

**Liquidator's Progress  
Report****S.192****Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986**

To the Registrar of Companies

Company Number

33221

Name of Company

Pilkington Tiles Ltd (CVL)

I / We  
Paul Andrew Flint  
1 The Embankment  
Neville St  
Leeds  
LS1 4DW

Brian Green  
St James' Square  
Manchester  
M2 6DS

the liquidator(s) of the company attach a copy of my/our Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 14/06/2011 to 13/06/2012

Signed



Date

7/8/12

KPMG LLP  
1 The Embankment  
Neville St  
Leeds  
LS1 4DW

Ref PB621B4103/SPC/AJS/CF/LS

SATURDAY



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COMPANIES HOUSE

**Pilkington Tiles Ltd (CVL)**  
**(In Liquidation)**  
**Liquidators' Abstract of Receipts & Payments**

Statement of Affairs	From 14/06/2011 To 13/06/2012
<b>FIXED CHARGE ASSETS</b>	
Administration surplus - fixed	245,664 54
	<u>245,664 54</u>
<b>FIXED CHARGE COSTS</b>	
Liquidator's fees	50,000 00
Legal fees	15,432 50
Legal Expenses	1 24
	<u>(65,433 74)</u>
<b>ASSET REALISATIONS</b>	
Book debts	10,096 86
VAT refunds (pre-liq )	281,517 75
	<u>291,614 61</u>
<b>OTHER REALISATIONS</b>	
ISA interest gross	4,169 09
Tax paid on ISA interest	(833 82)
Administration surplus - floating	1,198,468 63
	<u>1,201,803 90</u>
<b>COST OF REALISATIONS</b>	
Cheque/Payable order fee	163 60
Liquidator's fees	100,000 00
Agents'/Valuers' fees	2,000 00
Legal fees	31,646 28
Legal disbursements	234 40
Storage costs	214 46
Administration trading costs	2,934 37
Other property expenses	50 00
Bank charges	69 00
	<u>(137,312 11)</u>
<b>PREFERENTIAL CREDITORS</b>	
Subrogated EP(C)A claim	379,142 21
Employees' wage arrears & holiday pa	60,121 75
	<u>(439,263 96)</u>
<b>FLOATING CHARGE CREDITORS</b>	
Floating charge	350,000 00
	<u>(350,000 00)</u>
	<u><u>747,073.24</u></u>
<b>REPRESENTED BY</b>	
VAT receivable	29,993 66
ISA	706,574 20
VAT payable	197 38
Floating ch VAT control	308 00
Fixed charge VAT control	10,000 00
	<u>747,073.24</u>



**Pilkington's Tiles Ltd (in liquidation)**

**Progress Report**  
**For the period 14 June 2011 to**  
**13 June 2012**

KPMG LLP

7 August 2012

*This report contains 10 pages*

*Appendices contain 12 pages*

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*Pilkington's Tiles Ltd (in liquidation)*  
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## 1 **Executive summary**

- This progress report covers the first 12 month period of the liquidation of Pilkington's Tiles Ltd ("the Company") from 14 June 2011 to 13 June 2012, as required pursuant to Rule 4 49C and Section 104A of the Insolvency Act 1986
- Funds of £1,444,134 have been transferred to the liquidation from the previous administration, and costs of the administration trading period continue to be settled
- Distributions totalling £150,000 have been made to the secured creditor, GMAC Commercial Finance Limited
- Preferential claims amounted to £439,264 and have been in full
- Based on the expected level of realisations and the amount owed to the secured creditor, there is likely to be a small dividend to unsecured creditors from the prescribed part fund, although the quantum and timing are not known at this stage Any creditor who has yet to submit a claim should do so using the proof of debt form at Appendix 6
- Full details of the Joint Liquidators' Progress Report are attached together with all the relevant statutory information included by way of Appendices

