

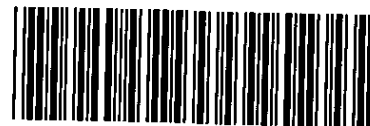
LIQ03

Notice of progress report in voluntary winding up



Companies House

SATURDAY



A25

A6BO1X41

29/07/2017

#365

COMPANIES HOUSE

1 Company details

Company number 03374330

Company name in full Aardvark TMC Limited

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

2 Liquidator's name

Full forename(s) Howard

Surname Smith

3 Liquidator's address

Building name/number KPMG LLP

Street 1 Sovereign Square

Sovereign Street

Post town Leeds

County/Region

Postcode LS14DA

Country

4 Liquidator's name ①

Full forename(s) Jonathan Charles

Surname Marston

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

5 Liquidator's address ②

Building name/number KPMG LLP

Street 1 Sovereign Square

Sovereign Street

Post town Leeds

County/Region

Postcode LS14DA

Country

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

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

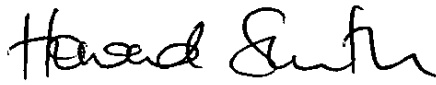
From date	^d 1	^d 5	^m 0	^m 5	^y 2	^y 0	^y 1	^y 6
To date	^d 1	^d 4	^m 0	^m 5	^y 2	^y 0	^y 1	^y 7

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

Liquidator's signature

Signature

X



X

Signature date

^d 0	^d 7	^m 0	^m 7	^y 2	^y 0	^y 1	^y 7
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

**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 **Greg Clifford**

Company name **KPMG LLP**

Address **1 Sovereign Square**

Sovereign Street

Post town **Leeds**

County/Region

Postcode **L S 1 4 D A**

Country

DX

Telephone **Tel +44 (0) 113 231 3575**

**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 15 May
2016 to 14
May 2017

Aardvark TMC Limited - in
Liquidation

10 July 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 15 May 2016 to 14 May 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).

Contents

1	Executive summary	1
2	Progress to date	2
3	Dividend prospects and dividends paid	5
4	Joint Liquidators' remuneration and disbursements	7
5	Future strategy	8
Appendix 1	Statutory information	9
Appendix 2	Joint Liquidators' receipts and payment account	10
Appendix 3	Schedule of expenses	13
Appendix 4	Joint Liquidators' charging and disbursements policy	14
Appendix 5	Glossary	19
Appendix 6	Notice: About this report	20

1 Executive summary

- This progress report covers the period from 15 May 2016 to 14 May 2017 (the 'Period').
- Following the transfer of the shares in OCCW (Netherton) Limited and OCCW (Duncanziemere) Limited (the 'Hivecos') to Hargreaves Surface Mining Limited ('HSML'), the Company's only remaining asset was a Corporation Tax terminal loss relief claim. We have been successful in our claim and a total of £750,594 has been received from Her Majesty's Revenue and Customs ('HMRC') in the Period. Of this sum, £739,352 is in respect of the Corporation Tax loss relief claim itself, with the remaining £11,242 in respect of interest owed to the Company on the repayment (Section 2 - Progress to date).
- At the date of our appointment, a total of £13,123,343 was outstanding to HSML, the Company's first ranking secured creditor. To date, a total of £13,123,343 has been distributed to HSML. Of these distributions, £1,338,202 was distributed in this reporting period, a further distribution of £1,621,730 was made outside the reporting Period, on 15 May 2017, and £233,611 was distributed from ATH Regeneration in Liquidation, another group Company subject to HSML's fixed and floating charge. Following these distributions, HSML has now had its principle debt repaid in full (Section 3 - Dividend prospects and dividends paid).
- Euler Hermes (UK) Limited ('Euler Hermes') had a second ranking fixed and floating charge over the Company's assets. As there are insufficient funds to enable a distribution to Euler Hermes, they have taken the decision to release their security. The amount owed to Euler Hermes will therefore rank as an unsecured claim in the liquidation (Section 3 - Dividend prospects and dividends paid).
- A total of 237 employees were transferred to HSML as part of the sale of the Company's business and assets. We are not aware of any preferential claims in the liquidation (Section 3 - Dividend prospects and dividends paid).
- As previously reported, asset realisations have been sufficient to enable a distribution to unsecured creditors of the Company, via the prescribed part fund. A maximum prescribed part fund of £600,000 (before the costs of claims agreement) will be available to unsecured creditors. The claims agreement process is now nearing completion and we expect to issue our notice of intended dividend to creditors in the coming weeks. We therefore recommend that any unsecured creditors who have yet to submit their claim do so as soon as possible, to avoid being excluded from the imminent distribution (Section 3 - Dividend prospects and dividends paid).
- 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 15 May 2016 to 14 May 2017. However, please refer to previous 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

