



Report to Creditors

Pursuant to Section 508 of the Corporations Act 2001

Kleenmaid Corporate Pty Ltd

ACN 125 837 943

Lifestyle Appliance Corporation Pty Ltd

ACN 125 839 189

Lifestyle Appliance Sales Pty Ltd

ACN 125 842 131

Kleenmaid Property Pty Ltd

ACN 125 839 849

EDIS Service Logistics Pty Ltd

ACN 077 845 151

Kleenmaid Customer Solutions Pty Ltd

ACN 115 837 726

Bizco Retail Pty Ltd

ACN 123 492 811

Kleenmaid Holdings Pty Limited

ACN 051 042 749

KM Intellectual Reserve Pty Ltd

ACN 125 842 024

Orchard KM Pty Ltd

ACN 001 905 808

Kleenmaid Retail Pty Ltd

ACN 077 845 179

Manlyvale Pty Ltd

ACN 116 604 767

Kleenmaid Pty Limited

ACN 125 842 858



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1 Introduction

I refer to the appointment of John Greig, David Lombe and I as Voluntary Administrators on 9 and 15 April 2009 to the Kleenmaid Group and subsequently as Liquidators on 25 May 2009 by resolutions of creditors.

This report is a report to creditors of the Companies pursuant to Section 508(3) of the Corporations Act 2001 (the “Act”). This report should be read in conjunction with our previous reports to creditors.

2 Statement of Independence

We undertook a proper assessment of the risks to our independence prior to accepting the appointment as joint and several Administrators and thereafter as Liquidators of the Kleenmaid Group. This assessment identified no real or potential risks to our independence.

A full Declaration of Independence, Relevant Relationships and Indemnities has been provided to creditors previously. There have been no changes to this declaration.

3 Liquidators’ actions

Since our appointment as Liquidators on 25 May 2009, we have realised all of the assets of the Kleenmaid Group whilst continuing to investigate the affairs and reporting to the Australian Securities & Investments Commission (“ASIC”) in accordance with the funding agreement entered into between ASIC and the Liquidators.

I set out below a short update on the status of the major areas of work that the Liquidators have focused on since our last report to creditors.

3.1 Australian Securities & Investment Commission (ASIC) investigation

ASIC is continuing to investigate the affairs of the Kleenmaid Group with assistance from the Liquidators where required.

The investigation is confidential and as such we are unable to provide further details.

3.2 Litigation Funding Agreement for preference investigations

As stated in the last report, the motion to accept the Litigation Funding Agreement was put forward to Committee of Inspection members for EDIS Service Logistics Pty Limited, Orchard KM Pty Limited and Kleenmaid Pty Limited and was subsequently passed.

The Liquidators have issued letters of demand to a number of parties requiring repayment of unfair preference transactions. Since our last report, we have continued to pursue these preference claims for the Kleenmaid Group with funding from the Funder.

As at the date of this report we have recovered \$1,380,295 from a number of parties for unfair preferences. There are seven claims remaining, each of which has been filed with the Courts. These claims are valued at approximately \$4,415,000.

We wish to remind creditors that litigation is a lengthy process and may take up to 24 months to be finalised. Creditors will be updated on the further outcomes in the next report. ASIC Investigation



4 Receipts and payments

Set out below is a summary of the receipts and payments for the Kleenmaid Group for the period 25 May 2009 to 6 August 2012.

Receipts

Bank Interest	44,854
Cash at Bank at the date of Liquidation	424,557
ASIC Assetless Funding	545,818
Sale of Stock	2,926,127
Debtors (Pre Appointment)	409,356
GEERS Advance	1,928,701
GST Payable	347,783
Loan Account	422
Refund	84,518
Sale of Business (Going Concern)	282,273
Settlement of preferences	1,380,295
Secured creditor settlement	61,000
	<u>8,435,705</u>

Payments

Administrators & Liquidators Expenses	195,555
Administrators & Liquidators Remuneration	1,543,939
ASIC Assetless Funding paid	545,818
Advertising	10,500
Auction & Commission Expenses	464,232
Bank Charges	17,961
GEERS Advance - Employee Entitlements	1,350,091
PAYG Withholding Tax (GEERS)	578,610
GST Receivable	709,709
Hire Purchase	9,978
Legal Fees	579,282
Litigation funder	50,120
Payment to Schenker for Stock Sales	731,666
Professional Fees	39,143
Purchases	64,855
Refunds	8,886
Rent	90,117
Repairs & Maintenance	791
Security	2,714
Storage & Destruction Fees	111,571
Sundry Expenses	5,299
Superannuation (Administrators Period)	28,227
Transport & Freight	45,905
Utilities	212,707
Wages & Sub Contractors	470,558
PAYG Withholding Tax (Liquidation)	201,668
WorkCover Queensland	1,335
	<u>8,071,237</u>
Balance on Hand	<u>\$364,468</u>

5 Statutory reporting

We have completed and lodged a Section 533 report with ASIC, as required under the Act, for each entity within the Kleenmaid Group. In addition, we have continued to comply with our other statutory obligations set out under the Act including lodging of six monthly receipts and payments for each company within the Kleenmaid Group. Whilst the Section 533 report is confidential, creditors or other interested parties can obtain our 6-monthly account of receipts and payments by application to ASIC.

