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22 January 2020

To the creditor as addressed

Dear Sir or Dear Madam

**SAK Coffee Pty Ltd (In Liquidation) ATF SAK Coffee Unit Trust T/As Coffee Club
Batemans Bay ACN 153 626 361 (the "Company")**

As you are aware, I was appointed Liquidator of the Company on 25 October 2019.

Please find enclosed a copy of the Statutory Report to Creditors, dated 22 January 2020.

Please contact my office should you require further information.

Yours faithfully

Ezio Senatore
Liquidator

Date of Appointment: 25 October 2019
Contact name: Ezio (Eddie) Senatore
Contact number: (02) 6100 3435
Email: hello@eddiesenatore.com

Encl: Statutory Report to Creditors



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**SAK Coffee Pty Ltd
(In Liquidation)
ATF SAK Coffee Unit Trust
T/As Coffee Club Batemans Bay
ACN 153 626 361
(the “Company”)**

**Statutory Report by Liquidator
Insolvency Practice Rules (Corporations) 70-40**

22 January 2020



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1. Executive Summary

1.1 Appointment

I, Ezio (Eddie) Senatore of Eddie Senatore Advisory, Registered Liquidator, Unit 2, 16 Bougainville Street, Griffith ACT 2603 was appointed Liquidator of the Company on 25 October 2019.

I hereby submit the following report as required, Pursuant to Rule 70-40 of the *Insolvency Practice Rules (Corporations) 2016* (“IPR”).

You are welcome to contact me to discuss any aspect of this liquidation.

1.2 Purpose of Report

This report is provided in accordance with Rule 70-40 of the IPR. The purpose of this report is to provide creditors with information on:

- The progress of the liquidation;
- The estimated assets and liabilities of the Company;
- The inquiries I have made to date;
- Further inquiries needed to be made;
- What happened to the business of the Company;
- The likelihood of a dividend being paid to creditors; and
- Any possible recovery actions.

1.3 Progress of Liquidation

This report has been prepared based on my investigations including a review of the Company’s financial information. Whilst I have endeavoured to determine the accuracy or otherwise of the information provided, I am unable to warrant the accuracy, completeness or reliability. I reserve the right to alter any conclusion or recommendation in this report on the basis of further information that may become available.

A brief overview of the steps I have taken in this liquidation is provided below:

- Opened a liquidation bank account;
- Contacted all banks in order to secure Company funds held in any bank account;
- Liaising with Company’s bankers in regard to existing and opening new bank accounts;
- Review of general insurance requirements;
- Discussions with the Company’s directors;



- Notified service providers to advise of appointment of the liquidator and cease all services in the name of the Company;
- Received and reviewed proofs of debt;
- Corresponded with various State and Territory Government agencies;
- Searched personal property securities (PPS) registered on the PPS Register (PPSR)
- Corresponded with PPS holders registered on the PPSR;
- Lodgements and notifications of appointment with relevant statutory bodies;
- Preparation and dissemination of initial circular to creditors;
- Preparation of creditor updates and correspondence to creditors;
- Bank reconciliations;
- Company, individual and land title searches;
- Sought and obtained the books and records of the Company from various parties;
- Examined the Company's books and records that have been provided in detail;
- Liaising with the Company's accountant and directors in order to seek information regarding the Company's affairs;
- Examined the Company's books and records to determine if there are any recoveries pursuant to Part 5.7B of the Act, which includes unfair preference action, insolvent trading action against the directors and potential uncommercial transactions and/or unreasonable director related transactions;
- Undertook a preliminary insolvency analysis to determine if the Company traded whilst insolvent;
- Examined the Company's books and records to determine if there are undisclosed assets of the Company; and
- Initial examination of the Company's affairs to determine if the directors have complied with their obligations.

1.4 Receipts and Payments

A summary of my receipts and payments are attached in **Appendix A**.

1.5 Summary of Initial Investigations

I have identified transactions which warrant further investigations and currently in the process of finalising my investigations. My investigations have confirmed that the Company traded whilst insolvent from at least 30 June 2015, if not earlier.