Brian Green  
***Joint Liquidator***



## **1.1 Office holders**

Joint Liquidator – Paul Andrew Flint

Joint Liquidator – Brian Green

## **1.2 About this report**

- This Report has been prepared by Paul Andrew Flint and Brian Green, the Joint Liquidators of the Company, solely to comply with their statutory duty to report to member and creditors under the Insolvency Act and Rules 1986 on the progress of the liquidation, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context
- This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company
- Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors
- Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Act and Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Liquidators do not assume any responsibility and will not accept any liability in respect of this Report to any such person
- Paul Andrew Flint and Brian Green are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of England and Wales
- The appointments of the Joint Liquidators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the liquidation

## **2 Previous appointment**

The Joint Liquidators were previously appointed as Joint Administrators of the Company on 14 June 2010 and, following lodgement of Form 2.34B (notice of move from administration to creditors' voluntary liquidation) at Companies House, were subsequently appointed as Joint Liquidators on 14 June 2011



## **3 Progress of the liquidation**

### **3.1 Strategy**

As referred to above, the Company was previously in administration and was placed into creditors' voluntary liquidation in order to finalise book debt collections, disclaim the lease of a property in Poole, agree preferential and unsecured claims, pay a dividend to preferential and unsecured creditors and make a final distribution to the secured creditor.

Book debt collections are detailed in paragraph 3.3.2 below

The lease of land and buildings at Blandford Road, Poole was disclaimed on 13 September 2011

Preferential creditors have been paid in full, as detailed in paragraph 3.4.2 below and unsecured claims agreement is in progress

### **3.2 Communication**

The Joint Liquidators wrote to all known creditors on 29 June 2011 advising them of their appointment

Following changes to the provisions governing the conduct of insolvency proceedings, which came into effect on 6 April 2010, the requirement for annual meetings is abolished and replaced with a requirement to send a progress report to members and creditors. This report fulfils that requirement

### **3.3 Assets**

#### **3.3.1 Administration surplus**

At the end of the previous administration, the sum of £1,444,134, comprising £245,665 of net fixed charge realisations and £1,198,469 of net floating charge realisations, was held by the Joint Administrators and transferred to the liquidation upon the appointment of the Joint Liquidators

#### **3.3.2 Book debts**

Book debts totalling £10,097 have been collected since the appointment of the Joint Liquidators. We are currently ascertaining whether or not these funds are due to the secured creditor under the terms of the invoice discounting facility previously provided

#### **3.3.3 VAT refund**

The sum of £281,518 has been received from HM Revenue & Customs ("HMRC") following amendments to a VAT return lodged during the trading period of the previous administration



### 3 3 4 **Interest**

The sum of £4,169 has been received on the monies held in the Insolvency Services Account in this period, less tax of £834

## 3 4 **Liabilities**

### 3 4 1 **Secured creditors**

#### 3 4 1 1 **GMAC Commercial Finance Limited ("GMAC")**

As reported during the previous administration, at the date of the Joint Administrators' appointment, GMAC had an outstanding debt of approximately £7.3 million due in respect of its lending to the Pilkington Group. GMAC holds a debenture and guarantee over the Company's assets dated 28 May 2004.

Since the appointment of the Joint Liquidators the sum of £350,000 has been distributed to GMAC under its floating charge.

It is anticipated that GMAC will suffer a significant shortfall in respect of its lending to the Group.

### 3 4 2 **Preferential creditors**

Claims in respect of outstanding wages and holiday pay amounted to £439,264 and have been paid in full.

### 3 4.3 **Prescribed part**

The Insolvency Act 1986 (Prescribed Part) Order 2003 applies in this case as the security held by GMAC was created after 15 September 2003. The prescribed part is calculated as a percentage of the Company's net property, which is the net amount available to the floating charge holder(s) after payment of costs and preferential creditors.

The prescribed part fund is currently estimated to be in the region of £128,000, subject to the confirmation and settlement of outstanding costs, including the Joint Liquidators' remuneration.

### 3 4 4 **Unsecured creditors**

In their Statement of Affairs, the directors estimated that the Company has unsecured liabilities totalling £22,976,615.

To date, claims totalling £17,744,539 have been received from 174 unsecured creditors.

