

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

TUESDAY



A20

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05/02/2019

#148

COMPANIES HOUSE

### 1 Company details

Company number 03705228

Company name in full Entatech UK Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Christopher Robert

Surname Pole

### 3 Liquidator's address

Building name/number One Snowhill

Street Snow Hill Queensway

Post town Birmingham

County/Region

Postcode B46GH

Country

### 4 Liquidator's name ①

Full forename(s) Mark Jeremy

Surname Orton

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number One Snowhill

Street Snow Hill Queensway

Post town Birmingham

County/Region

Postcode B46GH


Country

#### ② Other liquidator

Use this section to tell us about  
another liquidator.

LIQ03

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<b>6</b>	<b>Period of progress report</b>																
From date	<sup>d</sup>	0	<sup>d</sup>	4	<sup>m</sup>	1	<sup>m</sup>	2	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	1	<sup>y</sup>	7	
To date	<sup>d</sup>	0	<sup>d</sup>	3	<sup>m</sup>	1	<sup>m</sup>	2	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	1	<sup>y</sup>	8	
<b>7</b>	<b>Progress report</b>																
<input checked="" type="checkbox"/> The progress report is attached																	
<b>8</b>	<b>Sign and date</b>																
Liquidator's signature	Signature <b>X</b>  <b>X</b>																
Signature date	<sup>d</sup>	3	<sup>d</sup>	0	<sup>m</sup>	0	<sup>m</sup>	1	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	1	<sup>y</sup>	9	

# LIQ03

## Notice of progress report in voluntary winding up



### 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 **Alessia Solazzo**

Company name **KPMG LLP**

Address **One Snowhill  
Snow Hill Queensway**

Post town **Birmingham**

County/Region

Postcode **B 4 6 G H**

Country

DX

Telephone **Tel +44 (0) 121 232 3229**



### 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 the form.



### Important information

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



### Where to send

**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

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**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**



Joint  
Liquidators'  
progress  
report for the  
period 4  
December  
2017 to 3  
December  
2018

Entatech UK Limited - in  
Liquidation

30 January 2019

# Notice to creditors

This report provides an update on the liquidation of the Company.

We have included (Appendix 2) an account of all amounts received and payments made during the period from the date of our appointment on 4 December 2017 to 3 December 2018.

We have also explained our future strategy for the liquidation and how likely it is that we will be able to pay each class of creditor

You will find other important information in this report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 6).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+EHB21D3327.html>. We hope this is helpful to you.

**Please also note that an important legal notice about this report is attached (Appendix 7).**

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# 1 Executive summary

- We, Chris Pole and Mark Orton, were appointed Joint Liquidators of the Company on 4 December 2017, following a previous administration appointment. The Company had been placed into administration on 8 May 2017.
- This report covers the period from 22 November 2017, the date of the final administration report, to 3 December 2018.
- The majority of the Company's assets have now been realised following the sale of the Company's freehold property for £1.7million in April 2018.
- Funds held at the close of the administration have been received in the liquidation, together with VAT refunds due from HMRC. All liabilities relating to the administration will shortly be settled. (Section 2 - Progress to date).
- Lombard, the Company's only remaining secured creditor at the time it was placed into liquidation, has been paid in full from the proceeds of the sale of the freehold property. (Section 3 - Dividend prospects and dividends paid).
- Preferential creditors whose claims totalled £42,793.23 have been paid in full in the period. (Section 3 - Dividend prospects and dividends paid).
- It is anticipated that unsecured creditors will receive a first and final dividend of between 33 to 44 pence in the £. (Section 3 - Dividend prospects and dividends paid).
- Please note: you should read this report in conjunction with any previous correspondence sent to the Company's creditors; these can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+EH502B4156.html>. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.



Chris Pole  
Joint Liquidator

## 2 Strategy and progress to date

We were appointed Joint Liquidators of the Company on 4 December 2017, following a previous administration appointment. The Company had been placed into administration on 8 May 2017.

