STATUTORY REPORT TO CREDITORS

JT JOINT SEALING PTY LTD (IN LIQUIDATION)

ACN: 661 834 439

ABN: 50 661 834 439

1 September 2026

PETER KREJCI
LIQUIDATOR

Phone: 02 8263 2333
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Postal: GPO Box 7079 Sydney NSW 2000
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INTRODUCTION

I refer to my initial report to creditors dated 30 June 2026 in which my appointment as Liquidator of the Company was advised along with your rights as a creditor in the liquidation.

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

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

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

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

- BRI Ferrier https://briferrier.com.au/

COMPANY DETAILS

Name	JT Joint Sealing Pty Ltd (In Liquidation)
Incorporated	19 August 2022
ACN	661 834 439
ABN	50 661 834 439
Registered Office	26 Holmes Drive Lower Portland NSW 2756
Trading Address	26 Holmes Drive Lower Portland NSW 2756

LIQUIDATOR

Name	Peter Krejci
Date Appointed	01 June 2026

ADMINISTRATION CONTACT

Name	Mustafa Kashif
Email	mkashif@brifnsw.com.au
Phone	02 8263 2315

TABLE OF CONTENTS

TABLE OF ANNEXURES

GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS	
ABN	Australian Business Number
ACN	Australian Company Number
Act	Corporations Act 2001 (Cth)
ARITA	Australian Restructuring Insolvency and Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
CBA	Commonwealth Bank of Australia
CL	Court Liquidation
Company	JT Joint Sealing Pty Ltd (In Liquidation) ACN 661 834 439
DEWR	Department of Employment and Workplace Relations
DCoT	Deputy Commissioner of Taxation
Director	Mr Joshua Clifford Turner
DIRRI	Declaration of Independence, Relevant Relationships & Indemnities
FEG	Fair Entitlements Guarantee
Firm	BRI Ferrier
iCare	Workers Compensation Nominal Insurer
Initial Report	Initial Report to Creditors dated 30 June 2026
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations) 2016
NSW	New South Wales
Petitioning Creditor	iCare
POD	Proof of Debt
PPSR	Personal Properties Securities Register
RBA	Running Balance Account
RBD	Relation Back Day
ROCAP	Report on Company Activities and Property
SGC	Superannuation Guarantee Charge

EXECUTIVE SUMMARY

As you are aware, I was appointed Liquidator of the Company on 1 June 2026 pursuant to an Order of the Supreme Court of NSW. The Petitioning Creditor in this matter is iCare in respect of an unsecured debt of $38,811.00 relating to outstanding 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 developments in this Liquidation. I provide hereunder a summary of my preliminary investigations into the affairs of the Company to date, the potential return for creditors and the conduct of the Liquidation over the past three (3) months.

As advised in my Initial Report, the Company was incorporated on 19 August 2022. Based upon investigations undertaken to date, it appears the Company operated a joint sealing business from Lower Portland, New South Wales. Mr Joshua Clifford Turner is the sole director and shareholder of the Company and has held that position since incorporation.

I did not trade on the business of the Company following my appointment. Based on the information available to me, it appears the Company had ceased trading prior to my appointment as Liquidator.

Since my appointment, I have made numerous attempts to obtain a completed Report on Company Activities and Property ("ROCAP") and the Company's books and records from the Director. Despite written correspondence, email communications and telephone contact attempts, the Director has failed to provide the requested information or otherwise assist the liquidation. I will shortly be reporting this matter to ASIC.

Notwithstanding the Director's lack of cooperation, I subsequently obtained access to the Company's Xero accounting records and additional banking information from third-party sources. I have only recently obtained access to the Xero management accounts and as such, some of my investigations and comments are preliminary in nature. The Xero records have assisted significantly with my investigations. From those records, I have determined that the bank account through which the Company appears to have conducted the majority of its trading activities was not one advised by the bank, and I make further comment in this regard below.

My investigations have identified a St George bank account held in the name of the Company. However, the account activity is limited, with only four deposits and corresponding withdrawals identified over approximately four years. The account does not appear consistent with the primary trading activities of the Company and further enquiries indicate that there may be a second bank account maintained by the Company.

The Xero records indicate the Company maintained a second bank account with St George Bank. I have contacted St George to confirm the status of the account, the account holder and if there are funds remaining in the account. The transactions recorded in Xero indicate that this is the account primarily utilised by the Company and indicates that the Company generated sales of approximately $377,987.72 in 2023, $838,511.72 in 2024 and $518,561.56 in 2025. They also record trade receivables of $276,561.50 and director loan accounts with a net debit balance of approximately $196,664.44. These balances remain subject to verification and assessment of recoverability. This is because the the main trading account has not been reconciled in Xero, and a number of transactions appear to have been incorrectly or inconsistently allocated. Accordingly, certain balances remain subject to verification.

A search of the Transport for NSW database indicates that the Company is or was the registered owner of the following vehicles, namely:

- 2023 Nissan Navara; and
- 2014 Fiat Freemont.

The Nissan Navara appears to have been disposed of during or around June 2025. Investigations regarding the circumstances of its disposal and the whereabouts of the Fiat Freemont remain ongoing, however limited information has been obtained to date.

In terms of liabilities presently known, I have received claims from:

- iCare for $38,811; and
- The Deputy Commissioner of Taxation for $12,686.59.

I have prepared and will shortly lodge a report with ASIC pursuant to section 533 of the Corporations Act 2001. Given the Director's failure to provide the ROCAP and Company records, together with the accounting and asset-related matters identified during my investigations, I consider there may have been breaches of the Act which warranted reporting to ASIC.

At this stage, I am of the opinion that asset realisations will be insufficient to enable a dividend to be declared to unsecured creditors. Ultimately, any return will depend upon the verification and successful recovery of the Company's accounts receivable, the Director Loan Account, motor vehicles and any other claims identified during my investigations. I make further comments in relation to the assets identified below.

Absent any new information becoming available, I anticipate the liquidation will continue for a further six to twelve months whilst investigations are finalised and statutory obligations are completed.

