PStores Realisations Limited 290792

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cutting through complexity

PGL Realisations plc
PStores Realisations Limited
Dorsman Estates Co Limited
(all in liquidation)

Progress Report pursuant to Rule 4.49(B) of the Insolvency Rules 1986 (as amended)

15 August 2014

Notice: About this Report

This Report has been prepared by Chris Laverty, Ed Boyle and Jonathan Pope, the Joint Liquidators of PGL Realisations plc, PStores Realisations Limited and Dorsman Estates Co Limited, solely to comply with their statutory duty under the Insolvency Act and Rules 1986 to provide creditors with an update on the progress of the liquidations, and for no other purpose

This Report is not suitable to be relied upon by any other person, or for any other purpose, or in any other context including any investment decision in relation to the debt of or any financial interest in PGL Realisations plc, PStores Realisations Limited Dorsman Estates Co Limited or other companies in the same group

Any person that chooses to reply on this Report for any other purpose or in any context other than under the Insolvency Act and Rules 1986 (as amended) 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

Christine Mary Laverty and Jonathan Scott Pope are authorised to act as insolvency practitioners by the Insolvency Practitioners Association Edward George Boyle 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 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 liquidations

Glossary of terms

Act	The Insolvency Act 1986 (as amended)
Companies	PGL Realisations plc, PStores Realisations Limited and Dorsman Estates Co Limited
Dorsman	Dorsman Estates Co Limited
EWM	Peacocks Stores Limited (formerly EWM (IP) Limited)
HMRC	HM Revenue & Customs
KPMG	KPMG LLP
Liquidators	Chris Laverty, Ed Boyle and Jonathan Pope
PGL	PGL Realisations plc
PStores	PStores Realisations Limited
Rules	The Insolvency Rules 1986 (as amended)
Secured Creditor	Barclays Bank Plc as security trustee on behalf of a syndicate of lenders

The references in this Report to Sections, Paragraphs or Rules are to the Insolvency Act 1986 and the Insolvency Rules 1986 (all as amended) respectively

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Executive summary

Executive summary

Progress update

- A winding-up order was made against the Companies on 28 June 2013 Subsequently Chris Laverty, Ed Boyle and Jonathan Pope were appointed Joint Liquidators on 19 July 2013 by the High Court of Justice, Companies Court
- This progress report, covering the period 19 July 2013 to 18 July 2014, has been prepared in accordance with Rule 4 49(B) of the Insolvency Rules 1986 (as amended)
- We were appointed Liquidators, subsequent to the preceding administrations, to deal with the remaining unresolved matters, in particular to achieve further realisations for the benefit of the Secured Creditor and to disclaim certain leases and other onerous contracts
- British Gas have claimed that £1 1 million owed in respect of utility charges for the period after the administrators vacated the closed stores is an administration expense rather than an unsecured claim. The liquidators made an application for Court directions in January 2014 to clarify the status of British Gas' claim A preliminary hearing on 21/22 July 2014 supported the Liquidators' view that the claim is an unsecured claim but a further Court hearing will be required to finally determine the position
- It remains the case that, following resolution of the outstanding issues set out in this report, we expect the Secured Creditor to suffer a significant shortfall in its claim against the Companies (taking into account its return from other group companies)
- Due to the fact that the Secured Creditor will not be repaid in full, there will not be any further distribution to the unsecured creditors
- No fees have been drawn to date in the liquidations
- Company information as required under Rule 4 49B is attached at Appendix 1, together with details of our receipts and payments for each company (Appendix 3) and schedules of expenses (Appendix 4) All figures are shown net of VAT
- Once all remaining outstanding issues have been concluded we will close the liquidations

Ed Boyle

Ed Boyle
Joint Liquidator

Progress of the liquidations

Progress of the liquidations

Funds from administrations

- Surplus funds received from the administrations into the respective liquidation estates total £4,140,265, from which outstanding administration expenses have been paid

Rates refunds

- Total gross rates refunds received in the liquidations to date amount to £484,364
- The total refund to the liquidations may increase depending on the number of outstanding rating appeals and refunds which are successfully claimed The Liquidators are as yet unable to quantify the additional refunds that will be received from these further appeals but they are currently pursuing rating authorities for up to £50,000 of additional refunds The timing of when these outstanding appeals will conclude is uncertain

