



Client / Matter

The clients were the former directors of an ASX listed telecommunications company which had been placed in liquidation. The former directors were indemnified by insurers.

Appointment

We were appointed by the former directors and the insurers to undertake a forensic accounting exercise in relation to the financial position of the company at the relevant times, the financial effect of the stated defences and to advise if and when the company became insolvent.

Issue

The liquidator was seeking to recover damages from the directors for insolvent trading. The former directors denied any wrongdoing.

Solution/Outcome

By investigating all relevant factors and considering the company's position at the relevant times (as opposed to using hindsight) we were able to demonstrate that the company became insolvent at a later date than that asserted by the liquidator.

Using our analysis, our client settled the matter on a realistic basis and for less than was originally claimed by the liquidator.