

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

06711357

Name of Company

JKL (Wakefield) Limited

I / We

Howard Smith, 1 The Embankment, Neville St, Leeds, LS1 4DW

David John Standish, 1 The Embankment, Neville St, Leeds, LS1 4DW

Toby Underwood, 33 Wellington Street, Leeds, LS1 4JP

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 26/02/2014 to 25/02/2015

Signed

20 April 2015

Date

20 April 2015

KPMG LLP
1 The Embankment
Neville St
Leeds
LS1 4DW

Ref JD212D4013/SJ/SR



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**JKL (Wakefield) Limited -in Creditors
Voluntary Liquidation ("the Company")**

**Annual Report
to creditors pursuant to Section 104A of
the Insolvency Act 1986**

KPMG LLP

23 April 2015

This report contains 29 pages

Ref HS/SJ/JS



About this report

This annual report has been prepared by Howard Smith and David Standish of KPMG, and Toby Underwood of PwC, the Joint Liquidators of JKL (Wakefield) Limited ("the Company"), solely to comply with their statutory duty to report to members and creditors under Section 104A of the Insolvency Act 1986, and to provide an account of their acts and dealings and of the conduct 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 Section 104A of the Insolvency Act 1986 does so at their 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.

Howard Smith and David Standish are authorised to act as insolvency practitioners by the Insolvency Practitioners Association. Toby Underwood is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

The appointments of the Joint Liquidators are personal to them and, to the fullest extent permitted by law, KPMG and PwC do not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the Liquidation.

Please note that unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Glossary

Liquidators or the Joint Liquidators	Howard Smith of KPMG, 1 The Embankment, Neville Street, Leeds, LS1 4DW and David Standish of KPMG, 8 Salisbury Square, London, EC4Y 8BB appointed at the S98 meeting of creditors on 26 February 2013 Toby Underwood of PwC, 33 Wellington Street, Leeds, LS1 4JP appointed at the S98 meeting of creditors on 26 February 2013 Nicholas Reed of PwC, 33 Wellington Street, Leeds, LS1 4JP appointed at the S98 meeting of creditors on 26 February 2013 Mr Reed left employment with PwC during the period of my previous report The High Court of Justice, Chancery Division, Companies Court made an order on 27 September 2013 for a block transfer of Mr Reed's formal insolvency appointments This transfer was effective from 7 October 2013 at which point Mr Reed vacated office
KPMG	KPMG LLP
PwC	PricewaterhouseCoopers LLP
Eversheds	Eversheds LLP
Walker Morris	Walker Morris LLP
the Company	JKL (Wakefield) Limited
S98 meeting	The meeting of creditors of the Company held pursuant to Section 98 of the Insolvency Act 1986 at 10 30 am on 26 February 2013 at the Hilton Hotel, Neville Street, Leeds, West Yorkshire, LS1 4BX
the Shareholders	Jody Dean Firth (also a Director), Albert Leonard Goddard (also a Director) and Kathleen France
the Directors	Jody Dean Firth and Albert Leonard Goddard
TiB	Trustees in Bankruptcy of Jonathan Dean France, being David Standish, Chris Nutting and Paul Flint of KPMG
the TiB claim	A proprietary claim against the Company held by the Trustees in Bankruptcy of Jonathan Dean France valued at approximately £10 3 million prior to the appointment of the Joint Liquidators
the Settlement Agreements	Settlement Agreements between Jody Firth (dated 18 September 2013), Albert Goddard (dated 16 September



2013) and Kathleen France (dated 17 September 2013), the Joint Liquidators and the T1B in relation to the Directors' and the Shareholders' loan accounts and all other claims the Company and the T1B may have against the individuals

the Supplementary Agreement

Agreement between the Joint Liquidators and the T1B dated 19 June 2013 apportioning any resulting realisations from the Settlement Agreements as 75% to the Company and 25% to the T1B based on the strength of each estate's claim and the supporting evidence available from each estate Associated costs will be split in the same proportion

the WFR Settlement Agreement

Settlement Agreement between Blue Pencil Writers Limited, WFR Limited, WFR (Holdings) Limited, their common director, the Company, the Joint Liquidators and the T1B dated 9 May 2014 in relation to sums owed to the Company

the Additional Settlement Agreements

Two separate settlement agreements between the Company, the Joint Liquidators and the T1B with