Store sales/cash in transit

- A final £87,055 has been received from an account bank in respect of funds relating to pre-administration appointment sales and cash in transit

Miscellaneous income

- £31,038 has been received, including a £30,775 sundry refund from our legal advisors which relates to various property matters

Utilities

- British Gas has claimed some £1 1 million in respect of electricity and gas charges arising in many of the closed stores in the period after the administrators had vacated the stores British Gas argued that this claim should rank as an administration expense and the liquidators considered that it should rank as an unsecured claim In January 2014 the liquidators therefore sought Court directions to determine the status of the claim
- A procedural hearing took place on 7 July 2014 and then a substantive preliminary hearing on a key point of law took place on 21/22 July 2014, just after the period covered by this progress report The judgement from the preliminary hearing was handed down on 31 July 2014 and concluded that in circumstances where
  - deemed contracts under Schedule 2B of the Gas Act 1986 and Schedule 6 to the Electricity Act 1989 came into being after the appointment of administrators,
  - the charges under those deemed contracts relate exclusively to the supply of gas and electricity in the period after the administrators ceased trading or otherwise making use of (for the benefit of the companies' administrations) the premises to which gas and electricity were being supplied, and
  - the charges do not relate to or arise out of anything done by the administrators or on their behalf on the course of the administrations,
  - then the charges will not rank as administration expenses
- A further Court hearing will be required to resolve the remaining issues relating to the status of British Gas' claim

Progress of the liquidations

Other property issues

- There remain a small number of trading liabilities to be settled, principally regarding charges for the supply of gas and electricity, rent and rates liabilities We are finalising the payment of the rent and rates liabilities
- We disclaimed all remaining leases following our appointment as liquidators

Taxation/VAT

- All necessary liquidation corporation tax returns have been prepared and filed by KPMG's in-house tax specialists for Dorsman and PGL, and HMRC has confirmed it has no objection to these two liquidations being closed For PStores, the first liquidation tax return will be for the year ended 18 July 2014 and this will be prepared and filed in line with statutory requirements
- VAT returns for the PStores VAT group have been submitted in respect of the relevant periods to 4 February 2014 These returns have resulted in repayments of VAT totalling £169,776 Since we believe that all taxable income has now been received, we have deregistered for VAT purposes with effect from 4 February 2014

Receipts and payments accounts

- An analysis of the receipts and payments for each of the Companies for the period 19 July 2013 to 18 July 2014 is attached as Appendix 3 Please note that the account of receipts and payments is on a cash basis and does not take into account accrued costs The receipts and payments are shown net of VAT

Outcome for creditors

Outcome for creditors

Secured creditor

- To date the Secured Creditor has received a total of £38,772,186 under its fixed and floating charges, paid during the Group's administrations No distributions have been made from the liquidations at present
- We will make distributions from the liquidations in due course
- It remains the case that following resolution of the outstanding issues, we expect the Secured Creditor to suffer a significant shortfall in its claims against the Companies (taking into account its return from other group companies)

Preferential creditors

- The Companies' preferential creditors were paid in full in the administrations and there are no preferential creditors in the liquidations

Unsecured creditors

- Due to the fact that the Secured Creditor will not be repaid in full, there will not be any further distribution to the unsecured creditors

Costs of realisation

Costs of realisation

Expenses for the period

- Payments made in this period are set out in the attached receipts and payments accounts (see Appendix 3) The figures in these accounts are shown net of VAT
- The schedules of expenses attached as Appendix 4 detail costs incurred, whether paid or unpaid, relating specifically to this reporting period The figures in these statements are also shown net of VAT
- Any additional information required regarding office holders' remuneration and/or other expenses charged in the period is available from the office holder upon request by any Secured Creditor or any unsecured creditor(s) with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question) This request must be made within 21 days of receipt of this report
- In addition, creditors are reminded that the quantum can be challenged by an Secured Creditor or any unsecured creditor(s) with at least 10% in value (including that creditor's claim) of the unsecured debt by making an application to Court within eight weeks of receipt of this report The full text of these rules can be provided upon request

