

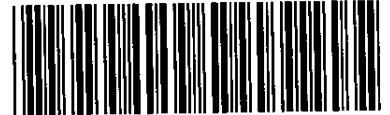
# LIQ03

## Notice of progress report in voluntary winding up



Companies House

MONDAY



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A12

09/12/2019

#235

COMPANIES HOUSE

### 1 Company details

Company number 0 5 3 2 5 0 5 6

Company name in full KNOWLEDGE MANAGEMENT & TRANSFER LIMITED

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) GARY STEVEN

Surname PETTIT

### 3 Liquidator's address

Building name/number 9/10

Street SCIROCCO CLOSE

MOULTON PARK

Post town NORTHAMPTON

County/Region

Postcode N N 3 6 A P

Country

### 4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator  
Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator  
Use this section to tell us about  
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

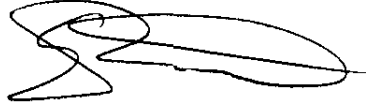
**6** Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 2	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8	
To date	<sup>d</sup> 2	<sup>d</sup> 1	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9	

**7** Progress report

<input checked="" type="checkbox"/> The progress report is attached	
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**8** Sign and date

Liquidator's signature	<div>Signature</div> <div>X  X</div>	
Signature date	<div><sup>d</sup>24</div> <div><sup>m</sup>12</div> <div><sup>y</sup>2019</div>	

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

Company name **PBC BUSINESS RECOVERY  
& INSOLVENCY LIMITED**

Address **9/10 SCIROCCO CLOSE**

**MOULTON PARK**

Post town **NORTHAMPTON**

County/Region

Postcode

**N N 3 6 A P**

Country

DX

Telephone **01604 212150**

**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**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**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)**

**KNOWLEDGE MANAGEMENT & TRANSFER LIMITED – IN CREDITORS' VOLUNTARY LIQUIDATION**

**LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS FOR THE PERIOD  
ENDING 21 OCTOBER 2019**

**1 Introduction**

- 1.1 This is my report to members and creditors following the 1st anniversary of my appointment as liquidator. *This report should be read in conjunction with my previous reports.*

**2 Statutory Information**

- 2.1 The table below details key information regarding the company and the liquidation.

Company name:	Knowledge Management & Transfer Ltd – In Liquidation
Trading Name:	KM& T
Registered office:	9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP
Former registered office:	The Techno Centre, Puma Way, Coventry, CV1 2TT
Registered number:	05325056
Date of winding up resolution:	19 October 2018
Liquidators' names:	Gary Steven Pettit and Gavin Geoffrey Bates
Joint Liquidators' address:	PBC Business Recovery & Insolvency Ltd ("PBC"), 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP
Joint Liquidators' date of appointment:	22 October 2018
Former Liquidators:	<p>The company was placed into creditors' voluntary liquidation on 19 October 2018 and Kieran Bourne of Cromwell and Co Insolvency Practitioners was appointed liquidator.</p> <p>I was appointed joint liquidator at a physical meeting of creditors on 22 October 2018 together with Gavin Bates.</p> <p>Mr Bates left PBC in December 2018 and has now resigned as liquidator. His resignation became effective on 10 January 2019.</p>

### 3 Liquidators' Actions Since Last Report

3.1 Since the initial report to creditors, the joint liquidators have undertaken the following actions:

- i. Realised assets as detailed below.
- ii. Investigated the affairs of the company as detailed below.
- iii. Dealt with all routine correspondence and emails relating to the case.
- iv. Maintained and managed (including regular bank reconciliations) the office holder's estate bank account and cashbook.
- v. Reviewed the adequacy of the specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).
- vi. Undertaken periodic reviews of the progress of the case.
- vii. Prepared, reviewed and issued an annual progress report to creditors and members.
- viii. Filed returns at Companies House.
- ix. Dealt with creditor correspondence, emails and telephone conversations regarding their claims.
- x. Dealing with employee claims and liaising with the redundancy payments office.
- xi. Maintained up to date creditor information on the case management system.
- xii. Investigations into the group of companies as a whole.

