal proceedings.

6 COMPANY BACKGROUND AND EVENTS LEADING TO MY APPOINTMENT

The following information was obtained from the limited Company's books and records received to date, and information obtained from third parties.

- The Company was registered on 11 April 2017 and appears to have operated a transportation business in NSW.
- Mr Mahnad Farho was the sole director of the Company having been appointed director since the Company's incorporation.
- Mr Duriad Hanna was the former director of the Company from the Company's incorporation to 13 July 2017 and then from 18 October 2017 to 30 June 2020.

- The Company maintained a worker's compensation insurance policy with iCare with the policy's premium of $12,817.41 falling due on 30 April 2024.
- The premium remained unpaid and accordingly, iCare issued a letter of demand to the Company on or about 3 July 2024.
- Having not received payment, iCare served the Company with a Statement of Claim on 31 July 2024. This subsequently led to a Creditor's Statutory Demand being served on 6 February 2025 and thereafter an application to wind the Company up in insolvency was filed on 4 June 2025.
- I was appointed Liquidator of the Company by Order of the Supreme Court of NSW on 7 July 2025.
- To date, the Director has not submitted a ROCAP pursuant to section 475(4) of the Act nor delivered to me the books and records of the Company. I have also requested the Director meet with me in order to discuss the Company's affairs. A failure to submit a ROCAP and books and records within the required time frame and generally assist the Liquidator is a breach of the Act. I have therefore requested the assistance of ASIC to obtain compliance from the Director, and this process remains ongoing.

7 REASONS FOR FAILURE

The Director has not provided his reasons why the Company failed.

My investigations into the Company's affairs suggest the reason for the Company's failure to be the following:

- **Poor financial control, including maintenance of books and records of the Company** – I have observed non-payment of insurance premiums and the failure to lodge statutory returns since the Company's incorporation. It appears the Company did not properly maintain its accounts and was therefore unable to determine its financial position or performance.
- **Poor strategic management of the business** – Extensive funds were advanced to related parties (including the Director) in preference over statutory payments including taxes and workers compensation premiums.
- **Insufficient cash flow or high cash use** – Company Bank Statements show periodical deposits and withdrawals by the Director of the Company, both personal withdrawals and wages. This conduct appears to have contributed to deficiencies in the Company's cash reserves when measured against its known current liabilities.

8 HISTORICAL FINANCIAL INFORMATION

I have reviewed the Company's management accounts for the financial years ending 30 June 2021 to 30 June 2022 provided by the Company's external accountants. The external accountants have advised that they have not been instructed to prepare returns after these periods.

8.1 BALANCE SHEETS

I make the following commentary with respect to the Balance Sheets provided to me by the external accountant for the financial years ending 30 June 2021 and 30 June 2022, noting that significant time has elapsed since their preparation:

- **Liquidity position** - the Company appears to have Liquidity Ratios of less than 1 indicating very limited working capital to meet its current liabilities as and when they fell due.

- **Related part loans** - The Balance sheet reports two loans made to related parties. The amount owed to the Company increased significantly from $136k at the end of financial year FY21 to $370,000 at the end of FY22. One of loans was made to NT Café Pty Ltd, a company in which the Director is both a shareholder and Director. The financials also report a loan to 'Daviezel'; however, I have been unable to verify the relationship between the Company and this entity.

- **Motor Vehicles** - The Company's primary assets are motor vehicles which aligns with searches performed through Transport for NSW, which identified approximately 10 motor vehicles registered to the Company, and were recently transferred from the Company's name.

- **Outstanding taxation liabilities** -The Company appears to have outstanding tax liabilities from at least FY21 (based on financial statements provided by the external accountant). My review of the Company's running balance account indicates that such liabilities have been accruing since at least September 2020.

- **Current liabilities** - The Company's current liabilities predominantly comprise of tax liabilities and unpaid trade creditors. There is also a significant amount owed as loans 'from other persons', it is unclear who these loans are owed to and if they remain outstanding.

8.2 PROFIT AND LOSS STATEMENTS

I provide the following commentary with respect to the Profit and Loss statements prepared for the financial years ending 30 June 2021 to 30 June 2022:

- **Revenue** - The Company's primary income (recorded as Gross Receipts) declined from $1.4 million and Gross Receipts declined to $900,000 in FY22. During FY22, the Company also received government assistance in the form of COVID-19-related funding, including a COVID-19 Grant and a Job Saver Grant, totalling $28,500. The Company also recorded profits on the sale of Property, Plant & Equipment which aligns with transfers identified through Transport for NSW searches.

- **Expenses** -The Profit & Loss Statements report that the major expenses of the business were wages, contractor payments, depreciation, and motor vehicle expenses which are consistent with the nature of the industry.

- **Profitability**- The decline in Gross Receipts during FY22, was accompanied by a reduction in operational expenses (such as contractor payments and other motor vehicle related expenses) resulting in only a marginal decrease in reported profit compared with FY21.

- **Accuracy of reported profit** - The reported profit is not considered a reliable measure of the Company's true financial performance. My investigations confirm that during these financial years the Company incurred significant taxation liabilities and other statutory debts, including unpaid workers compensation premiums, which are not fully reflected in the financial statements.

9 CURRENT FINANCIAL POSITION

Below is my analysis of the current financial position of the Company, based on available financial records and my enquiries to date.