1.6 Remuneration

The quantum of remuneration sought is consistent with my previous remuneration advice dated 31 October 2019.

1.7 Next Steps

To progress the liquidation, the following matters will be undertaken as next steps:

- Liaising with the directors in respect to queries concerning the Company's affairs;
- Finalise inquiries in respect of potential voidable transactions under Part 5.7B of the Act;
- Completing ongoing statutory obligations; and



- Preparation and dissemination of progress reports to creditors.

2. Meeting of Creditors

If I receive a request for a meeting complying with the guidelines set out in the initial information provided to you, I will hold a meeting of creditors. Otherwise, and pending further progress of my investigations into the affairs of the Company, I do not intend to call a meeting of creditors at this time.

3. Company Background

3.1 History of the Company

Detailed below is information regarding the Company obtained from the ASIC searches as at the date of my appointment.

Company Details

Information	Details
Commencement Date	1 May 2014
Registered Office	Bates & Pickering Level 1, 11 Fitzroy Street Forrest Australian Capital Territory 2603
Principal Place of Business	65 Mackenzie Street Hackett Australian Capital Territory 2606

3.2 Directors and Officers

Detailed below is information regarding the directors and secretaries of the Company obtained from the ASIC searches as at the date of my appointment.

The following directors are disclosed:

Director	Appointment Date	Cease Date (if applicable)
Sarah Elizabeth Jennett	7 October 2011	Current
Kelly Maree Woodland	7 October 2011	Current

The ASIC database indicates the following Secretary of the Company:

Director	Appointment Date	Cease Date (if applicable)
Sarah Elizabeth Jennett	7 October 2011	Current



3.3 Security Interests

A search of the Personal Property Security Register ("PPSR") indicates a security interest registered against the Company. This will be further discussed in section 3.7 of this report.

3.4 The Business of the Company

The Company commenced operations on 7 October 2011, the Company's registered office was at Bates & Pickering, Level 1, 11 Fitzroy Street, Forrest Australian Capital Territory 2603 and the Company's principal place of business was 65 Mackenzie Street, Hackett Australian Capital Territory 2606.

The business of the Company was a coffee shop trading through a franchise, The Coffee Club. The business of the Company was sold prior to my appointment on 16 November 2018. After the business of the Company was sold, the Company ceased to trade.

3.5 Events leading up to Liquidation

The directors stated the reason the Company ceased to trade was due to the business of the Company being sold, resulting in the Company ceasing to operate.

A review of the Company's financial statements indicates that the Company was experiencing cash flow issues, with the Company experiencing both losses and balance sheet deficiencies from FYE 2015 to the date the business of the Company was sold, due to increasing operating costs.

The Company did report profits after the business of the Company was sold, however the profits are due to funds being received from the sale of business and not a result of trading.

3.6 Books and Records

Failure to maintain books and records may be relied upon by a liquidator in an application for compensation for insolvent trading and other actions for recoveries pursuant to Division 2 of Part 5.7B of the Act.

The Company's books and records have been received and in my opinion, given the size and nature of the business operated by the Company, it appears that the Company's books and records are adequate to comply with section 286 of the Act.

3.7 Report on Company Activities and Property (ROCAP)

A ROCAP provides information on the financial position of the Company as at the date of appointment of a liquidator. This is completed by a company's director. I confirm the directors of the Company have completed a ROCAP.

Should any creditor wish to inspect or obtain a copy of the ROCAP please contact me.

The directors advised in their ROCAP that the business of the Company was sold prior to my appointment.



A summary of the assets and liabilities of the Company is as follows:

Summary of Assets and Liabilities

Details	Directors SoA	Estimated Realisable Value
	\$	\$
Assets		
Cash At Bank	2,052	-
Other Assets	30,000	30,000
Total Assets	32,052	30,000
Liabilities		
Priority Creditors	46,440	46,440
Accounts Payable	46,438	62,510
Total Liabilities	\$92,878	\$78,950
Estimated surplus / deficiency	(\$60,826)	(\$78,950)

Assets

Cash at Bank

As at the date of my appointment correspondence was sent to all banks requesting details of any bank accounts.