3.2 The above list includes certain work that I am required by the insolvency legislation to undertake in connection with the liquidation but provides no financial benefit for the creditors.

### 4 Receipts and Payments

4.1 My receipts & payments account for the period from 22 October 2018 to 21 October 2019 is attached.

### 5 Assets

5.1 The following table details the current asset position.

Asset Type	Estimated to realise (£)	Realisations to date (£)
Intercompany Loan – Book Value £4,473,531.00	Nil	Nil
Cash at bank	Nil	1,831.75
Investments	Nil	18,554.24
<b>Total</b>	<b>Nil</b>	<b>20,385.99</b>

5.2 I would comment further as follows:

5.3 **Cash at bank:** The statement of affairs did not include any cash at bank. Upon my appointment I questioned the directors who confirmed there was approximately £2,000 in the company's account. I wrote to the company's bankers and realised £1,831.75 in this regard.

- 5.4 **Investments:** Knowledge Management and Transfer is the holding company of various subsidiaries. Most of them were not trading and therefore had no realisable value. I entered into negotiations with the director of the Canadian company, KM&T Lean Evolutions, in relation to a sale of shares and instructed solicitors in this regard. However, it soon became apparent the associated legal costs of dealing with a sale would outweigh any benefits and no further action was taken.

In mid 2019, I was contacted by Roger Greenwood who advised the Canadian company was being wound up and there would be a return to shareholders. I received £18,554.24 in this regard which was not anticipated in the statement of affairs.

I have requested an update in relation to the Australian company and have been advised it is still being dealt with, though it is likely the company is insolvent and there will be no return to shareholders.

- 5.5 **Other Assets:** The following assets were also realised in the period:

- i Bank interest - £1.31
- ii Sundry refund - £44.25

## **6 Investigation into the affairs of the company**

- 6.1 I undertook an initial investigation into the company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available and the costs involved.
- 6.2 In particular, I recovered, listed and reviewed the company's accounting records; obtained and reviewed copy bank statements for the 24 months prior to the company ceasing to trade from the company's bankers; and compared the information in the company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and made enquiries about the reasons for the changes.
- 6.3 Creditors may be aware that along with the liquidation of this company, the directors also placed other group companies into liquidation at the same time, those being KM&T Ltd, KM & T Holdings Ltd and KM & T Group Ltd. I am investigating various matters in relation to the group of companies as a whole. My investigations are continuing, though I am unable to comment in any detail at this stage as it may prejudice my position.
- 6.4 Within three months of my appointment as liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make them unfit to be concerned with the management of the company. I would confirm that my report has been submitted.

## 7 Liabilities

- 7.1 **Secured Creditors:** An examination of the company's mortgage register held by the Registrar of Companies showed the following charges over the company's assets:

<b>Name of Chargeholder:</b>	Gareth Malcolm Harris
Date Charge Registered:	8 July 2017
Type of Security	Fixed and floating charge
Claim on statement of affairs	£2,300,000
Claim received to date:	£1,861,261.60 – Loan notes held by G Harris £407,242.20 – Loan notes held by C Harris

<b>Name of Chargeholder:</b>	Ultimate Invoice Finance Ltd
Date Charge Registered:	11 March 2015
Type of Security	Fixed and floating charge
Claim on statement of affairs	Nil
Claim received to date:	Nil

- 7.2 **Preferential creditors** – The statement of affairs did not include any preferential creditors. However, after my appointment it became clear the directors were employees of the company and therefore could submit claims in the liquidation. I have received a preferential claim from the redundancy payments office of £163.45.
- 7.3 **Crown Creditors:** The statement of affairs included £15,863.77 owed to HMRC for corporation tax and £14,221.19 for PAYE/NIC. I have received a combined claim from HMRC for £68,531.35.
- 7.4 At the time of writing, I have not investigated the reasons for the difference in the level of claim received.
- 7.5 **Non-preferential unsecured Creditors:** In addition to HMRC the statement of affairs included 10 non-preferential unsecured creditors with an estimated total liability of £1,589,602.20. This included 4 intercompany creditors totalling £1,572,223.30. I have received a claim from 1 creditor, with an associated director for £3,333.32. I have not received claims from 5 creditors with original estimated claims in the statement of affairs of £14,045.73.