- (i) a family member connected to Jonathan Dean France and the Company, and
- (ii) a third party,

in relation to all claims the Company and the T1B have against the individuals



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1 Executive Summary

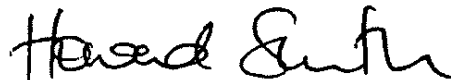
I was appointed Joint Liquidator of the Company together with David Standish of KPMG, Toby Underwood and Nicholas Reed, both of PwC, on 26 February 2013

In accordance with Section 104A of the Insolvency Act 1986, I set out below my second annual report on the progress of the Liquidation. This report covers the 12 month period from 26 February 2014 to 25 February 2015

To date total funds of £3,235,166 have been received during the Liquidation

Full details of the progress of the Liquidation are detailed below with all relevant statutory information included by way of Appendices (see Section 3 - Comments on the Appendices)

1.1 Office Holders



Joint Liquidator – Howard Smith (KPMG)

Joint Liquidator – David Standish (KPMG)

Joint Liquidator – Toby Underwood (PwC)

As referred to in the Glossary, Nicholas Reed of PwC was also appointed Joint Liquidator at the S98 meeting. Mr Reed left employment with PwC during the period of my previous report. The High Court of Justice, Chancery Division, Companies Court made an order on 27 September 2013 for a block transfer of Mr Reed's formal insolvency appointments. This transfer was effective from 7 October 2013 at which point Mr Reed vacated office.

Under the terms of the court order, Mr Reed was discharged from any liability incurred in respect of his acts and omissions and otherwise in respect of his conduct as Liquidator of the Company on 22 May 2014, 28 days from 24 April 2014, the date of my first annual report, following no application from any creditor to vary or discharge the order.

2 Progress to Date

2.1 Background information

JKL (Wakefield) Limited was incorporated and commenced trading in September 2008

The principal activity of the Company was trading in primary (virgin, pure) metals as well as dealing in scrap metal

Prior to the appointment of the Joint Liquidators the Company was subject to an investigation by HMRC in relation to its historic VAT position and was unable to generate sufficient funds to meet these historic liabilities

The T1B held a proprietary claim against the Company valued at approximately £10.3 million. The T1B had obtained a freezing injunction over the Company and its Directors' assets prior to the appointment of the Joint Liquidators. The freezing injunction against the Company has since been discharged, allowing the Liquidators to realise the Company's assets.

The Company instructed KPMG on 16 February 2013 to convene the necessary meetings of members and creditors to place the Company into Liquidation.

The Joint Liquidators were appointed at the subsequent S98 meeting on 26 February 2013.

2.2 Strategy

The strategy for the Liquidation of the Company has been broadly as follows:

- realising Company assets as detailed in the Statement of Affairs,
- monitoring the receipt of funds due under the Settlement Agreements,
- finalising further settlement agreements with third parties and realising funds as a result of those agreements,
- investigations into other potential realisations from connected and third parties in addition to assets detailed on the Statement of Affairs,
- agreement of unsecured and preferential creditor claims, and making distributions as appropriate, and
- creditor reporting in accordance with the Liquidators' duties, as well as other statutory and compliance work such as the submission of VAT returns and case reviews.

2.3 Communication

The Joint Liquidators circulated their first annual report to all known creditors on 24 April 2014.

2.4 Assets

2.4.1 Directors' loan accounts

As detailed in the Glossary, settlement agreements have been completed with the Shareholders in relation to their outstanding Directors' loan accounts as well as all other claims the Company or T1B may have against them. Realisations from the Settlement Agreements during the period are as follows

2.4.1.1 *Cash*

A cash sum of £12,957 has been received from Albert Goddard. This represents 75% of the total cash received, as per the Supplementary Agreement.

2.4.1.2 *Watches*

Two watches were sold in the period via private treaty by the Joint Liquidators' agents, Sanderson Weatherall. Funds of £9,501 were received. An amount of £1,929 is due to be transferred to the T1B under the Supplementary Agreement.

2.4.1.3 *Motor vehicles*

A total of £1,500 was received in respect of two cherished number plates previously owned by the Shareholders, which were sold by the Joint Liquidators' agents, Sanderson Weatherall. As per the Supplementary Agreement, 25% (£279) was subsequently transferred to the T1B.