Agreement of unsecured claims is in progress and a dividend will be declared in due course. Any creditor who wishes to submit a claim but has yet to do so is advised to complete and return the proof of debt form, attached at Appendix 6, as soon as possible.

At this stage the exact quantum and timing of the dividend is not known. However, from the estimated prescribed part fund and claims above, the dividend paid is likely to be less than 1p in the pound.

### **3.5 Expenses for the period**

- The receipts and payments for the period are set out in the attached Receipts and Payments Account at Appendix 2
- The office holders' time costs for the period of this report are also attached at Appendix 3
- The basis of the fees is time/costs which was approved during the previous administration by GMAC and the requisite majority of preferential creditors
- Expenses for this period total £421,022 including amounts incurred but not yet paid (see Appendix 4 for details)
- Additional information about the expenses charged for the period is available from the office holder upon request by any secured creditor, and any other creditor or creditors owed 5% or more in value of the unsecured liabilities listed. Full details of the process to obtain more information under Rule 4.49E of the Insolvency Rules 1986 ("IR86") and to challenge the liquidators' remuneration and expenses under Rule 4.131 IR8 are included in Appendix 5 should creditors wish to do so.

Further information regarding the major expenses incurred during the period is detailed in paragraph 5.4 below

## **4 Statutory investigations**

The Joint Liquidators have a duty to investigate the affairs of the Company prior to the liquidation and submit a report to the Department for Business, Innovation & Skills ("BIS") on the conduct of those persons who were a director or shadow director in the three years prior to liquidation. I confirm that the Joint Liquidators have submitted their report to BIS but I am not at liberty to disclose the nature or content of the report.

No matters or potential claims were identified which would lead to additional realisations in the liquidation.

## **5 Comments on the Appendices**

### **5.1 Appendix 1: Statutory information**

Information regarding the Company and details of the appointment of the Joint Liquidators can be found at Appendix 1.

### **5.2 Appendix 2: Receipts & payments account for the period**

A receipts and payments for the period can be found at Appendix 2.

### 5.3 **Appendix 3: Analysis of office holders' time costs**

Rule 4 127(5A) states that where a liquidation follows on directly from an administration in which the liquidator had acted as administrator, the basis of remuneration fixed in the administration continues to apply in the liquidation (The statutory provisions relating to administrators' remuneration are set out in Rule 2 106 of the IR86 )

Please note that all staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates.

As there is no prospect of a distribution to the unsecured creditors (other than via the prescribed part fund), administrators' fees (and subsequently liquidators' fees) require the approval of the secured and preferential creditors. The Joint Administrators have the approval of GMAC and the requisite number of preferential creditors to draw fees and a total of £150,000 has been drawn in this respect, comprising £50,000 from fixed charge assets and £100,000 from floating charge assets.

A creditors' guide to fees can be found at

[http://www.r3.org.uk/uploads/sip/SIP9\\_v5April\\_2007\(1\).pdf](http://www.r3.org.uk/uploads/sip/SIP9_v5April_2007(1).pdf)

However, if you are unable to access this guide and would like a copy, please contact Carolyn Foden on 0151 473 5132.

Further information regarding the major time incurred during the period is detailed below.

#### 5.3.1 **Appointment and related formalities**

Following the appointment of the Joint Liquidators, time costs of £2,909, representing 11 hours, have been incurred notifying all relevant parties of the appointment, instructing agents and solicitors and dealing with all other matters arising which were relevant to the set up of the liquidation.

#### 5.3.2 **Strategy documents**

Time costs of £5,296, representing 15 hours, have been incurred in preparing strategy documents.

#### 5.3.3 **Reports to debenture holders**

Time costs of £1,438, representing 4 hours, have been incurred in preparing progress reports for GMAC.

#### 5.3.4 **Checklists and reviews**

Time costs of £4,832, representing 16 hours, have been incurred in reviewing files and ensuring all statutory obligations are being complied with.



