



**Pasminco Limited (In
Liquidation)
ACN 004 368 674**

**Pasminco Finance Limited (In
Liquidation)
ACN 007 289 296**

(the Companies)

Statutory Report by Liquidator

4 September 2024

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Glossary

Abbreviation	Description
ACN	Australian Company Number
Act	The Corporations Act 2001
ARITA	Australian Restructuring Insolvency & Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
Companies	Pasminco Limited (in Liquidation) and Pasminco Finance Limited (in Liquidation)
Department	Department of Jobs and Small Business
ERV	Estimated Realisable Value
FEG	Fair Entitlements Guarantee
FY	Financial Year
GST	Goods and Services Tax
RBA	Running Balance Account
RATA	Report as to Affairs

1 Introduction

I refer to my appointment as Deed Administrator to the Companies on 4 October 2002 and to the Report to Creditors dated 15 May 2024.

On 6 June 2024, creditors resolved, pursuant to 75-40 of Insolvency Practice Schedule (Corporations) of the Act, to terminate the deed of company arrangement executed by the Companies and that the Companies be wound up under s445E of the Act and John Lindholm be appointed as Liquidator of the Companies.

I now take this opportunity to report to you on the following matters relating to the liquidation of the Companies:

- An update on the progress of the liquidation;
- The results of my investigations into the Companies' affairs; and
- The likelihood of a dividend being paid in the liquidation.

This report should be read in conjunction with the information contained in my previous Report to Creditors dated 15 May 2024.

My investigations have confirmed that there is no prospect of a return for any class of creditor.

2 Current position

Since my appointment as Liquidator, the following matters have been attended to:

- Arrangements for the preparation of final tax returns;
- Ongoing attendance to queries received in regard to Workers Compensation claims;
- Preparation of liquidation statutory reports for Pasmenco Limited and Pasmenco Finance Limited;
- Ongoing payment of costs incurred; and
- Attendance to various statutory lodgements.

3 Investigation into the Companies' affairs

My report pursuant to Section 533 of the Act on the outcome of my investigation into the affairs of the Companies will be filed with ASIC shortly.

Creditors should refer to the previous Deed Administrators' Reports for details on the Administrators' investigations. The following provides an update on our detailed investigations into the affairs of the Companies.

3.1 Books and records

Section 286 of the Act requires a company to keep written financial records that correctly record and explain the company's transactions, financial position and performance and would enable true and fair financial statements to be prepared. The financial records must be retained for a period of seven years after the transactions covered by the records are completed.

The failure to maintain books and records in accordance with Section 286 provides a rebuttable presumption of insolvency which might be relied upon by a Liquidator in an application for compensation for insolvent trading.

Based on my review of the books and records received, I am of the opinion that the Companies' books and records were maintained in accordance with Section 286 of the Act.

3.2 Voidable transactions

3.2.1 Unfair preferences

Section 588FA of the Act gives the Liquidator the power to recover certain transactions that have had the effect of conferring a priority, preference or advantage to the creditor within six months of the commencement of the winding up (the relation back period).

From the information available to me I have not identified any transactions which would constitute unfair preference payments.

3.2.2 Uncommercial transactions

Section 588FB of the Act requires the Liquidator to investigate transactions which may be deemed to be uncommercial, having regard to the detriment to the Companies (if any) suffered as a consequence of the transaction in the period two years prior to the appointment.

In addition, Section 588FDA of the Act refers to “unreasonable director-related transactions” and requires the Liquidator to investigate such transactions, having regard to the detriment to the Companies (if any) suffered as a consequence of the transaction.

From the information available to me I have not identified any transactions which would constitute uncommercial transactions or unreasonable director-related transactions.

3.2.3 Unfair loans

Section 588FD of the Act requires investigations of transactions which may be deemed to be unfair loans to the Companies. A loan to the Companies is considered to be unfair if and only if, interest on the loan is extortionate, or the charges in relation to the loan were extortionate.

From the information available to me I have not identified any transactions which would constitute unfair loans to the Companies.

3.2.4 Voidable transactions – related parties

Section 588FE(4) of the Act requires investigations of transactions which may be deemed to be insolvent transactions with a related party entered into within 4 years of the commencement of the winding up.

From the information available to me I have not identified any transactions which would constitute voidable transactions with related parties.

3.3 Insolvent trading

Section 588G of the Act provides that directors are obliged to prevent a company from:

- Incurring a debt whilst insolvent; or
- Becoming insolvent by incurring a debt.

If a contravention of Section 588G can be established, then Section 588M empowers a Liquidator (or a creditor under certain circumstances) to recover compensation from a director for any loss or damage suffered as a consequence of any such contravention.

From the information available to me I have not identified any transactions which would constitute insolvent trading against the Companies’ former Directors.

4 Return to creditors

My investigations to date have concluded that there will be insufficient funds in the liquidation to permit the payment of a dividend to any class of creditor.

5 Conclusion

The following matters will continue to be progressed:

- Lodgement of the final tax returns;
- Ongoing attendance to queries received in regard to Workers Compensation claims;
- Completing my reporting to ASIC;
- Payment of costs incurred; and
- Various statutory lodgements and finalisation tasks.

At this stage I do not anticipate that I will write to you again unless any additional information becomes available that otherwise alters the information contained in this report.

Should you have any questions, please contact Hannah McConalogue of this office on 03 9288 6461 or hannah1@kpmg.com.au.

Dated this 4th day of September 2024



John Lindholm
Liquidator