My inquiries indicate the Company operated a bank account with the Australian and New Zealand Banking Corporation ("ANZ").

The ANZ have not yet advised any details in relation to the bank accounts held with the ANZ, however the directors provided a bank statement confirming the Company's bank account was in overdraft in the amount of \$24,805.57.

No other bank accounts in the name of the Company have been identified to date.

Cash on hand

The directors Summary of Affairs ("SoA"), detailed no cash on hand held by the Company as at the date of my appointment.

A review of the Company's balance sheet as at the date of my appointment indicated that the Company had cash on hand in the amount of \$10.

As this amount is minimal, no further investigation will be conducted in relation to this amount.



Sale of Business

Prior to my appointment the business of the Company was sold as a going concern, for the amount of \$150,000 to an unrelated entity, with \$90,000 being received in cash and the balance of \$60,000 being paid pursuant to a vendor finance agreement.

I have determined the sale to be a commercial sale, as the Company's assets as at the date of the sale of business, as per the internally prepared financial statements were valued at \$109,406.09, with the business of the Company not making a profit since FYE 2014, indicating that the sum received was a commercial amount.

As at the date of my appointment, there was approximately, \$30,000 including interest, still payable by the purchaser, to be paid to the ANZ pursuant to the vendor finance agreement, which was to be paid in equal monthly payments of \$2,687.50.

A review of the PPSR as at the date of my appointment, indicated that the ANZ did not register their security interest in relation to the vendor finance agreement on the PPSR.

I subsequently wrote to the ANZ requesting that these funds be remitted to the Company in liquidation, as these were funds being received from the sale of the Company's assets and that they did not register their security interest in relation to the vendor finance agreement on the PPSR.

To date, I have received a total of \$10,750 from the ANZ, being the funds received from the purchaser from the date of my appointment to the date of this report, pursuant to the vendor finance agreement, with the balance of funds to be received from the purchaser over the course of the next 8 months.

Interest in Land

The directors SoA indicated that the Company had no Interest in land as at the date of appointment.

Land title searches in the all the States and Territories of Australia were conducted and confirm that the Company has no interest in land as at the date of my appointment.

No further investigation will be conducted in relation to the Company's Interest in land.

Liabilities

Priority Creditors

As at the date of my appointment the directors advised there was \$46,440.67 owing to priority creditors relating to outstanding superannuation.

In the event of a dividend, this amount will be further investigated.



Secured Creditors/PPSR

The Coffee Club (Properties) Pty Ltd, The Coffee Club (NSW) Pty Ltd, The Coffee Club (VIC) Pty Ltd And The Coffee Club Franchising Company Pty Ltd ("The Coffee Club")

A review of PPSR as at the date of my appointment, indicated that the Company had a single registered security interest by four (4) different parties, being;

- The Coffee Club (Properties) Pty Ltd;
- The Coffee Club (NSW) Pty Ltd;
- The Coffee Club (VIC) Pty Ltd; and
- The Coffee Club Franchising Company Pty Ltd

Correspondence was sent to abovementioned secured parties as at the date of my appointment advising of my appointment as liquidator of the Company.

To date no response has been received.

Unsecured Creditors

The directors advised as at the date of my appointment that unsecured creditors of the Company were owed a total of \$46,438.

My inquiries to date indicates a total of 10 unsecured creditors totalling \$62,510 are owed by the Company, details of which are below:

Unsecured Creditor	Amount \$
Australia And New Zealand Banking Group	24,805
Australian Taxation Office	16,071
Bates & Pickering	9,900
Origin Energy	3,643
Lion Drinks & Dairy	3,193
Climate Control	2,155
Bunzl	1,571
Alsco	859
Zoo Media	163
Ecolab	145
Total	\$62,510



Deficiency Analysis

A deficiency analysis has been undertaken.

Based on the information provided by the directors and from my inquiries to date, I estimate the net deficiency (loss) to creditors to be approximately \$108,950, before the costs of the liquidation.

