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**Panchamawat Pty Ltd (In Liquidation)  
ACN 155 391 576 (the Company)**

**Liquidator's Statutory Report to Creditors**

**Friday, 13 July 2018**

Cameron Crichton

Liquidator

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## Introduction

I refer to my initial correspondence to creditors dated 17 May 2018 in which I advised you of my appointment as liquidator on 20 April 2018 and your rights as a creditor in the liquidation.

The purpose of this report is to:

- Provide you with an update on the progress of the liquidation; and
- Advise you of the likelihood of a dividend being paid in the liquidation.

The Liquidator has relied on information provided from numerous sources to prepare the report, including:

- Discussions with the Director of the Company, Nongluk Panchamawat;
- Information available from public sources, such as the Australian Securities and Investments Commission (ASIC) and the Personal Property Securities Register (PPSR);
- The Company's FY15, FY16 and FY17 taxation records and financial statements.
- Discussions with the Company's Solicitor and Accountant

Whilst I have no reason to doubt the accuracy of any information, I have not performed an audit and reserve the right to alter my conclusions, should the underlying data prove to be inaccurate or change materially from the date of this report.

## Company Background

The Company was incorporated on 30 January 2012 and operated from 69-79 Boundary Street, South Brisbane, 4101, ("The Market West End" Shopping Centre Complex). From this premises, the Company ran a Thai restaurant under the trading name "Siam Sanram Thai" and a Thai café under the trading name "Siam Pung Coffee Shop House."

Investigations are still being undertaken into the sale of the restaurant, the appropriateness of the terms and the application of the sale proceeds. From the Director and Officer's questionnaire provided by the Director, I understand that the restaurant business may have been sold in January 2017.

The Director and Officer's questionnaire advises the café stopped trading once the Company defaulted on its lease, which I understand occurred around April 2017.

## Update on the progress of the liquidation

### Assets and liabilities

The Director of the Company is required to complete and provide to the Liquidator a statement about the Company's business, property, affairs and financial circumstances, also known as the Report as to Affairs (RATA). The RATA is a snapshot in time as at the date of my appointment of the assets and liabilities of the Company, disclosing book values and the Director's opinion on the estimated realisable value (ERV) for assets.

On 20 April 2018 a written request was issued to the Director to complete the RATA for the Company. On 14 May 2018, a follow up request was issued to the Director.

On 12 June 2018, the completed RATA was submitted by the director.



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Attached at Appendix A is an analysis of the assets and liabilities of the company, and a comparison to the RATA as provided by the Director. Other than advising of the quantum of debt owed to the ATO, the Director's RATA provided limited information on the financial position of the Company.

I have identified 14 former employees who could potentially be owed outstanding wages and superannuation. Investigations are still being undertaken as to the existence or quantum of this debt.

To date I have received one POD from the Australian Tax Office, detailing a claim of c\$240k.

To date my investigations have not identified any realisable assets for creditors.

***What happened to the business of the Company***

The Director has stated the following reasons for the Company's financial difficulties and the ultimate need to have the Company wound up:

- Insufficient sales volume; and
- Losses from café outweighed the profits from restaurant

My investigations into the affairs of the Company, confirm that the Company's difficulties were brought about by reasons identified by the Director. In addition, I also note the following potential additional issues:

- Poor financial control;
- Poor strategic management of the business;
- Non-payment of statutory debts; and
- Inadequate cash flow or high cash use.

**Receipts and Payments to date**

There have been no receipts and payments in the Liquidation to date.

**Actions Undertaken to Date**

Since appointment I have undertaken the following tasks:

- Contacted banks to request information regarding the Company;
- Advised identified creditors of my appointment;
- Issued correspondence to the director of the Company requesting copies of the books and records and completion of the Director's and Officer's Questionnaire and Report as to Affairs;
- Conducted searches with Queensland Department of Transport against the Company and the Director;
- Conducted a search of the Personal Property Securities Register against the Company;
- Conducted land and title against the Company, Director and related parties;
- Conducted ABR and ASIC current and historical organisation searches against the Company;
- Reviewed the Director's completed RATA and Questionnaire;
- Engaged with the Company's accountant and solicitor;
- Conducted investigations into the Company's tax returns and financial statements
- Commenced my investigations into matters affecting the Company;
- Complied with my statutory obligations (including preparation and distribution of this report)



## Investigations and possible recovery actions

### ***Investigations undertaken***

Based on the information available (detailed above) I have conducted investigations into the affairs of the Company prior to my appointment and any potential recovery actions that may be available for me to pursue.

My findings in relation to these investigations are detailed below. These investigations are ongoing and I reserve the right to undertake further additional enquiries should further information become available.

### ***Books and records***

Given that I have only been provided with the Company's 2015 to 2017 tax return and financial statements and a set of potentially incomplete income and expense statements, I do not believe that the director has maintained adequate books and records that correctly record and explain the Company's transactions, financial position and performance. The director may therefore have breached section 286 of the Act, which I am required to report to the ASIC.

### ***Insolvent trading***

It is my preliminary view (based on the available information) that the Company may have been insolvent up to 33 months prior to my appointment based on the following factors:

- The 2015-2017 financial statements in my possession indicate that the Company failed both the cash flow and balance sheet tests of insolvency in each financial year, accruing losses in most months;
- The Company's records indicate that it was not discharging its statutory debts as they fell due; and
- The Company's current ratio for financial year 2015 was less than 1 (0.46), meaning that it possibly did not have sufficient assets to discharge its liabilities as they fell due.