National Freight Group Pty Ltd (In Liquidation) ACN 618 496 254 Statement of Position	Report Reference	Liquidator's ERV ($)
Assets		
Cash and Cash Equivalents	10.1	Nil
Motor Vehicle	10.2	TBA
Real Property	10.3	Nil
Related Party Loans	10.4	Unknown
Total Assets		**Unknown**
Liabilities		
Petiitioning Creditors Costs	11.1	(8,889)
Secured Creditors	11.2	(17,500)
Priority Creditors	11.3	Nil
Unsecured Creditors:	11.4	(359,248)
Total Liabilities		**(385,637)**
Estimated Net Asset / (Deficiency)		**(385,637)**

10 ASSETS

10.1 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 maintained three accounts with NAB, with a total debit balance of $21.11 as at my appointment.

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

10.2 MOTOR VEHICLES

A search of the Personal Property Securities Register ("PPSR") indicates that there is one Motor Vehicle owned by the Company.

Registration Number	Secured Party	Start Date	Collateral Class
202206300050517	Toyota Finance Australia Ltd	30/6/2022	Purchase Money Security Interest

Toyota Finance Australia Ltd has provided a copy of the relevant security agreement supporting its PPSR registration and has advised that the payout amount under the facility is c. $17,500. I have been unable to contact the Director or the former Director regarding their intentions for the vehicle, noting that both these parties have signed personal guarantees in respect of this facility.

My investigations indicate that there may be equity in the vehicle for the benefit of creditors. Accordingly, I am liaising with Toyota Finance regarding next steps (including the possibility of refinancing of the facility or collection of the vehicle for its sale).

A search of Transport NSW database indicates the Company had transferred or sold several motor vehicles in the months immediately preceding my appointment. I sought to obtain copies of the buyer slips from Transport NSW; however, I was advised that these were not lodged. Further, my review of the Company's bank statements currently available has not identified any receipts of funds corresponding to the aforementioned sales or transfers.

My investigations into these vehicles and any potential equitable rights the Company may hold in relation to them are continuing.

10.3 REAL PROPERTY

A search of the NSW Land Titles Office database reveals that the Company is not the owner of any real property in NSW.

10.4 RELATED PARTY LOANS

The Company's financial statements for FY21 and FY22, indicate related party debts totalling c. $370,000. I will be writing to the known debtor, NT Café in an attempt to recover the amount owed to the Company. My investigations are continuing regarding the identity of the remaining listed debtor, Daviezel.

11 LIABILITIES

11.1 PETITIONING CREDITOR'S COSTS

The Petitioning Creditor's costs in respect to this matter were determined by the Court at a fixed amount of $8,889.11. 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.

11.2 SECURED CREDITORS

A search of the Personal Property Securities Register ("PPSR") indicates that there are two security interests registered on the PPSR against the Company.

Registration Number	Secured Party	Start Date	Collateral Class
202102250069781	Black Rubber Pty Ltd	25/2/2021	PMSI
202206300050517	Toyota Finance Australia Ltd	30/6/2022	PMSI

I have written to Black Rubber Pty Ltd to provide information regarding their security interest registered against the Company and am currently awaiting a response. Please find my comments regarding Toyota Finance Australia Ltd under Section 10.2 above.

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 Say Murayama of this office as soon as possible.

11.3 PRIORITY CREDITORS

As at the date of this report, I am not aware of any outstanding employee entitlements.

To the extent there are any amounts owed to former employees, the Federal Government has established a safety net scheme known as FEG, for payment of outstanding employee entitlements. FEG is administered by the Department of Employment and Workplace Relations ("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 or underpaid 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, a maximum weekly 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 a 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.dewr.gov.au/fair-entitlements-guarantee.

11.4 UNSECURED CREDITORS

To date, I have identified three (3) unsecured creditors of the Company with their total claims in the Liquidation being $359,249. The largest claim of c. $315,333 represents unpaid income tax, GST and PAYG withholding owed to the ATO. The claim of the ATO is likely to be larger, as the Company has a large number of outstanding returns.

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.

12 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.

12.1 INVESTIGATIONS UNDERTAKEN

During the course of these investigations, I have:

- Written to the relevant authorities requesting information required for investigations;
- Carried out ASIC and other searches available to me in relation to the Company;
- Performed a review of the available bank statements to identify potential recoveries available to a liquidator.

12.2. BOOKS AND RECORDS

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

- correctly record and explain its transactions, financial position and performance; 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 Profit & Loss Statements, balance sheets, depreciation schedule, tax returns;
- General Ledger;
- General Journal;
- Asset register;
- Cash records including bank statements 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, I have not received a response from the Company's Director however the Company's external accountant has provided the following Company's books and records:

- Financial Statements for FY2021 and FY2022;
- Company Tax Returns for FY2021 and FY2022;
- Banking Transaction Listing for FY2021 and FY2022.

The external accountant has not provided more recent records; however, a review of the Company's bank statements indicates the Company continued to trade. In addition, a review of the Company's ATO records confirms that a significant number of statutory returns remain outstanding. On this basis, I am of the opinion that Company has not satisfied the requirements set out in Section 286 of the Act and accordingly, I rely on the presumption of insolvency pursuant to Section 588E of the Act.

12.2 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).

12.3 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 a costly exercise.

13 FINDINGS AND RECOVERY ACTIONS

13.1 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 a liquidator, and in certain circumstances the creditor who suffered the loss, may recover from a 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 Act where a director can establish:

- There were reasonable grounds to expect that the company was solvent;
- 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.