**5 3 5 General cashiering**

Time costs of £2,341, representing 14 hours, have been incurred by the cashiers in preparing payments to various parties, allocating and banking receipts and in dealing with general bank account and cash related queries

**5 3 6 Post appointment VAT**

The Joint Liquidators have prepared post-appointment VAT returns for the Company

Time costs of £1,426, representing 5 hours, have been incurred in relation to this matter

**5 3 7 Post appointment corporation tax**

The Joint Administrators have prepared post-appointment corporation tax returns for the Company with the assistance of in-house tax specialists

Time costs of £2,088 representing 7 hours have been incurred in relation to this matter

**5 3 8 Post appointment PAYE**

Time costs of £7,238, representing 30 hours, have been incurred in finalising returns and paying to HMRC post appointment PAYE and NIC deductions from the administration trading period

**5 3 9 D Form drafting/ submission**

Time costs of £1,135 representing 4 hours have been incurred in relation to this matter in reviewing the actions taken by the directors in the past three years

The Joint Liquidators prepared and submitted their report on the affairs of the Company and the conduct of the directors and this has been submitted to BIS

**5 3 10 Leasehold property**

The Joint Liquidators' have incurred time costs of £2,789, representing 11 hours, in relation to the disposal of the leasehold property at Poole, as detailed in paragraph 3 1 above

**5 3 11 Debtors**

The Joint Liquidators' have incurred time costs of £25,330, representing 67 hours, in relation to the collection of book debts. In addition to the book debts referred to in paragraph 3 3 2 above, this includes assisting GMAC in pursuing a significant claim against a major customer, B&Q

**5 3 12 General creditor correspondence**

The Company has approximately 860 potential creditors and time costs of £4,608, representing 19 hours, have been incurred in relation to dealing with general creditor correspondence. This includes replying to both written and verbal queries

**5 3 13 Reports to creditors**

Time costs of £3,665, representing 14 hours, have been incurred in preparing and distributing statutory progress reports to all creditors

**5 3 14 Agreement of preferential claims**

Time costs of £12,975, representing 42 hours, have been incurred in relation to agreeing the former employees' claims in respect of outstanding wages and holiday pay

**5 3 15 Agreement of unsecured claims**

Time costs of £16,917, representing 73 hours, have been incurred in relation to agreeing the unsecured creditors' claims

**5 3 16 Payment of dividends**

Time costs of £2,993, representing 12 hours, have been incurred in distributing the dividend to preferential creditors

**5 3 17 Secured creditors**

Time costs of £2,300, representing 12 hours, have been incurred in transferring funds due to GMAC under its security

**5 3 18 Legal claims**

Time costs of £39,905, representing 115 hours, have been incurred to date in dealing with the claim against B&Q. According to Company records, the Joint Liquidators calculate that B&Q owe circa £700,000, although B&Q are vigorously disputing this. This is a complex matter involving detailed reconciliations of various pre and post appointment accounts and is unlikely to be resolved in the near future

**5 3 19 Employee correspondence**

The Company had 372 former employees with potential claims and time costs of £39,608, representing 143 hours, have been incurred in relation to dealing with their correspondence. This includes replying to both written and verbal queries

**5 3 20 Agreeing employee claims**

Time costs of £3,795, representing 11 hours, have been incurred in relation to agreeing the former employees' claims

**5 3 21 Pension reviews**

Time costs of £2,196, representing 9 hours, have been incurred in reviewing the Companies pension scheme and ascertaining its value and potential unsecured claim in the liquidation

**5.4 Appendix 4: Expenses for the period**

Expenses for the period are summarised in Appendix 4 which include costs which have been incurred during the period but not yet paid



Information regarding major expenses incurred during the period is detailed below

**5.4.1 Office holders' remuneration**

Information regarding office holders' remuneration is detailed in paragraph 5.3 above

**5.4.2 Legal fees**

Eversheds were instructed to advise and assist in relation to a large claim against a former supplier to Pilkington's Tiles, B&Q. This matter is ongoing and legal costs to date amount to £15,433.