Should a creditor have any relevant information which may assist my investigations or potential asset recoveries or wish to fund my further investigations, they should contact my office by no later than **15 September 2026**. Otherwise, absent any substantive new information, the Liquidation may continue for the next six (6) to twelve (12) months.

1. BASIS OF REPORT

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

- ASIC;
- Bank statements obtained from St George Bank;
- Extracts from public information databases.
- Information provided by the Australian Taxation Office;
- Motor vehicle registration searches; and
- Company's Xero accounting records.

2. DISCLAIMER

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

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

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

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

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

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

3. DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS, AND INDEMNITIES

There are no amendments or updates to my previously circulated DIRRI.

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	JT Joint Sealing Pty Ltd (In Liquidation)
Registered Address	26 Holmes Drive Lower Portland NSW 2756
Principal Place of Business	26 Holmes Drive Lower Portland NSW 2756
Incorporation Date	19 August 2022
ABN	50 661 834 439
ACN	661 834 439

4.2 COMPANY OFFICE HOLDERS

Name	Position	App Date	Cease Date
Joshua Clifford Turner	Director/Secretary	19/08/2022	Current

4.3 SHAREHOLDINGS

Name	Share Class	No. of Shares	Fully Paid Up	Status
Joshua Clifford Turner	ORD	10	Yes	Current

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 of any current proceedings involving the Company.

6. COMPANY BACKGROUND AND EVENTS LEADING TO MY APPOINTMENT

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

- The Company was incorporated on 19 August 2022 and operated a joint sealing business from Lower Portland, New South Wales. The Company's Xero accounting records indicate that it traded during FY2023 to FY2025. However, because the principal trading account has not been reconciled and the Director has not provided supporting records, I have been unable to fully verify the extent of the Company's trading activities or when the Company may have ceased to trade.
- Mr Joshua Clifford Turner is the sole Director and shareholder of the Company and has held those positions since the Company's incorporation. ASIC records identify the Company's Registered Office and Principal Place of Business as 26 Holmes Drive, Lower Portland NSW 2756.
- On 1 June 2026, the Supreme Court of New South Wales ordered that the Company be wound up in insolvency and appointed me as Liquidator. The winding up application was brought by the Workers Compensation Nominal Insurer (iCare) in respect of unpaid workers compensation insurance premiums.
- Following my appointment, I made several attempts to contact the Director by telephone, email and correspondence sent to the addresses known to me. I also issued a Director's Information Pack requesting a completed Report on Company Activities and Property ("ROCAP") together with the Company's books and records. Despite these requests, the Director has failed to provide the requested information or otherwise meaningfully assist the liquidation.
- As a result of the Director's failure to cooperate, my investigations have been conducted primarily using records obtained independently from third parties, including the Company's Xero accounting records, banking information and statutory searches.

7. REASONS FOR FAILURE

The Director has failed to provide a completed ROCAP or the Company's books and records and has not otherwise meaningfully assisted the liquidation. Although I subsequently obtained access to the Company's Xero accounting records and banking information from third-party sources, the principal bank account utilised for trading has not been reconciled since March 2025 and supporting source documentation remains limited. Accordingly, the following comments remain preliminary and may be revised should further information become available.

Based on my investigations to date, I have identified the following factors which may have contributed to the Company's failure:

- Inadequate financial records and controls. Although Xero accounting records were obtained independently, the principal trading account has not been reconciled since March 2025 and certain transactions appear to have been incorrectly or inconsistently recorded. The Director has also failed to provide the ROCAP, source documentation and other records requested by me. These matters have restricted my ability to verify the Company's financial position and trading activities.
- Failure to comply with taxation obligations. My investigations indicate that the Company failed to lodge statutory returns since January 2025, including Business Activity Statements and

Income Tax Returns. As a result, the Company's taxation liabilities may be materially understated.

- Outstanding statutory liabilities. The Company was wound up following an application by iCare in respect of unpaid workers compensation insurance premiums. In addition, the Deputy Commissioner of Taxation has lodged a Proof of Debt for outstanding taxation liabilities, primarily relating to unpaid PAYG and GST liabilities. These liabilities indicate that the Company was unable to meet its statutory obligations as and when they fell due. There are also a number of outstanding lodgements dating from as early as January 2025.

- Poor financial management and reporting practices. Although I have obtained access to the Company’s Xero accounting records, my review indicates that the bank account through which the Company appears to have conducted the majority of its trading activities has not been reconciled. I have also identified transactions that appear to have been incorrectly or inconsistently allocated within the accounts. As a result, the Xero records may not accurately reflect the Company’s financial position and performance. These deficiencies are likely to have impaired the Director’s ability to properly monitor the Company’s financial affairs and respond to emerging financial difficulties.

Given the limited information available to me, I am unable to conclusively identify all factors that may have contributed to the Company's failure. My investigations remain ongoing and my findings may change should further information become available.

8. HISTORICAL FINANCIAL INFORMATION

I subsequently obtained access to the Company's Xero accounting records. The records provide financial information for FY2023 to FY2025, however the principal trading account has not been reconciled and the figures should therefore be treated with caution.

8.1 BALANCE SHEETS

The Company’s Xero accounting records contain comparative Balance Sheets for FY2023 to FY2026. The Balance Sheet as at 30 June 2026 records cash of $4,225.61, accounts receivable of $276,561.50, director loan accounts with a net debit balance of approximately $196,664.44, fixed assets of $18,784.35 and total liabilities of $126,235.79.

Whilst these balances provide an indication of the Company's reported financial position, I have identified that the bank account through which the Company appears to have conducted the majority of its trading activities has not been reconciled within Xero. In addition, a number of transactions appear to have been incorrectly or inconsistently allocated within the accounting records. Accordingly, I am unable to place complete reliance on the accuracy of the balances recorded in the Balance Sheet and further investigations remain ongoing.