My assessment has been based on the information available to me from the Company's records and on the basis of separate investigations of the Company's affairs.

Based on my investigations conducted to date, it is my preliminary view that the Company may have been insolvent since 1 July 2022. This assessment has been based on the presumption of insolvency under Section 588E (where a company who is determined to have not maintained sufficient records, the liquidator may presume a company was insolvent for that period).

Whilst financial statements for FY21 and FY22 have been received, as noted above in this report, these statements appear to contain material inaccuracies particularly in relation to the non-recording of the full outstanding ATO debt. The statutory liabilities reflected in the statements are significantly lower than the liabilities reported in the Company's Running Balance Account with the ATO. Had these liabilities been correctly recorded, it is my opinion that the Company may have been insolvent from a date earlier than 1 July 2022.

The limited records provided also indicate the following insolvency indicators:

- Limited working capital from as early as FY21. A review of the balance sheets prepared for FY21 and FY22 show a liquidity ratio less than 1 (where the level of current assets are only sufficient to cover between 10 to 15% of its current liabilities.)
- The Company's appears to have never paid it tax liabilities to the ATO or its compulsory workers compensation premiums.

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 view is the value of an insolvent trading claim may be circa $350K, based on the creditors' claims lodged to date.

In respect of considering whether an insolvent trading claim could be pursued, a liquidator would need to have regard to the financial positions of the potential defendants, being the Director and the former Director at the time the debts were incurred.

I have performed NSW land title searches which indicate that the Director/Former Director may have real property available to satisfy any claim. Further, that the Director/Former Director also appear to hold a number of shareholdings in private companies. At this stage, the value of these assets are unknown.

I note that an insolvent trading claim will require extensive investigations and funding in order to proceed through litigation. As an alternative, a Liquidator can consider selling the causes of action on a commercial basis to achieve a result within a shorter timeframe, albeit typically at a substantial discount due to the removal of litigation risk. If creditors are interested in funding or acquiring this potential claim, please contact this office by **31 October 2025**. In the absence of such funding, I may consider pursuing a commercial settlement of the claim.

14 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., 4 June 2025.

These transactions usually relate to the period six (6) months prior to the date of the filing of the application to wind up the Company; 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 of fraud.

As the Director and bookkeeper failed to provide sufficient Company's books and records, I am unable to conduct any comprehensive investigations into potential voidable transactions. However, a review of the Westpac bank statements has identified there to be potential voidable recovery claims against the Director. My investigations into these transactions are detailed below.

14.1 UNFAIR PREFERENCES (S588FA)

An unfair preference results when a 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 a liquidator relate only to payments to unrelated parties made within six (6) months from the date of the filing the application to wind up the company, if the company is insolvent at that time. I additionally note that pursuant to S588FE(2D)(4) of the Act clawback provisions available to a liquidator extend to four (4) years for transactions to related-party creditors.

My investigations to date have not revealed payments that may be considered preferential in nature.

14.2 UNREASONABLE DIRECTOR RELATED TRANSACTIONS (S588FDA)

A transaction is an unreasonable director-related transaction of a 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.

A review of the Company's bank statements has identified a large number of transactions which appear to be personal in nature. These include extensive overseas purchases, television subscription services, fast food and ride share services. At this stage, I am yet to quantify the extent of the funds which appear to be for the Director's personal benefit.

I have also identified a number of transactions which have been marked as 'loans,' where the bank statement narrations indicate funds were paid to companies known to be related parties.

I consider that these transactions may form an unreasonable director related transaction. They may also form a claim against the director for a breach of his duties to the company, as required under Section 180 to 182 of the Corporations Act.

Further investigations are required to determine the quantum of the claim and potential recovery of same.

15 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	• Funds advanced to related parties (as loans), which appear to remain unpaid. • Utilising Company funds for expenses of a personal nature. • Failure to maintain proper records of the Company. • Failure to prepare statutory returns to the ATO.
s181—Absence of good faith or proper purpose (civil)	As above

Breach	Commentary
s182 - Use of Position	As above
s286 — Failure to maintain adequate financial records	I have formed a preliminary view that the Company has failed to maintain sufficient books and records to meet the requirements of Section 286 of the Act.
s588G(2) - Trading whilst insolvent	My preliminary view is that the Company failed to maintain books and records, and as such, I have presumed that the Company was insolvent from 1 July 2022 or earlier if Financial Statements for FY21 and FY22 are adjusted to include the full value of statutory liabilities outstanding.
S475/s530A/B – Officers to help Liquidator/Director obligation to provide books and records	The Director has failed to complete a ROCAP and provide the Company's books and records. I have reported the matter to ASIC for prosecution.

16 RECEIPTS AND PAYMENTS

The Company has made no receipts or payments to date.

17 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 costs in full. Unless I am funded to undertake identified recoveries, asset realisations are likely to be insufficient to enable a dividend to be paid to any class of creditor.

<u>If any parties are interested in funding the Liquidation to pursue these recoveries, or alternatively, wish to acquire these actions to pursue themselves, please contact this office as soon as possible.</u>

18 REMUNERATION OF LIQUIDATOR

I am asking creditors to approve my current and future remuneration of $78,274.00 (Incl GST).

Details of work completed for the period 7 July 2025 to 5 October 2025 are summarised as follows:

- Requests for the Director to complete a ROCAP and provide documents relating to the Company;
- Liaising with Toyota Finance regarding their PMSI registration;
- Investigating the ownership and registrations of a number of motor vehicles;
- Investigations into potentially voidable transactions; and
- Requesting assistance from the ASIC to obtain compliance from the Director.