2.4.1.4 *Properties*

A total of £246,783 was received during the period from Kathleen France following the sale of one of her residential properties. Ms France's main residential property is currently being marketed for sale. Any realisations will be subject to repayment of any associated mortgage on the property and costs of realisation.

During the period of this report Jody Firth sold his residential property which will result in net realisations of £112,868 in the Liquidation.

2.4.1.5 *Pensions*

As mentioned in my previous report, Jody Firth and Kathleen France have agreed to use their best endeavours to assist the Joint Liquidators and T1B in recovering the maximum fund value of their occupational pensions in relation to the Company. The Joint Liquidators and the T1B continue to pursue these funds. Current realisations at present are unknown.

2.4.2 Realisations from settlement agreements

A number of additional settlement agreements were finalised during the period and have led to further realisations for the benefit of the Company's creditors.

2 4 2 1 ***The WFR Settlement Agreement***

2 4 2 1 1 ***Cash***

Total cash sums of £275,597 have been received during the period of this report pursuant to the WFR Settlement Agreement

2 4 2 1 2 ***Shares***

The beneficial interest in a shareholding in Dewsbury Rams RLFC (Holdings) Limited held by WFR (Holdings) Limited was sold for £20,000 under the terms of this settlement

2 4 2 1 3 ***Further expected realisations***

The Company is due to receive further sums of £40,153 under the terms of the WFR Settlement Agreement

2 4 2.2 ***The Additional Settlement Agreements***

2 4 2 2 1 ***Connected family member***

Under the terms of this agreement, £77,250 is due to the Company. A legal charge has been taken over a property as security

2 4 2 2 2 ***Third party***

During the period of this report, a settlement agreement was reached with a third party in relation to sums owed to the Company and the T1B. Under the terms of this agreement, cash of £82,547 was received by Eversheds during the period. This amount is subject to the Supplementary Agreement. As such, no further sums are due in respect of this agreement

2 4 3 **Bank interest**

Bank interest earned on funds held in the Liquidators account during the period totals £5,091

2.5 Liabilities

2 5 1 **Secured creditor**

HSBC held a fixed and floating charge over the Company's assets. However, as previously reported, the Joint Liquidators have received confirmation from HSBC that they have no sums outstanding under the debenture

2 5 2 **Preferential creditors**

A first and final dividend of 100 pence in the pound has been paid to preferential creditors. The dividend was declared on 30 July 2014 and distributed on 5 August 2014. A total of ten claims were agreed, with a total admitted value of £5,038

2.5 3 **Unsecured creditors**

The Joint Liquidators have paid an interim dividend to unsecured creditors of 1 367 pence in the pound. The dividend was declared on 28 January 2015 and distributed on 2 February 2015. A total of ten claims were agreed, with a total admitted value of £73,156,887. As a result, a total of £1,000,000 was distributed

A second dividend is anticipated once strategy on pursuing any remaining claims is finalised.

2.6 Expenses for the period

The receipts and payments for the period are set out in the attached Receipts and Payments Account (see Appendix 2)

The office holders' time costs for the period of this report are also attached (see Appendix 3)

The statutory provisions relating to remuneration are set out in Rule 4 127 of the Insolvency Rules 1986. A creditors' guide to fees can be found at

http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Liquidators_Fees_Nov20111.pdf

However, if you are unable to access this guide and would like a copy, please contact James Stronach on 0113 254 2902

The Joint Liquidators have drawn total fees of £350,000 and disbursements of £3,226 during the period of this report

The basis of the Joint Liquidators remuneration for the above fees was approved by creditors at the S98 meeting on 26 February 2013

For the period from 26 February 2014 to 25 February 2015, the Joint Liquidators at KPMG have incurred time costs of £115,191, representing 356 hours at an average rate of £323 per hour. This includes Tax, VAT, Employee, Health and Safety and Pensions advice from KPMG in-house specialists

For the same period, the Joint Liquidators at PwC have incurred time costs of £66,159 representing 194 hours at an average rate of £341 per hour

In addition to this, the Joint Liquidators have incurred disbursements of £14,463 (KPMG) and £65 (PwC), which are detailed in Appendix 3

A detailed breakdown of the current KPMG and PwC charge out rates is included in Appendix 3 to this Report

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 the charge out rates

Expenses for this period total £366,412 including amounts not yet paid (see Appendix 4 for details)