8.2 PROFIT AND LOSS STATEMENTS

The Company's Xero accounting records contain Profit and Loss statements which record sales of $377,987.72 in FY2023, $838,511.72 in FY2024 and $518,561.56 in FY2025. The records also indicate a net loss of $23,947.70 in FY2023, followed by net profits of $329,495.88 in FY2024 and $64,451.93 in FY2025. Turnover decreased by approximately $319,950 between FY2024 and FY2025.

However, as noted above, the principal trading account identified by my investigations has not been reconciled within Xero and certain transactions appear to have been incorrectly allocated between accounts. As a result, I am unable to verify the accuracy of the Profit and Loss statements. Further that despite net profits being recorded in FY2024 and FY2025, the Company was not paying its workers compensation premiums and the running balance GST and PAYG liabilities were $65,875.90 (as at 30 June 2024) and $11,699.11 (as at 30 June 2025). Additionally, there were likely liabilities arising from the quarters ended 31 December 2024, 31 March 2025 and 30 June 2025, which are unquantified as a result of the Director failing to lodge these returns.

I am continuing to review the Xero records, bank statements and supporting information to determine the accuracy and recoverability of the balances recorded in the financial accounts .

9. CURRENT FINANCIAL POSITION

As previously advised, I have not received a completed ROCAP from the Director. Below is my analysis of the current financial position of the Company prepared utilising the information available to me and enquiries undertaken to date.

JT Joint Sealing Pty Ltd (In Liquidation)
ACN 661 834 439
ABN 50 661 834 439
Summary of Financial Position

	Report Reference	Book Value ($)	Liquidator's ERV ($)
Assets			
Cash and Cash Equivalents	9.1.1	4,225.61	Unknown
Accounts Receivables	9.1.2	276,561.50	Unknown
Director Loan Account	9.1.3	196,664.44	Unknown
Motor Vehicles (less depn)	9.1.4	12,272.10	Unknown
Total Assets		**489,723.65**	**Unknown**
Liabilities			
Petitioning Creditor's Costs	9.2.1	8,739	8,739
Secured Creditors	9.2.2	Nil	Nil
Priority Creditors	9.2.3	Nil	Nil
Unsecured Creditors	9.2.3	51,498	51,498
Total Liabilities		**60,237**	**60,237**
Net Position (Deficiency)		**429,486.65**	**(60,237)**

9.1 ASSETS

9.1.1 Cash and Cash Equivalents

Upon my appointment, I undertook enquiries with Australian financial institutions to identify any bank accounts maintained by the Company.

My initial investigations identified a bank account held with St George Bank in the Company's name. My review of the available bank statements identified only limited transaction activity, comprising approximately four (4) deposits and corresponding withdrawals of similar amounts over a period of approximately four years. The account activity did not appear consistent with the trading activities of an operating business and no material funds were held in the account as at the date of my appointment.

Subsequent investigations and review of the Company's Xero accounting records identified an additional bank account through which the Company appears to have conducted the majority of its trading activities. The Xero records report aggregate cash balances of approximately $4,225.61 as at 30 June 2026. I was not advised of this account by St George Bank, and I have sought clarification as to the account holder, the account’s signatory and if there were any substantial funds held as at the date of my appointment.

My review identified that the principal trading account has not been reconciled within Xero and a number of transactions appear to have been incorrectly or inconsistently allocated within the accounting records. Accordingly, I am unable to place complete reliance on the cash balances recorded in Xero and further investigations are required to verify the accuracy of the Company's reported banking position.

9.1.2 Accounts Receivables

The Company's Xero accounting records report accounts receivable of $276,561.50 as at 30 June 2026.

The Xero records disclose an invoice raised to Toyota Coffs Harbour in respect of the Nissan Navara, and a corresponding receipt of $50,000 bearing a narration referring to that vehicle. The timing of the receipt accords with the transfer of the vehicle recorded on the Transport for NSW database. It appears, accordingly, that this receivable has been satisfied and does not represent a recoverable asset of the Company. I am undertaking further enquiries to establish the application of the $50,000 received.

I intend to write to the other material debtors identified in the accounts receivable ledger to confirm whether any amounts remain owing and assess the recoverability of those balances.

I note that the accounts receivable ledger is significantly aged with invoices dating back as early as 31 March 2024.

Further, I have not been provided with any other supporting documents, apart from the invoices recorded on Xero accounts, which may hinder the recoverability of the debts comprising the balance. As a result, I am presently unable to determine the extent to which the accounts receivable are recoverable for the benefit of creditors.

My investigations into the accounts receivable balance remain ongoing and I will undertake further enquiries where considered appropriate to determine whether any recovery action is commercially viable.

9.1.3 Director Loan Account

My review of the Company's Xero accounting records identified director loan account balances comprising:

- Director Loan FY2024: $190,380.61;
- Director Loan FY2025: $6,438.47; and
- Director Loan FY2023:($154.64)

Accordingly, the Company's accounting records report a net receivable of $196,664.44.

My investigations identified that the Director utilised Company funds to record a range of transactions that appear to be personal in nature, including entertainment, meals and food-related expenditure, with those transactions recorded against the director’s loan account.

I am continuing to review the transactions comprising the director loan accounts to determine the accuracy of the balance and whether the recorded expenditure was incurred for the benefit of the Company. Given the material amount recorded, the Director Loan Account may represent a significant potential recovery in the liquidation.

Subject to completion of my investigations, I intend to issue a demand to the Director for any amount ultimately determined to be owing to the Company and will assess the commerciality of further recovery action having regard to the Director’s financial position. However, at this stage, recovery may be unlikely as I have been unable to contact the Director.

9.1.4 Motor Vehicles

The Balance Sheet records a motor vehicles at cost of $64,908.46 and accumulated depreciation of $52,636.36 giving a carrying value of $12,272.10.

A search of the Transport for NSW database identified two (2) motor vehicles previously registered in the Company's name:

- 2023 Nissan Navara; and
- 2014 Fiat Freemont (RedBook Value: $6,200).

As mentioned above, my investigations indicate that the Nissan Navara was disposed of around June 2025. During my review of the Company's accounting records, I have identified a receipt of $50,000 from Toyota Coffs Harbour which corresponds to an invoice raised to Toyota Coffs Harbour.

