

AM10

Notice of administrator's progress report



Companies House

SATURDAY



A19 *A76R8UGR*
26/05/2018 #232
COMPANIES HOUSE

1 Company details

Company number 0 6 2 7 9 6 6 5
Company name in full TES Holdings Limited

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

2 Administrator's name

Full forename(s) David John
Surname Pike

3 Administrator's address

Building name/number 15 Canada Square
Street Canary Wharf
Post town London
County/Region
Postcode E 1 4 5 G L
Country

4 Administrator's name ①

Full forename(s) James Robert
Surname Tucker

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

5 Administrator's address ②

Building name/number 15 Canada Square
Street Canary Wharf
Post town London
County/Region
Postcode E 1 4 5 G L
Country

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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ^①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

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

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Edward George
Surname Boyle

3 Insolvency practitioner's address

Building name/number 15 Canada Square
Street Canary Wharf
Post town London
County/Region
Postcode E 1 4 5 G L
Country

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6 Period of progress report

From date	d	2	d	6	m	1	m	0	y	2	y	0	y	1	y	7	
To date	/	d	2	d	5	m	0	m	4	y	2	y	0	y	1	y	8

7 Progress report


☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

X

Signature date	d	2	d	2	m	0	m	5	y	2	y	0	y	1	y	8
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AM10

Notice of administrator's progress report



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	James Rivers
Company name	KPMG LLP
Address	15 Canada Square Canary Wharf
Post town	London
County/Region	
Postcode	E 1 4 5 G L
Country	
DX	
Telephone	Tel +44 (0) 20 7311 1000



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
Administrators'
progress
report for the
period 26
October 2017
to 25 April
2018

TES Holdings Limited - in
Administration

22 May 2018

Notice to creditors

This progress report provides an update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

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

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

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

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+TG91544434.html>. We hope this is helpful to you.

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

Contents

1	Executive summary	1
2	Progress to date	2
3	Dividend prospects	3
4	Joint Administrators' remuneration and disbursements	3
5	Future strategy	4
Appendix 1	Statutory information	5
Appendix 2	Joint Administrators' receipts and payments account	6
Appendix 3	Schedule of expenses	8
Appendix 4	Joint Administrators' charging and disbursements policy	9
Appendix 5	Glossary	13
Appendix 6	Notice: About this report	14

1 Executive summary

- This progress report covers the period from 26 October 2017 to 25 April 2018.
- We continue to pursue the inter-company claims. (Section 2 - Progress to date).
- We are not aware of any secured claims against the Company. (Section 3 - Dividend prospects).
- There are no preferential creditors (Section 3 - Dividend prospects).
- We anticipate that a distribution to unsecured creditors may become available in this case. We therefore intend to place the Company into liquidation in the next few months in order to proceed with the distribution to unsecured creditors. (Section 3 - Dividend prospects).
- The administration is currently due to end on 25 October 2018.
- Please note: you should read this progress report in conjunction with our previous progress reports and proposals issued to the Company's creditors which can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+TG91544434.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



David Pike
Joint Administrator

2 Progress to date

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

2.1 Strategy and progress to date

Inter-company position

As advised in our previous report, we continue to pursue the inter-company claims.

There were inter-company transactions in respect of which the Company is owed \$12.4 million from TESL and \$2.6 million from TESPL. Both entities are insolvent and it is understood that there will be distributions to the unsecured creditors of these entities.

The Joint Administrators of these companies continues to realise their assets; accordingly the quantum of any dividend available will not be established until these realisations are complete. However, based on information presently available, we anticipate realisations in the Company from inter-company debts will amount to between £300,000 and £365,000.

Move from administration to Creditors' Liquidation

As referred above, we anticipate realising sufficient funds from inter-company debtors to enable a dividend to unsecured creditors of the Company. We therefore intend to place the Company into liquidation in next few months to enable the subsequent Joint Liquidators to make a distribution to unsecured creditors. This scenario was provided for in our proposals dated 15 December 2016.

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.

Group Companies' Funding

A funding agreement has been put in place between TESH and TESPL to enable the Administrators to settle the expenses and costs of the administration incurred to date.

Accordingly, we have received the sum of £13,000 in the period, to meet the expenses of the administration.

This funding will be repayable from any surplus funds available after settling the expenses of the administration.

2.3 Costs

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

Summaries of the most significant payments made during the period are provided below.

