

The Insolvency Act 1986

Statement of administrators' proposals

Name of Company Key Food Ingredients Limited	Company number 04062850
In the High Court Manchester District Registry <small>(full name of court)</small>	Court case number 2844 of 2016

(a) Insert full name(s) and address(es) of administrator(s)	<p>We (a)</p> <p>Paul Nicholas Dumbell KPMG LLP 1 St Peter's Square Manchester M2 3AE</p>	<p>Paul Andrew Flint KPMG LLP 1 St Peter's Square Manchester M2 3AE</p>	<p>David James Costley-Wood KPMG LLP 1 St Peter's Square Manchester M2 3AE</p>
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*Delete as applicable

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 16 November 2016

Signed

Paul Flint

Joint Administrator

Dated

16 November 2016

Contact Details:

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

Kiran Reddy	
KPMG LLP	
1 St Peter's Square	
Manchester	
M2 3AE	
United Kingdom	
Tel 0161 618 7331	

Companies House receipt date barcode

When you have completed and signed this form, please send it to the Registrar of Companies at -

Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

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COMPANIES HOUSE



Joint Administrators' proposals

Key Food Ingredients Limited
- in Administration

16 November 2016

Notice to creditors

We have made this document available to you to set out the purpose of the administration and to explain how we propose to achieve it

We have also explained why the Company entered administration and how likely it is that we will be able to pay each class of creditor

You will find other important information in the document such as the proposed basis of our remuneration

A glossary of the abbreviations used throughout this document is attached (Appendix 7)

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+KG826F1137.html> We hope this is helpful to you

Please also note that an important legal notice about this statement of proposals is attached (Appendix 8).



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1 Executive summary

- Key Food Ingredients Ltd – in Administration (the “Company”) was a manufacturer of butter oil and ghee for the food manufacturing, food service and cocoa industries, trading from freehold premises in Widnes, Cheshire. In the lead up to the appointment, the business suffered as a result of sharp increases in the market price of its raw materials. The Company began to face cash flow difficulties and attempted to source new investment in the weeks leading up to the appointment, but was unsuccessful.
- Paul Flint, Paul Dumbell and David Costley-Wood were appointed Joint Administrators of the Company on 22 September 2016 (Section 2 - Background and events leading to the administration).
- The Joint Administrators traded the business on a limited basis for a short period following the appointment whilst attempting to find a buyer for the business and assets. A sale of the business and assets, which includes the freehold property and plant and machinery, is currently progressing. Trading has now ceased and all but one of the Company’s employees have been made redundant (Section 3 - Strategy and progress of the administration to date).
- The Company has two secured creditors, HSBC Bank plc and HSBC Invoice Finance (UK) Ltd, which were owed £2.4 million and £0.9 million respectively on appointment. Neither of the secured creditors are expected to be paid in full (Section 4 - Dividend prospects).
- Preferential creditor claims are estimated to total approximately £16,000 and are expected to be paid in full (Section 4 - Dividend prospects).
- Unsecured creditor claims totalled £2.7 million at appointment according to the Statement of Affairs. It is unlikely that there will be sufficient funds to enable a distribution to the unsecured creditors, other than via the prescribed part (Section 4 - Dividend prospects).
- The likely exit route for the administration will be via the dissolution of the Company (Section 5 - Ending the administration).
- A meeting of creditors will not be called unless one is requisitioned (Section 6.2 on page 9 provides details of the process required to request a meeting).
- We intend to request approval from the secured and preferential creditors to draw fees on a time cost basis. An estimate of these time costs is included in Appendix 3 (Section 7 - Joint Administrators’ remuneration, disbursements and pre-administration costs).
- This document in its entirety is our statement of proposals. A summary list of the proposals is shown in Section 8 together with all relevant statutory information included by way of appendices. Unless stated otherwise, all amounts in the proposals and appendices are stated net of VAT.



Paul Flint
Joint Administrator

2 Background and events leading to the administration

2.1 Background information

The Company was incorporated on 31 August 2000 and occupies Unit 2 and 3 of a three acre freehold site comprising three units in Widnes, Cheshire

The primary activity of the Company is the production of butter oil and ghee, importing cream and butter in bulk to process for the food service, manufacturing and cocoa industries. It also operates a warehousing division for third parties.

