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ANNUAL PROGRESS REPORT TO MEMBERS AND CREDITORS

OF

**KYP HOLDINGS PLC
(IN COMPULSORY LIQUIDATION)**

DATED 3 JULY 2015

Wilder Coe LLP Business Recovery

TUESDAY



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07/07/2015

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COMPANIES HOUSE



1 Introduction and statutory information

- 1 1 I, Norman Cowan of Wilder Coe LLP, Oxford House, Campus 6, Caxton Way, Stevenage, SG1 2XD, was appointed Joint Liquidator of KYP Holdings plc ("the Company") on 6 May 2014 together with Andrew Dix following the presentation of a petition for the compulsory winding up of the Company. The winding-up order was made on 10 February 2014 in the High Court of Justice under court reference number 8919 of 2013. This report provides an update on the progress in the liquidation for the year ending 5 May 2015.
- 1 2 The registered office of the Company has been changed to Wilder Coe LLP, Oxford House, Campus 6, Caxton Way, Stevenage, Herts, SG1 2XD and its registered number is 04677483. The Company traded from 42 Upper Berkeley Street, London, W1H 5QJ.
- 1 3 At Appendix A, there is an account of receipts and payments for the period of this report together with a comparison to the statement of assets and liabilities in the Official Receiver's report to creditors dated 6 April 2015.

Replacement of a Joint Liquidator

- 1 4 Andrew Dix has left Wilder Coe LLP. On 4 August 2014, by order made by Registrar Baister sitting in the Companies Court, Chancery Division in the High Court of Justice, pursuant to an application for a block transfer of insolvency appointments, Andrew Dix was removed as Joint Liquidator effective at that date, and Panos Papas appointed as Joint Liquidator with effect from 1 September 2014.
- 1 5 During the period between 5 and 31 August 2014, Norman Cowan was the sole Liquidator.

2 Realisation of assets

- 2 1 As previously reported, the Company had no assets. During the period of this report, no assets have been realised but the following possible assets have been investigated. The values for all items listed below are taken from the draft accounts for the period ending 31 December 2012, unless otherwise stated.

Investments

- 2 2 The Company had investments totalling £7,575,053.00, which represented its interest in KYP plc (in liquidation). KYP plc is in liquidation and its Liquidator has advised that there is unlikely to be a dividend to unsecured creditors. As the Company's interest ranks below the unsecured creditors, there will be no return from this potential asset.

Debtors

- 2 3 The Company was owed £7,173,186 by group undertakings. To date, no realisation has been made. I am presently investigating whether any element of the debt is realisable.

Information request

- 2 4 If creditors are aware of any information that will assist with realising assets, please contact Tim Cray on tim.cray@wildercoe.co.uk.
- 2 5 Unless I receive new information, I do not anticipate there being any realisations.

3 Investigations

- 3 1 As you may be aware, in a compulsory liquidation the duty to investigate the Company's affairs is the responsibility of the Official Receiver. There is no requirement on the Joint Liquidators to submit a report or return on the directors' conduct to the Department for Business Innovation and Skills, however, where matters are brought to the Joint Liquidators' attention these are reported as appropriate to the Official Receiver for further consideration.



3 2 An initial assessment was undertaken into potential matters that might lead to recoveries for the estate, further investigations that may be appropriate and allegations which may need reporting to the Official Receiver. This assessment took into account information provided by creditors either at the initial meeting or as a response to the investigation questionnaire. This investigation has not revealed any issues requiring further report.

4 Creditors

Secured creditors

4 1 Coutts & Company ("Coutts") holds a fixed and floating charge over the Company's assets. Coutts has not submitted a claim and no claim is expected from them. No payment has been made to Coutts on account of the amount owed.

4 2 The Company granted a floating charge to Coutts on 24 July 2006. Accordingly, where funds are available, I am required to create a fund out of the Company's net floating charge property for unsecured creditors, called the prescribed part. There will not be a distribution to the secured creditor as there are insufficient assets to cover the costs of the liquidation, therefore, there will be no prescribed part distribution.

Preferential creditors

4 3 There are no preferential creditors.

Unsecured creditors

4 4 I have received one claim from the unsecured creditors totalling £174,102.93. I do not expect any further claims. This is substantially more than the anticipated claim of £64,062.44, but I understand that it relates to a group VAT liability.

5 Joint Liquidators' remuneration

5 1 The creditors approved that the basis of the Joint Liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the liquidation.

5 2 My time costs for the period of this report are £5,348.80. This represents 23.3 hours at an average rate of £229.76 per hour. Attached at Appendix B is a time analysis that provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent in managing the liquidation. To date, no remuneration has been drawn on account of the time costs incurred.

5 3 Below is an explanation of the work that has been undertaken in respect of each time category.

