

LIQ03

Notice of progress report in voluntary winding up



Companies House

THURSDAY



A10 *A6E015A8* 31/08/2017 #153
COMPANIES HOUSE

1 Company details

Company number 0 2 6 5 1 1 6 8
Company name in full Durham County Waste Management Company Limited

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

2 Liquidator's name

Full forename(s) Jonathan Charles
Surname Marston

3 Liquidator's address

Building name/number KPMG LLP
Street 1 Sovereign Square
Sovereign Street
Post town Leeds
County/Region
Postcode L S 1 4 D A
Country

4 Liquidator's name

Full forename(s) Howard
Surname Smith

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

5 Liquidator's address

Building name/number KPMG LLP
Street 1 Sovereign Square
Sovereign Street
Post town Leeds
County/Region
Postcode L S 1 4 D A
Country

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

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6 Period of progress report

From date	^d 0	^d 1	^m 0	^m 7	^y 2	^y 0	^y 1	^y 6
To date	^d 3	^d 0	^m 0	^m 6	^y 2	^y 0	^y 1	^y 7

7 Progress report☒ The progress report is attached**8** Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 2	^d 5	^m 0	^m 8	^y 2	^y 0	^y 1	^y 7
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**Presenter information**

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

Contact name	Clare McCain
Company name	KPMG LLP
Address	Quayside House 110 Quayside
Post town	Newcastle upon Tyne
County/Region	
Postcode	N E 1 3 D X
Country	
DX	
Telephone	Tel +44 (0) 191 401 3867

**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 or email 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



Joint Liquidators' progress report for the period 1 July 2016 to 30 June 2017

Durham County Waste
Management Company
Limited - in Liquidation

25 August 2017

Notice to creditors

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

We have included (Appendix 2) an account of all amounts received and payments made during the period of 1 July 2016 to 30 June 2017, including the cumulative receipts and payments since the date of our appointment.

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

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

A glossary of the abbreviations used throughout this document is attached (Appendix 5).


Please also note that an important legal notice about this report is attached (Appendix 6).

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1 Executive summary

- This progress report covers the period from 1 July 2016 to 30 June 2017.
- Asset realisations in the period relate to sundry refunds and interest received (Section 2 - Progress to date).
- We are not aware of any secured claims against the Company (Section 3 - Dividend prospects).
- We are not aware of any preferential claims against the Company (Section 3 - Dividend prospects).
- Based on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors (Section 3 - Dividend prospects).
- Please note: you should read this report in conjunction with any previous reports issued to the Company's creditors. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.



Howard Smith
Joint Liquidator

2 Progress to date

This report covers the period from 1 July 2016 to 30 June 2017. However, please refer to earlier reports where information has previously been disclosed.

This section updates you on our strategy for the liquidation and on our progress to date. It follows the information provided in our previous reports.

2.1 Strategy and progress to date

As you are aware, the Company was part of a group; its main trading subsidiary was Premier Waste Management Limited ('PWM') (together the 'Group'). Prior to the CVLs, both companies were subject to CVAs which were interlocking and conditional on the approval of one another.

The CVL must remain open until all assets of the CVA have been realised and the funds distributed.

The dividend has not been processed yet through the CVA. As you are aware, at the meeting of creditors, convened for the purpose of accepting or rejecting the Proposals, a creditor challenged the value of its claim admitted by the chairman of the meeting for voting purposes. This challenge was taken to Court and the Court ruled in favour of the Joint Supervisors, awarding costs against the creditor. The payment of a dividend to the unsecured creditors in the CVA has been delayed due to the Joint Supervisors dealing with this challenge and seeking to reach agreement with the creditor on its claim in the CVA.

2.2 Asset realisations

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

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

Bank interest

In the period, bank interest of £22 was realised. To date, total gross interest of £84 has been received on funds held in the Liquidators' bank account.

Sundry refunds

Corporation tax refunds were received during the period from HMRC. Total receipts in respect of corporation tax were £303, of which £284 was due to the CVA, this was duly paid to the Joint Supervisors.

2.3 Costs

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

There have been no costs incurred in the period.