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 me and my staff for the period 7 July 2025 to 5 October 2025;
- A summary sets out a general description of additional necessary work carried out for the period 6 October 2025 to conclusion of the Liquidation.

It is my intention to seek approval from creditors with respect to my current and future remuneration for the sum of $78,274.00 for the period 7 July 2025 to the conclusion of the Liquidation. I propose for creditors to determine my remuneration via proposals without meeting attached as **Annexure E**. Should creditors wish to vote, these forms need to be returned to my office by close of business, 29 October 2025.

19 MATTERS OUTSTANDING

The outstanding matters in the administration are:

- Further investigate debtors recorded on the company's balance sheets;
- Finalising Investigations and commencing potential recovery action (subject to funding);
- Realise Company's assets (including recovery of motor vehicles and debtors);
- Public examinations (if funding is provided)
- Statutory lodgements and general administrative matters; and
- Finalise the liquidation by applying to ASIC to have the Company deregistered.

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 0-3 months if recovery actions are not funded.

20 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 ; and

- ASIC at 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,
NATIONAL FREIGHT GROUP PTY LTD (IN LIQUIDATION)

PETER KREJCI
LIQUIDATOR

National Freight Group Pty Ltd
(In Liquidation)
ABN 61 618 496 254
ACN 618 496 254

Annexure "A"
Proof of Debt with Creditors Electronic Communication Method Approval Forms

FORM 535
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidator of National Freight Group Pty Ltd (In Liquidation) ACN 618 496 254

1. This is to state that the company was, on 7 July 2025, [1] and still is, justly and truly indebted to[2] (full name):

.....
('Creditor')

.....
of (full address)

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[3] state how the debt arose	Amount $ (Incl. GST)	Remarks[4] include details of voucher substantiating payment

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following: .....

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

Date	Drawer	Acceptor	Amount $ c	Due Date

☐ I am **not** a related creditor of the Company [5]

☐ I am a related creditor of the Company [5]
relationship:_____

3A.[6]* I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

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

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…….2023

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.

National Freight Group Pty Ltd
(In Liquidation)
ABN 61 618 496 254
ACN 618 496 254

Annexure "B"
Comparative Balance Sheets

National Freight Group Pty Ltd (In Liquidation)
ACN 618 496 254
Balance Sheet
For the Financial Years Ended 30 June 2021 to 30 June 2022

	Year Ended 30-Jun-21 ($)	Year Ended 30-Jun-22 ($)
ASSETS		
Current Assets		
Cash at bank	38,849	10,924
Cash on hand	100	100
GST Payable Control Account	-	(99,413)
Input Tax credit control acocunt	-	54,190
GST clearing	-	67,737
Total Current Assets	**38,949**	**33,538**
Non-Current Assets		
Intercom Loan - NT Café	114,222	315,202
Loan to Daviezel	22,515	55,015
Motor Vehicles (cost)	464,991	564,466
Less: Accumulated Depreciation	(260,414)	(422,442)
Motor Vehicles (cost)	45,300	45,300
Total Non-Current Assets	**386,615**	**557,542**
TOTAL ASSETS	**425,564**	**591,080**
LIABILITIES		
Current Liabilites		
GST clearing	4,945	-
Taxation	24,992	15,393
Trade Creditors - Unsecured	-	36,154
Total Current Liabilities	**29,937**	**51,547**
Non-Current Liabilites		
Loans from other persons - Unsecured	62,339	129,332
Hire Purchase - Secured	223,863	225,024
Less; Unexpired interest Charges	(22,091)	(19,923)
Total Non-Current Liabilities	**264,111**	**334,433**
Total Liabilities	**294,047**	**385,979**
Net Assets	**131,517**	**205,101**
EQUITY		
Issued & Paid up capital	100	100
Retained profits / (accumulated losses)	131,417	205,001
TOTAL EQUITY	**131,517**	**205,101**

Working Capital Analysis

Working Capital Analysis	Year Ended 30-Jun-21 ($)	Year Ended 30-Jun-22 ($)
Current Assets	38,949	33,538
Current Liabiltiies	264,111	334,433
Net Working Capital	**(225,162)**	**(300,894)**
Current Asset Ratio	**0.15**	**0.10**

National Freight Group Pty Ltd
(In Liquidation)
ABN 61 618 496 254
ACN 618 496 254

Annexure "C"
Comparative Profit and Loss Statements

National Freight Group Pty Ltd (In Liquidation)
ACN 618 496 254
Profit and Loss Statement
For the Financial Years Ended 30 June 2021 to 30 June 2022