I have determined that the vehicle may be worth between $3,000 to $9,000. The current location of the Fiat Freemont is unknown. Further investigations are being undertaken to determine whether the vehicle is a realisable asset of the Company and whether it may be recovered for the benefit of creditors.

9.2 LIABILITIES

9.2.1 Petitioning Creditor Costs

The Petitioning Creditor's costs in respect to this matter were determined by the Court at a fixed amount of $8,739.44. Pursuant to Section 556(1)(b) of the Act, these costs are afforded a statutory priority over all other unsecured claims and costs incurred in the Liquidation, once expenses incurred in "preserving, realising or getting in" property of the Company are discharged.

9.2.2 Secured Creditors

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

Notwithstanding the above, any party asserting a security interest, lease interest or retention of title claim over Company property should contact my office as soon as possible.

9.2.3 Priority Creditors

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

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

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

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

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

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

FEG will not cover:

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

To obtain further information, DEWR may be contacted on 1300 135 040 or alternatively, please visit their website at: https://www.dewr.gov.au/fair-entitlements-guarantee

9.2.4 Unsecured Creditors

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

- The DCoT have advised of a debt owed to them in the amount of $12,686.59 relating to running balance account deficits. I note the DCoT have advised of significant outstanding lodgements, which if completed, will likely increase the Company's taxation liabilities.

- iCare have advised of a debt owed to them in the amount of $38,811.00 relating to unpaid insurance premiums.

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 it together with documentary evidence to support your claim.

10. INVESTIGATIONS

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

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

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

10.1 INVESTIGATIONS UNDERTAKEN

During the course of these investigations, I have:

- Reviewed creditor claims and information obtained from third parties;
- Obtained and reviewed the Company's Xero accounting records;
- Identified and commenced reviewing an additional trading bank account;
- Reviewed the accounts receivable ledger and Director Loan Account; and
- Reviewed available information regarding the disposal of the Nissan Navara.

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

Upon my appointment, I requested that the Director provide a completed ROCAP and all books and records of the Company. Despite numerous requests, the Director has failed to provide the ROCAP, supporting source documentation or any meaningful assistance to the liquidation.

Notwithstanding the Director's non-compliance, I subsequently obtained access to the Company's Xero accounting records and banking information from third-party sources. These records have assisted my investigations. However, the principal trading account has not been reconciled in Xero, certain transactions appear to have been incorrectly or inconsistently allocated, and supporting documentation remains limited.

Accordingly, it is my preliminary view that the Company may have failed to maintain adequate financial records in accordance with section 286 of the Act. This matter forms part of my reporting to ASIC.

10.3 RISK OF LITIGATION ACTIONS GENERALLY

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

Creditors should note that recovery actions:

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

10.4 PROVING INSOLVENCY

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

11. FINDINGS AND RECOVERY ACTIONS

11.1 INSOLVENT TRADING

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

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

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

Based on my investigations conducted to date, it is my preliminary view that the Company may have traded whilst insolvent for a period prior to my appointment however the unreconciled state of the accounting records and limited supporting documentation prevent me from determining the precise date on which insolvency commenced.

11.2 INDICATORS OF INSOLVENCY

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

- The Deputy Commissioner of Taxation has lodged a Proof of Debt in the amount of $12,686.59, primarily relating to unpaid PAYG and GST liabilities.

- The Company failed to lodge statutory returns, including Business Activity Statements and Income Tax Returns, since January 2025.

- Based on a review of the ATO’s running balance account, the Company appears to have been unable to satisfy its statutory obligations as and when they fell due from as early as November 2022.

- The Company did not meet its workers compensation obligations from August 2024 onwards.

- The Director has failed to provide books and records of the Company, limiting my ability to determine the Company's true financial position.

- The Company failed to maintain adequate financial records and information to enable reliable financial reporting and forecasting, with bank accounts unreconciled from as early as March 2025.

- The Company’s principal trading account was not reconciled in Xero, limiting the reliability of contemporaneous financial information available to the Director.

11.3 ASSESSMENT OF INSOLVENCY

In light of the above indicators, I am of the view that the Company may have traded whilst insolvent from as early as November 2022.

Notwithstanding the above, due to the absence of books and records, I have been unable to determine the date upon which the Company became insolvent or accurately quantify the extent of any insolvent trading claim.

11.4 POTENTIAL QUANTUM OF CLAIM

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

My preliminary investigations indicate that an insolvent trading claim may be valued at circa $51,497.59, based on proofs of debts received to date, as detailed below.

Insolvent Trading Calculation	Total Amount ($)
DCoT	12,686.59
iCare	38,811.00
Total	**51,497.59**

11.5 RECOVERY OF CLAIM

Whilst I have identified a potential insolvent trading claim, further investigations would be required to quantify the claim, assess the Director's financial position and determine whether recovery action would be commercially justified.

I have performed a land title search of the Director to determine if the Director would be in a position to meet any judgment debt should one be obtained. The search indicates that the Director does not own any real property in NSW.

Accordingly, I do not presently intend to pursue an insolvent trading claim. However, I may reconsider this position should additional information become available.

12. VOIDABLE TRANSACTIONS

Voidable transactions include transactions such as unfair preferences, uncommercial transactions, unfair loans, unreasonable director related transactions and circulating security interests created within six months before the relation-back day (**RBD**), which is the date the winding up application was filed against the Company, i.e. 29 April 2026.

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

12.1 UNFAIR PREFERENCES (588FA)

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

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

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

I am continuing to review the Company's banking records for the relevant period, including transactions processed through the principal trading account. At this stage, I have not reached a concluded view as to whether any payments may constitute unfair preferences.

12.2 UNCOMMERCIAL TRANSACTIONS (588FB)

A transaction is considered uncommercial if it is made at a time when the Company is insolvent, and it may be expected that a reasonable person in the Company's circumstances would not have entered into the transaction having regard to:

- The benefits or detriment to the Company of entering into the transaction; and
- The prospective benefits to other parties to the transaction.