Liquidators' remuneration

- The statutory provisions relating to remuneration are set out in Rule 4 127 Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Liquidators' Fees', a copy of which can be obtained at http //www r3 org uk/media/documents/publications/professional/Guide_to_Liquidators_Fees_Nov2011 pdf
- If you are unable to access this guide and would like a copy please contact Kelly Haines on 0118 373 1423
- Attached as Appendix 2 of this report is a detailed analysis of time spent, and charge out rates, for each grade of staff for the various areas of work carried out to 18 July 2014 for each Company, as required by the Association of Business Recovery Professionals' Statement of Insolvency Practice No 9
- In the period 19 July 2013 to 18 July 2014, the Liquidators and their staff incurred time costs of £637,226 representing 1,646 hours at an average hourly rate of £387 This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists
- As the Companies were previously in administration and the basis of the Administrators' remuneration was fixed by the Secured Creditor in each company and by the Preferential Creditors in PStores on the basis of a combination of time properly given and a percentage of realisations, the Liquidators' remuneration will continue to be fixed on this basis

Legal costs

- During the period covered by this report, £265,019 (net of VAT) has been paid in respect of legal fees and expenses This relates largely to legal advice in respect of the ongoing legal dispute with the utilities company
- Further legal costs of £107,634 have been incurred during the period but not yet paid

Costs of realisation (cont.)

Secretary of State fees

- Fees in the sum of £5,219, £5,106 and £67,955 have been paid to the Department of Trade and Industry in respect of fees in the liquidations of PGL, Dorsman and PStores respectively and cover the Secretary of State's general duties under the insolvency legislation in relation to the affairs of the Companies and are payable as a percentage of chargeable receipts
- We are querying the basis of these fees with the Department of Trade and Industry with a view to possibly receiving refunds

Rent (Dorsman)

- The sum of £26,112 has been paid in respect of rent during the period covered by this report This relates to rents withheld during the administration period at EWM's request pending repairs to a property

Insurance/Insurance of assets

- We have paid a premium of £132,500 in order to provide certainty over insurance costs by removing the significant excesses in place for the administration trading period (19 January – 22 February 2012) This will allow the liquidations to be closed in due course
- The sum of £122,385 has now been paid in respect of the Administrators' open cover insurance for the entire period of the administrations

Agents/valuers' fees

- Fees totalling £75,539 have been paid to Allsops in respect of collection of rates refunds during the administration and the liquidation

Heat and Light

- The sum of £794,888 has been paid to a utilities supplier in settlement of outstanding liabilities from the administration trading period

Other costs

- Other costs incurred are as per the receipts and payments accounts attached and are self explanatory

Future strategy

Future strategy

Matters to be dealt with in the liquidations

- There remain a number of outstanding matters to resolve, in the liquidations, including
  - Collection of any additional rates recoveries,
  - Conclusion of the Court proceedings in relation to British Gas' £1 1 million claim,
  - Finalisation of the few other remaining outstanding liabilities from the administration trading period,
  - Complying with ongoing obligations in respect of VAT and corporation tax, and
  - Dealing with statutory reporting, regulatory and compliance obligations,
- Once these matters have been concluded we will seek to close the liquidations

Appendix 1

Company information

Appendix 1
Company information

Company name	■ PGL Realisations plc (formerly The Peacock Group plc)
Company number	■ 03300987
Registered office	■ Arlington Business Park, Theale, Reading, Berkshire RG7 4SD
Previous address	■ Capital Link, Windsor Road, Cardiff CF24 5NG
High Court reference	■ 401 of 2012
Petition presented	■ 28 June 2013
Winding up order	■ 19 July 2013
Liquidators	■ Christine Laverty, Ed Boyle, Jonathan Pope
Liquidators address	■ Arlington Business Park, Theale, Reading, Berkshire RG7 4SD
Date of appointment	■ 19 July 2013

Appendix 1
Company information (cont.)

Company name	■ PStores Realisations Limited (formerly Peacocks Stores Limited)
Company number	■ 00290792
Registered office	■ Arlington Business Park, Theale, Reading, Berkshire RG7 4SD
Previous address	■ Capital Link, Windsor Road, Cardiff CF24 5NG
High Court reference	■ 403 of 2012
Petition presented	■ 28 June 2013
Winding up order	■ 19 July 2013
Liquidators	■ Christine Laverty, Ed Boyle, Jonathan Pope
Liquidators address	■ Arlington Business Park, Theale, Reading, Berkshire RG7 4SD
Date of appointment	■ 19 July 2013

Appendix 1

Company information (cont.)