The Company has one subsidiary, Simplea Food Products Ltd - in Administration ("Simplea"). The primary activity of Simplea is the production of artisanal ranges of bespoke sauces/condiments, importing raw ingredients such as garlic, ginger and chilli and processing them for sale to the foodservice and retail markets. The Company and Simplea operated from the same premises with shared central functions.

The Company has two Directors: Philip John Nash (Commercial Director and shareholder) and John Stuart McNaughton (Operations Director) and employed 19 staff as at the date of appointment.

2.2 Funding and financial position of the Company

HSBC Bank PLC

HSBC Bank PLC (the "Bank") provided import loans, a mortgage, an overdraft facility and credit card facilities to the Company. It holds security by way of a debenture comprising fixed and floating charges over the Company and its assets. At the date of appointment, £2.4 million was owed to the Bank by the Company.

The Company also has foreign exchange indebtedness of approximately £300,000 in relation to loss making forward contracts for the sale of Euros which had not yet been closed out at the date of appointment.

HSBC Invoice Finance (UK) Ltd

HSBC Invoice Finance (UK) Ltd ("HIF") provided an invoice discounting facility to the Company. It holds fixed charge security over the Company's book debts and fixed and floating charge security over the other assets of the Company. At the date of appointment, approximately £919,000 was owed to HIF.

Both the Bank and HIF have cross guarantees in respect of the Company and Simplea.

The Company had also received unsecured debt funding in excess of £1.5 million from its shareholders and other third parties.

2.3 Events leading to the administration

The Company continued to make trading losses in the 12 months to April 2016 and in the first two months of FY17. The business is highly susceptible to commodity fluctuations, as it sells forward to its largest customers but cannot buy forward from its suppliers. The commodities market for raw ingredients such as butter and milk is unpredictable and the Company does not have sufficient cash to buy in bulk to take advantage of market lows. The Bank was concerned about the long-term viability of the Company and wider Group, and therefore KPMG were engaged to assess the options available to the Group.

At this point in time, HIF had over-advanced on its facility by approximately £500,000 and the Bank's loan and overdraft facilities were fully utilised, with the Group in breach of its banking covenants.

KPMG were engaged on 22 August 2016 by the Company, Simplea, the Bank and HIF to explore the sale, refinancing and restructuring options available to the Group.

Following the initial review, all parties agreed that finding an investor(s) would be the right approach to de-risk the business and to preserve jobs but acknowledged it had insufficient funding to continue trade in its current form. As such, the business was effectively mothballed to create time to find an investor. Management acknowledged that the process of finding investors would likely take a minimum of six to eight weeks.

Using our network of contacts and in conjunction with the Directors, we identified a list of 125 potential trade and distressed equity/debt investors. At the request of the Directors, we excluded ten key customers and competitors from the process as these were deemed to be commercially sensitive. As a result, we sent the initial teaser document to 115 of the listed parties. We assisted the Directors in preparing an Information Memorandum to market the business and we subsequently made this available to 14 interested parties who agreed to sign a NDA.

The Company failed to attract interest from prospective investors on a solvent basis, and was unable to pay its debts as they fell due. The Bank advanced an additional £100,000 to support the six week review period but was unwilling to advance further monies given the uncertainty of finding an investor and increasing cash requirements.

The Directors therefore appointed Paul Dumbell, Paul Flint and David Costley-Wood as Joint Administrators of the Company on 22 September 2016.

At the time of our appointment, we disclosed to the Court details of the work carried out by KPMG up to that time.

We are satisfied that the work carried out by KPMG before our appointment has not resulted in any relationships which create a conflict of interest or which threaten our independence.

Furthermore, we are satisfied that we are acting in accordance with the relevant guides to professional conduct and ethics.

There were no outstanding fees or expenses due to KPMG at the date of appointment.

2.4 Pre-administration work

Pre-administration work has been carried out by Addleshaw Goddard LLP, our solicitors, which included the preparation and filing of the administration appointment documents. The costs of this work had not yet been paid at the date of appointment and are set out in Section 7.2

2.5 Appointment of Joint Administrators

The Directors resolved on 16 September 2016 to appoint us as Joint Administrators.

The notice of appointment was lodged at the High Court Manchester District Registry on 22 September 2016 and we were duly appointed.

3 Strategy and progress of the administration to date

3.1 Strategy to date

Overall strategy

The strategy for the administration to maximise the return to creditors has been to trade the business on a limited basis for a short period whilst attempting to achieve a sale of the business and assets.