This deficiency is calculated as follows:

Summary of Assets and Liabilities

Details	Directors SoA	Estimated Realisable Value
	\$	\$
Assets		
Cash At Bank	2,052	-
Other Assets	30,000	30,000
Total Assets	32,052	30,000
Liabilities		
Priority Creditors	46,440	46,440
Accounts Payable	46,438	62,510
Total Liabilities	\$92,878	\$108,950
Estimated surplus / deficiency	(\$60,826)	(\$78,950)

The deficiency can be explained as follows:

Deficiency Of Assets To Liabilities		\$78,950
Accumulated Years Losses		
Financial Year Ending	Amount	Accumulated
	\$	\$
June 2015	(45,915)	
June 2016	(34,832)	
June 2017	(38,298)	
June 2018	(45,212.53)	
June 2019	57,761.29	
25 October 2019	-	(\$106,496)



Detail	Book Value \$	Estimated Realisable Value \$	Total \$
Total Accumulated Years Losses			(\$106,496)
Assets			
Cash on Hand	10	-	
Cash at Bank	1,208	-	
Coffee Club Vouchers	288	-	
Sale of Business Proceeds	-	30,000	
Difference between ERV and Book Value	\$1,507	\$30,000	\$28,493
Adjusted Accumulated Years Losses			(78,003)
Deficiency of Assets to Liabilities			78,950
Variance			(\$947)

As seen from the above, the deficiency to creditors appears to relate to trading losses incurred by the Company from June 2015 to the date of appointment.



3.8 Historical Financial Performance

The following is a summary of the Company's financial position from FYE 2017 to the date of my appointment:

Comparative Balance Sheets				
	As at 25 October 2019	Internally Prepared FYE 2019	Internally Prepared FYE 2018	Externally Prepared FYE 2017
	\$	\$	\$	\$
Trust Funds				
Settlement Sum	10	10	10	10
Accumulated Profits (Losses) B/F	(150,349)	(150,349)	(105,137)	(66,839)
Profit Earned This Year	89,354	89,354	(45,212)	(38,298)
Total Trust Funds	(60,985)	(60,985)	(150,339)	(105,127)
Assets				
Current Assets				
Cash on Hand	10	10	10	10
Cash at Bank	(24,232)	(24,232)	7,463	7,165
Eftpos Clearing Account	(6,971)	(6,971)	-	-
Vendor Finance Allvel Group	60,000	60,000	-	-
Online Saver	18	18	18	97
Payments In Advance	-	-	-	2,537
Gift Vouchers	288	288	288	710
Stock On Hand	5,120	5,120	5,120	4,540
Electronic Clearing Account	1,190	1,190	-	-
Total Current Assets	35,422	35,422	12,900	\$15,059
Non -Current Assets				
Plant & Equipment	241,615	241,615	241,615	241,615
Less: Accumulated Depreciation	(145,324)	(145,324)	(145,324)	(145,324)
Goodwill	10,000	10,000	10,000	10,000
Total Non-Current Assets	106,291	106,291	106,291	\$106,291
Total Assets	141,714	141,714	119,192	\$121,350
Liabilities				
Current Liabilities				
Loan Tuggeranong Store	63,034	63,034	47,400	29,600
Trade Creditors	21,923	21,923	56,227	48,204
Other Creditors	16,275	16,275	19,287	57,737
Beneficiary Entitlements	-	-	-	(90,126)
GST Collected/Paid	(8,616)	(8,616)	6,260	7,062
PAYG Withholding	-	-	4,677	-
Superannuation Payable	47,261	47,261	46,804	-
Unpaid Entitlements Barr FT	(77,976)	(77,976)	(77,976)	-
Unpaid Entitlements Jennett FT	(13,148)	(13,148)	(7,148)	-
Suspense	5,124	5,124	-	-
Total Current Liabilities	53,876	53,876	95,531	\$52,477
Non-Current Liabilities				
ANZ Loan #6762 200038	148,822	148,822	174,000	174,000
Total Non-Current Liabilities	148,822	148,822	174,000	174,000
Total Liabilities	202,699	202,699	269,531	\$226,477
Net Assets/(Deficiency)	(60,985)	(60,985)	(150,339)	(\$105,127)



