



SHERIDANS
CHARTERED ACCOUNTANTS

WARDAK PTY LTD

(In Liquidation)

ACN 620 824 615

ATF WARDAK UNIT TRUST

ABN 15 326 774 515

Report to Creditors

Section 70-40

Insolvency Practice Rules (Corporations) 2016

2 July 2024

Level 9, 40 St George's Terrace, Perth WA 6000
Telephone: (08) 9221 9339 Facsimile: (08) 9221 9340 Email: general@sheridansac.com.au
Website: www.sheridansac.com.au

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Enclosure

- (i) Proof of Debt or Claim form

1. Introduction

- 1.1 I refer to my appointment as Liquidator of the company on 10 April 2024 and to my Initial information for creditors report dated 8 May 2024.
- 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

There have been no receipts or payments in the administration to date.

3. Assets

- 3.1 In his Report on Company Activities and Property (“ROCAP”), the company’s director, Mr Suliman Rawi, advised that the company had no realisable property.
- 3.2 Based on current information, it appears that the company has no realisable assets. Therefore, the only expected realisation(s) in the administration will be from potential recovery actions (see Section 11).

4. Secured creditors

According to a search of the Personal Property Securities Register on 19 April 2024, there are no security interests registered against the company.

5. Priority creditors

- 5.1 The director did not disclose any priority creditors of the company in his ROCAP.
- 5.2 In my administration of the company to date, I have not identified any priority creditors of the company.
- 5.3 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.
- 5.4 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.**
- 5.5 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 The director failed to disclose any unsecured creditors of the company in his ROCAP.
- 6.2 On the basis of current information, I have identified one unsecured creditor, being Safa Auto Parts Pty Ltd (In Liquidation) (“Safa”), which is owed \$501,440.
- 6.3 Safa is a related entity of the company, by virtue of Mr Rawi being a director of both entities.
- 6.4 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 (not including assets which are held on trust).
 - (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 any class of creditor of the company. Any future dividend will be wholly reliant upon any future recovery action (see Section 11).
- 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 on or around 23 June 2023.
- 8.2 From my preliminary inquiries to date (see Section 9), I consider that the reason for the company’s failure was the sale of the company’s property at 26 Furniss Road, Landsdale WA 6065 (“the property”) in June 2023 at apparent under value.
- 8.3 As a result of the sale of the property:
 - (i) The company no longer had a source of income.
 - (ii) The funds received from the sale of the property were insufficient to pay the company’s outstanding debt to Safa.

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) Collecting and preparing a listing of the company's books and records.
- (vii) Reviewing the company's financial statements and draft accounts to determine whether there are any unaccounted for assets and/or liabilities.
- (viii) Reviewing the director's Report on Company Activities and Property.
- (ix) General inquiries of the company's director regarding assets and liabilities.
- (x) Sending an initial notice to creditors, encouraging creditors to submit their claim against the company.
- (xi) Submitting an initial statutory report to the corporate insolvency regulator, ASIC.

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 further report with ASIC detailing my investigation findings, if appropriate.
- (v) General inquiries of the company's director 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

- 11.1 I have identified a potential recovery action, being an uncommercial transaction and/or an unreasonable director-related transaction.
- 11.2 The transaction is prima facie the sale of the company's property in June 2023 for less than market value.
- 11.3 I am currently conducting investigations into the sale of the property, to determine whether a voidable transaction has occurred, and to determine the recoverability of any funds in this regard.
- 11.4 Aside from the identified recovery action, I note that the most common recovery actions available to a liquidator are as follows:
- (i) Insolvent trading.
 - (ii) Unfair preferences.
 - (iii) Uncommercial transactions.
 - (iv) Unfair loans.
 - (v) Unreasonable director-related transactions.

12. What happens next?

- 12.1 I will proceed with the liquidation, including:
- (i) Realising any assets (if applicable).
 - (ii) Recovering any available property.
 - (iii) Completing my investigations into the company's affairs.
 - (iv) Submitting a further report to ASIC (if applicable).
- 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
Wardak Pty Ltd