This report covers the period from 22 November 2017, the date of the final administration report to 3 December 2018. However, please refer to any previous administration reports or correspondence to creditors where any information has previously been disclosed.

This section updates you on our strategy for the liquidation and on our progress to date. It follows the information provided in the Joint Administrators' final progress report.

### 2.1 Strategy to date

#### Strategy

- As it was evident that there were sufficient funds available from the realisation of the Company's assets to enable a dividend to be paid to its unsecured creditors, the Company was moved from administration into liquidation to facilitate this process.
- During the period, we have realised the vast majority of the Company's remaining assets, and hope to be in a position to finalise realisations in the near future.
- The Company's only remaining secured creditor at the date of the liquidation has been paid in full during the period, together with the claims of the preferential creditors.
- The majority of claims from unsecured creditors have been agreed. However, we are still in the process of resolving a small number of claims where the amount claimed is significantly greater than that shown in the Company's records. As soon as these claims are agreed, steps will be taken to make a first and final distribution to the Company's unsecured creditors.

### 2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period are provided below.

#### Administration surplus

The amount shown as received in respect of funds from the administration includes cash held in the administration bank account per the final administration progress report at 22 November 2017 in the sum of £3,303,014; additional funds received in the period 23 November 2017 to 4 December 2018; and refunds of VAT from HMRC, previously paid in the administration.

#### Freehold property

The sale of the Company's freehold property at Stafford Park, Telford in the sum of £1.7million, was completed on 3 April 2018 to Excellency Midlands Limited, an unconnected third party.



Per the director's estimated statement of affairs, the property had a realisable value of £2million. GVA, acting on behalf of ourselves as Administrators, valued the property at a similar level on a vacant possession basis. However, GVA also provided a valuation on an 'as is' basis of £1.6 to £1.8 million, which took into account the impact of the long term lease issued to one of the property's tenants on its value. The sale of the property for £1.7million was concluded on the recommendation of GVA.

Default Interest was received from the purchaser of the property, as the contractual completion date was not achieved. Default interest was charged at a daily rate of £419, with £3,353.44 being received in total.

#### Rent and service charges

The two tenants who occupied the property, paid monthly rent and service charges during the administration and liquidation. GVA, who were engaged to manage the properties on our behalf, retained the service fees collected from one of the tenants, in order to discharge property maintenance costs. Upon the sale of the premises, the residual funds held by GVA were paid into the liquidation and are detailed in the attached receipts and payments account, to reflect both the income collected by GVA, and associated costs paid in relation to the property.

£40,652 is shown as received in respect of rent and service charges in relation to the administration period, and £24,911 has been collected in respect of charges due from the date of the liquidation. The sum of £3,413 remains outstanding in relation to service charges from one tenant for the period from February 2018 to 4 April 2018, which we anticipate receiving in the near future.

#### Stock

The Company's stock was sold to GNR as part of the sale of the Company's business for a consideration of £531,851, of which, £379,673 was received in the administration. £148,825 has subsequently been received in the liquidation. The balance of £3,352 represents charges incurred by GNR whilst realising the stock, which GNR has deducted from the additional consideration due to the Company. This amount remains due to the Company and is being pursued.

#### Investigations

We are reviewing the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

## 2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

#### Administration Property Holding Costs

GVA managed the Company's property during the administration and liquidation. Payments totalling £122,379 are shown as being made in the attached receipts and payments account during the period, in relation to the administration period. GVA paid the majority of these costs from funds they were holding in relation to service payments they had collected. Upon

the sale of the property, GVA remitted the balance of funds they were holding to ourselves. The funds received are reflected in the attached receipts and payments account to show the gross receipts and payments dealt with by GVA. The following is a summary of the largest payments made:

• Rates	£35,326
• Insurance	£24,946
• Janitorial Services	£11,094
• Property Maintenance and Inspections	£11,215
• Utilities	£14,254

#### Administration and Liquidation management costs

GVA were paid a fixed fee of £5,000 in respect of their initial assessment of the premises, and received 8% of the monies they collected in respect of rent and service charges. GVA received £9,796 in respect of their management of the property up to the date of the liquidation and a further £2,673 in the liquidation.

