

CVA3

Notice of supervisor's progress report in voluntary arrangement



Companies House

THURSDAY



A07 *A77LX4LN* 07/06/2018 #242
COMPANIES HOUSE

2

1 Company details

Company number 03616068

Company name in full Premier Waste Management Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Supervisor's name

Full forename(s) Howard

Surname Smith

3 Supervisor's address

Building name/number KPMG LLP

Street 1 Sovereign Square

Sovereign Street

Post town Leeds

County/Region

Postcode LS14DA

Country

4 Supervisor's name ^①

Full forename(s) Jonathan Charles

Surname Marston

① Other supervisor

Use this section to tell us about
another supervisor.

5 Supervisor's address ^②

Building name/number KPMG LLP

Street 1 Sovereign Square

Sovereign Street

Post town Leeds

County/Region

Postcode LS14DA

Country

② Other supervisor

Use this section to tell us about
another supervisor.

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6 Date of voluntary arrangement

Date

d	1	d	2	m	0	m	2	y	2	y	0	y	1	y	3
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

7 Period of progress report

Date from

d	1	d	2	m	0	m	2	y	2	y	0	y	1	y	7
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Date to

d	1	d	1	m	0	m	2	y	2	y	0	y	1	y	8
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

8 Progress report

☒ I attach a copy of the progress report

9 Sign and date

Supervisor's signature

Signature

X

Harold Smith

X

Signature date

d	0	d	6	m	0	m	6	y	2	y	0	y	1	y	8
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---



Supervisors' Annual Progress Report 12 February 2017 to 11 February 2018

Premier Waste
Management Limited –
under a Voluntary
Arrangement and in
Liquidation

4 April 2018

Glossary

The Company and/or PWM	Premier Waste Management Limited under a Company Voluntary Arrangement and in Liquidation (Company registered number 03616068)
CVA	Company Voluntary Arrangement
CVL	Creditors Voluntary Liquidation
The Proposal	The CVA Proposal approved by creditors on 12 February 2013
The Joint Supervisors/Supervisors/we our/us	Howard Smith and Jonathan Charles Marston of KPMG LLP, 1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA
The Period	12 February 2017 to 11 February 2018
HMRC	HM Revenue & Customs
FTT	First Tier Tribunal (Tax)

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In the High Court of Justice

Case No. 71 of 2013

Chancery Division

High Court of Justice Newcastle upon Tyne
District Registry

In the matter of Premier Waste Management
Limited (the 'Company')

and in the matter of the Insolvency Act 1986

We attach as Appendix 1 a copy of the Supervisors' annual summary of receipts and payments in the above Voluntary Arrangement for the period 12 February 2017 to 11 February 2018 (the 'Period') and we report as follows:

1 Receipts

1.1 Interest received

Bank interest of £2,170 has been received during the Period in relation to funds held.

2 Payments

2.1 Sundry expenses

A corporation tax refund of £137 was received during the Period, of which £118 was due to the Liquidation of the Company. This was duly paid to Premier Waste in CVL.

3 Progress of the Arrangement

3.1 Unsecured creditors

As you are aware, the Proposal stated that the expected distribution to creditors, would be in full and final settlement of 80% of each CVA creditor's claim (i.e. 80% of its debt) allowing those CVA creditors to vote and prove for the remaining 20% in the subsequent liquidation.

According to the Directors' Statement of Affairs, as at 30 November 2012 (schedule 7 of the Proposal), the estimated claims of unsecured creditors totalled £26,202,234. This was based on the November 2012 management accounts, prepared by the Company, and was prepared on the assumption that the Company would enter liquidation immediately.

Subsequent to the date of the Statement of Affairs, the Company updated its ledgers to reflect all balances which could potentially be claimed in the CVA and subsequent liquidation. The updated balances were taken into account by the Joint Supervisors when agreeing claims.

The Estimated Outcome Statement (schedule 6 of the Proposal) was prepared as at 12 February 2013 on two assumptions: a CVA followed by a CVL and an immediate liquidation. Anticipated claims in the CVA and subsequent CVL were estimated to total £18,968,000.

As stated in the Proposals, the return to creditors through the CVA, and subsequent CVL, was estimated by the Company's directors to be 42 pence in the pound.

An interim dividend was previously declared and paid in February 2015 on the claims of unsecured creditors admitted in the CVA of the Company, totalling £19,666,454, which is £15,733,163 at 80% of the claim value. The interim dividend, calculated on 80% of claim value, was 64.4 pence in the pound.

The total amount distributed to unsecured creditors to date is £10,128,224.

A further dividend will be declared in due course. The quantum of any further dividend is dependent on a landfill tax claim made against HMRC, see below for further detail.