Certain transactions recorded through the director loan account appear to relate to entertainment, meals and food-related expenditure of a personal nature. I am reviewing these transactions to determine whether they were incurred for the benefit of the Company or whether they more closely represent a claim against the Director as an loan. Given the likely overlapping debtor claim, I am likely to pursue any claim as a debit loan account rather than an uncommercial transaction.

12.3 UNFAIR LOANS (S588FD)

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

- Risk the lender is exposed to;
- Value of the security;
- Term;
- Repayment schedule; and
- Amount of loan.

I have not identified any payments that may be considered an unfair loan.

12.4 UNREASONABLE DIRECTOR RELATED TRANSACTIONS (S588FDA)

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

- The transaction is a payment, a conveyance, transfer or disposition of property, the issue of securities, or incurring of an obligation to make a payment, disposition, or issue by the Company.
- The transaction is to a director or close associate of the Director or for their benefit.

- A reasonable person in the Company's circumstances would not have entered into the transaction having regard to the benefit or detriment to the Company or other parties involved in the transaction.

My review of the Company's Xero accounting records identified director loan accounts with a net debit balance of approximately $196,664.44.

Similar to my comments above, given the likely overlapping debtor claim, I am likely to pursue any claim against the Director as a debit loan account rather than an unreasonable director related transaction.

12.5 CREDITOR-DEFEATING DISPOSITIONS (S588FDB)

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

I have not identified any transactions that may be considered a creditor-defeating disposition.

13.SUMMARY OF POTENTIAL OFFENCES

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

Breach	Commentary
s180—Failure to exercise due care and diligence (civil)	- Unable to satisfy superannuation owed to the Company's employees. - Failure to pay statutory debts including iCare premiums and DCoT. - Causing or permitting Company funds to be applied to transactions apparently personal in nature while statutory obligations remained outstanding.
s181(1)—Absence of good faith or proper purpose (civil)	- Transactions recorded through the Director Loan Account which appear to have been for the Director's personal benefit remain subject to investigation.
s182 - Use of Position	- Potential use of position to obtain a financial advantage through personal expenditure recorded against the Director Loan Account.
s475 – Failure to submit ROCAP to Liquidator s530A – Officers to help liquidator/Director's obligation to provide books and records	- The Director has failed to provide any books and records of the Company - The Director has failed to provide a ROCAP, detailing the Company's affairs.
S588G(2) - Trading whilst insolvent (civil)	- The insolvency of the Company is supported by the inability of the Company to adequately pay their iCare premiums

Breach	Commentary
	and DCoT debts as well as the reasons set out in Section 11.2 above.

14. 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, it is too early to determine whether a dividend will be available to creditors. Any return will depend primarily upon recoveries from the accounts receivable, Director Loan Account, motor vehicles and any claims identified in Sections 11 and 12 of this report, together with the costs of completing those recoveries.

15. RECEIPTS AND PAYMENTS

The receipts and payments up to the date of this report are attached as **Annexure B**.

16. REMUNERATION OF LIQUIDATOR

It is my intention to seek approval from creditors with respect to my current and future remuneration for the sum of $49,216.00 (plus GST) for the period 1 June 2026 to the conclusion of the Liquidation. Details of work completed for the period 1 June 2026 to 31 August 2026 and for future work to be completed are summarised in the Remuneration Approval Report attached as **Annexure E.**

I propose for creditors to determine my remuneration via proposals without meeting attached as **Annexure F**. The proposals without meeting provide a cost-effective method for the approval of my remuneration without the need to convene a formal meeting. Should creditors wish to vote on these resolutions, I request these forms be returned to my office by close of business, 23 September 2026.

If I receive a request for a meeting that complies with the guidelines set out in the creditor rights information sheet, I will hold a meeting of creditors. Please find attached **Annexure G** for information on Proposals Without a Meeting.

17. MATTERS OUTSTANDING

The outstanding matters in the administration are:

- Continue investigations into potential insolvent trading, breaches of director duties and voidable transactions;
- Finalise Investigations and submit Initial Statutory Report to ASIC;
- Correspondence with creditors;
- Statutory lodgements and general administrative matters; and
- Conduct finalisation procedures.

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 6-12 months.

18. CONCLUSION

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

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

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

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

- ARITA at www.arita.com.au/creditors ; 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,
JT JOINT SEALING PTY LTD (IN LIQUIDATION)

PETER KREJCI
LIQUIDATOR

BRI Ferrier

JT Joint Sealing Pty Ltd
(In Liquidation)
ACN 661 834 439
ABN 50 661 834 439

Annexure "A"
Proof of Debt Form

FORM 535
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidator of JT Joint Sealing Pty Ltd (In Liquidation) ACN 661 834 439

1. This is to state that the company was, on 1 June 2026 (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 the Corporations Act 2001. Please provide your email address below:

Contact Name: ____

Email Address: ____

DATED this………………day of……………………………………….2026

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.

JT Joint Sealing Pty Ltd
(In Liquidation)
ACN 661 834 439
ABN 50 661 834 439

Annexure "B"
Summary Receipts & Payments

Receipts and Payments Summary

Total receipts in prior period:	
Total receipts in current period:	
Total receipts to date:	
Total payments in prior period:	
Total payments in current period:	
Total payments to date:	
Net receipts (payments) to date:	