#### Property Holding Costs

It was initially anticipated that the property would be sold in January 2018. The sale was finally completed on 3 April 2018. Consequently, the estimate of costs given in relation to the property's maintenance at the outset of the liquidation have increased to £48,890. A summary of the largest costs is as follows;

• Security	£26,862
• Property Maintenance and Inspections	£12,002
• Janitorial & Waste Disposal	£9,356

#### Agent's Fees

GVA assisted with the sale of the property, and received a fixed fee of £17,000, being 1% of the gross sale price of the property, together with £986 in respect of disbursements they had incurred.

#### Solicitors' fees

SPB continued to provide assistance in relation to the sale of the property, dealing with general enquiries, and providing advice in relation to the agreement of creditors' claims. SPB have been paid on a time costs basis. It was initially estimated that their time costs in relation to the sale of the property would be in the region of £31,000, however, as a result of the delay in the sale, their final costs in relation to the sale totalled £61,506, £45,121 of which has been paid in the period.

## 2.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

Summaries of the most significant expenses which have been incurred in the period but have not yet been paid are provided below.

#### Administrators' Fees and Disbursements

The balance of our outstanding Administrators' fees of £74,439 as detailed in our initial letter to creditors in the liquidation, and our final administration progress report, have been drawn on 11 December 2018.

#### Agents' fees

John Pye & Sons, valuers and auctioneers, provided a valuation of the stock in anticipation of the sale of the Company's business. Their fees of £3,295, have been agreed on the basis of time spent visiting the Company's premises and preparing the valuation

GVA also provided assistance in obtaining a reduction of the rateable value of the property which resulted in a saving of £22,882. GVA's fees were agreed at £3,432 in respect of this work, which represented a fixed fee of 15% of the savings.

#### Solicitors' fees

SPB have incurred time costs of £10,514 during the period relating to non-property related matters, including providing advice on the agreement of unsecured claims.

## **3 Dividend prospects and dividends paid**

### **3.1 Secured creditors**

Please refer to our Joint Administrators' proposals for details of the secured creditors, which can be viewed at <http://www.insolvency-kpmg.co.uk/case+KPMG+EH502B4156.html>

During the period, we have distributed £220,437.28 to Lombard, all of which relates to fixed charge realisations. Lombard have now been repaid in full.

### **3.2 Preferential creditors**

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially.

During the administration, the preferential claims were estimated to be £41,326.

A first and final dividend to preferential creditors of 100p in the £ was declared on 26 September 2018 and paid during the period.

The total amount distributed to the preferential creditors during the period was £42,793.23.

### **3.3 Unsecured creditors**

The amount shown as due to the Company's unsecured creditors per the director's estimated statement of affairs totalled £9,744,456. To date, creditors' who were shown as being owed £5,561,252, have had their claims agreed in the sum of £4,475,588.

HM Revenue & Customs have submitted a claim which is approximately £1.3million in excess of the amount shown as due in respect of the Company's tax arrears, and we are currently attempting to agree this claim with HMRC.

We have received a claim in the sum of £2,311,730, which wasn't listed on the director's estimated statement of affairs, from the Trustees in Bankruptcy of Ji-Chuen Jason Tsai, a former director of the Company. The Trustees are claiming that amounts shown as loaned to the Company from a third party, and written off in the Company's accounts, were in fact monies advanced by Mr Tsai, and are repayable by the Company.

This matter is being dealt with by our solicitors, SPB, and we hope to be in a position to resolve this matter in the near future.