Additional information about the expenses charged in 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 and to challenge the Joint Liquidators' remuneration and expenses under Rule 4 131 of the Insolvency Rules 1986 are included in Appendix 4 should creditors wish to do so

3 Comments on the Appendices

3.1 Appendix 1: Statutory Information

3.2 Appendix 2: Receipts & payments account for the period

3.2 1 Receipts

Please see Section 2 4 for comments on the receipts during the period

3 2 2 Payments

Payments made in the period are as follows

3.2 2 1 Agents' fees and disbursements

Fees of £950 and disbursements of £1,218 have been paid to Sanderson Weatherall in relation to the sale of assets subject to the Settlement Agreements. A total of 25% of these costs have been applied to any realisations due to the T1B under the Supplementary Agreement

3 2 2 2 Trustee in Bankruptcy – share of settlement realisations

Following receipt of realisations from the sale of the cherished number plates under the Settlement Agreements (see section 2 4 1 3 above), 25% of the net proceeds (following deduction of the associated costs) were paid over to the T1B, in accordance with the Supplementary Agreement. This resulted in a payment of £279

3 2 2 3 Legal fees and disbursements

Legal fees paid in the period of this report total £131,977 and legal disbursements total £105

Fees of £122,871 and disbursements of £73 were paid to Eversheds for their work advising the Liquidators at KPMG including

- conducting settlement meetings and finalising settlement agreements on behalf of the Joint Liquidators,
- dealing with subsequent queries and formalities regarding the settlement agreements,
- investigating further claims against third parties

Fees of £9,106 and disbursements of £32 were paid to Walker Morris for their work in advising the Liquidators at PwC

3 2.2.4 Storage costs

A total of £557 was paid to Iron Mountain for storage of the Company's books and records

3.2 2 5 Statutory advertising

A sum of £76 was paid during the period to advertise the Joint Liquidators intention to pay a dividend to unsecured creditors

3.2.2.6 Costs in relation to settlement deeds

As referred to in section 2.4.1.4 above, a property owned by Kathleen France, a Shareholder, is being sold by Ms France pursuant to the Settlement Agreements

In accordance with the Shareholders' Settlement Agreement, the costs of maintaining this property whilst it is being marketed will be met from the T1B and Liquidation estates, up to a maximum of £100,000 (75% to be met from the Liquidation estate, as per the Supplementary Agreement) in order to retain the property's value. Costs paid during the period in respect of this property total £28,999.

Funds for this purpose are held by the Joint Liquidators' solicitors Eversheds, as shown in the receipts and payments account at Appendix 2.

3.2.2.7 Other property expenses

Other property expenses totalling £363 were paid in the period. This relates to council tax incurred whilst the Joint Liquidators retained a beneficial interest in the Company's property prior to a sale being secured.

3.2.2.8 Bank charges

Bank charges of £40 were paid in the period.

3.3 Appendix 3 - Analysis of office holders' time costs for the period 26 February 2014 to 25 February 2015

3.3.1 KPMG time costs

3.3.1.1 Investigations

The Joint Liquidators have incurred time costs of £9,340, represented by 27 hours, as a result of ongoing investigation work into potential claims against third parties. This amount equates to the sum of the three categories under the "Investigation" heading of the KPMG time report at Appendix 3.

3.3.1.2 Checklists and reviews

Time costs of £7,216, representing 26 hours, have been incurred by the Liquidators at KPMG in reviewing files and ensuring all statutory obligations are being complied with.

3.3.1.3 Post appointment corporation tax

The Joint Liquidators have prepared post-appointment corporation tax returns for the Company with the assistance of in-house tax specialists. Time costs of £11,222 (25 hours) have been incurred in the period in relation to this matter and any other corporation tax issues arising in the period.

3.3.1.4 Post appointment VAT

The Joint Liquidators have prepared post-appointment VAT returns for the Company with the assistance of in-house VAT specialists. Time costs of £9,662 (34 hours) have been incurred in the period in relation to this matter and any other VAT issues arising in the period.