7.6 In addition to the statement of affairs creditors, I have also received a claim from the redundancy payment office of £16,824.52.

7.7 At the time of writing, I have not investigated the reasons for the difference in the level of claims received.

## **8 Dividends**

8.1 On current information it does not appear there is any prospect of a dividend to any class of creditor.

8.2 The legislation requires that if the company has created a floating charge after 15 September 2003, a prescribed part of the company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors.

8.3 As previously advised, the company gave a floating charge to Gareth Harris on 8 July 2017 and the prescribed part provisions will apply. On the basis of realisations to date, together with estimated future realisations, and after taking into account the costs of the liquidation to date, the net property of the company is £0, and I estimate that the prescribed part of the net property for unsecured creditors is £0. However, these estimates do not take into account the future costs of the liquidation, which will reduce the amount of the company's net property.

## **9 Other matters**

9.1 **creditor committee** - At the physical creditors meeting various resolutions were put forward, including a resolution to appoint a liquidation committee. Upon my appointment I considered the matter further and took legal advice. I took the view a committee did not form in this case for the following reasons:

- Section 101(1) of the Insolvency Act simply states that the creditors may, in accordance with the Rules, appoint a committee of not more than 5 persons.
- Rule 17.3(2) of the Insolvency Rules confirms that a committee must have at least 3 members.
- Rule 17.5(1) confirms that where the creditors decide that a committee should be established, the convenor or chair of the decision procedure or convenor of the deemed consent process (if not the office holder) must as soon as reasonably practicable deliver a notice of the decision to the office holder and, where a decision has been made as to the membership of the committee, inform the office holder of the name and address of the persons elected to be members of the committee.

The above clearly makes reference to the creditors making the decision firstly that a committee should be established and secondly as to the membership of that committee. Rule 15.4 confirms that a decision is made by creditors when a majority in value of those voting have voted in favour of the decision.

*In this case, Mr and Mrs Harris voted against forming a committee. Therefore as they were the majority creditors, no committee was formed.*

## **10 Pre-Appointment Remuneration**

- 10.1 The board previously authorised the payment of a fee of £5,000 for Cromwell and Co Insolvency Practitioners' (Cromwells) assistance with preparing the statement of affairs and convening the meeting of creditors. However, creditors rejected this at the meeting of creditors. I recommended they accept this fee and proposed a resolution in my initial report to creditors issued on 14 November 2018. This resolution was duly accepted at a meeting held by correspondence on 5 December 2018 and the fee was paid to Cromwells out of first realisations.

## **11 Liquidators' Remuneration**

- 11.1 My remuneration was previously authorised on a mixture of a fixed fee, a scale rate on realisations and on a time cost basis.

- 11.2 **Fixed Fee:** I was authorised to draw a fixed fee of £11,000 for my work in respect of administration and planning and creditors.

- 11.3 I have drawn £8,883.92 to 21 October 2019 in respect of work done for which my fees were approved as a fixed fee.

- 11.4 **Percentage of Realisations:** I was authorised to draw a percentage of realisations for my work in respect of the realisation of assets on the following scale:

- 15% of realisations

- 11.5 Based on realisations I have achieved to date I am entitled to remuneration of £3,065.

- 11.6 I have not been able to draw any remuneration in respect of work done for which my fees were approved as a percentage of realisations.

- 11.7 **Time Costs:** I was authorised to draw time costs for my work in respect of Investigations, Distributions and case specific matters. This approval was based on my fees estimate of £11,750. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors.

- 11.8 My total time costs for such work to 21 October 2019 amount to £5,117.50, at an average charge out rate of £200.69 per hour.