Strategy

As outlined in our previous reports, the majority of the Company's business and assets have already been transferred to HSML, as a result of the Hiveco's share sale.

At the date of our last report, the only remaining asset of the Company was a Corporation Tax terminal loss relief claim, which was originally identified by our tax team. After a period of dialogue with HMRC regarding the Company's claim, a repayment of £739,352 was received in the Period. In addition to this, £11,242 in interest was accrued on the repayment, with these monies also received in the Period. Following the receipt of these funds, there are no further assets left to realise.

As previously reported, asset realisations have been sufficient to enable a distribution to unsecured creditors of the Company, via the prescribed part fund. A maximum prescribed part fund of £600,000 (before the costs of claims agreement) will be available to unsecured creditors.

The claims agreement process is now nearing completion and we expect to issue our notice of intended dividend to creditors in the coming weeks. We therefore recommend that any unsecured creditors who have yet to submit their claim do so as soon as possible, to avoid being excluded from the imminent distribution.

Once we have declared the prescribed part dividend, we will settle outstanding costs of the liquidation and deal with all other closure related formalities. We expect to conclude the above matters and exit the liquidation in either late 2017 or early 2018, at the latest.

Change of office holders

On 29 July 2016 an order was made in the High Court appointing Jonny Marston as Joint Liquidator of the Company in place of Mark Granville Firmin, following Mr Firmin's resignation from KPMG LLP.

In accordance with the order, creditors/members were given notice of the replacement of Mark Firmin as Joint Liquidator by advertisement in the London Gazette.

On 5 September 2016 an order was made in the High Court removing Brian Green as Joint Liquidator of the Company following his retirement from KPMG LLP.

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.

Corporation Tax repayment

As noted above, a total of £739,352 has been received in the Period from HMRC in respect of a Corporation Tax terminal loss relief claim made during the previous period.

Corporation Tax interest received

A total of £11,242 has been received in the Period in respect of interest accrued on the Corporation Tax repayment due to the Company, as part of the above claim.

Freehold land & buildings

As previously reported, the land at Netherton and Duncanziemere was transferred into the HiveCos for consideration totalling £438,200. This was previously represented as an intercompany loan however with the transaction being non-cash, this was not detailed on the receipts and payments accounts which were previously sent to creditors (as part of our other progress reports).

Following the transfer of the shares in the HiveCos to HSML (for a total of £1 each), the intercompany loans have now been repaid and ownership of the land previously loaned to the HiveCos has now transferred to HSML.

The repayment of the loan is shown as an asset in the attached receipts and payments account, with the corresponding transfer in ownership represented as a fixed charge distribution to HSML.

No cash has been exchanged in respect of the transfer. As there is a maximum prescribed part and HSML are the secured creditor, any cash consideration would have effectively been transferred back to HSML in the form of a fixed charge distribution.

As the transfer to HSML is non-cash, the above was not previously shown on the Company's receipts and payments account. However, for clarity, we have amended the receipts and payments account in the Period, to show the effect of the above.

Repayment from the HiveCos – OCCW (Netherton) Limited and OCCW (Duncanziemere) Limited

As outlined above, the land at Netherton and Duncanziemere was transferred to the HiveCos with this previously represented as an intercompany loan. In addition to the consideration of £438,200, in respect of the land, additional consideration of £150,000 was received. This was also treated as an intercompany loan.

As the transfer of shares has now completed, the loan has effectively been repaid. As above, no cash has been exchanged in respect of this transfer, any cash consideration

would have effectively been transferred back to HSML in the form of a floating charge distribution.