3.3.1.5 Legal claims

Time costs of £22,405 (62 hours) were incurred by the Joint Liquidators at KPMG in relation to negotiating and completing the WFR Settlement Agreement, the Additional Settlement Agreements, as well as pursuing other ongoing claims in the Liquidation

This included attending meetings, reviewing the Company's books and records and regular correspondence with the Joint Liquidators' solicitors in respect of these matters. As detailed in this report, realisations made to date from the various settlement agreements have been substantial

3.3.1.6 Statutory reports

Time costs of £20,187 (71 hours) were incurred by the Joint Liquidators at KPMG in producing statutory reports to creditors of the Company and associated matters

3.3.2 PwC time costs

3.3.2.1 Statutory and compliance

The Liquidators at PwC incurred £5,430 (14 hours) in dealing with statutory and compliance matters. This included reviewing statutory notices and reports, maintenance of Company records held in storage, dealing with statutory compliance matters and conducting regulatory file reviews

3.3.2.2 Creditors

The PwC Liquidators have the responsibility for dealing with creditor claims. Time costs of £42,680 (126 hours) have been incurred dealing with the below matters

- reviewing the basis of HMRC's substantial claim (over £67m) in the Liquidation,
- reviewing the basis of the TIB's claim,
- inputting and updating the list of creditors and their respective claims,
- formal agreement of unsecured and preferential creditor claims,
- payment of preferential and interim unsecured dividends

3.3.2.3 Investigations

Investigations have been made into other possible claims that the Company could have against third parties in conjunction with the Liquidators' advisers, Walker Morris. Time of £2,660 (8 hours) was incurred by the PwC Liquidators on these investigations in the period

3.3.2.4 Accounts and treasury

Time costs of £3,135 (10 hours) were incurred by the Liquidators at PwC in general cashing matters including requesting payment of costs of the Liquidation

3.4 Expenses for the period

Expenses for the period are summarised in Appendix 4 which include the time costs as analysed in Appendix 3

4 Future Conduct

4.1 Ongoing matters

4.1.1 Realisations from the Settlement Agreements and Additional Settlement Agreements

As referred to above, the sale of the residential property owned by Kathleen France is currently progressing. Proceeds will be paid to the Joint Liquidators upon completion of any sale and will be apportioned with the T1B (the Company receiving 75%) as per the Supplementary Agreement. Remaining realisations from the WFR Settlement Agreements will be collected as the fall due.

4.1.2 Recovery of Occupational Pension funds

As mentioned previously the Joint Liquidators are attempting to recover the occupational pension funds in relation to the Company held by Kathleen France and Jody Firth. This matter is currently ongoing.

4.1.3 Investigations into further recoveries from third parties

The Joint Liquidators are currently assessing claims against other third parties which have been identified.

4.2 Matters preventing closure

In addition to the ongoing matters detailed above, there are a number of issues that are still to be finalised in the Liquidation, including but not limited to:

- payment of a full and final dividend to unsecured creditors,
- finalisation of VAT matters,
- obtaining tax clearance for the Liquidation,
- further recoveries from any remaining claims against third parties,
- receipt of remaining realisations from the Settlement Agreements, the WFR Settlement Agreement and the Additional Settlement Agreement,
- closure formalities.

Once these matters are resolved the Joint Liquidators will issue their final report and conclude the Liquidation, and the Company will be dissolved 3 months thereafter.

Appendix 1 - Statutory Information

Appointment	
For period	26 February 2014 to 25 February 2015
Company name	JKL (Wakefield) Limited
Nature of business	Wholesale metal purchasing
Date of Liquidation appointment	26 February 2013
Office holder details	Howard Smith and David Standish are authorised to act as insolvency practitioners by the Insolvency Practitioners Association Toby Underwood is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales
Registered number	06711357
Previous registered office	Embassy Works Church Street Ossett West Yorkshire WF5 9DG
Present registered office	KPMG 1 The Embankment Neville Street Leeds LS1 4DW
Basis of remuneration	Time costs
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations



JKL (Wakefield) Limited -in Creditors Voluntary Liquidation ("the Company")
KPMG LLP
23 April 2015

Appendix 2 - Office holders' receipts and payments account for the period 26 February 2014 to 25 February 2015



