



SHERIDANS
CHARTERED ACCOUNTANTS

TEN BELL RECORDS PTY LTD

(In Liquidation)

ACN 600 163 880

Formerly trading as Cue Sound

Report to Creditors

Section 70-40

Insolvency Practice Rules (Corporations) 2016

27 February 2026

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Enclosures

- (i) Proof of Debt or Claim form

1. Introduction

- 1.1 I refer to my appointment as Liquidator of the company on 28 November 2025 and to my Initial information for creditors dated 12 December 2025.
- 1.2 The purpose of this report is to provide creditors with an update on the progress of the liquidation in accordance with Section 70-40 of the Insolvency Practice Rules (Corporations) 2016 and to advise creditors of the likelihood of a dividend being paid in the liquidation.

2. Receipts and payments

The following is a summary of receipts and payments in the liquidation to date:

	\$
Receipts	
Cash on hand	2,800.00
Cash at bank	0.04
Interest income	1.70
	2,801.74
Payments	
Liquidator's fees	2,500.00
GST (net)	250.00
	2,750.00
Cash at bank as at 27 February 2026	51.74

3. Assets

- 3.1 The company's directors, Messrs Michael Fragomeni and Nicholas Gallagher, gave estimates in their Report on Company Activities and Property ("ROCAP") of potential realisations. Set out below is a comparison of this estimate with the Liquidator's estimate and actual realisations to date.

	Ref	ROCAP estimate \$	Liquidator's estimate \$	Liquidator's realisations to date \$
Cash on hand	3.2	3,000.00	2,800.00	2,800.00
Cash at bank	3.4	Nil	0.04	0.04
Plant & equipment	3.6	89,655.00	59,950.00	-
Sound effects library	3.9	Nil	Unknown	-
		92,655.00	62,750.04	2,800.04

Cash on hand

- 3.2 The company had sold various items of plant and equipment for cash both prior to and following the closure of the business in November 2024.
- 3.3 Mr Gallagher retained, on behalf of the company, \$2,800 of cash on hand from the sales. This amount has been received in full.

3. Assets (cont.)

Cash at bank

- 3.4 The company held three bank accounts with ANZ at the date of liquidation, with a total balance of \$0.04.
- 3.5 I have received this amount in full, and the accounts have since been closed.

Plant and equipment

- 3.6 The company's plant and equipment primarily comprised professional sound recording hardware, computers, televisions and furniture.
- 3.7 Initially following my appointment, the directors expressed an interest in acquiring some of the company's plant and equipment.
- 3.8 In order to save on selling and other costs associated with a sale on the open market, I have sought to negotiate with the directors regarding the sale of all the company's plant and equipment, and these negotiations are ongoing.

Sound effects library

- 3.9 The directors have advised that the company owns an extensive library of sound effect recordings and files associated with the company's business activities.
- 3.10 I am currently investigating the potential value of the library, and I will realise this asset if it is commercial to do so.

4. Secured creditors

I am not aware of any secured creditors.

5. Priority creditors

- 5.1 Set out below is the directors' estimate of the amount owed to the company's priority creditors compared to my estimate:

	ROCAP estimate \$	Liquidator's estimate \$
Superannuation	15,295.49	15,663.32

- 5.2 If you were an employee of the company at the date of liquidation, or you have previously been employed by the company, you may be a creditor of the company for any or all of the following debts: outstanding wages, annual leave, long service leave, pay in lieu of notice, redundancy and/or superannuation.

5. Priority creditors (cont.)

- 5.3 If you are owed accrued entitlements, you may be eligible for assistance under the Federal Government's Fair Entitlements Guarantee Act 2012 ("FEG"). For further information regarding FEG, please call the FEG hotline: 1300 135 040 or go to the website: www.employment.gov.au/fair-entitlements-guarantee-feg. **Former employees have only 12 months from the date of liquidation to lodge a FEG claim and FEG has no discretion to extend this time.**
- 5.4 Please find enclosed a Proof of Debt or Claim form to enable any priority creditors who have not already done so to lodge their claim against the company. Note that any FEG claim must be lodged separately with FEG.