As the transfer to HSML is non-cash, the above was not previously shown on the Company's receipts and payments account. However, for clarity, we have amended the receipts and payments account in the Period, to show the effect of the above.

Bank interest

A total of £7,098 in bank interest has been received in the Period.

2.3 Costs

Payments made in the 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 and disbursements

A total of £25,063 in legal fees and disbursements has been paid to our Solicitors in the Period for their ongoing provision of legal advice and assistance.

Storage costs

A total of £794 in storage costs has been paid in the Period to Iron Mountain (UK) Limited, for their ongoing storage of the Company's books and records.

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 and dividends paid

3.1 Secured creditors

3.1.1 Hargreaves Surface Mining Limited ('HSML')

HSML purchased the secured debt of the Company from Becap Capital Coal Limited on 1 March 2013 and hold a first ranking fixed and floating charge over the Company's assets. At the date of appointment, HSML were owed £13,123,343.

To date, a total of £13,123,343 has been distributed to HSML. Of this sum, £1,338,202 was distributed in this reporting period.

A further distribution of £1,621,730 was made outside the reporting Period, on 15 May 2017, and another distribution, of £233,611 was distributed from ATH Regeneration in Liquidation, another group Company subject to HSML's fixed and floating charge.

Following these distributions, HSML's indebtedness has been repaid in full.

3.1.2 Euler Hermes (UK) Limited ("Euler Hermes")

Euler Hermes had a second ranking fixed and floating charge over the Company's assets. As there will be insufficient funds to enable a distribution to Euler Hermes, they have made the decision to release their security. Therefore, the amount owed to Euler Hermes will rank as an unsecured claim in the liquidation.

3.2 Preferential creditors

A total of 237 employees transferred to HSML as part of the sale of the Company's business and assets. We are not aware of any preferential claims arising in the liquidation.

3.3 Unsecured creditors

The Directors' statement of affairs estimated that unsecured creditors totalled £98,053,959, comprising mainly of amounts due to bond providers, outstanding restoration liabilities and a large intercompany balance owed to ATH Resources Plc in Administration.

In accordance with section 176A of Insolvency Act 1986, where a floating charge was created post 15 September 2003 and, therefore post Enterprise Act 2002, a prescribed part should be made available to unsecured creditors should floating charge realisations be sufficient.

The basis of the prescribed part calculation is a percentage of the net floating charge realisations (after preferential claims and costs) to be distributed exclusively to unsecured creditors. The process ensures that the unsecured creditors participate in a dividend which would not have applied under the old Insolvency Rules.

The prescribed part rules apply in this case, as net floating charge realisations are over £10,000, following the deduction of costs and preferential claims.

A maximum prescribed part fund of £600,000 (before the costs of agreeing creditor claims and making the distribution) will be available for the benefit of unsecured creditors.

As noted in Section 2.1, the claims agreement process is now nearing completion and we expect to issue our notice of intended dividend to creditors in the coming weeks. We therefore recommend that any creditors who have yet to submit their claim do so as soon as possible, to avoid being excluded from the imminent distribution.

4 Joint Liquidators' remuneration and disbursements

At a meeting of creditors held on 24 May 2013 the creditors passed a resolution providing approval that:

- the remuneration of the Joint Liquidators be drawn on the basis of time properly spent by the Joint Liquidators and their staff in attending to matters arising in the liquidation at KPMG standard charge-out rates for the nature of this work;
- the Joint Liquidators be able to draw category 2 disbursements, which are to be charged in accordance with KPMG LLP disbursements policy, as attached.

Time costs

During the Period, we have incurred time costs of £110,561. These represent 449 hours at an average rate of £246 per hour.

Remuneration

During the Period, we have not drawn any remuneration.

Disbursements

During the Period, we have incurred and paid disbursements of £1,410.

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 15 May 2016 to 14 May 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:

- Agreeing outstanding unsecured creditor claims and distributing the prescribed part fund accordingly;
- Finalising the Company's Corporation Tax and Value Added Tax position;
- Settling outstanding costs of the liquidation;
- Dealing with any other closure related formalities.