Company name	■ Dorsman Estates Co Limited
Company number	■ 00368352
Registered office	■ Arlington Business Park, Theale, Reading, Berkshire RG7 4SD
Previous address	■ Capital Link, Windsor Road, Cardiff CF24 5NG
High Court reference	■ 402 of 2012
Petition presented	■ 28 June 2013
Winding up order	■ 19 July 2013
Liquidators	■ Christine Laverty, Ed Boyle, Jonathan Pope
Liquidators address	■ Arlington Business Park, Theale, Reading, Berkshire RG7 4SD
Date of appointment	■ 19 July 2013

Appendix 2

Liquidators' receipts and payments accounts

PGL Realisations Plc in liquidation
(In Liquidation)
Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 19/07/2013 To 18/07/2014	From 19/07/2013 To 18/07/2014
	OTHER REALISATIONS		
	Rates refund	6,346 02	6,346 02
	pre liquidation interest, gross	43 90	43 90
	ISA - Refund of legal fees	1,165 00	1,165 00
	Sundry refunds	410 77	410 77
	ISA gross interest	7 24	7 24
	Tax paid on ISA interest	(1 45)	(1 45)
		7,971 48	7,971 48
	COST OF REALISATIONS		
	Cheque/Payable order fee	26 05	26 05
	Secretary of State fee	5,219 30	5,219.30
	Bank charges	88 00	88 00
		(5,333.35)	(5,333 35)
		2,638 13	2,638 13
	REPRESENTED BY		
	ISA		2,619 59
	ISA suspense		18 54
			2,638.13

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Appendix 2
PStores Realisations Limited (in liquidation)

PStores Realisations Limited
(In Liquidation)
Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 19/07/2013 To 18/07/2014	From 19/07/2013 To 18/07/2014
	ASSET REALISATIONS		
	Store sales	83,226.54	83,226.54
	Cash in transit	3,828.00	3,828.00
	VAT refunds (pre-liq.)	250,212.49	250,212.49
4,099,561.26	Funds from Administrators	4,099,561.26	4,099,561.26
		4,436,828.29	4,436,828.29
	OTHER REALISATIONS		
	bank interest, gross	807.16	807.16
	Rates Refund	472,137.44	472,137.44
	Miscellaneous income	31,038.04	31,038.04
	pre liquidation gross interest	4,030.23	4,030.23
	ISA - Refund of legal fees	1,165.00	1,165.00
	Receivable from Group companies	2,370.17	2,370.17
	ISA interest gross	16,211.19	16,211.19
	Tax paid on ISA interest	(3,242.25)	(3,242.25)
		524,516.98	524,516.98
	COST OF REALISATIONS		
	Cheque/Payable order fee	20.40	20.40
	Secretary of State fee	68,071.77	68,071.77
	Insurance	132,500.00	132,500.00
	Irrecoverable VAT	10,692.68	10,692.68
	Agents/Valuers' fees	75,538.65	75,538.65
	Legal fees	256,790.81	256,790.81
	Heat & light	795,004.48	795,004.48
	Storage costs	20,291.15	20,291.15
	Statutory advertising	84.60	84.60
	Professional Fees	380.00	380.00
	Insurance of assets	122,384.76	122,384.76
	Bank charges	184.75	184.75
		(1,481,944.05)	(1,481,944.05)
4,099,561.26		3,479,401.22	3,479,401.22
	REPRESENTED BY		
	VAT receivable		13,335.01
	ISA		368,763.39
	ISA suspense		3,097,302.82
			3,479,401.22

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Appendix 2
Dorsman Estates Co Limited (in liquidation)

Dorsman Estates Co Limited In liquidation
(In Liquidation)
Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 19/07/2013 To 18/07/2014	From 19/07/2013 To 18/07/2014
	ASSET REALISATIONS		
	Service charge refunds	94 72	94 72
	VAT refunds (pre-liq)	11,338 79	11,338 79
40,703 91	Funds from Administrators	40,703 91	40,703 91
		52,137 42	52,137 42
	OTHER REALISATIONS		
	bank interest, gross	10 63	10 63
	Rates refund	5,880 48	5,880 48
	pre liquidation interest, gross	220 55	220 55
	ISA - Refund of legal fees	1,165 00	1,165 00
	ISA gross interest	96 34	96 34
	Tax paid on ISA interest	(19 27)	(19 27)
		7,353 73	7,353 73
	COST OF REALISATIONS		
	Cheque/Payable order fee	26 65	26 65
	Secretary of State fee	5,107 35	5,107 35
	Legal fees	8,228 31	8,228 31
	Statutory advertising	84 60	84 60
	Rent	26,112 32	26,112 32
	Bank charges	88 00	88 00
		(39,647 23)	(39,647 23)
40,703 91		**19,843 92**	**19,843 92**
	REPRESENTED BY		
	ISA		4,263 94
	ISA suspense		15,579 98
			19,843 92

