



Chartered Accountant

12 January 2015

TO THE CREDITOR AS ADDRESSED

Dear Sir / Madam,

Commercial Kitchen Service Company Pty Ltd (In Liquidation) ACN: 008 829 767
Formerly Trading as "National Foodservice Equipment"
("the Company")

I write to advise that I was appointed Liquidator of the Company on 9 January 2015 pursuant to section 491(1) of the *Corporations Act 2001*. As required of me, I have **enclosed** my Declaration of Independence, Relevant Relationships and Indemnities and statement regarding remuneration for your perusal.

As a result of my appointment, all powers of the officers of the Company cease and I have taken control of the Company assets.

As you may be aware, the Company operates (or operated) three businesses: A commercial kitchen maintenance and spares business, a filter cleaning business, and a commercial kitchen retail business. The maintenance and spares, and the filter cleaning businesses will continue to operate under my control in the interim whilst I determine whether or not these businesses are saleable. The retail business was sold some months prior to my appointment.

As Liquidator, I am not necessarily adopting contracts which have been entered into by the Company. Creditors who have entered into contracts with the Company will be contacted individually should I require the contract to continue. No set off will be allowed for any amount or sum due to creditors prior to my appointment in dealings subsequent to that date.

A moratorium over the Company debts became effective upon my appointment. In brief, the effects of this moratorium are that as Liquidator I am unable to make any payment against these debts, nor are the creditors entitled to take any recovery proceedings in respect of the debt owed to them.

Creditors with **purchase money security interests** registered against the Company are asked to forward immediately:

- A detailed statement of account;
- A copy of the Personal Property Securities Register registration; and
- Details of how you can specifically identify goods as having been supplied by you and whether you can distinguish which of those goods have been paid for and which have not.

I will provide notice of a meeting of creditors in the near future, which will be held in approximately three weeks' time.

Should you have any queries, please liaise with the above contact.

Yours faithfully

Kim Wallman – Liquidator of
Commercial Kitchen Service Company Pty Ltd (In Liquidation) ACN 008 829 767

Contact: Sam Clark
Email: sclark@hlbinsol.com.au
Phone: 08) 9215 7955

Declaration of Independence, Relevant Relationships and Indemnities

Commercial Kitchen Service Company Pty Ltd (in Liquidation) ACN: 008 829 767 ("the Company")

This document requires the Practitioner appointed to an insolvent entity to make declarations as to:

- A. their independence generally;
- B. relationships, including
 - i. the circumstances of the appointment;
 - ii. any relationships with the company and others within the previous 24 months;
 - iii. any prior professional services for the company within the previous 24 months;
 - iv. that there are no other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of myself and my firm, HLB Mann Judd (Insolvency WA).

A. Independence

I, Kimberley Stuart Wallman, Chartered Accountant, have undertaken a proper assessment of the risks to my independence prior to accepting the appointment as liquidator of the Company in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to my independence. I am not aware of any reasons that would prevent me from accepting this appointment.

B. Declaration of Relationships

i. Circumstances of appointment

This appointment was referred to my colleague Mr Gary Anderson by Joe Lawrence of Lawrence Business Management. The reasons I believe that this relationship does not result in me having a conflict of interest or duty are:

- Whilst Mr Lawrence has previously referred insolvency type matters to Mr Anderson, referrals from solicitors, business advisors and accountants are commonplace and do not impact on my independence in carrying out my duties as liquidator; and
- There are no understandings or requirements that work in the Administration will be given to the referrer and the referral does not contain or is conditional upon giving or receiving of any commissions, inducements or benefits.

Mr Anderson and Mr Sam Clark, from my office, first met with Mr Stephen Ellis, the Company Director, on 7 January 2015. The purpose of this meeting was to discuss the insolvency options available to the Company generally. Mr Anderson and Mr Clark then met with Mr Ellis on 9 January 2015 with the intention of placing the Company into liquidation.

I received no remuneration for these prior dealings with the Company.

In my opinion, these meetings do not affect my independence for the following reasons:

- The Courts and the Australian Restructuring Insolvency & Turnaround Association's Code of Professional Practice specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment;
- The nature of the advice provided to the Company is such that it would not be subject to review and challenge during the course of the liquidation; and

- The pre-appointment advice will not influence my ability to be able to fully comply with the statutory and fiduciary obligations associated with the liquidation of the Company in an objective and impartial manner.