6 Liquidators' remuneration

6.1 Remuneration to date

Set out in the table below is a summary of the Administrators' and Liquidators' remuneration that was approved by creditors at the second meetings of creditors and the previous meetings of the Committees of Inspection together with what has been incurred to 6 August 2012 for each of the Companies and also what fees have been drawn (excluding GST) in respect to each of these companies.

THE KLEENMAID GROUP (IN LIQUIDATION)									
Voluntary Administration					Liquidation				
	Approved	Incurred	Paid	Balance Available	Approved	Incurred	Paid	Balance Available	Total available
	\$								
Kleenmaid Corporate	38,817.00	31,033.50	27,705.63	3,327.87	50,000.00	48,467.50	-	48,467.50	51,795.37
Lifestyle Appliance Corporation	22,853.60	18,000.50	-	18,000.50	50,000.00	12,580.00	-	12,580.00	30,580.50
Lifestyle Appliance Sales	20,660.50	15,806.50	-	15,806.50	50,000.00	10,343.50	-	10,343.50	26,150.00
Kleenmaid Property	23,189.00	16,665.00	-	16,665.00	50,000.00	12,455.00	-	12,455.00	29,120.00
EDIS Service Logistics	510,710.50	479,575.00	464,254.07	15,320.93	1,322,943.00	1,088,704.50	818,061.56	270,642.94	285,963.87
Kleenmaid Customer Solutions	64,652.00	60,710.50	-	60,710.50	50,000.00	95,383.50	-	95,383.50	156,094.00
Bizco Retail	22,847.50	17,882.00	-	17,882.00	50,000.00	16,473.50	-	16,473.50	34,355.50
Kleenmaid Holdings Limited	31,320.50	24,047.00	-	24,047.00	50,000.00	18,724.00	-	18,724.00	42,771.00
KM Intellectual Reserve	-	-	-	-	-	-	-	-	-
Orchard KM	224,434.50	211,553.50	100,000.00	111,553.50	700,000.00	353,793.50	-	353,793.50	465,347.00
Kleenmaid Retail	30,689.00	29,168.50	29,168.50	-	50,000.00	22,870.50	22,031.00	839.50	839.50
Manlyvale	-	-	-	-	-	-	-	-	-
Kleenmaid Pty Ltd	120,814.00	113,353.50	-	113,353.50	50,000.00	165,100.50	-	165,100.50	278,454.00
Kleenmaid Appliances	24,074.00	21,701.50	21,701.50	-	15,000.00	59,777.50	15,000.00	44,777.50	44,777.50
TOTAL	1,135,062.10	1,039,497.00	642,829.70	396,667.30	2,487,943.00	1,904,673.50	855,092.56	1,049,580.94	1,446,248.24

As you will see from the above:

- \$1,039,497 has been incurred in respect to Voluntary Administration fees with \$642,829.70 being paid to date
- \$1,904,674 has been incurred in respect to Liquidation fees to date with \$855,092.56 being paid to date
- As such, a total of \$1,446,248.24 has been incurred and unpaid to 6 August 2012 due to there being insufficient funds available in the Kleenmaid Group.

The following resolution for Kleenmaid Pty Ltd will be put forward at the Committee of Inspection meeting on 7 September 2012 for remuneration of work to date:

"That the remuneration of the Liquidators, their partners and staff, as calculated on a time basis in accordance with the hourly rates of Deloitte Touche Tohmatsu for work completed up to 6 August 2012 be fixed and approved in the sum of \$115,100.50 plus GST"

6.2 Remuneration required to complete the Liquidation

Due to the onerous work to be completed on the preference claims for EDIS and Kleenmaid Pty Limited, approval of additional fees will be sought at the Committee of Inspection meeting on 7 September 2012.

The following motions will be put forward to Committee of Inspection members on 7 September 2012 with regards to Liquidators' remuneration for EDIS Service Logistics Pty Limited and Kleenmaid Pty Ltd work to complete the liquidation:

EDIS Service Logistics-

"That the remuneration of the Liquidators, their partners and staff, as calculated on a time basis in accordance with the hourly rates of Deloitte Touche Tohmatsu for the period 6 August 2012 to the conclusion of the Liquidation be fixed and approved in the sum of \$200,000 plus GST in addition to that previously approved".

Kleenmaid Pty Ltd-

"That the remuneration of the Liquidators, their partners and staff, as calculated on a time basis in accordance with the hourly rates of Deloitte Touche Tohmatsu for the period 6 August 2012 to the conclusion of the Liquidation be fixed and approved in the sum of \$85,000 plus GST in addition to that previously approved".