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Appendix 3

Liquidators' time and cost analysis,
including schedule of charge out rates

Appendix 3
Summary of charge out rates in operation during the liquidations

Liquidators' charge-out rates in operation during the liquidations

Grade (£ per hour)	19 July 2013– 30 Sept 2013	1 Oct 2013– 18 July 2014
Partner	765	765
Director	670	670
Senior Manager	550	585
Manager	440	465
Senior Administrator/Assistant Manager/Consultant	320	340
Administrator/Analyst	240	255
Support	125	130

Note 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 functions is not charged directly to the assignment but is reflected in the general level of chargeout rates

Source Liquidators' records

Appendix 3

PGL Realisations Limited (in liquidation)

PGL Realisations Plc - Time cost analysis 19 July 2013 to 18 July 2014	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
General (Cashiering)		1 70	1 80		3 50	£1,341 50	£383 29
Reconciliations (& IPS accounting reviews)		2 20	1 70	3 00	6 90	£1,929 50	£279 64
		3 90	**3 50**	**3 00**	**10 40**	**3,271 00**	**£314 52**
General							
Books and records			0 30		0 30	£82 00	£273 33
Fees and WIP		0 10			0 10	£44 00	£440 00
Share Registrars			0 30		0 30	£100 00	£333 33
		0 10	**0 60**		**0 70**	**226 00**	**£322 86**
Statutory and compliance							
Appointment and related formalities		0 10	3 30		3 40	£1,092 00	£321 18
Bonding and bordereau			0 20		0 20	£64 00	£320 00
Checklist & reviews		0 30	3 90		4 20	£1,367 50	£325 60
Pre-appointment checks	1 50				1 50	£1,147 50	£765 00
Reports to debenture holders		4 50	15 60		20 10	£7,396 50	£367 99
Strategy documents	1 50	0 70	0 70		2 90	£1,694 50	£584 31
	3 00	**5 60**	**23 70**		**32 30**	**12,762 00**	**£395 11**
Tax							
Post appointment corporation tax		4 90	16 25		21 15	£6,286 50	£297 23
Post appointment VAT		3 10	1 10		4 20	£1,730 50	£412 02
		8 00	**17 35**		**25 35**	**8,017 00**	**£316 25**
Creditors and claims							
General correspondence			1 40		1 40	£433 50	£309 64
Secured creditors		1 55			1 55	£720 75	£465 00
Statutory reports	1 50	2 90	8 20		12 60	£5,072 50	£402 58
	1 50	**4 45**	**9 60**		**15 55**	**6,226 75**	**£400 43**
Investigations							
Review of pre-appt transactions			1 30		1 30	£416 00	£320 00
			1 30		**1 30**	**416 00**	**£320 00**
Total in period	4 50	22 05	56 05	3 00	85 60	£30,918 75	£361 20

Disbursements

- No disbursements have been incurred during the period covered by this report

Note All staff who have worked on this assignment, including support staff, have charged time directly to the assignment and are included in the above 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 3

PStores Realisations Limited (in liquidation)