The Company's financial performance from FYE 2017 to FYE 2019 is summarised as follows:

Detail	Internally Prepared FYE 2019	Internally Prepared FYE 2018	Externally Prepared FYE 2017
Revenues	343,806.58	1,013,506.40	966,164
Other Revenue	160,363.64	-	3,377
Less: Costs	107,053.28	291,329.91	253,997
Gross Profit	396,116.94	722,176.49	715,544
Less Expenses	339,355.65	767,389.02	753,842
Net Profit	57,761.29	(45,212.53)	(38,298)
Gross Profit Ratio	37.72%	42.51%	47.77%
Net Profit Ratio	(29.84%).	(0.04%)	(0.04%)

I provide the following explanation in relation to the ratios detailed in the table above;

The gross profit ratio is a profitability ratio that shows the relationship between gross profit and total net sales revenue. It is a popular tool to evaluate the operational performance of a business.

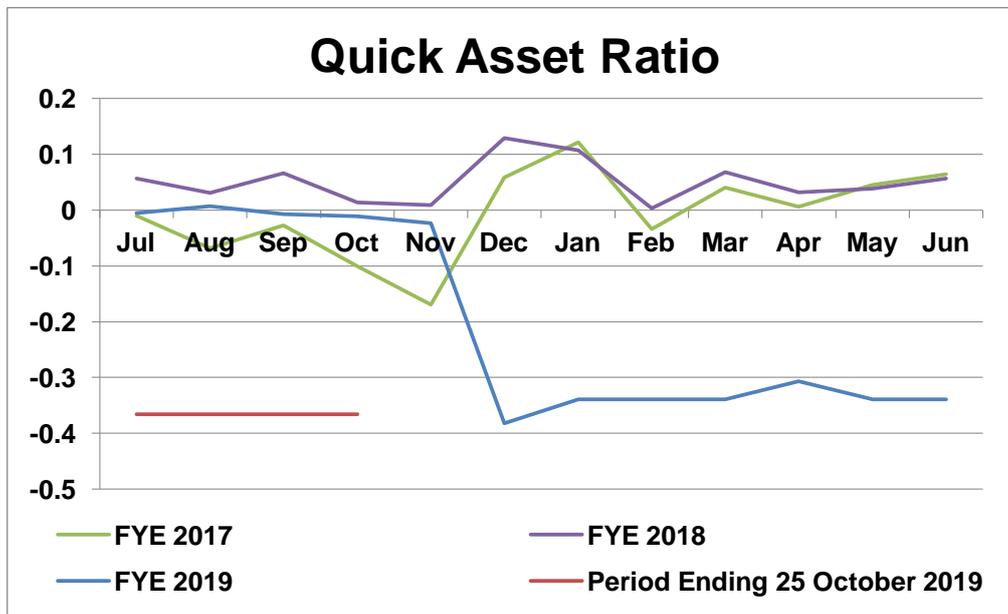
The net profit percentage is the ratio of profits to net sales. It reveals the remaining profit after all costs of production, administration, and financing have been deducted from sales.

A good target for gross profit ratio is 50%; and a good target for net profit ratio is above 10%.

As seen from the above table, the Company's gross profit ratio was below 50% for all the financial years, and the Company's net profit ratio was also well below 10%, which appears to be the reason for the failure of the Company, as the Company's expenses were greater than the Company's profit, and the Company's business kept carrying losses year on year until it was eventually unable to continue trading and was sold.