Further investigations are required to confirm a definitive date of insolvency and the quantum of debts incurred following that date that remain outstanding. Any debts that remain outstanding after the date of insolvency could form an insolvent trading claim against the director.

My ability to recover funds from an insolvent trading claim is predicated on the financial position of the director. The director has not been made bankrupt and a motor vehicle was in their name at the date of appointment, but searches have not revealed any real property assets in the director's name.

A decision on whether an insolvent trading claim will be pursued will be assessed on its merits following further investigations and progressed if appropriate.

### ***Voidable transactions***

From the limited information available I have not identified any recoverable unfair preference claims, uncommercial transactions and unfair loans within the relation period back date.

Further investigations will be undertaken should additional information be discovered.

### ***Report to the Australian Securities and Investment Commission ("ASIC")***

I have submitted my report to ASIC pursuant to section 533 of the Corporations Act 2001 (Clth), detailing the above findings.



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### ***Further inquiries to be undertaken***

I plan to undertake the following further investigations:

- Confirm a definitive date of insolvency and consider any potential insolvent trading claim.
- Further investigate the sale of the business;
- Complete any further reports to ASIC that may be requested by them.

## Likelihood of a dividend

At the current time, there is not expected to be sufficient funds to pay a dividend to priority or unsecured creditors. However, if this changes and I do declare a dividend, any creditor whose claim has not yet been admitted will be contacted and asked to submit a proof of debt. This formalises your claim in the liquidation and is used to determine all claims against the Company.

## Cost of the liquidation

As previously advised in my initial information to creditors, I have estimated that my total remuneration for the liquidation is between \$10,000 to \$20,000. Due to the lack of funds available to the Company, I will not be seeking remuneration approval at this stage.

## What happens next in the liquidation?

I will proceed with the liquidation, including:

- Recover any available property or debts
- Complete my investigations into the Company's affairs; and
- Complete my reporting to the corporate insolvency regulator, the Australian Securities and Investments Commission (ASIC)

If I receive a request for a meeting that complies with the guidelines set out in the initial information provided to you, I will hold a meeting of creditors. I may write to you again with further information on the progress of the liquidation.

I expect to have completed this liquidation within 6 – 12 months.

## Compliance with best practice

I confirm that this report complies with the requirements in the Insolvency Practice Rules (IPR), specifically IPR 70-40, as well as the statements of best practice issued by the Australian Restructuring Insolvency and Turnaround Association (ARITA) with regard to content of this report.

## What to do next

You should now:

- Complete and return your proof of debt

## Where can you get more information?

You can access information which may assist you on the following websites:

- ARITA at [www.arita.com.au/creditors](http://www.arita.com.au/creditors)
- ASIC at [www.asic.gov.au](http://www.asic.gov.au) (search for "insolvency information sheets").

Should you have any queries with respect to the above, you may also contact Benjamin Sanders of my office on +61 7 3222 0429 or via email on [benjamin.sanders@au.gt.com](mailto:benjamin.sanders@au.gt.com). There is also information about this liquidation on my firm's website.

Dated: Friday, 13 July 2018



Cameron Crichton  
Liquidator

### List of attachments

- Appendix A - Assets and Liabilities Comparison to RATA
- Appendix B - Proof of Debt Form (Form 535)

# Appendix A

## Assets and Liabilities comparison to RATA

	Item	Director's RATA		Liquidator's
		Book Value (\$)	ERV (\$)*	ERV (\$)
<b>Assets</b>				
	Interest in land	-	N/A	-
	Sundry Debtors	-	N/A	-
	Cash on hand	-	N/A	-
	Cash at bank	-	N/A	-
	Stock on hand	-	N/A	-
	Work in progress	-	N/A	-
	Plant and Equipment	-	N/A	-
	Other Assets	-	N/A	-
	Sub Total	-	N/A	-
	Assets subject to specific charges	-	N/A	-
	Less amounts owed to secured creditors	-	N/A	-
	Total Estimated Realisable Values	-	N/A	-
<b>Liabilities</b>				
	Employee Entitlements (superannuation)	-	N/A	Unknown
	Amounts owing to secured creditors	-	N/A	-
	Preferential claims ranked behind secured creditors	-	N/A	-
	Amounts owing to partly secured creditors	-	N/A	-
	Unsecured creditors	232,000	N/A	240,000
	Total amounts claimed	232,000	N/A	240,000
	<b>Estimated Surplus/ (deficiency)</b>	<b>(232,000)</b>	<b>N/A</b>	<b>(240,000)</b>

\*Director provided no ERV

# Appendix B

Proof of Debt Form (Form 535)



**FORM 535**

Subregulation 5.6.49(2)

*Corporations Act (2001)*

**FORMAL PROOF OF DEBT OR CLAIM  
(GENERAL FORM)**

To the Liquidator of Panchamawat Pty Ltd (In Liquidation)

1. This is to state that the company was on Friday, 20 April 2018 (*date of court order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up*), and still is, justly and truly indebted to:

\_\_\_\_\_ *(full name and address 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)*  
for \$ \_\_\_\_\_ and \_\_\_\_\_ cents.

Date	Consideration (state how the Debt arose)	Amount \$ c	Remarks (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 satisfaction or security for the sum or any part of it except for the following: (*insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form*).

Date	Drawer	Acceptor	Amount \$c	Due Date

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

.....  
Signature  
Occupation:  
Address

Dated

**Proof of Debt Reference:**

\*Do not complete if this proof is made by the creditor personally.