Stenfield Solicitors were instructed to advise and assist in relation to the collection of certain other book debts. Their charges have totalled £987.

**5.4.3 Administration costs**

The Joint Liquidators continue to pay costs incurred during the previous administration, which has included

**5.4.3.1 Agent's fees**

Sanderson Weatherall were instructed to attend the property at Clifton Junction & provide advice in relation to dilapidations. Their charges totalled £2,000.

**5.4.3.2 Legal fees**

DLA Piper were instructed to advise on the validity of the appointment of the previous Joint Administrators, on the validity of the security held by GMAC and for general insolvency legal advice. Their charges totalled £25,831 plus disbursements of £234.

JMW Solicitors were instructed to advise and assist in relation to the collection of book debts and their charges totalled £1,920.

Shoosmiths Solicitors were also instructed to advise and assist in relation to the collection of book debts. Their charges totalled £2,908.

**5.4.3.3 Administration trading costs**

The sum of £2,934 was paid to Irwin Mitchell in respect of monies owed to E-on arising from the trading period in the previous administration.

**5.4.3.4 Post-appointment rates**

Whilst continuing to trade the business, the Joint Administrators occupied part of the site at Rake Lane, Swinton, Manchester and are therefore obliged to pay post-appointment rates for this period. Salford City Council ("SCC") has stated that the amount owed is circa £127,809 and we are currently in discussion with SCC and reviewing their calculations to ascertain if this is correct. I will report further on this matter in my next report.



## 5 5 **Appendix 5: Extract from the Insolvency Rules 1986**

Additional information about the expenses charged for the period is available from the office holders upon request by any secured creditors, and any unsecured creditor or creditors owed 5% or more in value of the unsecured liabilities listed. Full details of the process to obtain more information under Rule 4.49E of IR86 and to challenge the Joint Liquidators' remuneration and expenses under Rule 4.131 are included in Appendix 5 should creditors wish to do so.

## 6 Appendix 1: Statutory information

<b>Appointment</b>	
Company name & trading style	Pilkington's Tiles Ltd
Liquidation	The Company was placed into creditors' voluntary liquidation on registration of Form 2 34B (notice of move from administration to creditors' voluntary liquidation) at Companies House on 14 June 2010
Date of appointment	14 June 2010
Office holders details	<p>Paul Andrew Flint was appointed on 14 June 2010 and is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of England and Wales</p> <p>Brian Green was appointed on 14 June 2010 and is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of England and Wales</p>
Application of EC regulations	EC regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations
<b>Company Information</b>	
Company registration number	00033221
Previous registered office	PO Box 4, Rake Lane, Clifton, Manchester M27 8LP
Present registered office	c/o KPMG LLP, St James Square, Manchester M2 6DS





## 7 Appendix 2: Office holders' receipts and payments account

**Pilkington's Tiles Ltd**  
**(In Liquidation)**  
**Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 14/06/2011 To 13/06/2012	From 14/06/2011 To 13/06/2012
	<b>FIXED CHARGE ASSETS</b>		
300,000 00	Fixed assets	NIL	NIL
120,000 00	Land and buildings	NIL	NIL
3,602,294 00	Book debts	NIL	NIL
	Administration surplus - fixed	245,664 54	245,664 54
		<u>245,664 54</u>	<u>245,664 54</u>
	<b>FIXED CHARGE COSTS</b>		
	Liquidators' fees	50,000 00	50,000 00
	Legal fees	15,432 50	15,432 50
	Legal expenses	1 24	1 24
		<u>(65,433 74)</u>	<u>(65,433 74)</u>
	<b>ASSET REALISATIONS</b>		
2,830,421 00	Stock	NIL	NIL
	Book debts	10,096 86	10,096 86
	VAT refunds (pre-liq )	281,517 75	281,517 75
22,383 00	Petty cash	NIL	NIL
		<u>291,614 61</u>	<u>291,614 61</u>
	<b>OTHER REALISATIONS</b>		
	ISA interest gross	4,169 09	4,169 09
	Tax paid on ISA interest	(833 82)	(833 82)
	Administration surplus - floating	1,198,468 63	1,198,468 63
		<u>1,201,803 90</u>	<u>1,201,803 90</u>
	<b>COST OF REALISATIONS</b>		
	Cheque/Payable order fees	163 60	163 60
	Liquidators' fees	100,000 00	100,000 00
	Legal fees	986 89	986 89
	Storage costs	214 46	214 46
	Administration costs	35,828.16	35,828 16
	Other property expenses	50 00	50 00
	Bank charges	69 00	69 00
		<u>(137,312 11)</u>	<u>(137,312 11)</u>