JKL (Wakefield) Limited - in Liquidation

Joint Administrators' abstract of receipts & payments

Statement of affairs (£)	From 26/02/2014 To 25/02/2015 (£)	From 26/02/2013 To 25/02/2015 (£)
ASSET REALISATIONS		
545,000 00 Freehold property	NIL	535,000 00
30,000 00 Plant & machinery	NIL	35,000 00
125,000 00 Motor vehicles	NIL	171,325 00
132,833 00 Stock	10 00	118,352 00
211,016 00 Book debts	NIL	135,633 51
1,430,000 00 Directors' loan accounts	270,741 00	836,626 34
Realisations from settlement agreements	275,596 55	275,596 55
1,204,457 00 Cash at bank and in hand	95 00	1,096,656 30
Insurance refund	NIL	640 08
	546,442 55	3,204,829 78
OTHER REALISATIONS		
Bank interest, gross	5,090 67	7,828 63
Rates refunds	NIL	2,507 81
Shares	20,000 00	20,000 00
	25,090 67	30,336 44
COST OF REALISATIONS		
s98 fees	NIL	(38,679 50)
s98 expenses	NIL	(492 69)
Statement of affairs fees	NIL	(1,529 00)
Pre-appointment Insurance Information	NIL	(250 00)
Agents' fees - settlement realisations	(950 10)	(18,742 60)
Agents' disb- settlement realisations	(1,218 00)	(9,864 06)
Statement of affairs work	NIL	(5,000 00)
TiB - share of settlement realisations	(278 75)	(82,631 61)
Liquidator's fees	(350,000 00)	(350,000 00)
Liquidator's expenses	(3,226 07)	(3,226 07)
Irrecoverable VAT	NIL	(16 92)
Pre-appointment legal fees	NIL	(3,000 00)
Agents'/Valuers' fees	NIL	(30,659 20)
Agents' disbursements	NIL	(13,388 46)
Legal fees	(131,977 00)	(266,750 50)
Legal disbursements	(104 85)	(2,858 02)

JKL (Wakefield) Limited - in Liquidation
Joint Administrators' abstract of receipts & payments

Statement of affairs (£)	From 26/02/2014 To 25/02/2015 (£)	From 26/02/2013 To 25/02/2015 (£)
Security	NIL	(13,266 10)
Heat & light	NIL	(1,588 87)
Storage costs	(557 04)	(1,257 21)
Statutory advertising	(75 82)	(688 01)
Costs in relation to settlement deeds	(28,999 46)	(40,671 48)
Other property expenses	(362 74)	(1,024 84)
Insurance of assets	NIL	(6,615 93)
Sub contractors	NIL	(144 24)
Bank charges	(40 00)	(80 00)
	(517,789 83)	(892,425 31)
PREFERENTIAL CREDITORS		
Subrogated EP(C)A claim	(3,328 06)	(3,328 06)
Employees' wage arrears	(1,709 65)	(1,709 65)
(11,991 00) Employees' holiday pay	NIL	NIL
	(5,037 71)	(5,037 71)
UNSECURED CREDITORS		
(644,696 00) Trade & expense	(45,690 95)	(45,690 95)
(140,937 00) Employees	(9 96)	(9 96)
(34,319 00) Corporation tax	(33,752 09)	(33,752 09)
Non-preferential PAYE/NIC	(381 61)	(381 61)
(21,043,585 00) Non-preferential VAT	(920,165 27)	(920,165 27)
	(999,999 88)	(999,999 88)
DISTRIBUTIONS		
(199 00) Ordinary shareholders	NIL	NIL
	NIL	NIL
(18,197,421 00)	(951,294 20)	1,337,703 32
REPRESENTED BY		
VAT receivable	97,607 22	151,990 60
Current account	(917,855 97)	1,294,426 88
VAT payable	(2,202 20)	(140,297 60)
Floating ch VAT control		(2,745 08)
Funds held on solicitor's account	(28,999 46)	34,328 52
	(951,294 20)	1,337,703 32



JKL (Wakefield) Limited -in Creditors Voluntary Liquidation (the Company")
KPMG LLP
23 April 2015

Appendix 3 - Analysis of office holders' time costs for the period 26 February 2014 to 25 February 2015



KPMG

SIP 9 - Time costs analysis (26/02/2014 to 25/02/2015)