	Year Ended 30-Jun-21 ($)	Year Ended 30-Jun-22 ($)
Income		
Assessable Government industry pa	22,193	15,716
Gross Receipts	1,441,201	953,056
COVID19 Grant	-	10,500
Jobsaver - COVID19 Grant	-	18,000
FBT Employee Contribution	-	1,769
Profit on sale of PPE	24,947	76,139
Total Income	**1,488,341**	**1,075,180**
Expenses		
Accountancy	6,094	-
Bank fee & charges	220	146
Contract payments	764,236	423,099
Depreciation - Other	127,066	195,440
Fees & Charges	413	-
Filing Fees	1,210	-
Fuel & Oil	-	2,447
General Expenses	648	605
Hire/Rent of Plant & Equipment	4,571	5,870
Hire purchase charges	16,877	11,043
Insurance	37,393	47,939
Interest - Australia	14	1
Management Fees	34,685	-
M/V Commercial - Fuel & Oil	131,078	95,698
M/V Commercial - Registration/Ins	36,105	18,081
M/V Commercial - Repairs	100,912	45,378
M/V Commercial - Other	2,258	1,984
Postage	-	474
Protective Clothing	-	155
Rent on land & Buildings	5,182	-
Repairs & Maintenance	-	243
Replacements	261	-
Subscriptions	2,016	-
Travel, accomodation & Conferenc	1,274	17,492
Wages	130,280	133,972
Total Expenses	**1,402,793**	**1,000,067**
Profit / (Loss) After Income Tax	**85,549**	**75,113**

National Freight Group Pty Ltd
(In Liquidation)
ABN 61 618 496 254
ACN 618 496 254

Annexure "D"
Initial Remuneration Notice

BRI Ferrier

INITIAL REMUNERATION NOTICE

Insolvency Practice Schedule (Corporations) 70-50
Insolvency Practice Rules (Corporations) 70-35

Date: 31 July 2025

National Freight Group Pty Ltd (In Liquidation)
ACN 618 496 254 ("the Company")

The purpose of the Initial Remuneration Notice is to provide you with information about how my remuneration for undertaking the Liquidation will be set.

A REMUNERATION METHOD

There are four methods for calculation of remuneration that can be used to calculate the remuneration of an Insolvency Practitioner. They are:

- Time-based / hourly rates or "Time Cost"

This is the most common method. It provides for remuneration to be charged at an hourly rate for each person working on the matter. The hourly rate charged will reflect the level of experience each person has.

- Fixed Fee

The total remuneration for the administration is quoted at commencement of the appointment and is the total charge for the administration. Sometimes a practitioner will finalise an administration for a fixed fee.

- Percentage

The remuneration for the appointment is based on a percentage of a particular variable, such as the gross proceeds of asset realisations.

- Contingency

The total remuneration for the matter is structured to be contingent on a particular outcome being achieved.

B METHOD CHOSEN

Given the nature of this administration, I propose that my remuneration be calculated on the time-based / hourly rates method. In my opinion, this is the fairest method for the following reasons:

- I will only be paid for work done, subject to sufficient realisations of the Company assets.
- It ensures creditors are only charged for work that is performed. My time is recorded and charged in six-minute increments and staff are allocated to duties according to their relevant experience and qualifications.

- I am required to perform a number of tasks which do not relate to the realisation of assets, including responding to creditor enquiries, reporting to the ASIC, and distributing funds in accordance with the provisions of the Corporations Act 2001.

I am unable to advise with certainty the total amount of fees necessary to complete all tasks required in this administration. BRI Ferrier reviews its hourly rates every twelve months. The hourly rates quoted below remain current until further notice. At this time BRI Ferrier may increase the hourly rates charged for work performed past that date. If hourly rates are increased, I will seek approval from creditors.

C EXPLANATION OF HOURLY RATES

The rates applicable are set out in the table below together with a general guide to the qualifications and experience of staff engaged in administration and the role they undertake in the administration. The hourly rates charged encompass the total cost of providing professional services and are not comparable to an hourly wage rate.

Title	Description	Hourly Rate (ex GST) 1 July 25
Appointee / Principal	Senior member of the firm. May be a Registered Liquidator and/or Registered Trustee. A senior accountant with over 10 years' experience who brings specialist skills and experience to the appointment. Leads staff carrying out appointments.	$750
Director	An accountant with more than 10 years' experience. May be a Liquidator. Fully qualified and able to control all aspects of an appointment. May have specialist industry knowledge or skills. Assists with all facets of appointment.	$700
Senior Manager	An accountant with more than 7 years' experience. Qualified and answerable to the Team Leader. Self-sufficient in completing and planning all aspects of large appointments.	$650
Manager	An accountant with at least 6 years' experience. Typically qualified with well-developed technical and commercial skills. Controls and plans all aspects of medium to larger appointments, reporting to the Team Leader.	$610
Supervisor	An accountant with more than 4 years' experience. Typically qualified with sound knowledge of insolvency principles and developing commercial skill. Assists to plan and control specific tasks on medium to larger appointments. Often undertaking post qualification study specialising in Insolvency and Reconstruction.	$540
Senior 1	An accountant with more than 2 years' experience. Typically a graduate undertaking study leading to professional qualification as a Chartered Accountant or CPA. Able to complete work on appointments with limited supervision.	$480
Senior 2	An accountant with less than 2 years' experience. Typically a graduate who has commenced study leading to professional qualifications. Able to complete many tasks on medium to large appointments under supervision.	$420
Intermediate 1	An accountant with less than 2 years' experience. Typically a graduate and commencing study for qualifications. Able to complete multiple tasks on smaller to medium appointments under supervision.	$370
Intermediate 2	An accountant with less than 1 year's experience. A trainee undertaking degree with an accountancy major. Assists in the appointment under supervision.	$300

Senior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	$300
Junior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	$200

D ESTIMATE OF COST

I estimate that this administration may cost up to $46,504 (plus GST) to complete.