2.4 Schedule of expenses

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

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

Joint Liquidators' remuneration

We have accrued time costs of £11,418 during the period, which have not been drawn.

3 Dividend prospects

3.1 Secured creditors

We are not aware of any secured claims against the Company.

3.2 Preferential creditors

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

As previously reported we are not aware of any preferential claims against the Company.

3.3 Unsecured creditors

As previously reported, the Director's Statement of Affairs estimated that unsecured creditors totalled £490,072.

The CVA Proposal stated that the distribution to creditors in the CVA would be in full and final settlement of 80% of each creditor's claim allowing the creditors of the CVA to vote and prove for the remaining 20% in the liquidation.

Based on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors in the liquidation.

4 Joint Liquidators' remuneration and disbursements

At a meeting of creditors held on 1 July 2013, the creditors passed a resolution providing approval that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff according to the charge-out rates included in Appendix 4;
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 4; and
- that the charge out rates applied during the liquidation will be the KPMG LLP standard charge out rates with a 20% reduction applied.

Time costs

During the period from 1 July 2016 to 30 June 2017 we have incurred time costs of £11,418, inclusive of the 20% reduction to KPMG LLP standard charge out rates. This represents 45 hours at an average rate of £254 per hour.

In addition, as previously advised, time costs of £3,929 were incurred in connection with convening the meeting of members and creditors to place the Company into liquidation, and £4,322 for fees incurred in preparing the statement of affairs. These fees were approved at the meeting of creditors held on 1 July 2013. Please note that the reduction to KPMG LLP standard charge out rates will also be applied to these time costs, reducing the fees to £3,143 and £3,458 respectively.

Remuneration

During the period, we have not drawn any remuneration.

Disbursements

During the period, we have not incurred any disbursements.

Additional information

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 1 July 2016 to 30 June 2017. We have also attached our charging and disbursements policy.

5 Future strategy

5.1 Future conduct of the liquidation

The following matters are still ongoing in the liquidation:

- the CVL must remain open until all assets of the CVA have been realised and the funds distributed, as detailed in Section 2.1 Strategy and progress to date;
- payment of final liquidation costs and Liquidators' fees; and
- closure formalities.

5.2 Future reporting

We will report again on the progress of this liquidation by 31 August 2018 or in the final report if matters have been concluded earlier.

Appendix 1 Statutory information

Company information

Company name	Durham County Waste Management Company Limited
Date of incorporation	3 October 1991
Company registration number	02651168
Previous registered office	Prospect House, Aykley Heads Business Centre, Aykley Heads, Durham, DH1 5TS
Present registered office	KPMG LLP, Quayside House, 110 Quayside, Newcastle upon Tyne, NE1 3DX
Trading address	Prospect House, Aykley Heads Business Centre, Aykley Heads, Durham, DH1 5TS
Nature of business	Waste Management

Liquidation information

Appointed by	Members and creditors pursuant to Section 98 of the Insolvency Act 1986
Date of appointment	1 July 2013
Joint Liquidators' details	Jonny Marston and Howard Smith
Joint Liquidators' address	KPMG LLP, 1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA
EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations.

Appendix 2 Joint Liquidators' receipts and payment account

Durham County Waste Management Company Limited - in Liquidation			
Abstract of receipts & payments			
Statement of affairs (£)		From 01/07/2016 To 30/06/2017 (£)	From 01/07/2013 To 30/06/2017 (£)
ASSET REALISATIONS			
16,232.00	Cash at bank	NIL	16,231.57
		NIL	16,231.57
OTHER REALISATIONS			
	Bank interest, gross	22.15	83.59
	Bank interest, net	NIL	75.97
	Sundry refunds	302.89	302.89
		325.04	462.45
COST OF REALISATIONS			
	Legal fees	NIL	(3,500.00)
	Funds due to Supervisor	(283.86)	(283.86)
	Re-direction of mail	NIL	(195.00)
	Statutory advertising	NIL	(547.33)
		(283.86)	(4,526.19)
UNSECURED CREDITORS			
(296,888.00)	Barclays Mercantile	NIL	NIL
(56,439.00)	Operating lease liabilities	NIL	NIL
(75,673.00)	Tursdale lease liability	NIL	NIL
(61,072.00)	Prospect House lease liability	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			
(1,378,002.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(1,851,842.00)		41.18	12,167.83
REPRESENTED BY			
	VAT receivable		809.47
	Current account		11,667.83
	Floating ch. VAT control		(309.47)
			12,167.83