	Hours				Time Cost (£)	Average Hourly Rate (£)	
	Partner / Director	Manager	Administrator	Support			Total
Administration & planning							
Cashiering							
General (Cashiering)	2 90	3 00	11 15		17 05	5,549 75	325 50
Reconciliations (& IPS accounting reviews)		9 30	4 10		13 40	4,668 00	348 36
General							
Books and records			2 00		2 00	390 00	195 00
Fees and WIP	0 50		5 00		5 50	1,567 50	285 00
Joint appointee		1 90	4 25		6 15	1,639 75	266 63
Other office holders			0 80		0 80	212 00	265 00
Statutory and compliance							
Checklist & reviews	0 70	7 40	18 35		26 45	7,216 25	272 83
Statutory receipts and payments accounts			0 40		0 40	106 00	265 00
Strategy documents	2 40	5 30	6 60		14 30	4,743 50	331 71
Tax							
Post appointment corporation tax	0 90	20 90	3 30		25 10	11,221 50	447 07
Post appointment VAT	0 50	10 70	22 85		34 05	9,662 25	283 77
Creditors							
Creditors and claims							
Agreement of preferential claims		0 30	0 20		0 50	168 50	337 00
Agreement of unsecured claims		0 90	1 90		2 80	887 50	316 96
General correspondence	1 10	0 40	4 95		6 45	1,727 25	267 79
Legal claims	2 60	47 00	12 20		61 80	22,405 00	362 54
Payment of dividends	1 20	4 60	4 00		9 80	3,265 00	333 16
Pre-appointment VAT / PAYE / CT		1 05			1 05	425 25	405 00
Statutory reports	2 00	13 60	53 80	1 20	70 60	20,187 00	285 93
Employees							
Agreeing employee claims			1 30		1 30	344 50	265 00

SIP 9 - Time costs analysis (26/02/2014 to 25/02/2015)

	Hours				Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total	
Correspondence		0 50	3 60		4 10	1,088 50
Pension funds		0 70			0 70	269 50
Investigation						
Investigations						
Correspondence re investigations	0 50		16 10		16 60	4,509 00
Preferences / transactions at undervalue	1 80				1 80	963 00
Review of pre-appt transactions	7 20	0 60	0 50		8 30	3,867 50
Realisation of assets						
Asset Realisation						
Cash and investments	0 50	1 00	5 55		7 05	1,904 25
Debtors		0 10	0 40		0 50	144 50
Freehold property			0 10		0 10	26 50
Open cover insurance			0 50		0 50	97 50
Other assets		12 50	3 30		15 80	5,607 00
Stock and WIP			0 50		0 50	132 50
Vehicles			1 00		1 00	195 00
Total in period	24 80	141 75	188 70	1 20	356 45	115,191 25

Brought forward time (appointment date to SIP 9 period start date)	1,109 30	327,454 25
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	356 45	115,191 25
Carry forward time (appointment date to SIP 9 period end date)	1,465 75	442,645 50

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.



JKL (Wakefield) Limited –in Creditors Voluntary Liquidation (‘the Company’)
KPMG LLP
23 April 2015

PwC

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
1 Strategy & Planning	0.50	-	6.95	15.05	0.30	-	5.00	27.80	8,722.15	313.76
2 Secured creditors	-	-	-	-	-	-	-	-	-	-
3 Trading	-	-	-	-	-	-	-	-	-	-
4 Assets	-	-	4.90	3.90	-	-	-	8.80	3,531.50	401.31
5 Investigations	-	-	-	4.70	2.90	-	-	7.60	2,659.60	349.95
6 Creditors	-	-	49.10	41.05	3.20	30.47	2.00	125.82	42,680.25	339.22
7 Accounting and treasury	-	-	1.25	7.60	-	0.10	0.70	9.65	3,135.25	324.90
8 Statutory and compliance	1.50	-	6.20	1.10	0.60	5.00	-	14.40	5,129.60	377.06
9 Tax & VAI	-	-	-	-	-	-	-	-	-	-
10 Employees & pensions	-	-	-	-	-	-	-	-	-	-
11 Pre-appointment work	-	-	-	-	-	-	-	-	-	-
12 Closure procedures	-	-	-	-	-	-	-	-	-	-
13 Unknown SIP 9 category	-	-	-	-	-	-	-	-	-	-
Total for the period	2.0	-	68.4	73.4	7.0	35.6	7.7	191.07	66,158.65	340.90
Brought forward at 25 Feb 2014								336.27	132,807.31	
Total								530.34	198,965.99	



Charge out rates for the period 26 February 2014 to 25 February 2015

KPMG

	Hourly rate from 1 October 2012 onwards (£)	Hourly rate from 1 October 2013 onwards (£)	Hourly rate from 1 October 2014 onwards (£)
Partner	565	565	595
Director	485	485	535
Senior Manager	450	475	485
Manager	365	385	405
Senior Administrator	250	265	280
Administrator	185	195	205
Support	115	120	125