*Pilkington's Tiles Ltd (in liquidation)*  
*Progress Report*  
*KPMG LLP*  
*7 August 2012*

**Pilkington's Tiles Ltd**  
**(In Liquidation)**  
**Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 14/06/2011 To 13/06/2012	From 14/06/2011 To 13/06/2012
	PREFERENTIAL CREDITORS		
	Subrogated EP(C)A claim	379,142 21	379,142 21
(429,815 00)	Employees' wage arrears & holiday pay	60,121 75	60,121 75
		<u>(439,263 96)</u>	<u>(439,263 96)</u>
	FLOATING CHARGE CREDITORS		
(4,562,869 00)	Floating charge	350,000 00	350,000 00
		<u>(350,000 00)</u>	<u>(350,000 00)</u>
	UNSECURED CREDITORS		
(22,976,615 00)	Trade & expense	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(3,334,500 00)	Preference shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(24,428,701 00)		<u><u>747,073.24</u></u>	<u><u>747,073.24</u></u>
	REPRESENTED BY		
	VAT receivable		29,993 66
	ISA		706,574 20
	VAT payable		197 38
	Floating ch VAT control		308 00
	Fixed charge VAT control		10,000 00
			<u><u>747,073.24</u></u>



## 8 Appendix 3: Analysis of office holders' time costs

### 8.1 Summary of time incurred for the period 14 June 2011 to 13 June 2012

Consolidated time spent by grade	Partner/ Director	Management Administrators	Support	Total Hours	Total Cost £	Average Rate £
<b>Activity</b>						
<b>Administration &amp; planning</b>						
Appointment related formalities	0 00	1 00	10 35	0 00	11 35	2,909 00
Bonding & bordereau	0 00	0 00	0 45	0 30	0 75	141 00
Strategy documents	4 00	4 80	5 90	0 00	14 70	5,296 00
Reports to debenture holders	0 50	3 50	0 00	0 00	4 00	1,437 50
Checklists and reviews	1 60	4 00	9 95	0 00	15 55	4,831 50
Fees & WIP	0 00	0 00	2 90	1 10	4 00	817 00
Statutory advertising	0 00	0 00	0 15	0 00	0 15	36 00
Books and records	0 00	0 00	0 75	0 00	0 75	180 00
General cashering	0 00	0 00	13 00	0 60	13 60	2,341 00
Reconciliations	0 00	0 00	2 40	0 00	2 40	550 00
Initial CT & VAT reviews	0 00	2 00	0 00	0 00	2 00	850 00
Post appointment VAT	1 10	0 00	3 80	0 00	4 90	1,425 50
Post appointment CT	1 50	1 20	4 10	0 00	6 80	2,088 00
Post appointment PAYE	0 00	1 50	28 00	0 00	29 50	7,237 50
	8 70	18 00	81 75	2 00	110 45	30,140 00
<b>Investigation</b>						
D Form drafting/submission	0 50	1 00	2 00	0 00	3 50	1,135 00
	0 50	1 00	2 00	0 00	3 50	1,135 00
<b>Realisation of assets</b>						
Leasehold property	0 20	0 50	10 35	0 00	11 05	2,788 50
Debtors	16 50	36 00	14 50	0 00	67 00	25,330 00
Other assets	0 00	0 00	1 30	0 00	1 30	312 00
Open cover ins	0 00	0 00	0 50	0 00	0 50	120 00
	16 70	36 50	26 65	0 00	79 85	28,550 50
<b>Creditors</b>						
Notify creditors	0 00	0 00	4 00	0 00	4 00	960 00
Creditor correspondence	1 00	0 00	17 85	0 00	18 85	4,607 50
Reports to creditors	3 00	2 50	5 10	3 00	13 60	3,665 00
Agree preferential claims	0 00	27 00	15 25	0 00	42 25	12,975 00
Agree unsecured claims	0 00	13 50	59 20	0 00	72 70	16,916 50
Payment of dividends	0 00	0 50	11 80	0 00	12 30	2,992 50
Secured creditors	5 00	0 00	0 00	0 00	5 00	2,300 00
Legal claims	2 00	113 00	0 00	0 00	115 00	39,905 00
Retention of title claims	0 00	0 00	0 20	0 00	0 20	48 00
Employee correspondence	0 00	51 50	91 00	0 00	142 50	39,607 50
Agree employee claims	0 00	11 00	0 00	0 00	11 00	3,795 00
Pension funds	0 00	1 50	0 15	0 00	1 65	673 50
Pension reviews	0 00	0 00	9 15	0 00	9 15	2 196 00
	11 00	220 50	213 70	3 00	448 20	130,641 50
<b>Total hours/cost</b>	36 90	276 00	324 10	5 00	642 00	190,467 00