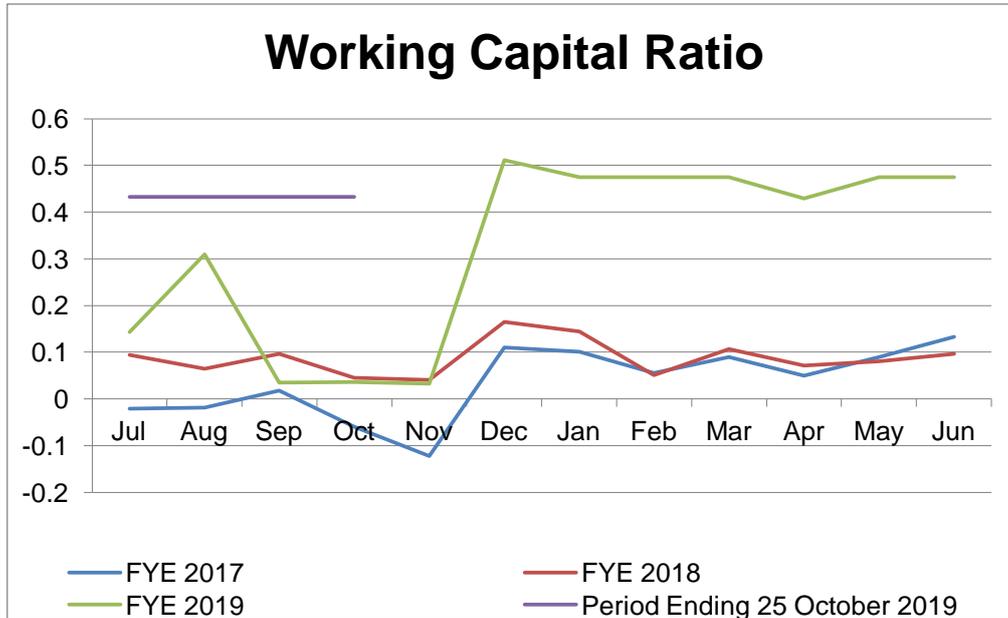
A summary of the Company's key financial indicators is set out below.



The quick asset ratio is a liquidity ratio that measures the ability of a company to pay its current liabilities when they become due with only quick assets, being cash, cash equivalents, short-term investments, marketable securities, and current accounts receivable.

A company with a quick asset ratio of 1 indicates that a company could pay off its current liabilities without selling any long-term assets.

As seen from above, the Company's quick asset ratios were well below 1 during from FYE 2017 to the period ending 25 October 2019, indicating the Company's inability to pay of its creditors during FYE 2017 to the period ending 25 October 2019.



The working capital ratio is a measure of a business's liquidity, revealing whether a business can pay its obligations. The ratio is the relative proportion of an entity's current assets to its current liabilities, and shows the ability of a business to pay for its current liabilities with its current assets.

A company with a working capital ratio of 1 indicates that current assets equal current liabilities and shows the Company's ability to pay off its current liabilities without selling any long-term assets.

A review of the Company's working capital ratios, as seen from the above graph, indicates that for each month from the start of FYE 2017 to the period ending 25 October 2019 that the Company's working capital ratio was never above 1. It can be seen that trading was relatively consistent year to year and the Company was showing no signs of improvement.

The only time the Company managed to have a working capital ratio above 0.35 was when the business of the Company was sold in November 2018.

4. Asset Realisations

Attached as **Appendix A** is a summary of my receipt and payments. To date, I have recovered an amount of \$10,750 of the \$30,000 still owing from the purchaser of the business, with the remaining amount to be received over the course of the next 8 months.

5. Investigations

5.1 Overview

As liquidator, I am required to investigate the affairs of the Company. The purpose of these investigations is to identify matters which require a more detailed review, as well as



determining any causes of action (legal claims) and other potential sources of recovery, such as loan accounts, that might be available for the benefit of creditors of the Company.

I am also required to lodge a report pursuant to section 533 of Act where it appears that any past or present officer of the Company may have committed an offence or where a dividend to unsecured creditors of less than 50 cents in the dollar is paid.

I have considered whether there are transactions where money, property or other benefits may be recoverable as liquidator under Part 5.7B of the Act. These are discussed further below.

I have undertaken an investigation of the affairs of the Company in relation to suspected contraventions of sections 180 - 184 of the Act regarding the general duties of directors and officers. At this stage I have not found any contraventions.