I have provided no other information or advice to the Company nor the director prior to my appointment beyond that outlined in this DIRRI.

ii. Relevant Relationships (excluding Professional Services to the Insolvent)

Neither I, nor my firm, have, or have had within the preceding 24 months, any relationships with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has a security over the whole or substantially whole of the Company's property.

iii. Prior Professional services to the Insolvent

Neither I, nor my firm, have provided any professional services to the Company in the previous 24 months.

iv. No other relevant relationships to disclose

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the Company, an associate of the Company, a former insolvency practitioner appointed to the company or any person or entity that has security over the whole or substantially whole of the Company's property that should be disclosed.

C. Indemnities and upfront payments

I have not been indemnified in relation to this administration, other than any indemnities that I may be entitled to under statute and I have not received any upfront payments in respect of my remuneration or disbursements.

Dated: 12 January 2015



Kimberley Stuart Wallman - Liquidator
Commercial Kitchen Service Company Pty Ltd (In Liquidation) ACN 008 829 767

NOTE:

- (1) If circumstances change, or new information is identified, I am required under the *Corporations Act 2001* and the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with my next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors.
- (2) Any relationships, indemnities or upfront payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the practitioner nevertheless remains independent.

STATEMENT REGARDING REMUNERATION

Commercial Kitchen Service Company Pty Ltd (in Liquidation) ACN: 008 829 767
("the Company")

A. REMUNERATION METHODS

There are four methods that can be used to calculate remuneration charged by an insolvency practitioner.

These are:

Time based/hourly rates

This is the most common method used. The total fees charged is based on the hourly rate charged by each person who carries out the work, multiplied by the number of hours spent by each person on each work task performed.

Fixed fee

The total fee charged is normally quoted at the start of the appointment and is the total cost for the administration. Sometimes an insolvency practitioner will finalise an administration for a fixed fee.

Percentage

The total fee charged is based on a particular variable such as the total gross proceed from asset realisations.

Contingency

The insolvency practitioner's fee is contingent on achieving a particular outcome/s.

B. METHOD CHOSEN

Time based remuneration is appropriate for this administration because:

- It ensures creditors are only charged for work performed in the conduct of the administration;
- I am required to perform tasks unrelated to asset realisations; therefore fees solely based on asset realisations would be impractical;
- I am unable to provide a reliable estimate of the total remuneration required to complete all tasks in the administration.

The rates for my remuneration are set out in the following table, together with a general guide showing the experience and qualifications of various levels of staff, together with the role those staff take in the administration.

**HLB Mann Judd (Insolvency WA) – Schedule of Hourly Charge Out Rates
2014/15**

Classification	Details of classification	Charge out rate / hour (excluding GST)
Appointee	30+ years' experience, registered liquidator and registered trustee. Significant experience on a range of administrations and a very deep understanding of insolvency legislation and issues.	\$478
Senior consultant	Generally, 20+ years' experience. University degree, member of the ICAA and ARITA, deep understanding of insolvency legislation and issues.	\$437 - \$473
Consultant	Brings specific, high-level experience to insolvency or other appointments.	\$355
Senior Manager	Generally, 10+ years' experience with at least 2 years' as manager, very strong understanding of insolvency legislation and issues.	\$334
Manager	Generally, 5+ years' experience. University degree, member of the ICAA or completing the ICAA's CA program, member of ARITA or completing the ARITA IEP program, or has relevant experience. Strong understanding of insolvency legislation and issues.	\$288
Supervisor	Generally, 4-5 years' experience. University degree, member of the ICAA or completing the ICAA's CA program, member of ARITA or completing the ARITA IEP program, or has relevant experience. Strong understanding of insolvency legislation and issues.	\$257
Senior	Generally, 2-4 years' experience. University degree, member of the ICAA or completing the ICAA's CA program. Sound knowledge of relevant insolvency legislation and issues.	\$226
Intermediate	Generally, 1-3 years' experience, has completed or substantially completed a university degree or has relevant experience, takes direction from senior staff in completing administrative tasks.	\$174
Secretary	Appropriate skills for tasks required.	\$159 - \$174
Office Assistant	Appropriate skills for tasks required.	\$100 - \$133

Dated: 12 January 2015



Kimberley Stuart Wallman – Liquidator of
Commercial Kitchen Service Company Pty Ltd (In Liquidation) ACN: 008 829 767