7 Distribution

At this stage, it is difficult to determine the return to creditors, as it is dependent upon the success or otherwise of the various legal actions we are considering relating to voidable transactions. Should sufficient funds become available to enable such a distribution be made, we will advise creditors accordingly.

Should you have any queries concerning the above matters, please contact Gemma Morgan of this office at gemmorgan@deloitte.com.au or (07) 3308 7471.

DATED this 27th Day of August 2012.



R J Hughes
Joint Liquidator
Deloitte Touche Tohmatsu
Level 25, Riverside Centre
123 Eagle Street, Brisbane

Appendix A – Formal Proof of Debt

FORM 535
CORPORATIONS ACT 2001

Regulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

COMPANY NAME:.....

(IN LIQUIDATION)

ACN:.....

1. This is to state that the company was, on 25 May 2009 ⁽¹⁾ and still is, justly and truly indebted to ⁽²⁾
.....
..... for
..... dollars and..... cents.

Particulars of the debt are:

Date	Consideration ⁽³⁾ \$	Amount included \$	GST	Remarks ⁽⁴⁾

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following:⁽⁵⁾
- 3.^{(6)*} 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, still remains unpaid and unsatisfied.
- 3.^{(6)*} I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this day of 2011

Signature of Signatory.....

NAME IN BLOCK LETTERS.....

Occupation

Address.....

See Directions overleaf for the completion of this form

OFFICE USE ONLY

POD No:		ADMIT - Ordinary	\$
Date Received:	/ /	ADMIT - Preferential	\$
Entered into IPS/Computer:		Reject	\$
Amount per RATA	\$	H/Over for Consideration	\$
PREP BY/AUTHORISED		TOTAL PROOF	\$
DATE AUTHORISED	/ /		

Directions

- * Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) 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.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of", "moneys advanced in respect of the Bill of Exchange".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor	Amount	Date Due
		\$	¢	

-
- (6) If proof is made by the creditor personally, strike the two (2) paragraphs numbered 3.
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Appendix B – Nomination to Receive Communications Electronically

Nomination to Receive Communications Electronically

Kleenmaid Corporate Pty Ltd
ACN 125 837 943

Lifestyle Appliance Corporation Pty Ltd
ACN 125 839 189

Lifestyle Appliance Sales Pty Ltd
ACN 125 842 131

Kleenmaid Property Pty Ltd
ACN 125 839 849

EDIS Service Logistics Pty Ltd
ACN 077 845 151

Kleenmaid Customer Solutions Pty Ltd
ACN 115 837 726

Bizco Retail Pty Ltd
ACN 123 492 811

Kleenmaid Holdings Pty Limited
ACN 051 042 749

KM Intellectual Reserve Pty Ltd
ACN 125 842 024

Orchard KM Pty Ltd
ACN 001 905 808

Kleenmaid Retail Pty Ltd
ACN 077 845 179

Manlyvale Pty Ltd
ACN 116 604 767

Kleenmaid Pty Limited
ACN 125 842 858

Section 600G of the Corporations Act provides for communications with creditors to be by electronic means, to an electronic address nominated by the creditor.

The Section also allows for information to be stored electronically (such as a web site) and for the location of this information, and the means to access it, to be communicated to the nominated address.

Electronic communication provides a much more timely and cost effective means of communication compared to traditional post.

Should you wish to receive communications electronically please complete the details below.



Creditor of Please tick

Creditor of	Please tick
Kleenmaid Corporate Pty Ltd (In Liquidation)	•
Lifestyle Appliance Corporation Pty Ltd (In Liquidation)	•
Lifestyle Appliance Sales Pty Ltd (In Liquidation)	•
Kleenmaid Property Pty Ltd (In Liquidation)	•
EDIS Service Logistics Pty Ltd (In Liquidation)	•
Kleenmaid Customer Solutions Pty Ltd (In Liquidation)	•
Bizco Retail Pty Ltd (In Liquidation)	•
Kleenmaid Holdings Pty Limited (In Liquidation)	•
KM Intellectual Reserve Pty Ltd (In Liquidation)	•
Orchard KM Pty Ltd (In Liquidation)	•
Kleenmaid Retail Pty Ltd (In Liquidation)	•
Manlyvale Pty Ltd (In Liquidation)	•
Kleenmaid Pty Limited (In Liquidation)	•

Name of creditor

Address of creditor

Email address for receipt of information or notification of information availability

We hereby agree to receive information pertaining to the external administration of the above company via:

- The above email address and/or
- Placement on an electronic site with notification of availability and access details notified using the above email address.



Name:

Position:

Please return the completed form to one of the following:

Fax: (07) 3308 7002

Email: kleenmaid@deloitte.com.au

Post PO Box 1463
Brisbane QLD 4001

Marked to the attention of: Gemma Morgan