3.2 Extension to the period of the CVA

As previously reported, Premier Waste has an ongoing landfill tax claim with HMRC. If successful, the claim is valued at £4.5 million and returns to the creditors of PWM would increase.

The claim is progressing but has not been resolved, and accordingly, the Joint Supervisors intend to extend the period of the CVA a further three years, to 1 June 2021, to allow them to continue to pursue this claim. A hearing has been held before the First Tier Tribunal (Tax) ('FTT'). The FTT has reserved its decision meaning the outcome of the tribunal is not yet known. We are awaiting the outcome of this.

This extension is considered to be a material variation to the Proposal and, as such, a notice of a creditors' decision procedure to consider the proposed extension will be sent to creditors under separate cover.

4 Office Holders' Remuneration

In accordance with the terms of the proposal the Joint Supervisors' remuneration is fixed on the basis of time properly given by them and their staff in dealing with matters arising in the Arrangement.

Attached at Appendix 2 is a detailed analysis of time spent and charge out rates for each grade of staff for the various areas of work carried out in the Period (as required by the Association of Business Recovery Professionals' Statement of Insolvency Practice No.9) together with details of expenses incurred to date.

In the Period the Joint Supervisors incurred time costs of £20,439, representing 61 hours at an average rate of £335 per hour. This includes tax, VAT and pensions advice from KPMG LLP in-house specialists. The Joint Supervisors have not incurred any expenses during the Period.

Disbursements of £93 were also incurred during the Period, as shown at Appendix 2.

The Joint Supervisors have not drawn any fees during the Period. Fees drawn to date are £357,000.

The Proposal estimated that the total fees to be paid to the Supervisors would be £200,000 plus outlays and VAT thereon. The Joint Supervisors' time costs for the CVA to date are £406,157 and it is anticipated that these costs will increase to £460,000 by the time the CVA is concluded. These costs are higher than anticipated, predominantly as a result of increased

time required in the agreement of creditors' claims and the time taken in dealing with the landfill tax claim.

The estimated future costs relate to progressing the landfill tax claim, making a further distribution to creditors and dealing with statutory obligations, including corporation tax, and management of the case for a further three years.

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. However, 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.

A creditors' guide to fees can be found at:

http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Voluntary_Arrangement_Fees_Nov2011.pdf

However, if you are unable to access this guide and would like a copy then please contact Clare McCain on 0191 4013867.

5 Future conduct of the Arrangement

The CVA cannot be concluded at present. The Joint Supervisors will continue to perform their duties as set out in the Proposal. This will include, but is not limited to:

- resolution of the ongoing landfill tax claim;
- the agreement of remaining creditors' claims;
- dealing with the extension of the CVA;
- a further distribution to unsecured creditors; and
- any other functions which it may be necessary or expedient for the Supervisor to undertake in connection with the implementation of the Arrangement.

If you have any further queries in relation to the above please direct them to Clare McCain on 0191 4013867.

Signed



Dated

4 April 2018

Howard Smith
Joint Supervisor

Appendix 1 Receipts and payments account for the period 12
February 2017 to 11 February 2018

Premier Waste Management Limited - under a Voluntary Arrangement			
Abstract of receipts & payments			
Statement of affairs (£)		From 12/02/2017 To 11/02/2018 (£)	From 12/02/2013 To 11/02/2018 (£)
ASSET REALISATIONS			
297,650.00	Plant & machinery	NIL	385,486.00
267,833.00	Other debtors	NIL	NIL
1,007,756.00	Book debts	NIL	1,665,730.46
460,580.00	Inter company debtors	NIL	404,454.00
	CVA contributions	NIL	1,676,189.34
5,601,422.00	Cash at bank	NIL	3,992,902.94
	Bond release	NIL	2,760,790.73
	Return of Barclays retained cash	NIL	825,000.00
		NIL	11,710,553.47
OTHER REALISATIONS			
	Bank interest, gross	2,169.83	96,530.95
	Bank interest, net of tax	NIL	236.23
	Accrued income	NIL	156,765.03
	Sundry refunds	137.32	48,913.47
	Funds received in error	NIL	36,407.95
	Funds held for employee compromise	NIL	50,000.00
		2,307.15	388,853.63
COST OF REALISATIONS			
	Employee compromise - payment	NIL	(50,000.00)
	Management team bonus	NIL	(167,508.63)
	Costs of bond release	NIL	(45,971.48)
	Repayment of funds rec'd in error	NIL	(36,407.95)
	Supervisors' fees	NIL	(357,000.00)
	Agents'/Valuers' fees	NIL	(5,836.50)
	Agents'/Valuers' disbursements	NIL	(15,187.33)
	Legal fees	NIL	(10,455.00)
	Legal disbursements	NIL	(150.00)
	Corporation tax	NIL	(14,802.79)
	VAT interest	NIL	(245.29)
	Sundry expenses	(118.27)	(118.27)
	Insurance of assets	NIL	(464.28)
	Bank charges	NIL	(230.00)
		(118.27)	(704,377.52)