Following discussions with Management, it became clear that the best way to maximise the value of the Company's raw material stock was to continue to convert this into finished goods. Further, trading the business on a limited basis allowed us to maintain goodwill with customers, increasing the likelihood of finding a buyer for the business.

Our initial trading forecasts indicated that we would be able to trade at a small profit in the administration, particularly given that the staff had already been paid up to the end of September prior to our appointment.

Any remaining stock will be valued and handled by our Agents. We have also engaged our Agents to secure the site by way of changing the locks on all external access points to all three units.

Trading

The butter oil division of the business was partially mothballed prior to our appointment. On appointment there were a few tonnes of rancid butter and we made purchases of cream and butter to refine into finished butter oil. The value of these finished goods was approximately £4,000 per tonne and we have sold 17 tonnes in total.

We purchased a small amount of additional raw material to complete orders over a short period whilst the business was being marketed for sale. The highest offer received and taken forward did not include any value for stock on site at the date of completion. We therefore proceeded to wind down the stock on hand and limit additional purchases to ensure that there was minimal risk of being left with incomplete goods at the date of completion, which would have had minimal value.

In addition, given that the market price of raw material is currently very high, it would have been difficult to achieve a significant margin on any additional orders based on the market price of the finished goods. The butter oil division therefore ceased to trade after this stock and had been converted and sold.

We have continued to trade the warehousing division with the same five customers which had stock in the warehouse on appointment. The warehousing division requires limited purchases and a small number of staff so was expected to generate a small profit during the administration period.

Total sales from 22 September 2016 to 14 November 2016 were £222,988, which is split between warehousing (£21,093) and butter oil (£201,895). A total of £187,790 has been collected during the period as per the receipts and payments account (Appendix 2).

The Company's administrative staff were utilised to chase payments from customers who agreed pro-forma or seven day payment terms with us and 84% of sales invoices have now been paid. The majority of the remaining 16% is due from the warehousing customers, which are expected to pay shortly.

Wages totalling £29,396 have been the major trading expense for the period, together with utilities, rates, carriage and insurance, some of which are yet to be paid.

After all trading costs have been settled we expect to have generated a trading surplus of approximately £85,000.

Sale of business

Following our appointment, we contacted all parties who had expressed interest during the initial marketing phase of our pre-appointment engagement (Section 2.3), together with the additional ten parties which were not contacted prior to appointment. This resulted in 49 initial expressions of interest, of which 33 parties agreed to sign a NDA and were granted access to the KPMG data room. 19 parties subsequently visited the site and five made an offer for the trading business on either a going concern basis or for the property, plant and equipment.

The highest bidder was selected to go through to a period of final due diligence and contract negotiation. This sale is expected to complete shortly and details will be included in our next report to creditors.

Employees

The Company employed 19 staff at the date of our appointment. Two of these staff had been laid off prior to our appointment and were therefore made redundant immediately on appointment as they were not required for the limited ongoing trading.

As trading of the butter oil division drew to a close, a further 18 employees were made redundant over the course of the trading period as trading was winding down. Our employee representative attended site to provide help and information to those affected.

One employee has been retained to operate the warehousing division as this is expected to continue to generate a small profit in the administration until the completion of the sale.

Property, plant and equipment

The company owns the freehold property from which it trades, which is a 3.2 acre site in Widnes, Cheshire. We instructed our Agents to attend site shortly following our appointment to provide an opinion on the marketing strategy and valuation.

The property was valued at £2.5 million in 2015 on an existing use basis with a 12 month marketing period and our Agents confirmed that they remained in agreement with this valuation.

The company also owns plant and equipment for butter oil processing, which had a book value of £3.1 million at appointment. However, a proportion of this figure is made up of capitalised setup costs dating back to the Company's move to the new premises in Widnes. These costs are expected to have limited realisable value.

Both the property and plant have been included in the sale of the business.

Book debts

The Company's debtor ledger totalled £625,000 at appointment and is subject to HIF's assignment and fixed charge security. HIF has purchased the equitable interest in the book debts and is collecting them directly with our assistance where required. HIF's outstanding debt exceeds the value of the ledger and therefore there will not be a surplus available for the other creditors of the Company.

3.2 Asset realisations

Realisations from the date of our appointment to 4 November 2016 are set out in the attached receipts and payments account (Appendix 2).

To date, these realisations only include the trading surplus as discussed above.