Administration and planning

- Undertaking all statutory and regulatory compliance
- Managing the administration of the liquidation
- Management of the estate bank account
- Setting up and maintaining case records

Creditors

- Reporting to creditors
- Convening and holding a creditors meeting by correspondence
- Corresponding with creditors



Investigations

- Corresponding with the director
- Locating and accessing the Company's records
- Reviewing the Company's affairs
- Meetings with the directors
- Attempting to locate assets

Realisations of assets

- Investigating the Company's affairs
- Reviewing assets against information held
- Corresponding with the director

5 4 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-to-liquidators-fees-england-and-wales.pdf>

5 5 Attached at Appendix C is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade

5 6 During the period of the report, I have not incurred any Category 2 expenses

6 Joint Liquidators' expenses

6 1 I have incurred the following expenses during the period covered by this report

Supplier / Service Provider	Nature of expense incurred	Amount incurred	Amount paid	Sum outstanding
Companies House*	Company searches	£6 00	£6 00	£0 00
Courts Advertising Limited*	Placement of statutory advert	£136 00	£136 00	£0 00
Total		£142 00	£142 00	£0 00

* Denotes sums paid by Wilder Coe LLP on behalf of the Company

7 Creditors' rights

7 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Liquidators provide further information about his remuneration or expenses which have been itemised in this progress report

7 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to Court on the grounds that, in all the circumstances, the basis fixed for the Joint Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Liquidators, as set out in this progress report, are excessive

8 Next Report


8 1 A further report on the progress of the liquidation will be provided within two months of the end of the next anniversary of the Joint Liquidators' appointment, unless matters are concluded prior to this, in which the final progress report will be issued to all creditors ahead of convening the final meeting of creditors



9 Further information

- 9.1 If you require any further information, please contact Tim Cray of this office on 01438 847202 or tim.cray@wildercoe.co.uk

Yours faithfully


Norman Cowan
Joint Liquidator

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Appendix A Receipts and payments account
Appendix B Time costs analysis
Appendix C Wilder Coe LLP's charge out rate policy

**KYP Holdings Plc
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments**

Appendix A

Statement of Affairs	From 06/05/2014 To 05/05/2015	From 06/05/2014 To 05/05/2015
ASSET REALISATIONS		
Deposit on Creditors Petition	1,165 00	1,165 00
	<u>1,165 00</u>	<u>1,165 00</u>
COST OF REALISATIONS		
O R Remuneration	2,235 00	2,235 00
ISA Banking Fee	88 00	88 00
	<u>(2,323 00)</u>	<u>(2,323 00)</u>
UNSECURED CREDITORS		
(64,062 44) HM Revenue & Customs	<u>NIL</u>	<u>NIL</u>
	NIL	NIL
DISTRIBUTIONS		
(494,998 44) Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
	NIL	NIL
<u>(559,060.88)</u>	<u>(1,158 00)</u>	<u>(1,158.00)</u>
REPRESENTED BY ISA A/C		(1,158 00)
		<u>(1,158 00)</u>

604 - KYP Holdings Plc (in a Compulsory Liquidation)

Appendix B

Analysis of time costs from 05/05/2014
to 05/05/2015

Classification of Work Function	Hours				Time Cost	Average Hourly Rate
	Partner	Manager	Administrator	Support		
Administration and Planning	0 00	1 10	15 20	5 40	£4,214 80	£194 23
Creditors	0 00	1 30	3 20	2 21	£1,435 70	£213 96
Investigations	0 00	0 80	0 70	0 20	£476 00	£280 00
Realisation of Assets	0 00	2 10	0 00	0 00	£798 00	£380 00
Trading						
Totals.	0	5 3	19 1	7 81	£6,924.50	£214 98
Total Fees Claimed	(Excluding Disbursements and VAT)				£6,924.50	

Wilder Coe LLP Business Recovery & Insolvency

Information to Creditors

Charge out rates and policy regarding the recharge of Disbursements

Charge out Rates (£ per hour)

<u>Grade</u>	<u>Hourly Rate (£)</u>
Partner	430
Manager	390
Supervisor	225
Administrator	185
Junior Administrator	135
Support staff (secretarial)	130

The above grades do not include staff in other departments within the firm, but from time to time we may utilise the services of other departments within the firm, whose charge out rates are different and can be provided upon request

Please note that this firm records its time in minimum units of 6 minutes

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP9) disbursements are categorised as either Category 1 or Category 2

Category 1

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 office holder or his or her staff

Category 1 disbursements can be drawn without prior approval, although an office holder should be prepared to disclose information about them in the same way as any other expenses

Category 2

These are costs that are directly referable to the appointment 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 may be drawn if they have been approved in the same manner as an office holder's remuneration. When seeking approval, an office holder should explain, for each category of expense, the basis on which the charge is being made

Wilder Coe LLP proposes to recover category 2 disbursements as follows:

- Insolvency Practitioner and staff mileage re-imburement at 45p per mile
- Photocopying at 10p per sheet, based on comparative commercial rates

All costs are subject to VAT, where applicable