- 11.9 The actual average charge out rate incurred compares with the estimated average charge out rate of £261.11 in my fees estimate.

- 11.10 I have not been able to draw any remuneration in respect of work done for which my fees were approved on a time cost basis.

- 11.11 A detailed schedule of my time costs incurred to date on the above categories compared with my original fees estimate is attached.

11.12 As at the date of reporting, I do not anticipate that the total time costs I will incur in this matter in respect of the categories of work for which I am being remunerated on a time cost basis will exceed the total estimated remuneration I set out in my fees estimate when my remuneration was authorised.

## **12 Liquidators' Expenses**

12.1 Creditors authorised that I could draw category 2 disbursements on 5 December 2018.

12.2 I have incurred expenses to 21 October 2019 of £286.04 which have been paid in full.

12.3 I have used the following agents or professional advisors in the reporting period:

<b>Professional Advisor</b>	<b>Nature of Work</b>	<b>Basis of Fees</b>
Howes Percival Solicitors LLP	Solicitors	<b>Work in relation to the subsidiary companies – time costs.</b>  <b>Work in relation to the group company investigations - Conditional fee agreement with an uplift of 30%</b>

12.4 Messrs Howes Percival are solicitors who specialise in corporate recovery and insolvency advice. They have many years of experience and work with a number of different insolvency practitioners.

12.5 The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case. It should also be noted that insolvency is a very specialist field. Therefore agents who work for insolvency practitioners have very specialist knowledge and skill set. There are limited numbers of agents available and they are therefore likely to be acting for this firm on a number of cases.

## **13 Creditors' Rights**

13.1 An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the joint liquidators' remuneration and expenses within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

13.2 An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the joint liquidators' fees and the amount of any proposed expenses or expenses already incurred within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

13.3 Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3 is available at <http://www.pbcbusinessrecovery.co.uk/links>. Please note that there are different versions of the guidance notes and in this case you should refer to April 2017 version. Please note we have provided further details in the attached practice fee recovery sheet.

#### **14 Provision of Services Regulations**

14.1 To comply with the Provision of Services Regulations, some general information about PBC can be found at <http://www.pbcbusinessrecovery.co.uk/provision-of-services-regulations>

#### **15 Summary**

15.1 The liquidation will remain open until the following matters have been fully resolved:

- i. The outcome of the Australian company.
- ii. My investigations are complete.

15.2 I am unable to say with any certainty at present how long this will take, however, once resolved the liquidation will be finalised and our files will be closed.

15.3 If creditors have any queries regarding the conduct of the liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Claire Goodacre on the above telephone number, or by email at [clairegoodacre@pbcbusinessrecovery.co.uk](mailto:clairegoodacre@pbcbusinessrecovery.co.uk).

  
**GARY S PETTIT**  
Liquidator

**Knowledge Management & Transfer Ltd - In Creditors Voluntary Liquidation  
Liquidator's Abstract of Receipts & Payments**

**From 22 October 2018 To 21 October 2019**

<b>S of A £</b>		<b>From 22/10/18</b>	<b>From 22/10/18</b>
		<b>To 21/10/19</b>	<b>To 21/10/19</b>
<b>FIXED CHARGE REALISATIONS</b>			
NIL	Inter Company Accounts	NIL	NIL
NIL		NIL	NIL
<b>ASSET REALISATIONS</b>			
	Investments	18,554.24	18,554.24
	Cash at Bank	1,831.75	1,831.75
	Bank Interest Gross	1.31	1.31
	Sundry Refund	44.25	44.25
NIL		20,431.55	20,431.55
<b>COST OF REALISATIONS</b>			
	Statement of Affairs Fee	(5,000.00)	(5,000.00)
	Legal Fees	(2,870.00)	(2,870.00)
	Liquidators' Expenses	(286.04)	(286.04)
	Liquidators' Fees - Fixed Fee	(8,883.92)	(8,883.92)
NIL		(17,039.96)	(17,039.96)
<b>PREFERENTIAL CREDITORS</b>			
NIL	Trade Creditor	NIL	NIL
NIL		NIL	NIL
<b>UNSECURED CREDITORS</b>			
NIL	Trade Creditor	NIL	NIL
(3,919,687.35)	Unsecured Creditor	NIL	NIL
NIL		NIL	NIL
NIL		3,391.59	3,391.59