PStores Realisations Limited - Time cost analysis 19 July 2013 to 18 July 2014	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
Fund management		0 60			0 60	£264 00	£440 00
General (Cashiering)		49 90	41 40	2 50	93 80	£35,855 00	£382 25
Reconciliations (& IPS accounting reviews)	2 30	11 80	37 30	8,70	60 10	£17,725 50	£294 93
	2 30	62 30	78 70	11 20	154 50	£53,844 50	£348 51
General							
Books and records		1 10	12 90	4 90	18 90	£4,674 50	£247 33
Fees and WIP	1 40	2 90	9 00	11 10	24 40	£6,791 00	£278 32
Mail redirection			1 20		1 20	£288 00	£240 00
Health & safety			1 50		1 50	£510 00	£340 00
Open cover insurance		41 00	0 40		41 40	£19,121 00	£461 86
	1 40	45 00	25 00	16 00	87 40	£31,384 50	£359 09
Statutory and compliance							
Appointment and related formalities	0 30	1 00	7 30		8 60	£2,961 00	£344 30
Bonding and bordereau			0 20	0 30	0 50	£101 50	£203 00
Checklist & reviews		0 85	7 60	1 30	9 75	£2 880 75	£295 46
Pre-appointment checks			1 50		1 50	£382 50	£255 00
Reports to debenture holders	15 90	67 50	28 90		112 30	£56,710 75	£504 99
Statutory receipts and payments accounts				0 30	0 30	£37 50	£125 00
Strategy documents	10 50	32 70	35 10		78 30	£33,882 25	£432 72
	26 70	102.05	80 60	1 90	211 25	£96,956 25	£458 96
Tax							
Post appointment corporation tax		5 50	18 70		24 20	£7 273 00	£300 54
Post appointment VAT	2 20	10 65	28 85		41 70	£15,521 75	£372 22
	2 20	16 15	47 55		65 90	£22,794 75	£345 90
Creditors and claims							
General correspondence	3 10	8 85	65 10	3 80	80 85	£26 054 75	£322 26
Legal claims		5 30			5 30	£3,100 50	£585 00
Pre-appointment VAT / PAYE / CT	0 40	0 60	3 50		4 50	£1,652 00	£367 11
Secured creditors	9 80	5 30			15 10	£9 246 50	£612 35
Statutory reports	2 20	4 20	9 60		16 00	£6 389 00	£399 31
Prescribed Part unsecured claims agreement			0 40		0 40	£136 00	£340 00
Letters of credit		1 00			1 00	£440 00	£440 00
	15 50	25 25	78 60	3 80	123 15	£47,018 75	£381 80
Employees							
Correspondence			8 40		8 40	£2,794 00	£332 62
Pension funds		0 40	0 20		0 60	£302 00	£503 33
Pensions reviews			3 65		3 65	£1,122 50	£307 53
		0 40	12.25		12 65	£4,218 50	£333 48

PStores Realisations Limited - Time cost analysis 19 July 2013 to 18 July 2014	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Investigations							
Consideration of potential litigation claim	35 80	75 80	15 00		126 60	£72,949 00	£576 22
	35 80	75 80	15 00		126 60	£72,949 00	£576 22
Asset Realisation							
Facilitation of transition to purchaser		2 00			2 00	£880 00	£440 00
Cash and investments		4 90	27 10		32 00	£11,211 50	£350 36
Debtors	0 70	0 70			1 40	£789 50	£563 93
Goodwill			1 40		1 40	£357 00	£255 00
Leasehold property (including rates)	3 20	84 45	225 40	1 00	314 05	£98,322 50	£313 08
Other assets	24 60				24 60	£16,482 00	£670 00
	28 50	92 05	253 90	1 00	375 45	£128,042 50	£341 04
Trading							
Cash & profit projections & strategy		0 40			0 40	£234 00	£585 00
Purchases and trading costs (including Court application)	45 70	16 50	107 70		169 90	£73,354 50	£431 75
	45 70	16 90	107 70		170 30	£73,588 50	£432 11
Total in period	158 10	435 90	699 30	33 90	1,327 20	£530,797 25	£399 94

Disbursements

- No disbursements have been incurred during the period covered by this report

Note All staff who have worked on this assignment, including support staff, have charged time directly to the assignment and are included in the above 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

Dorsman Estates Co Limited (in liquidation)