PwC

	Insolvency from 1 July 2012	Insolvency from 1 July 2013	Insolvency from 1 July 2014	Specialist
Partner	540	555	575	1,180
Director	450	465	480	1,085
Senior Manager	395	405	415	870
Manager	310	320	330	520
Senior Associate	233	240	250	440
Associate	146	152	160	230
Secretarial	112	112	85	120

Office holders' Disbursements

Expenses	KPMG (£)	PwC (£)
Postage	-	61 50
Archiving costs	-	2 90
Online research	-	1 00
Travel	103 05	-
Data management costs	14,359 92	-
Total expenses	14,462.97	65.40

KPMG policy for the recovery of disbursements

Where funds permit the officeholder will look 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 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.

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

The only Category 2 disbursement 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.

PwC policy for the recovery of disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses and disbursements. However, guidance issued to insolvency practitioners requires that disbursements can only be retrieved without approval where there is specific expenditure relating to the administration of the Liquidation and which has been paid to an independent third party. These are referred to as "Category 1 disbursements" eg advertising, invoiced travel, room hire at a hotel, storage facilities at a third party.

Where it is proposed to recover costs which, whilst being in the nature of expenses or disbursements, include elements of shared or allocated costs, they should be identified and subject to approval by those responsible for approving remuneration. If the liquidator wishes to make a separate charge for such expenses, he may do so provided that

- such expenses are of an incidental nature and are directly incurred on the case, and there is a reasonable method of calculation, and
- the basis of the proposed charge is disclosed to, and authorised by, those responsible for approving his remuneration

These are defined as "Category 2 disbursements" - for PwC the two types of category 2 disbursements referred to are mileage and photocopying, all other expenses incurred by PwC are generally category 1.

A number of sundry points to note in this regard are as follows

- A charge for disbursements calculated as a percentage of the amount charged for remuneration is not permissible
- Basic incidental costs such as office and equipment rental, depreciation, finance charges etc may not be the subject of separate charges
- Payments to outside parties in which the liquidator or his firm, or any associate, has an interest should be treated as category 2 disbursements
- Where remuneration is being drawn on the scale rate, and there is no committee and it has not been possible to obtain a resolution of the creditors, category 2 disbursements may only be recovered if authorised by the creditors

The current mileage rates charged by PwC are:

Diesel 71p per mile (up to 2,000cc) and 90p per mile (over 2,000cc)

Petrol 71p per mile (up to 2,000cc) and 93p per mile (over 2,000cc)

Appendix 4 - Schedule of expenses for the period 26 February 2014 to 25 February 2015

Section	Account	Accrued	Paid	Total
Cost of realisations	Liquidators' fees	181,349 90	-	181,349 90
	Liquidators' Disbursements	14,528 37	-	14,528 37
	TiB - share of settlement realisations	278 75	-	278 75
	Agents' fees - settlement realisations	-	950 10	950 10
	Agents' disb- settlement realisations	-	1,218 00	1,218 00
	Legal fees	135,069 00	-	135,069 00
	Legal disbursements	6,500 00	32 10	6,532 10
	Storage costs	-	502 29	502 29
	Statutory advertising	-	75 82	75 82
	Costs in relation to settlement deeds	-	25,505 24	25,505 24
	Other property expenses	-	362 74	362 74
	Bank charges	-	40 00	40 00
TOTAL		337,726 02	28,686.29	366,412.31

However to determine if the quantum of the fees to be taken is reasonable the analysis included at Appendix 3 should be reviewed and any additional information can be requested by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with rule 4 49E of the Insolvency Rules 1986 This request must be made within 21 days receipt of the report The full text of that rule can be provided on request

In addition creditors are reminded that the quantum can be challenged by unsecured creditor(s) with at least 10% in value including that creditors claim by making an application to court in accordance with rule 4 131 of the Insolvency Rules 1986 The full text of this rule can also be provided on request

Appendix 5 - Extract from the Insolvency Rules 1986

Insolvency Rules 1986

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 general meetings of the company, or
 - (b) with the permission of the court upon an application made within that 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 remuneration or expenses set out in the 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 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 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 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

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, or
 - (c) expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of 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 failing 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 so unless the applicant has had opportunity to attend the court for 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 –

(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