Legal Fees

During the period we paid £4,352 to Allen & Overy for their advice provided in relation to matters arising during the course of the administration. Out of this sum, £2,073 related to legal costs incurred in the prior 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).

3 Dividend prospects

3.1 Secured creditors

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

3.2 Preferential creditors

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

3.3 Unsecured creditors

It is anticipated that there will be a dividend to unsecured creditors, which we currently estimate will be less than one pence in the £. As mentioned above, both the timing and quantum is dependent on realisations from inter-company debtors.

4 Joint Administrators' remuneration and disbursements

As previously reported, the unsecured creditors approved our remuneration based on time costs in accordance with the fee estimate provided in our proposals.

The unsecured creditors also resolved that disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) be charged in accordance with KPMG's policy as set out in Appendix 4.

Time costs

From 26 October 2017 to 25 April 2018, we have incurred time costs of £16,974. These represent 37 hours at an average rate of £462 per hour.

Disbursements

During the period, we have not incurred any disbursements.

Remuneration

During the period we have drawn remuneration of £18,625 out of which £12,053 related to the prior period.



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 26 October 2017 to 25 April 2018. We have also attached our charging and disbursements policy.

5 Future strategy

5.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- Receipt of distributions from the administrations of TESL and TESPL;
- Placing the Company into CVL in order to agree unsecured claims and make a distribution to the unsecured creditors;
- Payment of any future costs of the administration, including repayment of the intergroup loan;
- Finalising the tax and VAT affairs of the Company to include submission of any tax returns, and obtaining tax clearance of the appropriate time; and
- Attending to statutory and compliance matters with a view to conclude the administration.

5.2 Future reporting

We will provide a further progress report within one month of 26 October 2018 or earlier if the administration has been completed prior to that time.

Appendix 1 Statutory information

Company information

Company name	TES Holdings Limited
Date of incorporation	14 June 2007
Company registration number	06279665
Present registered office	KPMG LLP, 15 Canada Square, London, Greater London, E14 5GL

Administration information

Administration appointment	The administration appointment granted in High Court of Justice, 006953 of 2016
Appointor	Directors
Date of appointment	26 October 2016
Joint Administrators' details	David Pike, Jim Tucker and Ed Boyle
Prescribed Part distribution	In the absence of a qualifying floating charge holder the provisions of the prescribed part do not apply.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	25 October 2018

Appendix 2 Joint Administrators' receipts and payments account

TES Holdings Limited - in Administration		
Trading accounts		
Statement of Affairs (£)	From 26/10/2017 To 25/04/2018 (£)	From 26/10/2016 To 25/04/2018 (£)
POST-APPOINTMENT SALES		
Recharges to Willis - TES Parts	NIL	72,819.02
	NIL	72,819.02
OTHER DIRECT COSTS		
Payment to TES Parts - Willis recharge	NIL	(72,819.02)
	NIL	(72,819.02)
Trading surplus/(deficit)	NIL	NIL

TES Holdings Limited - in Administration		
Abstract of receipts & payments		
Statement of affairs (£)	From 26/10/2017 To 25/04/2018 (£)	From 26/10/2016 To 25/04/2018 (£)
ASSET REALISATIONS		
Book debts (SoFA Uncertain)	NIL	NIL
Investments in subsidiaries (SoFA Uncertain)	NIL	NIL
Intercompany loans (SoFA Uncertain)	NIL	NIL
Insurance refund	702.99	2,449.36
	702.99	2,449.36
OTHER REALISATIONS		
Bank interest, gross	19.56	45.59
Trading surplus/(deficit)	NIL	NIL
Group Companies Funding	13,000.00	79,000.00
	13,019.56	79,045.59
COST OF REALISATIONS		
Pre-administration legal costs	NIL	(4,363.71)
Administrators' fees	(18,625.42)	(49,272.42)
Administrators' expenses	(408.96)	(925.16)
Legal fees	(4,352.00)	(11,885.44)
Legal disbursements	NIL	(327.51)
Bank charges	(25.00)	(25.00)
	(23,411.38)	(66,799.24)
UNSECURED CREDITORS		

TES Holdings Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)		From 26/10/2017 To 25/04/2018 (£)	From 26/10/2016 To 25/04/2018 (£)
(63,047,496.00)	Trade & expense	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(2,980,577.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(66,028,073.00)		(9,688.83)	14,695.71
	REPRESENTED BY		
	Floating ch. VAT rec'able		13,354.85
	Floating charge current		1,340.86
			14,695.71

Appendix 3 Schedule of expenses

Schedule of expenses (26/10/2017 to 25/04/2018)			
Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Cost of realisations			
Administrators' fees	6,572.00	16,974.00	23,546.00
Administrators' expenses	0.00	0.00	0.00
Legal fees	2,279.00	0.00	2,279.00
Bank charges	25.00	0.00	25.00
TOTAL	8,851.00	16,974.00	25,850.00

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 progress report, you must do so in writing within 21 days of receiving this progress 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 progress report, you must do so by making an application to Court within eight weeks of receiving this progress 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 James Rivers at KPMG LLP, 15 Canada Square, London E14 5GL.