5.2 Approach to Preliminary Investigations

From my preliminary investigation, I have:

- Identified, reviewed and analysed financial and other information; and
- Undertaken searches of various publicly available databases, including ASIC and PPSR.

5.3 Voidable Transactions

As the Company has been placed into liquidation, certain transactions may be investigated and recovered by me. Recovery of any voidable transaction may be expensive and likely to require Court applications and litigation. As such, should there be inadequate funds available, or I consider it uncommercial or not in the creditors' best interests, such recovery actions may not be commenced.

In these circumstances, creditors wishing to fund any such actions may do so. Should any funds be recovered from these actions, the creditors providing the funding may be entitled to receive their contribution in priority to other creditors.

Litigation insurance or litigation funding may also be available to fund potential actions.

However, such funding is generally only available where legal advice indicates that there is a strong likelihood for a successful outcome.

I provide the following information in relation to voidable transactions:

Unfair Preferences Payments (Section 588FA)

My investigations into the affairs of the Company have included the review of payments from the Company's bank account in the six months leading up to my appointment as liquidator which could be considered preferential in nature and recoverable.



I have identified a potential unfair preference to the ANZ for the amounts received from the vendor finance agreement, prior to my appointment, that I will be pursuing, however I am still conducting my inquiries in relation to unfair preferences and will update creditors in the event I make a recovery that has a material effect on the outcome of the liquidation.

Uncommercial Transactions (Section 588FB)

As you are aware the Company's business was sold prior to my appointment.

As discussed previously, my review of the sale of business agreement indicates that it is a commercial transaction.

Arrangements to Avoid Employee Entitlements (Section 596AB)

I have not identified any transactions of this nature.

Circulating Security Interests Created Within Six Months (Section 588FJ and FL)

A search of the PPSR reveals no circulating security interests created in the six (6) months prior to the relation back day.

Unreasonable Director-Related Transactions (Section 588FDA)

I have not identified any unreasonable director related transactions to date.

Unfair Loans (Section 588FD)

My investigations have not identified any unfair loans.

5.4 Insolvent Trading

Directors can be held personally liable for the debts of a company in certain circumstances.

The Act provides that directors owe a duty of care not to incur debts at a time when a company is insolvent or would become insolvent by incurring the debt (section 588G of the Act). If there are reasonable grounds for suspecting that a company would become insolvent, then a director can be held personally liable for any debts incurred after that time.

The Act provides that a liquidator may seek to recover compensation for such debts incurred from the directors of a company.

I advise pursuing claims for insolvent trading are often drawn out and involve significant cost.

Creditors should also be aware any successful claim may be set-off by a director against amounts due to that individual by way of unsecured advances or loan accounts. In this regard, I note that no directors are owed money by the Company.



Defences

The Act provides a number of possible defences to Directors to a claim for insolvent trading. These defences are:

- At the time a debt was incurred, a director had reasonable grounds to expect and did expect the company was solvent and would remain solvent if it incurred that debt and any other debts that it had incurred at that time.
- At the time the debt was incurred, a director had reasonable grounds to believe and did believe that a competent and reliable person was responsible for providing information about the company's solvency and that person was fulfilling that responsibility.
- A director through illness or some other good reason were not taking part in the management of a company at the time the debt was incurred.
- The directors took all reasonable steps to prevent a company from incurring the debt.
- The directors took a 'safe harbour' course of action that resulted in a better return to creditors than immediately entering into external administration.

Timing of Insolvency

The Act states a company is considered to be solvent if, and only if, the company is able to pay its debts as and when they become due and payable. A company that is not solvent is insolvent. Accordingly, the test for insolvency is not a balance sheet test but rather a cash flow test.

Results of Investigations

My investigations indicate that the Company has been trading whilst insolvent from at least FYE 2015, if not earlier, as this is when the Company started to experience trading losses and balance sheet deficiencies, which occurred right up until the business of the Company was sold.

Further Inquiries

The following further inquiries will be undertaken to finalise my investigations and determine whether any recovery actions should be taken:

1. Finalising my inquiries into preferential transactions;
2. Finalise my inquiries into insolvent trading; and
3. Finalise my inquiries into uncommercial transactions.