Premier Waste Management Limited - under a Voluntary Arrangement

Abstract of receipts & payments

Statement of affairs (£)		From 12/02/2017 To 11/02/2018 (£)	From 12/02/2013 To 11/02/2018 (£)
UNSECURED CREDITORS			
(3,876,626.00)	Trade & expense	NIL	(914,328.25)
(797,230.00)	Employees	NIL	(47,168.25)
(1,484,440.00)	Barclays Mercantile	NIL	(530,236.79)
(4,149,113.00)	Restoration & aftercare provision	NIL	NIL
(1,602,699.00)	Landfill tax	NIL	NIL
(957,834.00)	Connected companies	NIL	(381,202.49)
(5,872.00)	Finance lease	NIL	(296,479.07)
(12,500,000.00)	Pension scheme	NIL	(7,884,650.00)
(828,420.00)	Operating lease	NIL	NIL
	National Insurance Fund	NIL	(74,158.89)
		NIL	(10,128,223.74)
DISTRIBUTIONS			
(500,000.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(19,066,993.00)		2,188.88	1,266,805.84
REPRESENTED BY			
	Floating ch. VAT rec'able		6,295.77
	Supervisors trust account		1,266,535.04
	Floating ch. VAT payable		(54,318.20)
	Floating ch. VAT control		48,293.23
			1,266,805.84

Appendix 2 Time cost analysis for the period from 12 February 2017 to 11 February 2018

SIP 9 –Time costs analysis (12/02/2017 to 11/02/2018)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
General (Cashiering)	2.70	1,237.00	458.15
Reconciliations (& IPS accounting reviews)	2.05	852.00	415.61
General			
Books and records	0.60	177.00	295.00
Fees and WIP	3.70	931.50	251.76
Statutory and compliance			
Checklist & reviews	9.30	2,792.50	300.27
Statutory receipts and payments accounts	1.60	536.50	335.31
Strategy documents	9.80	4,230.50	431.68
Tax			
Post appointment corporation tax	1.10	324.50	295.00
Post appointment VAT	2.40	798.50	332.71
Creditors			
Creditors and claims			
Agreement of unsecured claims	0.50	255.00	510.00
General correspondence	9.50	3,017.50	317.63
Statutory reports	16.10	4,814.00	299.01
Employees			
Correspondence	0.30	88.50	295.00
Realisation of assets			
Asset Realisation			
Debtors	0.30	88.50	295.00
Other assets	1.00	295.00	295.00
Total in period	60.95	20,438.50	335.33
Brought forward time (appointment date to SIP 9 period start date)	1,244.90	385,718.25	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	60.95	20,438.50	
Carry forward time (appointment date to SIP 9 period end date)	1,305.85	406,156.75	

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 the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

Joint Supervisors' disbursements

The Joint Supervisors have incurred the following disbursements during the Period.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Courier & delivery costs	NIL	88.16	NIL	NIL	88.16
External printing	NIL	4.66	NIL	NIL	4.66
Total	NIL	92.82	NIL	NIL	92.82

KPMG Restructuring Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements: These are costs that are directly referable to the appointment in question but not a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

The only Category 2 disbursements that KPMG Restructuring currently charges is mileage. Mileage claims fall into three categories:

- use of privately-owned vehicle or car cash alternative – 45 pence per mile;
- use of company car – 60 pence per mile; and
- use of partner's car – 60 pence per mile.

For all of the above car types, when carrying passengers an additional 5 pence per mile per passenger will also be charged where appropriate.

Any disbursements to be paid from the estate are disclosed within the summary of disbursements above.

Appendix 3 Charge out rates for the period from 12 February 2017 to 11 February 2018

Charge-out rates (£) for:	
Restructuring Grade	From 01 Nov 2016 £/hr
Partner	625
Director	560
Senior Manager	510
Manager	425
Senior Administrator	295
Administrator	215
Support	131

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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Clare McCain
Company name	KPMG LLP
Address	1 Sovereign Square Sovereign Street
Post town	Leeds
County/Region	
Postcode	L S 1 4 D A
Country	
DX	
Telephone	Tel +44 (0) 191 401 3700



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

All information on this form will appear on the public record.



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You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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