Cash and Investments Summary

Total cash and investments:	0.00

JT Joint Sealing Pty Ltd
(In Liquidation)
ACN 661 834 439
ABN 50 661 834 439

Annexure "C"
Comparative Balance Sheets

Profit and Loss

JT Joint Sealing Pty Ltd
For the year ended 30 June 2026

	2026	2025	2024	2023
Trading Income				
Interest Income	-	-	6.74	-
Sales	-	518,561.56	838,511.72	377,987.72
Total Trading Income	**-**	**518,561.56**	**838,518.46**	**377,987.72**
Cost of Sales				
Cost of Goods Sold	-	44,143.89	120,152.81	72,824.88
Total Cost of Sales	**-**	**44,143.89**	**120,152.81**	**72,824.88**
Gross Profit	**-**	**474,417.67**	**718,365.65**	**305,162.84**
Operating Expenses				
Bad Debt	-	4,000.00	-	-
Bank Fees	-	329.76	372.71	216.17
Bookkeeping	-	3,300.00	4,609.09	-
Cleaning	-	-	228.32	19.05
Consulting & Accounting	-	3,927.27	2,300.00	-
Credit Card Surcharge	-	-	5.30	-
Depreciation	-	-	54,436.10	20,675.67
Dividend Tax Shortfall	-	-	-	33,900.00
Dividends Paid	-	-	-	101,700.00
Entertainment	-	811.68	888.00	25.85
Filing Fees	-	-	403.00	-
Fines and Penalities	-	1,123.90	-	-
Freight & Courier	-	-	99.98	-
General Expenses	-	373.03	253.68	856.17
Income Tax Expense	-	-	-	23,009.00
Insurance	-	5,173.72	1,178.53	1,592.54
Interest Expense	-	2,937.38	3,433.25	-
Internet Expenses	-	1,175.57	260.57	243.64
Light, Power, Heating	-	490.02	289.48	-
Meals Away Travel	-	225.96	3,007.36	102.78
Motor Vehicle Expenses	-	15,481.51	29,476.70	23,355.53
Office Expenses	-	289.09	1,508.24	187.75
Professional Fees	-	-	300.00	-
Protective Clothing & Equipment	-	293.61	106.79	239.86
Rent	-	22,020.08	21,681.85	14,793.74
Repairs and Maintenance	-	-	59.85	-
Roundings	-	-	(0.52)	-
Sub Contractors	-	-	3,250.00	-
Subscriptions	-	568.19	1,484.73	531.85
Superannuation	-	36,215.96	19,666.09	8,995.56
Telephone & Internet	-	871.51	2,769.96	888.90

	2026	2025	2024	2023
Tolls Parking	-	567.81	2,250.48	245.92
Tools and Tool Replacement	-	43.53	1,088.47	238.50
Travel - National	-	1,024.31	5,287.47	1,307.23
Uniforms	-	154.84	5,275.84	775.84
Wages and Salaries	-	299,166.00	215,161.60	91,696.00
Waste Removal	-	-	186.33	145.45
Workers Compensation	-	8,625.22	5,058.76	3,329.81
Workshop	-	775.79	2,491.76	37.73
Total Operating Expenses	**-**	**409,965.74**	**388,869.77**	**329,110.54**
Net Profit	**-**	**64,451.93**	**329,495.88**	**(23,947.70)**

BRI Ferrier

JT Joint Sealing Pty Ltd
(In Liquidation)
ACN 661 834 439
ABN 50 661 834 439

Annexure "D"
Comparative Balance Sheets

Balance Sheet

JT Joint Sealing Pty Ltd
As at 1 June 2026

	1 JUNE 2026	30 JUNE 2025	30 JUNE 2024	30 JUNE 2023
Assets				
Bank				
Business Access Saver	0.48	0.48	0.48	-
JT Joint Sealing Pty Ltd	4,225.13	4,225.13	33,834.91	51,741.33
Total Bank	**4,225.61**	**4,225.61**	**33,835.39**	**51,741.33**
Current Assets				
Accounts Receivable	276,561.50	276,561.50	301,593.98	56,815.17
Directors Loan - FY 2023	(154.64)	(154.64)	(154.64)	(154.64)
Directors Loan - FY 2024	190,380.61	190,380.61	190,380.61	-
Directors Loan - FY 2025	6,438.47	6,438.47	-	-
Total Current Assets	**473,225.94**	**473,225.94**	**491,819.95**	**56,660.53**
Fixed Assets				
Accum Depreciation on Tools & Equipment	(20,254.68)	(20,254.68)	(20,254.68)	(5,307.49)
Computer Equipment	4,380.35	4,380.35	2,220.73	1,368.18
Less Accumulated Depreciation on Motor Vehicles	(52,636.36)	(52,636.36)	(52,636.36)	(14,000.00)
Less Accumulated Depreciation on Office Equipment	(2,220.73)	(2,220.73)	(2,220.73)	(1,368.18)
Motor Vehicles at Cost	64,908.46	64,908.46	52,636.36	14,000.00
Tools & Equipment	24,607.31	24,607.31	20,254.68	5,307.49
Total Fixed Assets	**18,784.35**	**18,784.35**	**-**	**-**
Total Assets	**496,235.90**	**496,235.90**	**525,655.34**	**108,401.86**
Liabilities				
Current Liabilities				
Accounts Payable	3,667.80	3,667.80	2,530.00	-
ATO - Franking Deficits Tax Ac	33,900.00	33,900.00	33,900.00	33,900.00
Child Support Liability	-	-	84.48	-
GST	24,671.36	24,671.36	27,187.19	5,165.02
ICA - ATO Integrated Client Account BAS	111,290.40	111,290.40	114,079.70	61,280.00
Income Tax Payable	(32,825.50)	(32,825.50)	23,009.00	23,009.00
PAYG Withholdings Payable	7,744.56	7,744.56	-	-
Rounding	0.47	0.47	0.50	(0.02)
Superannuation Payable	13,269.18	13,269.18	19,316.29	8,995.56
Superannuation SGC	11.86	11.86	-	-
Suspense	(900.00)	(900.00)	-	-
Wages Payable - Payroll	(20,517.42)	(20,517.42)	-	-
Total Current Liabilities	**140,312.71**	**140,312.71**	**220,107.16**	**132,349.56**
Non-current Liabilities				
Loan	(14,076.92)	(14,076.92)	-	-
Total Non-current Liabilities	**(14,076.92)**	**(14,076.92)**	**-**	**-**
Total Liabilities	**126,235.79**	**126,235.79**	**220,107.16**	**132,349.56**