5.2 Future reporting

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

Appendix 1 Statutory information

Company information

Company name	Aardvark TMC Limited
Date of incorporation	21 May 1997
Company registration number	03374330
Previous registered office	Aardvark House, Sidings Court, Doncaster, South Yorkshire, DN4 5NU
Present registered office	KPMG LLP, 1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA
Trading address	Aardvark House, Sidings Court, Doncaster, South Yorkshire, DN4 5NU
Nature of business	Coal Mining

Liquidation information

Appointed by	Members and creditors pursuant to Section 98 of the Insolvency Act 1986
Date of appointment	15 May 2013
Joint Liquidators' details	Howard Smith and Jonny Marston
Joint Liquidators' address	KPMG LLP, 1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA
Change of office holders	<p>On 29 July 2016 an order was made in the High Court appointing Jonny Marston as Joint Liquidator of the Company in place of Mark Granville Firmin, following Mr Firmin's resignation from KPMG LLP. In accordance with the order, creditors/members were given notice of the replacement of Mark Firmin as Joint Liquidator by advertisement in the London Gazette.</p> <p>On 5 September 2016 an order was made in the High Court removing Brian Green as Joint Liquidator of the Company following his retirement from KPMG LLP.</p>
Values of the Net Property and Prescribed Part	<p>Net Property is £11,785,731. The Prescribed Part is capped at the statutory maximum of £600,000.</p> <p>The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3).</p>
Prescribed Part distribution	The Joint Liquidators intend to distribute the Prescribed Part.
Functions	The functions of the Joint Liquidators are being exercised by them individually or together in accordance with Section 231(2) of the Insolvency Act 1986.
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

Aardvark TMC Limited - in Liquidation			
Abstract of receipts & payments			
Statement of affairs (£)		From 15/05/2016 To 14/05/2017 (£)	From 15/05/2013 To 14/05/2017 (£)
FIXED CHARGE ASSETS			
750,000.00	Freehold land & buildings	438,200.00	1,054,000.00
480,000.00	Fixed plant	NIL	650,000.00
1.00	Goodwill	NIL	1.00
		438,200.00	1,704,001.00
FIXED CHARGE CREDITORS			
(13,123,343.00)	Hargreaves Surface Mining Ltd	(438,200.00)	(1,704,001.00)
(28,135,000.00)	Second ranking fixed charge holder	NIL	NIL
		(438,200.00)	(1,704,001.00)
HP/LEASING			
7,803,825.00	Mobile plant	NIL	NIL
(6,485,522.00)	HP creditor inc claim on full proceeds	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
	Motor Vehicles	NIL	50,000.00
1,724,453.00	Mobile plant unencumbered	NIL	1,454,350.00
10,000.00	Fixtures and fittings	NIL	NIL
1,117,710.00	Coal stocks	NIL	1,000,000.00
45,182.00	Fuel stock	NIL	NIL
1,836,142.00	Book debts	NIL	1,299,998.00
123,478.00	Plant spares	NIL	46,000.00
236,148.00	Other debtors	NIL	NIL
	Other assets	NIL	1.00
	Financed equipment	NIL	1,313,650.00
	Pre-appointment funds held by solicitors	NIL	336,113.55
6,448,433.00	Cash at bank	NIL	6,443,118.29
1,323.00	Petty cash	NIL	854.01
50,000.00	Prepayments	NIL	NIL
		NIL	11,944,084.85
OTHER REALISATIONS			
	Bank interest, gross	6,748.32	18,336.21
	Bank interest, net	349.35	15,601.71
	Legal fees refund	NIL	2,514.87
	Rates refund	NIL	282,774.98