Fees drawn		Hours/Costs to date		
B/f	0 00	0 00	0 00	0 00
In the period	150,000 00	642 00	190,467 00	296 68
C/f	150,000 00	642 00	190 467 00	296 68

## 8.2 Summary of hourly rates

Rate ID	Start Date	End Date	Grade	FSR
CRS	01/10/2010	30/09/2012	Equity partner	535
CRS	01/10/2010	30/09/2012	Associate partner	460
CRS	01/10/2010	30/09/2012	Director	460
CRS	01/10/2010	30/09/2012	Senior Manager	425
CRS	01/10/2010	30/09/2012	Manager	345
CRS	01/10/2010	30/09/2012	Assistant Manager	240
CRS	01/10/2010	30/09/2012	Associate	175
CRS	01/10/2010	30/09/2012	Support	110
CRS	01/10/2010	30/09/2012	Senior support	110
CRS	01/10/2010	30/09/2012	EWS	40

Discipline	Business Unit	Grade	2011 Min	2011 Max	2012 Min	2012 Max
Admin	other CSS	EA Support Staff	110	110		
Audit	UK Audit North	D1 Assistant Manager	240	240		
T&R	Restructuring	B1 Senior Manager	425	425	425	425
T&R	Restructuring	C1 Manager	345	345	345	345
T&R	Restructuring	D1 Assistant Manager	240	240	240	240
T&R	Restructuring	DA Support Staff	110	110	110	110
T&R	Restructuring	E1 Associate	175	175	175	175
T&R	Restructuring	E2 Associate	175	175		
T&R	Restructuring	E3 Senior Associate	175	175	175	175
T&R	Restructuring	P0 Associate Partner	460	460	460	460
T&R	Restructuring	P2 Equity Partner	535	535		
TAX	Indirect Tax	A Director	460	460		
TAX	Indirect Tax	B1 Senior Manager			425	425
TAX	Indirect Tax	C1 Manager			345	345
TAX	Pensions	D1 Assistant Manager	240	240		
TAX	Pensions	D2 Assistant Manager	240	240	240	240
TAX	UK TAX North	A Director	460	460		
TAX	UK TAX North	B2 Senior Manager	425	425		
TAX	UK TAX North	C2 Manager	345	345	345	345
TAX	UK TAX North	D2 Assistant Manager	240	240		



9 **Appendix 4: Schedule of expenses for the period**  
**14 June 2011 to 13 June 2012**