Appendix 4 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. 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 administration 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 Administrators 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/administrators-fees>

If you are unable to access this guide and would like a copy, please contact James Rivers on 020 73118091.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration; using a minimum time unit of six minutes.

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

Charge-out rates (£) for: Restructuring	
Grade	From 01 Nov 2016 £/hr
Partner	835
Director	740
Senior Manager	645
Manager	515
Senior Administrator	375
Administrator	285
Support	142

Table of charge-out rates

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. 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.

There were no disbursements incurred in this period.

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

Narrative of work carried out for the period 26 October 2017 to 25 April 2018

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none">■ posting information on a dedicated web page;■ preparing statutory receipts and payments accounts;■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none">■ monitoring and reviewing the administration strategy;■ reviewing and authorising junior staff correspondence and other work;■ dealing with queries arising during the appointment;■ reviewing matters affecting the outcome of the administration;■ complying with internal filing and information recording practices, including documenting strategy decisions.
Cashiering	<ul style="list-style-type: none">■ preparing and processing vouchers for the payment of post-appointment invoices;■ reconciling post-appointment bank accounts to internal systems;■ ensuring compliance with appropriate risk management procedures in respect of receipts

	and payments.
Tax	<ul style="list-style-type: none"> ■ analysing VAT related transactions; ■ 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; ■ drawing remuneration in accordance with the basis which has been approved by unsecured creditors.
Asset realisations	<ul style="list-style-type: none"> ■ reviewing the inter-company debtor position between the Company and other group companies.
Creditors and claims	<ul style="list-style-type: none"> ■ creating and updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the administration and submission of their claims; ■ drafting our progress report.

Time costs

SIP 9 –Time costs analysis (26/10/2017 to 25/04/2018)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Bankrupt/Director/Member			
General correspondence	7.40	4,773.00	645.00
Cashiering			
Fund management	0.40	150.00	375.00
General (Cashiering)	1.00	366.00	366.00
Reconciliations (& IPS accounting reviews)	0.90	256.50	285.00
General			
Fees and WIP	3.20	1,383.70	432.41
Statutory and compliance			
Checklist & reviews	12.10	4,635.50	383.10
Statutory receipts and payments accounts	0.75	213.75	285.00
Tax			
Post appointment corporation tax	1.90	922.50	485.53
Post appointment VAT	1.70	1,016.50	597.94
Creditors			
Creditors and claims			
General correspondence	0.40	178.00	445.00
Secured creditors	0.30	112.50	375.00
Statutory reports	6.70	2,966.50	442.76
Total in period	36.75	16,974.45	461.89

Brought forward time (appointment date to SIP 9 period start date)	159.50	65,541.75
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	36.75	16,974.45



SIP 9 –Time costs analysis (26/10/2017 to 25/04/2018)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Carry forward time (appointment date to SIP 9 period end date)	196.25	82,516.20	

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

Allen & Overy	Allen & Overy LLP
Company	TES Holdings Limited - in Administration
CVL / Liquidation	Creditors Voluntary Liquidation
Group	The Company together with TES Parts Limited (TESPL), TES Aviation Limited (TESAL), TES Aviation Services Limited (TESASL) and Total Engine Support Limited – all in administration
Joint Administrators/we/our/us	David Pike, Jim Tucker and Ed Boyle
KPMG	KPMG LLP
WAML	Willis Asset Management Limited

Any references in this progress 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 Rules (England and Wales) 2016 respectively.

Appendix 6 Notice: About this report

This report has been prepared by David Pike, Jim Tucker and Ed Boyle, the Joint Administrators of TES Holdings Limited – in Administration (the 'Company'), solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the administration, 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 or any other company in the Group.

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 the Insolvency Rules (England and Wales) 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

David John Pike, James Robert Tucker and Edward George Boyle are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators 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 administration.

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