3.3 Investigations

We are reviewing the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

In this regard, if you wish to bring to our attention any matters which you believe to be relevant, please do so by writing to Kiran Reddy at KPMG LLP, 1 St Peter's Square, Manchester, M2 3AE, United Kingdom.

3.4 Costs

The majority of payments made from the date of our appointment to 4 November 2016 are those associated with trading the business post-appointment as set out in the attached receipts and payments account (Appendix 2).

Additional costs paid in the period include bank charges of £120 and payroll fees of £75.

An estimate of all the anticipated costs likely to be incurred throughout the duration of the administration is set out in the attached summary of expenses (Appendix 4).

Key costs are expected to include

- the Joint Administrators' time costs and disbursements, as discussed in Section 7 1,
- our Solicitors' pre-administration costs, as discussed in Section 2 4,
- our Solicitors' costs for the administration period, to include a review of the validity of the appointment and validity of security, drafting the sale agreement, reviewing Retention of Title claims and general advice as the administration progresses,
- Agents' costs associated with the valuation and sale of Company assets, and the provision of security for the site,
- various insurance covers including public liability, employer's liability and insurance for the property and other assets of the Company, and
- miscellaneous costs including statutory advertising, mail redirection and the collection and storage of the Company's books and records

4 Dividend prospects

4.1 Secured creditors

HSBC Bank PLC

The Bank holds security by way of a debenture comprising fixed and floating charges over the Company and its assets, which were registered on 20 November 2014. At the date of appointment, £2.4 million was owed to the Bank.

The Company also has a foreign exchange indebtedness to the Bank of approximately £300,000 relating to loss making forward contracts for the sale of Euros, which had not been closed out at the date of appointment.

HSBC Invoice Finance (UK) Ltd

HIF holds fixed charge security over the Company's book debts and fixed and floating charge security over the other assets of the Company, which was registered on 3 December 2014. At the date of appointment, approximately £919,000 was owed to HIF.

Based on expected realisations net of anticipated costs, there will be sufficient funds to make distributions to the secured creditors, however it is unlikely that the secured creditors will recover their lending in full.

4.2 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.

We estimate the amount of preferential claims at the date of our appointment to be £16,000.

Based on current estimates, we anticipate that preferential creditors should be paid in full.

4.3 Unsecured creditors

Based on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors other than by virtue of the prescribed part

5 Ending the administration

5.1 Exit route from administration

We consider it prudent to retain all of the options available to us as listed in Section 8 to bring the administration to a conclusion in due course

However, at this stage we anticipate that the most likely exit route will be dissolution

5.2 Discharge from liability

We propose to seek approval from the secured and preferential creditors that we will be discharged from liability in respect of any action as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us

Should the circumstances of the administration change, we reserve the right to revert to the unsecured creditors in order to obtain discharge from liability

6 Approval of proposals

6.1 Creditors' meeting

It is not necessary to hold a meeting of creditors because it appears that the Company has insufficient property to enable us to make a distribution to unsecured creditors other than by virtue of the Prescribed Part as detailed in Appendix 1

6.2 Creditors' right to request an initial creditors' meeting

We will summon such a meeting (1) if asked to do so by creditors whose debts amount to at least 10% of the total debts of the Company, and (2) if the procedures set out below are followed

Requests for an initial creditors' meeting must be made within eight business days of the date on which our proposals were issued. They must include

- a list of the creditors concurring with the request, showing the amounts of their respective debts in the administration,
- written confirmation of their concurrence from each concurring creditor, and
- a statement of the purpose of the proposed meeting

In addition, the expenses of summoning and holding a meeting at the request of a creditor must be paid by that creditor. That creditor is required to deposit security for such expenses with us.

If you wish to request a creditors' meeting, please contact Kiran Reddy on 0161 618 7331 to obtain the requisite forms.

6.3 Deemed approval of proposals

On expiry of eight business days from the date our proposals were issued, without any request for an initial creditors' meeting, it will be deemed that our proposals have been approved by creditors.

7 Joint Administrators' remuneration, disbursements and pre-administration costs

7.1 Approval of the basis of remuneration and disbursements

We propose to seek approval from the secured and preferential creditors that

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5,
- 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 5.

Agreement to the basis of our remuneration and the drawing of Category 2 disbursements is subject to specific approval. It is not part of our proposals.