**REPRESENTED BY**

Vat Receivable  
PBC re Knowledge Management & Transfer Ltd

3,384.03

7.56

3,391.59

**Gary Steven Pettit**  
**Liquidator**

## Knowledge Management &amp; Transfer Ltd

## Remuneration Schedule

Between 22/10/2018 and 21/10/2019

## FIXED FEE

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	8.00	4.50	21.40	2.30	36.20	8,167.00	225.61
Investigations	-	-	-	-	-	-	-
Realisations	-	-	-	-	-	-	-
Trading	-	-	-	-	-	-	-
Creditors	0.10	-	3.90	0.30	4.30	753.50	175.23
Case Specific Matters	-	-	-	-	-	-	-
Distributions	-	-	-	-	-	-	-
<b>Total hours</b>	<b>8.10</b>	<b>4.50</b>	<b>25.30</b>	<b>2.60</b>	<b>40.50</b>		
<b>Time costs</b>	<b>3,084.00</b>	<b>1,087.00</b>	<b>4,632.50</b>	<b>117.00</b>		<b>8,920.50</b>	
<b>Average hourly rate</b>	<b>380.74</b>	<b>241.56</b>	<b>183.10</b>	<b>45.00</b>			<b>220.26</b>

Total Fixed Fees charged to

21/10/2019

£8,883.92

## SCALE RATE

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-
Realisations	16.80	-	4.00	-	20.80	7,128.00	342.69
Trading	-	-	-	-	-	-	-
Creditors	-	-	-	-	-	-	-
Case Specific Matters	-	-	-	-	-	-	-
Distributions	-	-	-	-	-	-	-
<b>Total hours</b>	<b>16.80</b>	<b>-</b>	<b>4.00</b>	<b>-</b>	<b>20.80</b>		
<b>Time costs</b>	<b>6,394.00</b>	<b>-</b>	<b>734.00</b>	<b>-</b>		<b>7,128.00</b>	
<b>Average hourly rate</b>	<b>380.60</b>	<b>-</b>	<b>183.50</b>	<b>-</b>			<b>342.69</b>

Total Scale Rate Fees charged to

21/10/2019

£0.00

## TIME COSTS

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate	Time costs as detailed in Fee Estimate
Administration & Planning	-	-	-	-	-	-	-	-
Investigations	2.70	0.10	18.20	0.50	21.50	4,318.50	200.86	-
Realisations	-	-	-	-	-	-	-	-
Trading	-	-	-	-	-	-	-	-
Creditors	-	-	-	-	-	-	-	-
Case Specific Matters	0.30	0.20	3.50	-	4.00	799.00	199.75	-
Distributions	-	-	-	-	-	-	-	-
<b>Total hours</b>	<b>3.00</b>	<b>0.30</b>	<b>21.70</b>	<b>0.50</b>	<b>25.50</b>			
<b>Time costs</b>	<b>1,160.00</b>	<b>79.00</b>	<b>3,856.00</b>	<b>22.50</b>		<b>5,117.50</b>		
<b>Average hourly rate</b>	<b>386.67</b>	<b>263.33</b>	<b>177.70</b>	<b>45.00</b>			<b>200.69</b>	

Total Time Cost Fees charged to

21/10/2019

£0.00

## EXPENSES

Description	Total Incurred £	Total Recovered £
Advertising	71.00	71.00
Postage/Stamps/Copying/stationery	35.04	35.04
Bordereau	70.00	70.00
Insolv case administration fee	110.00	110.00
<b>Totals</b>	<b>286.04</b>	<b>286.04</b>