Dorsman Estates Co Limited - Time cost analysis 19 July 2013 to 18 July 2014	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
General (Cashiering)		22 40	6 40		28 80	£12 146 00	£421 74
Reconciliations (& IPS accounting reviews)		3 85	9 20	2 80	15 85	£4,472 50	£282 18
		26 25	15 60	2 80	44 65	£16,618 50	£372 19
General							
Books and records		0 20	0 10		0 30	£122 00	£406 67
Fees and WIP		0 10		0 10	0 20	£58 50	£292 50
Open cover insurance		0.40			0.40	£186 00	£465.00
		0 70	0 10	0 10	0 90	£366 50	£407 22
Statutory and compliance							
Appointment and related formalities		0 40	4 80		5 20	£1 704 00	£327 69
Bonding and bordereau			0 20	0 30	0 50	£101 50	£203 00
Checklist & reviews		0 20	4 00		4 20	£1,363 50	£324 64
Reports to debenture holders		3 80	11 80		15 60	£5,779 00	£370 45
Statutory receipts and payments accounts				0 30	0 30	£37 50	£125 00
Strategy documents		2 50	0 70		3 20	£1,376 50	£430 16
		6 90	21 50	0 60	29 00	£10,362 00	£357 31
Tax							
Post appointment corporation tax		3 20	17 50		20 70	£5,860 00	£283 09
Post appointment VAT		3 90	18 55		22 45	£7,799 00	£347 39
		7 10	36 05		43 15	£13,659 00	£316 55
Creditors and claims							
General correspondence		0 20	7 20		7 40	£2 092 00	£282 70
Secured creditors		1 00			1 00	£465 00	£465 00
Statutory reports		1 70	8 60		10 30	£3 466 50	£336 55
Prescribed Part unsecured claims agreement			1 20		1 20	£390 00	£325 00
		2 90	17 00		19 90	£6,413 50	£322 29
Investigations							
Review of pre-appt transactions			1 60		1 60	£488 00	£305 00
			1 60		1 60	£488 00	£305 00
Asset Realisation							
Leasehold property (including rates)		14 10	77.20		91.30	£26,851.50	£294 10
		14 10	77 20		91 30	£26,851 50	£294 10
Trading							
Purchases and trading costs		0 20	2 10		2 30	£751 00	£326 52
		0 20	2 10		2 30	£751 00	£326 52
Total in period		58 15	171 15	3 50	232 80	£75,510 00	£324 36

Disbursements

- No disbursements have been incurred during the period covered by this report

Note All staff who have worked on this assignment including support staff, have charged time directly to the assignment and are included in the above 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 4

Schedules of expenses
(paid as per R&P plus accrued to date)

Appendix 4

Schedules of expenses in the period (paid as per R&P plus accrued)

Schedule of expenses – PStores (19 July 2013 to 18 July 2014)

£	Paid	Accrued	Total for period
Cost of realisations			
Cheque/payable order fee	20 40	Nil	20 40
Secretary of State fee	67,955 36	Nil	67,955 36
Insurance	132,500 00	Nil	132,500 00
Irrecoverable VAT	10,692 68	Nil	10,692 68
Agents/valuers fees	75,538 65	Nil	75,538 65
Legal fees	256,790 81	107,633 68	364,424 49
Heat and light	795,004 48	Nil	795,004 48
Storage costs	20,291 15	Nil	20,291 15
Statutory advertising	84 60	Nil	84 60
Professional fees	380 00	Nil	380 00
Insurance of assets	122,384 76	Nil	122,384 76
Bank charges	184 75	Nil	184 75
Total	**1,481,827 64**	**107,633 68**	**1,589,461 32**

Source Liquidators records

Schedule of expenses – Dorsman (19 July 2013 to 18 July 2014)

£	Paid	Accrued	Total for period
Cost of realisations			
Cheque/payable order fee	26 65	Nil	26 65
Secretary of State fee	5,105 80	Nil	5,105 80
Legal fees	8,228 31	Nil	8,228 31
Statutory advertising	84 60	Nil	84 60
Rent	26,112 32	Nil	26,112 32
Bank charges	88 00	Nil	88 00
Total	**39,645 68**	**Nil**	**39,645 68**

Source Liquidators' records

Schedule of expenses – PGL (19 July 2013 to 18 July 2014)

£	Paid	Accrued	Total for period
Cost of realisations			
Cheque/payable order fee	26 05	Nil	26 05
Secretary of State fee	5,218 53	Nil	5,218 53
Bank charges	88 00	Nil	88 00
Total	**5,332 58**	**Nil**	**5,332 58**

Source Liquidators' records

These statements of expenses detail the costs incurred, whether paid or unpaid, relating specifically to this period The figures are shown net of VAT

Appendix 4

Notes to the schedules of expenses

KPMG Restructuring 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 paid from the estate are disclosed within the attached summary of disbursements

The Category 2 disbursement that KPMG Restructuring currently charges is mileage, this is calculated as follows

Mileage claims fall into three categories

Use of privately-owned vehicle or car cash alternative – 45p per mile

Use of company car – 60p per mile

Use of partner's car – 60p per mile

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

KPMG

cutting through complexity

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