Based on current estimates, and on the outcome of the agreement of the two claims previously detailed, unsecured creditors should receive a dividend of between 33 and 44 pence in the £.

## 4 Joint Liquidators' remuneration and disbursements

During the period, the creditors have provided approval that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided on 7 December 2017.
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5.

### Time costs

From the date of our appointment to 3 December 2018, we have incurred time costs of £276,596.60. These represent 928 hours at an average rate of £298.06 per hour.

### Remuneration

During the period, we have not drawn any remuneration.

### Disbursements

During the period, we have incurred disbursements of £233.14. None of these have yet been paid.

### Additional Information

We have attached a revised expenses estimate at Appendix 4. Our estimated expenses have increased as a result in the delay of the sale of the Company's former freehold property.

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from our appointment to 3 December 2018. We have also attached our charging and disbursements policy.

## **5 Future strategy**

### **5.1 Future conduct of the liquidation**

The following matters are still ongoing in the liquidation:

- Finalisation of recoveries regarding stock and service charges.
- Agreement of the claims received from the Trustees of Ji-Chuen Jason Tsai and HMRC.
- The issuing of a notice of intended distribution to unsecured creditors who have not yet submitted a claim.
- Finalisation of the Company's tax position.
- Payment of a first and final dividend to unsecured creditors
- Closure of the liquidation and movement of the Company to dissolution.

### **5.2 Future reporting**

We will report again on the progress of this liquidation by 3 February 2020 or in the final report if matters have been concluded earlier.

## Appendix 1      Statutory information

### Company information

Company name	Entatech UK Limited
Date of incorporation	1 February 1999
Company registration number	03705228
Previous registered office	Stafford Park 6, Telford, Shropshire, TF3 3AT
Present registered office	One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH
Trading address	Stafford Park 6, Telford, Shropshire, TF3 3AT
Nature of business	IT Distributor of PC hardware & software

### Liquidation information

Appointed by	Creditors pursuant to Paragraph 83 of Schedule B1 of the Insolvency Act 1986
Date of appointment	4 December 2017
Joint Liquidators' details	Chris Pole and Mark Orton
Joint Liquidators' address	One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH
Functions	The functions of the Joint Liquidators are being exercised by them individually or together in accordance with Section 231(2) of the Insolvency Act 1986.
EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations.

## Appendix 2 Joint Liquidators' receipts and payment account

Statement of affairs/ (£)		From 04/12/2017 To 03/12/2018 (£)	From 04/12/2017 To 03/12/2018 (£)
FIXED CHARGE ASSETS			
2,000,000	Freehold property	1,700,000.00	1,700,000.00
	Default Interest on Property Sale	3,353.44	3,353.44
	Administration Rent & Service Charges	40,652.34	40,652.34
	Rent & service charge	24,911.76	24,911.76
		<u>1,768,917.54</u>	<u>1,768,917.54</u>
FIXED CHARGE COSTS			
	Legal fees	(45,121.70)	(45,121.70)
	Agents' fees re property sale	(17,985.50)	(17,985.50)
	Legal disbursements	(689.03)	(689.03)
	Property Management Costs	(3,173.12)	(3,173.12)
	Administration Property holding costs	(122,378.84)	(122,378.84)
	Administration Property Management Costs	(9,796.40)	(9,796.40)
	Property Holding Costs	(48,890.53)	(48,890.53)
		<u>(248,035.12)</u>	<u>(248,035.12)</u>
FIXED CHARGE CREDITORS			
283,739	Lombard Tech Serv Ltd	(220,437.28)	(220,437.28)
		<u>(220,437.28)</u>	<u>(220,437.28)</u>
ASSET REALISATIONS			
	Interest charged on late payments	3.70	3.70
	Stock	148,825.30	148,825.30
	Administrators Insurance refund	3,164.63	3,164.63
	Funds from Administrators	3,513,957.28	3,513,957.28
		<u>3,665,950.91</u>	<u>3,665,950.91</u>
OTHER REALISATIONS			
	Bank interest, gross	17,613.80	17,613.80
		<u>17,613.80</u>	<u>17,613.80</u>
COST OF REALISATIONS			
	Courier costs	(25,000.00)	(25,000.00)
	Storage costs	(7,850.20)	(7,850.20)
	Statutory advertising	(69.00)	(69.00)
		<u>(32,919.20)</u>	<u>(32,919.20)</u>