Section	Account	Accrued	Paid	Total
Fixed charge costs	Liquidators' fees	-	50,000 00	50,000 00
	Legal fees	-	15,432 50	15,432 50
	Legal expenses	-	1 24	1 24
<b>Total fixed charge costs</b>			<b>65,433.74</b>	<b>65,433.74</b>
Cost of realisations	Cheque/Payable order fees	-	163 60	163 60
	Liquidators' fees	40,467 00	100,000 00	140,467 00
	Legal fees	-	986 89	986 89
	Storage costs	-	214 46	214 46
	Administration costs	-	35,828 16	35,828 16
	Other property expenses	-	50 00	50 00
	Post appointment rates	127,808 65	-	127,808 65
	Bank charges	-	69 00	69 00
<b>Total cost of realisations</b>		<b>168,275.65</b>	<b>137,312.11</b>	<b>305,587.76</b>
<b>TOTAL</b>		<b>168,275.65</b>	<b>202,745.85</b>	<b>371,021.50</b>

## 10 **Appendix 5: Extract from the Insolvency Rules 1986**

Rule 4 49E

Creditors' and members' request for further information

(1) If—

(a) within the period mentioned in paragraph (2) —

(i) a secured creditor, or

(ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or

(iii) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at a general meeting of the company, or

(b) with the permission of the court upon an application made within the period mentioned in paragraph (2)—

(i) any unsecured creditor, or

(ii) any member of the company in a members' voluntary winding up,

makes a request in writing to the liquidator for further information about the remuneration or expenses set out in a progress report in accordance with Rule 4 49B(1)(e) or (f) (including by virtue of Rule 4 49C(5)) or in a draft report under Rule 4 49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of a matter in a draft report under Rule 4 49D or a progress report required by Rule 4 108 which (in either case) was previously included in a progress report not required by Rule 4 108

(2) The period referred to in paragraph (1)(a) and (b) is—

(a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4 108, and

(b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case

(3) The liquidator complies with this paragraph by either—

(a) providing all of the information asked for, or

(b) so far as the liquidator considers that—

(i) the time or cost of preparation of the information would be excessive, or

(ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or

(iii) the liquidator is subject to an obligation of confidentiality in respect of the information,

giving reasons for not providing all of the information

(4) Any creditor and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of—

(a) the giving by the liquidator of reasons for not providing all of the information asked for, or

(b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just

(5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4 131(1B) or 4 148C(2) by such further period as the court thinks just

(6) This Rule does not apply where the liquidator is the official receiver

Rule 4 131

Creditors' claim that remuneration is or other expenses are excessive

(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

(1A) Application may be made on the grounds that—

(a) the remuneration charged by the liquidator,

(b) the basis fixed for the liquidator's remuneration under Rule 4 127,

(c) expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

(1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")

(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for an a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

(3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it

(4) If the court considers the application to be well-founded, it must make one or more of the following orders—



*Pilkington's Tiles Ltd (in liquidation)*  
*Progress Report*  
*KPMG LLP*  
*7 August 2012*

- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
  - (b) an order fixing the basis of remuneration at a reduced rate or amount,
  - (c) an order changing the basis of remuneration,
  - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
  - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,
- and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation





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## 11 **Appendix 6: Proof of debt form**

# Proof of debt - general form

**In the matter of Pilkington's Tiles Ltd (CVL)**

**and**

**In the matter of the Insolvency Act 1986**

**Date of commencement of administration 14 June 2010**

**Date of commencement of creditors' voluntary liquidation 14 June 2011**

1	Name of creditor	
2	Address of creditor	
3	Total amount of claim, including any VAT and outstanding uncapitalised interest as at the date of the company went into liquidation (see note on page 2)	£
4	Details of any documents by reference to which the debt can be substantiated (Note the liquidator may call for any document or evidence to substantiate the claim at his discretion)	
5	If the total amount shown above includes outstanding uncapitalised interest please state amount	£
6	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under s 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category  Amount(s) claimed as preferential-£
7	Particulars of how and when debt incurred	
8	Particulars of any security held, the value of the security, and the date it was given	
9	Particulars of any reservation of title claimed, including details of goods supplied, their value and when supplied	
10	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	