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Restaurant liquidator says crises are common

Kathy Sundstrom | 19th Dec 2013 6:00 AM



FRANTIC brides-to-be have been chasing their deposit as auditors crunch numbers after the financial collapse of Montegos Bar and Restaurant at Kawana.

Sunshine Coast solvency firm Worrells has confirmed it had been appointed as voluntary liquidator on November 11 after the business was no longer able to pay its debts.

Sadly, it is not a unique situation on the Coast.

Liquidator and bankruptcy trustee Paul Nogueira said Worrells Sunshine Coast was fielding between 10 and 20 inquiries a week from business owners struggling to make ends meet.

This year alone, Worrells, the largest insolvency firm on the Coast, managed about 220 insolvencies, Mr Nogueira said.

He said it was a common theme across the greater Sunshine Coast and inquiries were coming across all industries. He said it was primarily in response to a lot of pressure from the Australian Taxation Office in respect of unpaid debt.

"This is a major factor which is forcing people to contact us," Mr Nogueira said.

He said the ATO was the reason why the owners of Montegos finally had to call for help.

The number of creditors owed money will not be determined until early in 2014.

But Mr Nogueira encouraged all people who believed they were owed money to contact the office.

He said a primary cause of business insolvency was failing to adequately do cash flow budgets.

"Make sure you have enough working capital," he said.

"Before you get into a business, do those budgets, have a business plan and make sure it is viable.

"So many people jump in head-first, hoping it will work.

"Others in business, once they see problems looming, either ignore them or put their head in the sand," Mr Nogueira said.

"They need to be speaking to their accountant, or someone like myself, to see what changes can be made to make the business more viable.

"Hoping you will do better is not the way to do business."



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