Statement of affairs/ (£)		From 04/12/2017 To 03/12/2018 (£)	From 04/12/2017 To 03/12/2018 (£)
PREFERENTIAL CREDITORS			
	Insolvency Service preferential claim	(29,414.35)	(29,414.35)
(35,337.00)	Employees' wages and holiday pay	(13,378.88)	(13,378.88)
		<u>(42,793.23)</u>	<u>(42,793.23)</u>
UNSECURED CREDITORS			
(6,972,163.00)	Trade & expense	NIL	NIL
(269,855.00)	Employees	NIL	NIL
(2,476,699.00)	Non-preferential VAT PAYE and NIC	NIL	NIL
(3,748.00)	Prepaid consumer creditors	NIL	NIL
(21,991.00)	Other	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
DISTRIBUTIONS			
3,900,100.00	Ordinary shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
		<b>4,908,297.42</b>	<b>4,908,297.42</b>
REPRESENTED BY			
	VAT receivable		7,469.51
	Current account		4,906,038.57
	Fixed charge VAT receivable		27,786.38
	Fixed charge VAT payable		(8,243.02)
	Floating charge VAT control		(24,754.02)
			<u><b>4,908,297.42</b></u>

## Appendix 3      Schedule of expenses

<b>Schedule of expenses (04/12/2017 to 03/12/2018)</b>			
<b>Expenses (£)</b>	<b>Incurred and paid in the period (£)</b>	<b>Incurred in the period not yet paid (£)</b>	<b>Total (£)</b>
<b>Fixed charge costs</b>			
Legal fees	45,121.70	16,385.00	<b>61,506.70</b>
Administrators' Fees	0.00	1,257.30	<b>1,257.30</b>
Agents' fees re property sale	17,985.50	0.00	<b>17,985.50</b>
Legal disbursements	689.03	0.00	<b>689.03</b>
Property Management Costs	3,173.12	0.00	<b>3,173.12</b>
Administration Legal Fees	0.00	7,743.90	<b>7,743.90</b>
Administration Property holding costs	122,378.84	0.00	<b>122,378.84</b>
Administration Property Management Costs	9,796.40	0.00	<b>9,796.40</b>
Property Holding Costs	48,890.53	1,342.34	<b>50,232.87</b>
Liquidators' Fees	0.00	72,604.25	<b>72,604.25</b>
<b>Cost of realisations</b>			
Courier costs	25,000.00	0.00	<b>25,000.00</b>
Administration Agents' Fees	0.00	6,727.30	<b>6,727.30</b>
Administrators' Floating Charge Fees	0.00	73,182.28	<b>73,182.28</b>
Legal fees	0.00	10,811.00	<b>10,811.00</b>
Liquidators' Fees	0.00	203,992.35	<b>203,992.35</b>
Liquidators' Disbursements	0.00	233.14	<b>233.14</b>
Storage costs	7,850.20	418.35	<b>8,268.55</b>
Statutory advertising	69.00	0.00	<b>69.00</b>
<b>TOTAL</b>	<b>280,954.32</b>	<b>394,697.21</b>	<b>675,651.53</b>

### Requests for further information and right to challenge our remuneration and expenses

The figures above relate to liabilities incurred, whether paid or accrued, in this reporting period. They do not include details of liabilities accrued or reported during the previous administration; which are detailed in the final administration progress report.

#### Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this report, you must do so in writing within 21 days of receiving this report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including the unsecured creditor making the request) or with the permission of the Court.

#### Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this report, you must do so by making an application to Court within eight weeks of receiving this report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant Rules can be provided on request by writing to Nuala McLoughlin at KPMG LLP, One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH.

## Appendix 4 Joint Liquidators' revised expenses estimate

Summary of Expenses from appointment					
Expenses (£)	Narrative	Initial Estimates (£)	Paid to date (£)	Future costs (£)	Total (£)
<b>Fixed charge costs</b>					
Legal fees		23,256 10	45,121 70	16,385 00	<b>61,506.70</b>
Administrators' Fees		1,257 30	0 00	1,257 30	<b>1,257.30</b>
Agents' fees re property sale		24,500 00	17,985 50	0 00	<b>17,985.50</b>
Legal disbursements		500 00	689 03	0.00	<b>689.03</b>
Property Management Costs		5,000 00	3,173 12	0 00	<b>3,173.12</b>
Administration Legal Fees		7,743 90	0 00	7,743 90	<b>7,743.90</b>
Administration Property holding costs		94,161.03	122,378.84	0 00	<b>122,378.84</b>
Administration Property Management Costs		0.00	9,796 40	0 00	<b>9,796.40</b>
Property Holding Costs		5,485 28	48,890 53	1,342 34	<b>50,232.87</b>
Liquidators' Fees		79,915 00	0 00	74,683 00	<b>74,683.00</b>
<b>Cost of realisations</b>					
Courier costs		0 00	25,000 00	0.00	<b>25,000.00</b>
Administration Agents' Fees		25,000 00	0.00	6,727.30	<b>6,727.30</b>
Administrators' Floating Charge Fees		73,182 28	0.00	73,182 28	<b>73,182.28</b>
Liquidators' Fees		320,583.00	0.00	320,583 00	<b>320,583.00</b>
Liquidators' Disbursements		0 00	0 00	733 14	<b>733.14</b>
Legal fees		4,940.00	0 00	16,811 00	<b>16,811.00</b>
Bank Charges		200.00	0 00	200 00	<b>200.00</b>
Storage costs		0 00	7,850 20	7,758 00	<b>15,608.20</b>
Statutory advertising		0 00	69.00	0 00	<b>69.00</b>
<b>TOTAL</b>		<b>665,723.89</b>	<b>280,954.32</b>	<b>527,406.26</b>	<b>808,360.58</b>

## Appendix 5 Joint Liquidators' charging and disbursements policy

### Joint Liquidators' charging policy

The time charged to the liquidation is by reference to the time properly given by us and our staff in attending to matters arising in the liquidation. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the liquidation to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Liquidators' Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/what-we-do/publications/professional/fees/liquidators-fees>

If you are unable to access this guide and would like a copy, please contact Nuala McLoughlin on 0115 9353576.

### Hourly rates

Set out below are the relevant charge-out rates per hour worked for the grades of our staff actually or likely to be involved on this liquidation. Time is charged by reference to actual work carried out on the liquidation.

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

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

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the liquidation. In our next statutory report, we will inform creditors of any material amendments to these rates.

## 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 to both 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 to 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.

We have incurred the following disbursements (excluding VAT) from the date of our appointment to 3 December 2018.

Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Courier & delivery costs	15.78		NIL		<b>15.78</b>
External printing	80.68		NIL		<b>80.68</b>
Postage	136.68		NIL		<b>136.68</b>
<b>Total</b>	<b>233.14</b>		<b>NIL</b>		<b>233.14</b>

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Category 2 disbursements have been approved in the same manner as our remuneration.

Narrative of work carried out for the period 4 December 2017 to 3 December 2018

The key areas of work have been.