Funding of Further Investigations

In relation to pursuing voidable transactions, including insolvent trading, money for the recovery of such actions would come from the assets of the Company. If there were insufficient funds from the assets of the Company, alternative options are:

- Funding by creditors - if funding was received from creditors, section 564 of the Act provides the Court with the power to make orders in favour of creditors who have provided an indemnity for costs of litigation or costs of the liquidator, where those creditors may be given an advantage over other creditors in consideration of the risk assumed by creditors. An advantage may include the distribution of some or all of the net proceeds from that action that was funded to the creditor that provided the funding or indemnity in priority to creditors with whom that creditor would normally be ranked.
- Funding from a litigation funder - a litigation funder is an organisation that provides funds for the pursuit of legal actions. The funding typically covers the costs of lawyers, barristers and the external administrator and provides an indemnity for any adverse cost order if the legal action is unsuccessful. A litigation funder only takes on actions that it considers have a high probability of success and are likely to result in a substantial return. The agreement with the litigation funder usually provides for a substantial amount of any return to be paid to them.
- ASIC's Assetless Administration Fund – this fund finances preliminary investigations and reports by liquidators into the failure of companies with few or no assets, where it appears that enforcement action may result from the investigation and report. A particular focus of the fund is to curb fraudulent phoenix activity. This fund is subject to certain limitations and will not be available in this liquidation.
- Fair Entitlements Guarantee (FEG) Recovery Program – this program provides funding for pursuing recovery proceedings, including litigation, to increase assets available to creditors in the winding up where there have been amounts advanced under FEG. I have reviewed the criteria and do not consider that an application for funding would be successful and accordingly, I do not intend to make an application.

Any creditor willing to fund any recovery action is requested to contact me.

5.5 Offences

On my examination of the Company's affairs to date I have not identified any offences committed by the officers of the Company.

5.6 Limitation of Investigations

The opinion outlined above is based on investigations undertaken by my office into the Company's affairs, business and financial position. My investigations have been based on the following information:

- Representations of the Directors;



- The details of the Company's assets and liabilities;
- The books and records of the Company; and
- Publicly available searches.

5.7 Offences in Relation to the Companies – Section 533

Any offences committed by the Directors will be included in my report to ASIC under section 533 of the Act.

6. Likelihood of a Dividend

At this stage of the liquidation there will be no dividend paid in this liquidation. However, this is subject to the outcome of any recoveries from antecedent transactions.

7. Outstanding Matters

The following matters still need to be completed and further inquiries made, prior to the finalisation of the liquidation:

- Collect balance owed from vendor finance;
- Finalise investigations into voidable transactions; and
- Finalise investigation regarding insolvent trading.

It is expected that the liquidation will be completed within the next 9 months, due to funds still to be recovered from the sale of the Company's assets, which are received monthly. However, completion may be delayed if any of the following occur:

- Delay in funds being received from purchaser of the business;
- Recovery actions are pursued; or
- ASIC commences litigation against an officer of the Company, including a Director.

8. Further Information Available to Creditors

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding liquidations and insolvency. This information is available from ARITA's website at www.arita.com.au.

ASIC provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at www.asic.gov.au/insolvencyinfosheets.



If further information becomes available on the progress of the liquidation, I may distribute a further report to creditors.

Creditors requiring further information regarding the liquidation can contact me.

Yours faithfully

Ezio Senatore
Liquidator

Date of Appointment: 25 October 2019
Contact name: Ezio (Eddie) Senatore
Contact number: (02) 6100 3435
Email: hello@eddiesenatore.com

Appendices

Appendix A - List of receipts and payments



Appendix "A"



SAK Coffee Pty Ltd (In Liquidation)
ACN 153 626 361
Summary of Liquidator's Receipts and Payments
To 22 January 2020

Receipts	Total (AUD) \$
Sale of Business	10,750
Total	10,750

Payments	Total (AUD) \$
-	-
Total	-

Cash At Bank As At 22 January 2020	10,750
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Ezio Senatore
Liquidator