6. Unsecured creditors

- 6.1 According to the directors' ROCAPs, the company had two unsecured creditors, whose claims totalled \$110,629.
- 6.2 On the basis of current information, I estimate that the total amount owed to unsecured creditors is \$141,762.
- 6.3 Please find enclosed a Proof of Debt or Claim form to enable any unsecured creditors who have not already done so to lodge their claim against the company.

7. Dividend

- 7.1 The likelihood that a dividend will be paid to creditors will be affected by a number of factors including:
- (i) The size and complexity of the administration.
 - (ii) The amount of assets realisable and the costs of realising those assets.
 - (iii) The statutory priority of certain claims and costs.
 - (iv) The value of various classes of claims including secured, priority and unsecured creditor claims.
 - (v) The volume of enquiries by creditors and other stakeholders.
- 7.2 On the basis of current information, I consider it unclear whether a dividend will be paid to priority creditors, and unlikely that a dividend will be paid to unsecured creditors.
- 7.3 If a dividend is payable, creditors will be contacted prior to payment of the dividend and will be asked to lodge a Proof of Debt. This will formalise creditors' claims against the company.

8. Reasons for the company's failure

- 8.1 I note that the company's business ceased to trade in or around November 2024.
- 8.2 From my preliminary inquiries to date (see Section 9), I consider that the reasons for the company's failure are likely to be as follows:
- (i) Inability to meet taxation liabilities.
 - (ii) Insufficient cashflow.
 - (iii) Significant health issues for one of the company's directors.

9. Inquiries undertaken to date

The following inquiries have been made to date:

- (i) Undertaking searches including a company search, PPSR search, vehicle search, director search and property search.
- (ii) Contacting the Sheriff's Office to determine whether any recovery action has been undertaken on behalf of creditors.
- (iii) Contacting the Child Support Agency and Workcover WA to determine the company's outstanding liabilities.
- (iv) Contacting the Office of State Revenue and the Australian Taxation Office ("ATO") to determine the company's outstanding tax-related liabilities.
- (v) Requesting that the ATO provide me with access to the company's taxation records via the Business Portal.
- (vi) Attending the company's premises for storage of its plant and equipment.
- (vii) Collecting and preparing a listing of the company's books and records.
- (viii) Reviewing the directors' Reports on Company Activities and Property.
- (ix) General inquiries of the company's directors regarding assets and liabilities.
- (x) Sending an initial notice to creditors, encouraging creditors to submit their claim against the company.

10. Further inquiries that may need to be undertaken

- 10.1 I note the following further inquiries may need to be undertaken:
- (i) Extensive review of the company's books and records.
 - (ii) Conducting an investigation into the company's affairs and the conduct of its officers.
 - (iii) Determining whether there are any possible recovery actions (see Section 11).
 - (iv) Lodging a report with ASIC detailing my investigation findings.
 - (v) Further inquiries of the company's directors regarding assets and liabilities.
- 10.2 If creditors are aware of a particular matter that requires investigation, please contact this office immediately.

11. Possible recovery actions

I have not yet determined any possible recovery actions but note that the most common recovery actions available to a liquidator are as follows:

- (i) Insolvent trading.
- (ii) Unfair preferences.
- (iii) Uncommercial transactions.
- (iv) Unreasonable director-related transactions.

12. What happens next?

12.1 I will proceed with the liquidation, including:

- (i) Realising the remaining assets.
- (ii) Recovering any further available property.
- (iii) Completing my investigations into the company's affairs.
- (iv) Completing my reporting to the corporate insolvency regulator, ASIC.

12.2 I may write to creditors again with further information on the progress of the liquidation.

13. More information

Creditors can access information which may be of assistance on the following websites:

- (i) Sheridans at www.sheridansac.com.au/downloads/
- (ii) ARITA at www.arita.com.au/creditors
- (iii) ASIC at www.asic.gov.au (search for "insolvency information sheets")

If you wish to discuss the above matters, please contact Shaun Carrington or Nicholas D'Alesio of this office.

Yours faithfully



JENNIFER E. LOW
Liquidator of
Ten Bell Records Pty Ltd