Aardvark TMC Limited - in Liquidation**Abstract of receipts & payments**

Statement of affairs (£)	From 15/05/2016 To 14/05/2017 (£)	From 15/05/2013 To 14/05/2017 (£)
Sundry refunds	NIL	11,358.72
Third party funds	NIL	1,825,348.13
Pension refund	NIL	355.56
CT repayment	739,351.59	739,351.59
CT interest received	11,241.93	11,241.93
Repayment from OCCW (Netherton)	93,000.00	93,000.00
Repayment from OCCW (Duncanziemere)	57,000.00	57,000.00
	907,691.19	3,056,883.70
COST OF REALISATIONS		
Fee for preparing statement of affairs	NIL	(1,500.00)
Liquidators' fees	NIL	(300,000.00)
Liquidators' expenses	NIL	(1,581.64)
Fee for convening section 98 meeting	NIL	(25,000.00)
Section 98 expenses	NIL	(1,328.99)
Cash to OCCW (Netherton)	NIL	(93,000.00)
Cash to OCCW (Duncanziemere)	NIL	(57,000.00)
Legal fees	(24,906.45)	(242,199.91)
Legal disbursements	(157.00)	(19,926.58)
Pre-appointment legal fees	NIL	(77,915.84)
Pre-appointment disbursements	NIL	(42,602.52)
Repayment of third party funds	NIL	(1,825,348.13)
Agents fees	NIL	(43,500.00)
Storage costs	(793.76)	(1,338.95)
Re-direction of mail	NIL	(1,020.00)
Statutory advertising	NIL	(1,741.35)
Insurance of assets	NIL	(339.20)
Wages, salaries & holiday pay	NIL	(1,124.59)
Bank charges	(45.00)	(313.30)
	(25,902.21)	(2,736,781.00)
PREFERENTIAL CREDITORS		
(415,351.00) Wages, salaries & holiday pay	NIL	NIL
	NIL	NIL
FLOATING CHARGE CREDITORS		
Hargreaves Surface Mining Ltd	(900,002.00)	(9,564,001.00)
	(900,002.00)	(9,564,001.00)

Aardvark TMC Limited - in Liquidation**Abstract of receipts & payments**

Statement of affairs (£)	From 15/05/2016 To 14/05/2017 (£)	From 15/05/2013 To 14/05/2017 (£)
--------------------------	--------------------------------------	--------------------------------------

UNSECURED CREDITORS

(2,383,409.54)	Trade & expense	NIL	NIL
(2,462,771.00)	Staff claims for redundancy	NIL	NIL
(30,743,527.00)	Restoration liabilities	NIL	NIL
(1,846,136.00)	Contract termination claims	NIL	NIL
(26,641,136.00)	Intercompany loans	NIL	NIL
(557,727.00)	Accruals	NIL	NIL
(3,968,428.00)	HMRC	NIL	NIL
		<hr/> NIL	<hr/> NIL

DISTRIBUTIONS

(1,000.00)	Ordinary shareholders	NIL	NIL
		<hr/> NIL	<hr/> NIL

(96,136,655.54)

(18,213.02)

2,700,186.55

REPRESENTED BY

VAT receivable	141,897.04
Current account	1,685,261.91
Current deposit	1,000,959.27
Fixed charge VAT payable	(1.60)
VAT payable	(87,781.13)
Floating ch. VAT control	(40,148.94)
	<hr/> 2,700,186.55 <hr/>

Appendix 3 Schedule of expenses

Schedule of expenses (15/05/2016 to 14/05/2017)			
Expenses (£)	Incurred and paid in the Period (£)	Incurred in the Period not yet paid (£)	Total (£)
Cost of realisations			
Liquidators' fees	0.00	110,560.75	110,560.75
Liquidators' disbursements	0.00	1,410.45	1,410.45
Legal fees	24,906.45	0.00	24,906.45
Legal disbursements	157.00	0.00	157.00
Storage costs	793.76	0.00	793.76
Bank charges	45.00	0.00	45.00
TOTAL	25,902.21	111,971.20	137,873.41

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 Greg Clifford at KPMG LLP, 1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA.

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 Greg Clifford on 0113 2313084.

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 2012 £/hr
Partner	565
Associate Partner	485
Director	485
Senior Manager	450
Manager	365
Senior Administrator	250
Administrator	185
Support	115
Work Experience	45

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 incurred the following disbursements (excluding VAT) from the date of our appointment to 14 May 2017.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Accommodation	391.58		NIL		391.58
External printing	199.76		NIL		199.76
Meals	104.08		NIL		104.08
Postage	510.43		NIL		510.43
Travel	204.60		NIL		204.60
Total	1,410.45		NIL		1,410.45

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 15 May 2016 to 14 May 2017.