Should the circumstances of the administration change, we reserve the right to revert to the unsecured creditors in order to seek approval for the basis of remuneration and the drawing of Category 2 disbursements.

Time costs

From the date of our appointment to 4 November 2016, we have incurred time costs of £231,353. These represent 706 hours at an average rate of £328 per hour.

Disbursements

We have incurred disbursements of £2,063 during the period. None of these have yet been paid.

Additional information

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the disbursements paid directly by KPMG for the period from our

appointment to 4 November 2016. We have also attached our charging and disbursements recovery policy.

7.2 Pre-administration costs

The following pre-administration costs have been incurred in relation to the pre-administration work detailed in Section 2.4:

Pre-administration costs			
	Paid (£)	Unpaid (£)	Total (£)
Addleshaw Goddard LLP - fees	0.00	2,725.75	2,725.75
Addleshaw Goddard LLP - disbursements	0.00	50.00	50.00
Total	0.00	2,775.75	2,775.75

8 Summary of proposals

Given the continuing losses incurred by the Company, its cash flow difficulties and the lack of new investment available, rescuing the Company in accordance with Paragraph 3(1)(a) is not achievable.

Therefore our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b).

In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals.

We propose the following:

General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective as set out above,
- to investigate and, if appropriate, to pursue any claims the Company may have,
- to seek an extension to the administration period if we consider it necessary.

Distributions

- to make distributions to the secured and preferential creditors where funds allow,
- to make distributions to the unsecured creditors if funds become available, and to apply to the Court for authority to do so, where applicable.

Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end

- apply to Court for the administration order to cease to have effect from a specified time and for control of the Company to be returned to the Directors,
- formulate a proposal for either a company voluntary arrangement (CVA) or a scheme of arrangement and put it to meetings of the Company's creditors, shareholders or the Court for approval as appropriate,
- place the Company into creditors' voluntary liquidation. In these circumstances we propose that we, Paul Dumbell, Paul Flint and David Costley-Wood, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved,
- petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing us, Paul Dumbell, Paul Flint and David Costley-Wood, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together,
- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that require to be dealt with in liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies

Alternatively, we may allow the administration to end automatically

Joint Administrators' remuneration

We propose that

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5 ,
- 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 5

Discharge from liability

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies

Appendix 1 Statutory information

Company information	
Company and Trading name	Key Food Ingredients Limited
Date of incorporation	31 August 2000
Company registration number	04062850
Trading address	Dennis Road, Widnes WA8 0YQ
Previous registered office	Dennis Road, Widnes, WA8 0YQ
Present registered office	1 St Peter's Square, Manchester, M2 3AE
Company Directors	Phillip John Nash (45% shareholder) John Stuart McNaughton
Administration information	
Administration appointment	The administration appointment granted in High Court Manchester District Registry, 2844 of 2016
Appointor	Directors
Date of appointment	22 September 2016
Joint Administrators	Paul Dumbell, Paul Flint and David Costley-Wood
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up
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	21 September 2017
Prescribed Part	The Prescribed Part is applicable on this case It has been taken into account when determining the dividend prospects for unsecured creditors (Section 4 3)
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is £151,000 Estimated Prescribed Part is £30,000
Prescribed Part distribution	The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors
Application of 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 Administrators' receipts and payments account

Key Food Ingredients Limited - in Administration		
Trading accounts		
Statement of Affairs (£)	From 22/09/2016 To 04/11/2016 (£)	From 22/09/2016 To 04/11/2016 (£)
POST-APPOINTMENT SALES		
Sales	187,789 72	187,789 72
	<u>187,789 72</u>	<u>187,789 72</u>
PURCHASES		
Purchases	(46,949 78)	(46,949 78)
	<u>(46,949 78)</u>	<u>(46,949 78)</u>
OTHER DIRECT COSTS		
Direct labour	(29,396 03)	(29,396 03)
	<u>(29,396 03)</u>	<u>(29,396 03)</u>
TRADING EXPENSES		
Sub contractors	(459 35)	(459 35)
Travel	(300 20)	(300 20)
Carriage	(1,262 15)	(1,262 15)
	<u>(2,021 70)</u>	<u>(2,021 70)</u>
Trading surplus/(deficit)	<u>109,422 21</u>	<u>109,422 21</u>