The above cost is subject to the following variables, which may have a significant effect on this estimate and that I am unable to determine until I have progressed further in the administration:

- Information provided to me before appointment about the Company's assets, its liabilities and its trading performance is substantially accurate;
- The records of the Company are made available in a form permitting examination and investigation;
- All property of the Company is surrendered to me upon appointment;
- All relevant officers comply with their statutory duties to provide information about the Company's affairs;
- The legal matters currently on foot are settled in a short period of time or are stayed permanently;
- No appointment is made by a secured creditor; and
- There is no dispute in respect of any priority and/or secured creditor claims.

This estimate is based on the information available to date. Should any of the above circumstances change, I believe that costs will likely increase from my estimate above.

E 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 be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

I am not required to seek creditor approval for disbursements paid to third parties but must account to creditors. However, I must be satisfied that these disbursements are appropriate, justified and reasonable.

I am required to obtain creditor's consent for the payment of internal disbursements. Creditors will be asked to approve my internal disbursements prior to these disbursements being paid from the administration.

Details of the basis of recovering disbursements in this administration are provided below.

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

National Freight Group Pty Ltd
(In Liquidation)
ABN 61 618 496 254
ACN 618 496 254

Annexure "E"
Remuneration Approval Report

Remuneration Approval Report

National Freight Group Pty Ltd (In Liquidation)

ACN 618 496 254
ABN 61 618 496 254
("the Company")

7 October 2025

Peter Krejci
Liquidator

Novabrif Pty Ltd ABN 61 643 013 610
Level 26, 25 Bligh Street, Sydney NSW 2000
GPO Box 7079, Sydney NSW 2001
Phone (02) 8263 2333
Email: info@brifnsw.com.au
Website: www.briferrier.com.au

BRI Ferrier

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY 3

2. DECLARATION 3

3. REMUNERATION SOUGHT 3

4. DISBURSEMENT SOUGHT 4

5. LIKELY IMPACT ON DIVIDENDS 4

6. QUERIES & INFORMATION SHEET 4

7. ATTACHMENTS 4

SCHEDULE A – DETAILS OF WORK 6

SCHEDULE B – TIME SPENT BY STAFF ON MAJOR TASKS (COMPLETED WORK) 10

SCHEDULE C – RESOLUTIONS 11

SCHEDULE D – DISBURSEMENTS 12

1. EXECUTIVE SUMMARY

I am asking creditors to approve my remuneration of $78,274.00 (excl. GST) and disbursements of $1,000.00.

Details of remuneration and disbursements can be found in section 3 and 4 of this report.

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

I estimate the total cost of this Liquidation will be approximately $78,274.00 (excl. GST).

2. DECLARATION

I, Peter Krejci of BRI Ferrier, have undertaken an assessment of this remuneration and disbursements 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	*7 July 2025 to 5 October 2025*	$38,274.00	*Provided in my Initial Remuneration Notice dated 31 July 2025*	It will be drawn when approved and funds are available
Future Work	*6 October 2025 to Conclusion*	$40,000.00	*Provided in my Initial Remuneration Notice dated 31 July 2025*	It will be drawn when approved and funds are available, and it is incurred
TOTAL		$78,274.00 (excl. GST)		

Details of work completed for the period 7 July 2025 to 5 October 2025and future work to be undertaken for the period 6 October 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 proposals without meeting are included at Schedule C for your information. These resolutions also appear in the proposal without a meeting forms provided to you.

4. DISBURSEMENTS SOUGHT

I am not required to seek creditor approval for costs paid to third parties or where I am recovering a cost incurred on behalf of the external administration, but I must provide details to creditors. I have not paid any such costs to date.

I am required to obtain creditor's consent for the payment of a disbursement where I, or a related entity of myself, may directly or indirectly obtain a profit.

The disbursements I would like creditors to approve is as follows:

For	Period	Amount $ (excl. GST)
Disbursements to be capped amount	7 July 2025 to Conclusion	$1,000.00

Details of the disbursements incurred, and future disbursements are included at Schedule D. Actual resolutions to be put to the meeting are also included at Schedule D. These resolutions also appear in the proposal without a meeting form provided to you.

5. 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.

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
- 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 spent by staff on major tasks

Schedule C – Resolutions

Schedule D – Disbursements

SCHEDULE A – DETAILS OF WORK

Company	National Freight Group Pty Ltd (In Liquidation)	Period From	7 July 2025	To	Conclusion
Practitioner	Peter Krejci	Firm	BRI Ferrier		
Administration Type	Court Liquidation				

		Tasks	
		Work already completed (excl. GST)	**Future work (excl. GST)**
Period		7 July 2025 to 5 October 2025	6 October2025 to Conclusion
Amount to be approved (excl. GST)		$38,274.00	$40,000.00
Task Area	**General Description**		
Assets		**2.6 hours** **$1,509.00**	**$12,000.00**
	Plant and Equipment	Internal discussion regarding Company motor vehicles and likelihood of recovery. Liaising with valuers regarding the potential value of motor vehicles belonging to the business Conduct and review Vehicle Buyer Searches to identify the purchasers of Company vehicles	Liaising with financier regarding recovery of motor vehicle Consider lodging disclaimer of interest in vehicle Consider likely equity in motor vehicle subject to finance Assist with securing vehicle for sale and/or possible refinance
	Other Assets	Perform Transport for NSW search	Conducting unclaimed money search
Creditors		**11.7 hours** **$6,276.00**	**$8,000.00**
	Creditor Reports	Preparing Initial Report to Creditors Preparing annexures to Initial Report to Creditors Preparing Statutory Report by Liquidator Preparing annexures to Statutory Report to Creditors	Preparing annexures to Statutory Report to Creditors Finalise and Issue Statutory Report to Creditors Prepare further reports to creditors, if necessary
	Proposal to Creditors	Reviewing votes and determining outcome of proposal	Reviewing votes and determining outcome of proposal Preparation and lodgement