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> ■ collating information to enable us to carry out our statutory duties; ■ 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 liquidation strategy; ■ briefing of our staff on the liquidation strategy and matters in relation to various work-streams; ■ reviewing and authorising junior staff correspondence and other work; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the liquidation; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ liaising with legal advisors regarding the various instructions; ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of HSML regarding the progress of the liquidation and case strategy.
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; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ gathering information from the Company's records in relation to the taxation position of the Company; ■ submitting relevant notifications to HM Revenue and Customs; ■ analysing VAT related transactions; ■ dealing with post appointment tax compliance and liaising with HMRC regarding the Corporation Tax terminal loss relief claim.
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; ■ dealing with the ongoing storage of the Company's books and records.
Asset realisations	<ul style="list-style-type: none"> ■ reviewing the inter-company debtor position between the Company and other group companies.
Property matters	<ul style="list-style-type: none"> ■ dealing with ad-hoc queries surrounding the Company's former leasehold and freehold premises.
Employees	<ul style="list-style-type: none"> ■ dealing with queries from former employees regarding various matters relating to the liquidation and their employment; ■ managing unsecured claims from former employees.
Creditors and claims	<ul style="list-style-type: none"> ■ updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the liquidation and submission of their claims; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; ■ agreeing secured and unsecured claims; ■ arranging distributions to the secured creditors; ■ drafting our report.

Time costs

SIP 9 –Time costs analysis (15/05/2016 to 14/05/2017)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
General (Cashiering)	10.10	2,590.00	256.44
Reconciliations (& IPS accounting reviews)	8.30	2,822.50	340.06
General			
Books and records	2.30	445.00	193.48
Fees and WIP	3.60	846.00	235.00
Statutory and compliance			
Checklist & reviews	34.80	7,940.00	228.16
Reports to debenture holders	12.50	2,882.50	230.60
Statutory receipts and payments accounts	2.10	421.00	200.48
Strategy documents	23.45	6,158.25	262.61
Tax			
Post appointment corporation tax	66.90	19,660.50	293.88
Post appointment VAT	2.50	612.50	245.00
Creditors			
Creditors and claims			
Agreement of unsecured claims	141.15	33,800.75	239.47
General correspondence	77.55	14,976.75	193.12
Legal claims	0.50	242.50	485.00
Payment of dividends	1.80	663.00	368.33
Pre-appointment VAT / PAYE / CT	0.30	145.50	485.00
Secured creditors	23.80	6,953.00	292.14
Statutory reports	20.90	5,572.50	266.63
Employees			
Correspondence	3.40	837.00	246.18
Realisation of assets			
Asset Realisation			
Freehold property	4.80	888.00	185.00
Leasehold property	4.50	897.50	199.44
Other assets	1.80	333.00	185.00
Pre-appointment tax & VAT refunds	1.80	873.00	485.00
Total in Period	448.85	110,560.75	246.32

SIP 9 –Time costs analysis (15/05/2016 to 14/05/2017)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Brought forward time (appointment date to SIP 9 Period start date)	2,403.75	716,685.25	
SIP 9 Period time (SIP 9 Period start date to SIP 9 Period end date)	448.85	110,560.75	
Carry forward time (appointment date to SIP 9 Period end date)	2,852.60	827,246.00	

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

Agents	Mr David Chalmers
Company	Aardvark TMC Limited - in Liquidation
Euler Hermes	Euler Hermes (UK) Limited
Hivecos	OCCW (Netherton) Limited OCCW (Duncanziemere) Limited
HMRC	Her Majesty's Revenue and Customs
HSML	Hargreaves Surface Mining Limited
Joint Liquidators/we/our/us	Howard Smith and Jonny Marston
KPMG	KPMG LLP
Period	15 May 2016 to 14 May 2017
Secured creditors	Hargreaves Surface Mining Limited Euler Hermes (UK) Limited
Solicitors	CMS Cameron McKenna LLP Dentons UKMEA LLP

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 Howard Smith and Jonny Marston, the Joint Liquidators of Aardvark TMC 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.

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

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

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.

www.kpmg.com

© 2017 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

For full details of our professional regulation please refer to 'Regulatory Information' at www.kpmg.com/uk

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are registered trademarks or trademarks of KPMG International Cooperative.