	1 JUNE 2026	30 JUNE 2025	30 JUNE 2024	30 JUNE 2023
Net Assets	**370,000.11**	**370,000.11**	**305,548.18**	**(23,947.70)**
Equity				
Current Year Earnings	-	64,451.93	329,495.88	(23,947.70)
Retained Earnings	370,000.11	305,548.18	(23,947.70)	-
Total Equity	**370,000.11**	**370,000.11**	**305,548.18**	**(23,947.70)**

JT Joint Sealing Pty Ltd
(In Liquidation)
ACN 661 834 439
ABN 50 661 834 439

Annexure "E"
Remuneration Approval Report

Remuneration Approval Report

JT Joint Sealing Pty Ltd
(In Liquidation)

ACN: 661 834 439
ABN:50 661 834 439

("Company")

1 September 2026

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

I am asking creditors to approve my remuneration of $49,216.00 (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 $50,216.00 (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	1 June 2026 to 31 August 2026	$9,216.00	Provided in my Initial Remuneration Notice dated 30 June 2026	It will be drawn when approved and funds are available
Future Work	1 September 2026 to Conclusion	$40,000.00	Provided in my Initial Remuneration Notice dated 30 June 2026	It will be drawn when approved and funds are available, and it is incurred
TOTAL		$49,216.00 (excl. GST)		

Details of work completed for the period 1 June 2026 to 31 August 2026 and future work to be undertaken for the period 1 September 2026 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.

Details of actual resolutions sought are included at Schedule C for your information. These resolutions also appear in the Proposal Without 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	1 June 2026 to Conclusion	$1,000.00

Details of the disbursements incurred, and future disbursements are included at Schedule D. Actual resolutions sought are included at Schedule C for your information. These resolutions also appear in the Proposal Without Meeting forms 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	JT Joint Sealing Pty Ltd (In Liquidation)	**Period From**	1 June 2026	**To**	Conclusion
Practitioner	Peter Krejci	**Firm**	BRI Ferrier		
Administration Type	Court Liquidation				

		Tasks	
		Work already completed (excl. GST)	**Future work (excl. GST)**
Period		1 June 2026 to 31 August 2026	1 September 2026 to Conclusion
Amount to be approved (excl. GST)		$9,216.00	$40,000.00
Task Area	**General Description**		
Assets			**$8,000.00**
	Debtors		Reviewing and assessing debtors' ledgers Correspondence with debtors Liaising with debt collectors and solicitors
	Other assets		Correspondence with banks to obtain statements for the Company's closed bank accounts from incorporation to date of closure Preparing and issuing trace requests to banks to trace relevant payments to third-party recipients
Creditors		**8.0 hours** **$2,695.00**	**$4,000.00**
	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	Finalise and Issue Statutory Report to Creditors Finalise annexures supporting Statutory Report to Creditors Prepare further reports to creditors, if necessary
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend	Receipting and filing POD when not related to a dividend
	Proposal to Creditors		Preparing proposal notices and voting forms

Task Area	General Description		
			Forward notice of proposal to all known creditors Reviewing votes and determining outcome of proposal Preparation and lodgement of proposal outcome with ASIC
	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
Investigation		**13.7 hours** **$5,201.00**	**$20,000.00**
	Conducting Investigation	Preparing and issuing day one correspondence Preparing and issuing letter to Director regarding their obligations, ROCAP and requesting delivery of the Company's books and records Liaising with directors regarding operations Conducting and summarising statutory searches Conducting and summarising directorship searches Review of the Company's bank statements in detail to conduct investigations Review of the Company's accounting software Conducting searches and investigations in relation to Company vehicles sold prior to Liquidation	Correspondence with ASIC to receive assistance in obtaining reconstruction of financial statements, Company's books and records and Report on Company Affairs and Property Review of specific transactions and liaising with directors regarding certain transactions Preparation of investigation file Lodgement of investigation with the ASIC

Task Area	General Description		
		Review director loan ledgers Detailed investigations with respect to solvency position of the Company, identify potential voidable transactions and consider potential recovery actions to be taken Preparation of investigation file	
	Litigation / Recoveries		Internal meetings to discuss the potential recovery actions to be taken Discussions with the Director and his solicitors regarding recovery actions Attending to negotiations Attending to settlement matters
	ASIC reporting		Preparing statutory investigation reports, if required Preparing affidavits seeking non-lodgement assistance Liaising with ASIC
Administration		**4.3 hours** **$1,320.00**	**$8,000.00**
	ASIC Forms and lodgements	Preparing and lodging ASIC form 505 Preparing and lodging ASIC advert regarding notice of appointment	Preparing and lodging ASIC forms including 5601, 5022 Correspondence with ASIC regarding statutory forms
	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 Prepare payment vouchers	Bank account reconciliations Prepare receipts and payment vouchers Preparing correspondence closing accounts
	Insurance	Prepare initial correspondence with insurer regarding insurance requirements	

Task Area	General Description		
	ATO and other statutory reporting	Notify ATO of appointment	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)

JT Joint Sealing Pty Ltd (In Liquidation)
ACN: 661 834 439
For the period 1 June 2026 to 31 August 2026

Staff Classification	Name	Hourly Rate ($, ex GST)	Creditors Hrs	Creditors $	Investigation Hrs	Investigation $	Administration Hrs	Administration $	Total Hrs	Total $
Principal	Peter Krejci	750.00	0.5	375.00	0.5	375.00		-	1.0	750.00
Senior Manager	Pauline Yeow	650.00	0.2	130.00	1.6	1,040.00	0.2	130.00	2.0	1,300.00
Supervisor	Sayano Murayama	540.00		-	1.2	648.00		-	1.2	648.00
Senior 1	Sushma Mandira	480.00		-	0.1	48.00		-	0.1	48.00
Intermediate 2	Mustafa Kashif	300.00	6.0	1,800.00	7.6	2,280.00	2.4	720.00	16.0	4,800.00
Intermediate 2	Andrea Privado	300.00	1.3	390.00	2.7	810.00	0.4	120.00	4.4	1,320.00
Senior Administrator	Ashley D Souza	300.00	-	-	-	-	0.7	210.00	0.7	210.00
Senior Administrator	Tiarnan Teague	300.00	-	-	-	-	0.2	60.00	0.2	60.00
Junior Administrator	Phoebe Cummins	200.00	-	-	-	-	0.4	80.00	0.4	80.00
Total			**8.0**	**2,695.00**	**13.7**	**5,201.00**	**4.3**	**1,320.00**	**26.0**	**9,216.00**
									GST	**921.60**
									Total (incl GST)	**10,137.60**
Average rate per hour				**336.88**		**379.64**		**306.98**		**354.46**