Appendix 3 Schedule of expenses

Schedule of expenses (01/07/2016 to 30/06/2017)			
Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Cost of realisations			
Liquidator's fees	0.00	11,418.00	11,418.00
TOTAL	0.00	11,418.00	11,418.00

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

Creditors' requests for further information

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

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

Creditors' right to challenge our remuneration and expenses

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

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

The full text of the relevant Rules can be provided on request by writing to Clare McCain at KPMG LLP, Quayside House, 110 Quayside, Newcastle upon Tyne, NE1.3DX.

Appendix 4 Joint Liquidators' charging and disbursements policy

Joint Liquidators' charging policy

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

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

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

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

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

Hourly rates

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

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

Charge-out rates (£) for: Restructuring		
Grade	From 01 Oct 2015 £/hr	From 01 Nov 2016 £/hr
Partner	595	625
Director	535	560
Senior Manager	485	510
Manager	405	425
Senior Administrator	280	295
Administrator	205	215
Support	125	131

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

Policy for the recovery of disbursements

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

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

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

Category 2 disbursements charged by KPMG Restructuring include 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.

We have not incurred any disbursements during the period.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Total	NIL		NIL		NIL

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

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

Narrative of work carried out for the period 1 July 2016 to 30 June 2017.

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none">■ preparing statutory receipts and payments accounts; and■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and	<ul style="list-style-type: none">■ dealing with queries arising during the appointment;■ reviewing matters affecting the outcome of the liquidation; and■ complying with internal filing and information recording practices, including documenting strategy decisions.

reviews	
Cashiering	<ul style="list-style-type: none"> ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ reconciling post-appointment bank accounts to internal systems; and ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ working initially on tax returns relating to the periods affected by the liquidation; and ■ dealing with post appointment tax compliance.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9.
Creditors and claims	<ul style="list-style-type: none"> ■ responding to enquiries from creditors regarding the liquidation and their claims; and ■ drafting our report.

Time costs

SIP 9 –Time costs analysis (01/07/2016 to 30/06/2017)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
General (Cashiering)	4.55	1,294.50	284.51
Reconciliations (& IPS accounting reviews)	2.90	1,077.00	371.38
Statutory and compliance			
Checklist & reviews	6.95	2,084.75	299.96
Statutory receipts and payments accounts	0.60	168.00	280.00
Strategy documents	0.70	206.50	295.00
Tax			
Post appointment corporation tax	16.10	5,365.50	333.26
Creditors			
Creditors and claims			
Statutory reports	13.10	4,076.00	311.15
Total in period	44.90	14,272.25	317.87
Brought forward time (appointment date to SIP 9 period start date)	297.15	102,622.25	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	44.90	14,272.25	
Carry forward time (appointment date to SIP 9 period end date)	342.05	116,894.50	

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.

Appendix 5 Glossary

Company	Durham County Waste Management Company Limited - in Liquidation
CVA	Company Voluntary Arrangement
CVL	Creditors Voluntary Liquidation
HMRC	HM Revenue & Customs
Joint Liquidators/we/our/us	Jonny Marston and Howard Smith
KPMG	KPMG LLP
Proposals	The CVA Proposal approved by creditors on 12 February 2013
PWM	Premier Waste Management Limited

Any references in this report to Sections, Paragraphs and Rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016 respectively.

Appendix 6 Notice: About this report

This progress report has been prepared by Jonny Marston and Howard Smith, the Joint Liquidators of Durham County Waste Management Company Limited (the 'Company'), solely to comply with their statutory duty under the Insolvency Act 1986 (as amended) to provide members and creditors with an update on the progress of the liquidation of the estate, 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 decision in relation to the debt of or any financial interest in the Company or any other company in the Group. Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Act (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.

Jonathan Charles Marston is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales.

Howard Smith is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

We are bound by the Insolvency Code of Ethics.

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

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