Task Area	General Description		
		Preparation and lodgement of proposal outcome with ASIC	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	Request supporting documentation for claim lodged by Premium Funder
	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
Investigation		**46.3 hours** **$21,105.00**	**$12,000.00**
	Conducting Investigation	Preparing and issuing day one correspondence Preparing and issuing letters to Directors regarding their obligations, ROCAP and requesting delivery of the Company's books and records Conducting statutory searches Conduct directorship search and NSW land title search on the Company and the Director, and former Director Review of Company Bank Statements in detail Liaise with Company's external accountant to obtain background to matter Further investigations to identify potential voidable transactions and consider	Reviewing company's books and records (in particular company's statements); Investigation of voidable transactions and likelihood of recovery Preparation of initial statutory report with ASIC Preparation and lodgement of supplementary report when considered necessary

Task Area	General Description		
		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 Preparation of investigation file	
	ASIC reporting	Liaising with ASIC to receive assistance in obtaining reconstruction of financial statements, Company's books and records and Report on Company Affairs and Property Preparing statutory investigation reports Lodgement of investigation with the ASIC	
Administration		**23.6.0 hours** **$9,384.00**	**$8,000.00**
	ASIC Forms and lodgements	Preparing and lodging ASIC forms including 505 Preparing and lodging ASIC advert regarding notice of appointment	Preparing and lodging ASIC forms including 507, 5601, 5602, 5022 Correspondence with ASIC regarding statutory forms
	Correspondence	Correspondence with petitioning creditor's solicitor re appointment General correspondence with stakeholders	
	Document maintenance/file review/checklist	Filing of documents File review Updating checklists	Filing of documents File review Updating checklists
	Bank account administration	Preparing correspondence opening accounts Bank account reconciliations Prepare receipts and payment vouchers	Bank account reconciliations Prepare receipts and payment vouchers Preparing correspondence closing accounts

Task Area	General Description		
	Insurance	Prepare initial correspondence with insurer regarding insurance requirements Correspondence with Insurance broker regarding ongoing insurance requirements	
	ATO and other statutory reporting	Notify ATO of appointment Liaising with ATO regarding request for documents Preparing BAS	Liaising with ATO regarding request for documents Preparing BAS
	Planning / Review	Discussions regarding status of administration	Discussions regarding status of administration
	Finalisation		Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP

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

National Freight Group Pty Ltd (In Liquidation)
ACN: 618 496 254
For the period 7 July 2025 to 5 October 2025

Staff Classification	Name	Hourly Rate ($, ex GST)	Assets		Creditors		Investigation		Administration		Total	
			Hrs	$	Hrs	$	Hrs	$	Hrs	$	Hrs	$
Principal	Peter Krejci	750.00	-	-	1.2	900.00	-	-	-	-	1.2	900.00
Principal	David Cocker	750.00	0.5	375.00	0.7	525.00	0.4	300.00	0.3	225.00	1.9	1,425.00
Senior Manager	Pauline Yeow	650.00	-	-	0.3	195.00	0.9	585.00	0.3	195.00	1.5	975.00
Supervisor	Ashleigh Roche	540.00	-	-	1.2	648.00	0.6	324.00	4.4	2,376.00	6.2	3,348.00
Supervisor	Joshua Coorey	540.00	1.6	864.00		-		-	-	-	1.6	864.00
Supervisor	Sayano Murayama	540.00	0.5	270.00	3.1	1,674.00	24.1	13,014.00	3.0	1,620.00	30.7	16,578.00
Senior 1	Sushma Mandira	480.00	-	-	4.3	2,064.00	4.4	2,112.00	1.6	768.00	10.3	4,944.00
Intermediate 2	Mustafa Kashif	300.00	-	-	0.9	270.00	1.0	300.00	12.7	3,810.00	14.6	4,380.00
Intermediate 2	Andrea Privado	300.00	-	-	-	-	14.9	4,470.00	-	-	14.9	4,470.00
Senior Administrator	Sarita Gurung	300.00	-	-	-	-	-	-	1.2	360.00	1.2	360.00
Senior Administrator	Tiarnan Teague	300.00	-	-	-	-	-	-	0.1	30.00	0.1	30.00
Total			**2.6**	**1,509.00**	**11.7**	**6,276.00**	**46.3**	**21,105.00**	**23.6**	**9,384.00**	**84.2**	**38,274.00**
										GST		**3,827.40**
										Total (incl GST)		**42,101.40**
Average rate per hour				**580.38**		**536.41**		**455.83**		**397.63**		**454.56**

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 7 July 2025 to 5 October 2025

"That the remuneration of the Liquidator, his partners and staff for the period 7 July 2025 to 5 October 2025, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator's Initial Report to Creditors dated 31 July 2025, be fixed and approved at $38,274.00 (excl. GST), and that the Liquidator be authorised to draw that amount."