SCHEDULE C – RESOLUTIONS

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

<u>Resolution 1: Liquidator's Remuneration for the period 1 June 2026 to 31 August 2026</u>

""That the remuneration of the Liquidator, his partners and staff for the period 1 June 2026 to 31 August 2026, calculated on a time basis in accordance with the rates of charge annexed to the Initial Report to Creditors dated 30 June 2026, be fixed and approved at $9,216.00 (excl. GST), and that the Liquidator be authorised to draw that amount as required."

<u>Resolution 2: Liquidator's Remuneration for the period 1 September 2026 to Conclusion</u>

"That the remuneration of the Liquidator, his partners and staff for the period 1 September 2026 to the conclusion of the Liquidation, calculated on a time basis in accordance with the rates of charge annexed to the Initial Report to Creditors dated 30 June 2026, be 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."

<u>Resolution 3: Liquidator's Internal Disbursements for the period 1 June 2026 to Conclusion</u>

"That the Liquidator be allowed internal disbursements for the period 1 June 2026 to the conclusion of the Liquidation at the rates of charge annexed to the Initial Report to Creditors dated 30 June 2026, up to an amount of $1,000.00 (excl. GST) and that the Liquidator be authorised to draw that amount as accrued."

<u>Resolution 4: Early Destruction of Books and Records</u>

"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

BRI Ferrier

JT Joint Sealing Pty Ltd
(In Liquidation)
ACN 661 834 439
ABN 50 661 834 439

Annexure "F"
Proposal Without Meeting Form

NOTICE OF PROPOSAL TO CREDITORS

Dated: 1 September 2026 **Voting Poll Closes: 23 September 2026**

JT JOINT SEALING PTY LTD (IN LIQUIDATION)
ACN 661 834 439
("the Company")

Proposal No. 1 for creditor approval

"That the remuneration of the Liquidator, his partners and staff for the period 1 June 2026 to 31 August 2026 be calculated on a time basis in accordance with the rates of charge annexed to the Initial Report to Creditors dated 30 June 2026, be fixed and approved at $9,216.00 (excl. GST), and that the Liquidator be authorised to draw that amount as required."

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

- A Liquidator is entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as 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 23 September 2026, 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
Level 26
25 Bligh Street
Sydney NSW 2000

NOTICE OF PROPOSAL TO CREDITORS

Dated: 1 September 2026 **Voting Poll Closes: 23 September 2026**

JT JOINT SEALING PTY LTD (IN LIQUIDATION)
ACN 661 834 439
("the Company")

Proposal No. 2 for creditor approval

"That the remuneration of the Liquidator, his partners and staff for the period 1 September 2026 to the conclusion of the Liquidation be calculated on a time basis in accordance with the rates of charge annexed to the Initial Report to Creditors dated 30 June 2026 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 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 **23 September 2026**, 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
Level 26
25 Bligh Street
Sydney NSW 2000

NOTICE OF PROPOSAL TO CREDITORS

Dated: 1 September 2026 **Voting Poll Closes: 23 September 2026**

JT JOINT SEALING PTY LTD (IN LIQUIDATION)
ACN 661 834 439
(“the Company”)

Proposal No. 3 for creditor approval

“That the Liquidator be allowed internal disbursements for the period 1 June 2026 to the conclusion of the Liquidation at the rates of charge annexed to the Initial Report to Creditors dated 30 June 2026, 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 liquidator.
- I am unable to pay 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 **23 September 2026**, 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
Level 26
25 Bligh Street
Sydney NSW 2000

NOTICE OF PROPOSAL TO CREDITORS

Dated: 1 September 2026 **Voting Poll Closes: 23 September 2026**

JT JOINT SEALING PTY LTD (IN LIQUIDATION)
ACN 661 834 439
("the 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

- 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, I am 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 **23 September 2026**, 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
Level 26
25 Bligh Street
Sydney NSW 2000

JT Joint Sealing Pty Ltd
(In Liquidation)
ACN 661 834 439
ABN 50 661 834 439

Annexure "G"
ARITA Information Sheet – Proposal Without Meeting

Information sheet: Proposals without meetings

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

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

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

What is a proposal without a meeting?

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

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

What types of proposals can be put to creditors?

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

What information must the notice contain?

The notice must:

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

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

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

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

ARITA

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").

For more information, go to www.arita.com.au/creditors.
Specific queries should be directed to the external administrator's office.

JT Joint Sealing Pty Ltd
(In Liquidation)
ACN 661 834 439
ABN 50 661 834 439

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

Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading

Offences

A summary of offences under the Corporations Act that may be identified by liquidators or administrators:

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) / 453F 475(9)) / 497(4) / 530A – 530B	Failure by directors to assist, deliver records and provide information.
438C(5) / 477(3) / 530B	Failure to assist, deliver up books and records and provide information.
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, or three months if a simplified liquidation process is adopted. 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.

**Must be greater than $30,000 for unrelated creditors in a simplified liquidation*

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 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 director may also be able to avail themselves of safe harbour, if they meet certain conditions.

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 external administration should be directed to the insolvency practitioner's office.

JT Joint Sealing Pty Ltd
(In Liquidation)
ACN 661 834 439
ABN 50 661 834 439

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

Insolvency information for directors, employees, creditors and shareholders

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

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

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

List of information sheets

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

Where can I get more information?

Further information is available from the ARITA website. The ARITA website also contains the ARITA Code of Professional Practice for Insolvency Practitioners.

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