Statutory and compliance	<ul style="list-style-type: none"><li>■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences;</li><li>■ providing statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment,</li><li>■ arranging bonding and complying with statutory requirements,</li><li>■ ensuring compliance with all statutory obligations within the relevant timescales</li></ul>
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"><li>■ formulating, monitoring and reviewing the liquidation strategy</li><li>■ briefing of our staff on the liquidation strategy and matters in relation to various work-streams;</li><li>■ regular case management and reviewing of progress, including regular team update meetings and calls,</li><li>■ reviewing and authorising junior staff correspondence and other work;</li><li>■ dealing with queries arising during the appointment,</li><li>■ reviewing matters affecting the outcome of the liquidation,</li><li>■ allocating and managing staff/case resourcing and budgeting exercises and reviews,</li><li>■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters.</li><li>■ complying with internal filing and information recording practices, including documenting</li></ul>

	strategy decisions
Reports to debenture holders	<ul style="list-style-type: none"> <li>■ providing written and oral updates to representatives of Lombard regarding the progress of the liquidation and case strategy</li> </ul>
Cashiering	<ul style="list-style-type: none"> <li>■ setting up liquidation bank accounts</li> <li>■ preparing and processing vouchers for the payment of post-appointment invoices,</li> <li>■ creating remittances and sending payments to settle post-appointment invoices,</li> <li>■ preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks,</li> <li>■ reconciling post-appointment bank accounts to internal systems;</li> <li>■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.</li> </ul>
Tax	<ul style="list-style-type: none"> <li>■ submitting relevant initial notifications to HM Revenue and Customs,</li> <li>■ reviewing the Company's pre-appointment corporation tax and VAT position;</li> <li>■ working initially on tax returns relating to the periods affected by the liquidation,</li> <li>■ analysing VAT related transactions,</li> <li>■ dealing with post appointment tax compliance</li> </ul>
General	<ul style="list-style-type: none"> <li>■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9;</li> <li>■ dealing with the Company's books and records, arranging for their collection and dealing with the ongoing storage.</li> </ul>
Asset realisations	<ul style="list-style-type: none"> <li>■ liaising with agents regarding the sale of assets;</li> <li>■ dealing with issues associated with the sale of stock,</li> <li>■ reviewing outstanding debtors and management of debt collection strategy</li> </ul>
Health and safety	<ul style="list-style-type: none"> <li>■ liaising with health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with,</li> <li>■ liaising with the Health and Safety Executive regarding the liquidation and ongoing health and safety compliance.</li> </ul>
Open cover insurance	<ul style="list-style-type: none"> <li>■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place,</li> <li>■ assessing the level of insurance premiums</li> </ul>
Pensions	<ul style="list-style-type: none"> <li>■ collating information and reviewing the Company's pension schemes;</li> <li>■ calculating employee pension contributions and review of pre-appointment unpaid contributions,</li> <li>■ ensuring compliance with our duties to issue statutory notices,</li> </ul>
Creditors and claims	<ul style="list-style-type: none"> <li>■ creating and updating the list of unsecured creditors,</li> <li>■ responding to enquiries from creditors regarding the liquidation and submission of their claims,</li> <li>■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records,</li> <li>■ dealing with suppliers with retention of title claims, including reviewing supporting</li> <li>■ arranging distributions to the secured and preferential/unsecured creditors,</li> <li>■ drafting our report</li> </ul>
Investigations/ directors	<ul style="list-style-type: none"> <li>■ reviewing the questionnaires submitted by the directors of the Company;</li> <li>■ reviewing pre-appointment transactions</li> </ul>

