

## Company Insolvency- an Overview

Companies don't go bankrupt, they go into Liquidation. In some respects it's much the same.

If your company is in trouble, don't muck around. Get advice quickly and find out how its liquidation (bankruptcy) will affect you.

If you don't act quickly enough then some of the company's debt, particularly the debt for unpaid PAYG Withholding Amounts, can get you into serious financial trouble, as the Taxation Department has a mechanism whereby the directors can become personally liable just 14 days after they start chasing you.

The first point of contact when they start chasing you is the address shown in ASIC's records, so if you've not kept that address up to date, things could get quite nasty.

Click and read the sections on Directors Penalty Notices and ATO Garnishee Notices on this web site straight away, and if you are concerned, from wherever you are in Australia, ring me or email me straight away, 1300 794 492 (local call cost) or [alan@nichollsco.com.au](mailto:alan@nichollsco.com.au) and I'll be able to give you some advice.

I'm not trying to be smart or pushy here but honestly, a call to your tax accountant or solicitor may not give you the answers that you need. Over the years I've found that unless these people are solely in the bankruptcy and insolvency industry, they simply may not know the nuts and bolts of what to do and when to do it quickly enough to be of real help right now.

Hello, I'm Alan Nicholls and, as you'll read elsewhere on this website, although I am a Chartered Accountant, I am also a registered trustee in bankruptcy and a registered company liquidator. I give advice and assistance in those areas everyday of the week. I don't try and give tax or management advice because I know that I won't really know the answers.

If your company's in trouble and it can't pay its debts, don't continue to trade as there are laws about insolvent trading, so don't get yourself into strife there too. Give me a call, no obligation of course, and we'll have a chat about that too.

The liquidation (or winding up) of a company on a timely basis helps to minimize the personal exposure of the director as typically the longer an insolvency problem goes on for, the worse it gets, ultimately to the point that the director may have to become bankrupt. Timely liquidation of a company enables the directors to get back on their feet, to start again, and so be able to get on with their lives.

It may be that the directors may have to also face the prospect of having to go bankrupt too because they may also have a liability for things like personal guarantees given to unpaid suppliers when the company first started to do business with them, and personal guarantees given on leases for plant and vehicles and equipment, and for the lease of the business premises.

This leads to the worry about losing the house. Contrary to popular belief, that's not necessarily a foregone conclusion, so again, my suggestion is that you ring me on 1300 794 492 or email me on [alan@nichollsco.com.au](mailto:alan@nichollsco.com.au) and we'll see if anything can be done there.

The best website on bankruptcy is probably Fred Appleton's website at [www.fredappleton.com.au](http://www.fredappleton.com.au) and I suggest that you take time to check it out soon.

Fred was a Chartered Accountant for 30 years or so and in his own practice when, as he describes it, he tried to diversify his business interests and the wheels fell off, which forced him into bankruptcy. I'd dealt with him for some years, back to before that happened, and I use him as a consultant now on a regular basis.

Although I am NSW country based, if I can't personally help you because you are too far away from one of my four offices, then through my contacts and Fred's contacts, I will try to find a reputable firm of registered company liquidators or administrators closer to you, who can help you.

Through my offices at Dubbo, Bathurst, Tamworth and Lismore I personally operate roughly from the Queensland Sunshine Coast in the north down to the Melbourne area in the south, and throughout most of country NSW, including the Hunter region and the Central Coast.

I'll now try and give, through the separate sections of this website, an overview of two of your options, Voluntary Administration or a Company Liquidation, a brief note on bankruptcy, as well as an explanation of the ATO'S Director Penalty Notices and Garnishee Notices scenario.

So, don't hesitate to call me or email me , obligation free, from wherever you are in Australia if anything that you read on this website gives you reason to feel concerned. I'm at 1300 794 492 (local call cost only) and [alan@nichollsco.com.au](mailto:alan@nichollsco.com.au)

Thanks for reading this home page, I hope that it and the rest of this website, and Fred Appleton's website, gives you some peace of mind, and some hope that you can get out of debt, and so get back on your feet and on with your life.

Alan Nicholls