Resolution 2: Liquidator's Remuneration for the period 6 October 2025 to Conclusion

"That the remuneration of the Liquidator, his partners and staff for the period 6 October 2025 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator's Initial Report to Creditors dated 31 July 2025 and approved to an interim cap of $40,000.00 (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 7 July 2025 to Conclusion

"That the Liquidator be allowed internal disbursements for the period 7 July 2025 to the conclusion of the Liquidation, at the rates of charge annexed to the Liquidator's Initial Report to Creditors dated 31 July 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 & Investments Commission, the Liquidator be approved to destroy the books and records of the Company at any time after the dissolution of the Company."

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

National Freight Group Pty Ltd
(In Liquidation)
ABN 61 618 496 254
ACN 618 496 254

Annexure "F"
Proposals Without Meeting Forms

NOTICE OF PROPOSAL TO CREDITORS

Dated: 7 October 2025 **Voting Poll Closes: 29 October 2025**

NATIONAL FREIGHT GROUP PTY LTD (IN LIQUIDATION)
ACN 618 496 254 ("Company")

Proposal No. 1 for creditor approval

"That the remuneration of the Liquidator, his partners and staff for the period 7 July 2025 to 5 October 2025, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator's Initial Report to Creditors dated 31 July 2025, be fixed and approved at $38,274.00 (excl. GST), and that the Liquidator be authorised to draw that amount."

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:** _____

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 **29 October 2025**, by email to Mustafa Kashif at mkashif@brifnsw.com.au. Should you have any queries in relation to this matter, please contact Mustafa Kashif on (02) 8263 2315.

BRI FERRIER
Suite 4 Level 26
25 Bligh Street
Sydney NSW 2000

NOTICE OF PROPOSAL TO CREDITORS

Dated: 7 October 2025 **Voting Poll Closes: 29 October 2025**

NATIONAL FREIGHT GROUP PTY LTD (IN LIQUIDATION)
ACN 618 496 254 ("Company")

Proposal No. 2 for creditor approval

"That the remuneration of the Liquidator, his partners and staff for the period 6 October 2025 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator's Initial Report to Creditors dated 31 July 2025 and approved to an interim cap of $40,000.00 (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:** _____

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 **29 October 2025**, by email to Mustafa Kashif at mkashif@brifnsw.com.au. Should you have any queries in relation to this matter, please contact Mustafa Kashif on (02) 8263 2315.

BRI FERRIER
Suite 4 Level 26
25 Bligh Street
Sydney NSW 2000

NOTICE OF PROPOSAL TO CREDITORS

Dated: 7 October 2025 **Voting Poll Closes: 29 October 2025**

NATIONAL FREIGHT GROUP PTY LTD (IN LIQUIDATION)
ACN 618 496 254 ("Company")

Proposal No. 3 for creditor approval

"That the Liquidator be allowed internal disbursements for the period 7 July 2025 to the conclusion of the Liquidation, at the rates of charge annexed to the Liquidator's Initial Report to Creditors dated 31 July 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 and certain disbursements 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 disbursements 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:** _____

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 **29 October 2025**, by email to Mustafa Kashif at mkashif@brifnsw.com.au. Should you have any queries in relation to this matter, please contact Mustafa Kashif on (02) 8263 2315.

BRI FERRIER
Suite 4 Level 26
25 Bligh Street
Sydney NSW 2000

NOTICE OF PROPOSAL TO CREDITORS

Dated: 7 October 2025 **Voting Poll Closes: 29 October 2025**

NATIONAL FREIGHT GROUP PTY LTD (IN LIQUIDATION)
ACN 618 496 254 ("Company")

Proposal No. 4 for creditor approval

"That subject to the consent of the Australian Securities & Investments 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

- The Liquidators must retain the books and records of the Company for a period of five (5) years from the end of the Liquidation.
- To minimise the costs of storage, we are able to destroy the books and records at any time after the end of the Liquidation, with the consent of Creditors and the Australian Securities and Investments Commission.

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:** _____

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 **29 October 2025**, by email to Mustafa Kashif at mkashif@brifnsw.com.au. Should you have any queries in relation to this matter, please contact Mustafa Kashif on (02) 8263 2315.

BRI FERRIER
Suite 4 Level 26
25 Bligh Street
Sydney NSW 2000

National Freight Group Pty Ltd
(In Liquidation)
ABN 61 618 496 254
ACN 618 496 254

Annexure "G"
ASIC Information Sheet – Proposals without a Meeting

Information sheet: Proposals without meetings

ARITA
AUSTRALIAN RESTRUCTURING INSOLVENCY & TURNAROUND ASSOCIATION

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

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

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

What is a proposal without a meeting?

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

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

What types of proposals can be put to creditors?

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

What information must the notice contain?

The notice must:

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

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

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

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

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

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

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

How is a resolution passed?

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

What happens if the proposal doesn't pass?

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

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

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

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

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

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

Where can I get more information?

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

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

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

National Freight Group Pty Ltd
(In Liquidation)
ABN 61 618 496 254
ACN 618 496 254

Annexure "H"
ASIC Information Sheet – Insolvency Information for Directors, Employees, Creditors and Shareholders

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.

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. We encourage you to seek your own professional advice to find out how the applicable laws apply to you, as it is your responsibility to determine your obligations.

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.

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.

Last updated: 06/03/2024 10:14

National Freight Group Pty Ltd
(In Liquidation)
ABN 61 618 496 254
ACN 618 496 254

Annexure "I"
ARITA Information Sheet – Offences, Recoverable Transactions and Insolvent Trading

Voluntary Administration Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading

ARITA
AUSTRALIAN RESTRUCTURING INSOLVENCY & TURNAROUND ASSOCIATION

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.

ARITA

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.