## Time costs

### SIP 9 –Time costs analysis (04/12/2017 to 03/12/2018)

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Director			
Reports on conduct	0.60	129.00	215.00
Cashiering			
Fund management	1.50	637.50	425.00
General (Cashiering)	80.80	20,662.00	255.72
Reconciliations (& IPS accounting reviews)	7.95	2,298.75	289.15
General			
Books and records	12.20	3,938.75	322.85
Fees and WIP	5.95	1,735.45	291.67
Other office holders	1.00	295.00	295.00
Statutory and compliance			
Appointment and related formalities	20.65	6,498.25	314.69
Appointment documents	0.15	19.65	131.00
Bonding & Cover Schedule	0.20	59.00	295.00
Budgets & Estimated outcome statements	19.15	5,811.75	303.49
Checklist & reviews	34.10	11,356.00	333.02
Pre-administration checks	0.10	29.50	295.00
Statutory advertising	0.50	147.50	295.00
Strategy documents	12.40	4,145.50	334.31
Tax			
Initial reviews - CT and VAT	0.50	212.50	425.00
Post appointment corporation tax	99.95	31,455.50	314.71
Post appointment VAT	69.60	24,479.00	351.71
<b>Creditors</b>			
Creditors and claims			
Agreement of claims	13.20	3,405.00	257.95
Agreement of preferential claims	22.10	9,392.50	425.00
Agreement of unsecured claims	128.00	36,699.50	286.71
General correspondence	205.40	50,878.00	247.70
Payment of dividends	4.30	1,827.50	425.00
Pre-appointment VAT / PAYE / CT	0.50	147.50	295.00
ROT Claims	5.35	1,455.25	272.01
Secured creditors	0.50	212.50	425.00



<b>SIP 9 –Time costs analysis (04/12/2017 to 03/12/2018)</b>			
	Hours	Time Cost (£)	Average Hourly Rate (£)
Statutory reports	<b>30.00</b>	2,650.00	88.33
Employees			
Agreeing employee claims	<b>11.75</b>	2,526.25	215.00
Correspondence	<b>1.50</b>	533.50	355.67
Pension funds	<b>0.10</b>	42.50	425.00
Pensions reviews	<b>1.85</b>	643.25	347.70
<b>Investigation</b>			
Investigations			
Correspondence re investigations	<b>1.25</b>	62.50	50.00
<b>Realisation of assets</b>			
Asset Realisation			
Administration surplus	<b>5.00</b>	655.00	131.00
Cash and investments	<b>0.40</b>	170.00	425.00
Debtors	<b>18.55</b>	7,169.75	386.51
Freehold property	<b>80.00</b>	31,707.50	396.34
Insurance	<b>1.60</b>	456.00	285.00
Leasehold property	<b>0.10</b>	21.50	215.00
Stock and WIP	<b>28.05</b>	11,520.50	410.71
Purchases costs	<b>1.20</b>	510.00	425.00
<b>Total in period</b>	<b>928.00</b>	<b>276,596.60</b>	<b>298.06</b>
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	928.00	276,596.60	
Carry forward time (appointment date to SIP 9 period end date)	928.00	276,596.60	

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

## Appendix 6      Glossary

<b>Company</b>	Entatech UK Limited - in Liquidation
<b>Joint Liquidators/we/our/us</b>	Chris Pole and Mark Orton
<b>KPMG</b>	KPMG LLP
<b>Secured creditor</b>	Lombard Technology Services Limited
<b>GVA</b>	GVA Grimley Limited
<b>SPB</b>	Squire Patton Boggs LLP
<b>GNR</b>	GNR Technology Limited

Any references in this report to Sections, Paragraphs and Rules are to Sections and Paragraphs and Rules in the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016 respectively.

## Appendix 7      Notice: About this report

This progress report has been prepared by Chris Pole and Mark Orton, the Joint Liquidators of Entatech UK Limited (the 'Company'), solely to comply with their statutory duty under the Insolvency Rules (England and Wales) 2016 to provide members and creditors with an update on the progress of the liquidation of the estate, and for no other purpose.

This report has not been prepared in contemplation of it being used, and is not suitable to be used to inform any decision in relation to the debt of or any financial interest in the Company.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at their own risk. 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 individual creditors.

Christopher Robert Pole and Mark Jeremy Orton are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – [home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html](https://home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html).

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.

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