Key Food Ingredients Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)		From 22/09/2016 To 04/11/2016 (£)	From 22/09/2016 To 04/11/2016 (£)
FIXED CHARGE ASSETS			
2,200,000 00	Freehold property	NIL	NIL
625,000 00	Book debts	NIL	NIL
		NIL	NIL
FIXED CHARGE CREDITORS			
(1,400,000 00)	HSBC Bank Plc	NIL	NIL
(625,000 00)	HSBC Invoice Finance (UK) Ltd	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
710,000 00	Plant & machinery	NIL	NIL
8,000 00	Furniture & equipment	NIL	NIL
83,000 00	Motor vehicles	NIL	NIL
		NIL	NIL
OTHER REALISATIONS			
	Trading surplus/(deficit)	109,422 21	109,422 21
		109,422 21	109,422 21
COST OF REALISATIONS			
	Payroll Fees	(75 00)	(75 00)
	Bank charges	(120 00)	(120 00)
		(195 00)	(195 00)
FLOATING CHARGE CREDITORS			
(1,144,000 00)	Floating charge creditor	NIL	NIL
		NIL	NIL
UNSECURED CREDITORS			
(2,748,376 00)	Trade & expense	NIL	NIL
		NIL	NIL
(2,291,376 00)		109,227 21	109,227 21
REPRESENTED BY			
	Floating ch VAT rec'able		360 03
	Floating charge current		119,086 59
	Floating ch VAT payable		(378 94)
	PAYE/NIC		(8,765 82)
	Pension		(1,127 10)
	BUPA		(121 82)

Key Food Ingredients Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)	From 22/09/2016	From 22/09/2016
	To 04/11/2016 (£)	To 04/11/2016 (£)
Petty cash		174 27
		109,227 21

Appendix 3 Joint Administrators' fees estimate

Estimated time costs for the engagement			
	Estimated Total hours	Estimated Time cost (£)	Estimated Average hourly rate (£)
Administration & planning			
Bankrupt/Director/Member	18 41	5,128 50	278 57
Cashiering - processing receipts, payments and bank reconciliations	108 26	34,838 50	321 81
General - books & records, fees & work in progress	60 19	17,048 00	283 24
Statutory and compliance - appointment & related formalities, bonding, checklist & reviews, reports to secured creditors, advertising, strategy	133 13	43,316 50	325 36
Tax - VAT & Corporation tax, initial reviews, pre and post appointment tax	47 48	12,144 75	255 77
Creditors			
Creditors and claims - general correspondence, notification of appointment, statutory reports	183 88	47,330 25	257 40
Committees - committee meetings and reports to the committee	0 00	0 00	0 00
Employees - correspondence	54 98	15,588 50	283 56
Investigation			
Directors - correspondence, statement of affairs, questionnaires	16 41	4,933 50	300 64
Investigations - director conduct and affairs of the Company	26 22	7,314 00	278 95
Realisation of assets			
Asset Realisation - including insurance of assets and sale of business	452 97	155,129 50	342 47
Trading			
Trading - purchases, sales, cash projections	232 08	65,378 00	281 71
Total	1,334 00	408,150 00	305 96

We are seeking total fees of £350,000 based on the time costs shown above

In the event that additional work is necessary due to a change in the circumstances of the administration, we may need to increase our fees estimate and request approval to draw additional remuneration

Appendix 4 Joint Administrators' expenses estimate

Summary of Expenses from appointment	
Expenses	Initial Estimates (£)
Fixed charge costs	
Administrators' time costs and disbursements	150,000 00
Solicitors' fees and disbursements	30,000 00
Agents' fees and disbursements	10,000 00
Insurance	5,000 00
Property holding costs	5,000 00
Floating charge costs	
Administrators' time costs and disbursements	200,000 00
Solicitors' fees and disbursements	10,000 00
Pre-administration legal fees and disbursements	2,775 75
Agents' fees and disbursements	7,500 00
Insurance	3,000 00
Statutory advertising	250 00
Mail redirection	350 00
Storage costs	500 00
Total	424,375.75

Appendix 5 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 Kiran Reddy on 0161 618 7331.

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 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 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

We have incurred the following disbursements during the period 22 September 2016 to 4 November 2016

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Courier & delivery costs		2 59		NIL	2 59
External printing		7 74		NIL	7 74
Meals		310 19		NIL	310 19
Mileage		NIL		634 96	634 96
Postage		101 60		NIL	101 60
Professional and legal fees		85 00		NIL	85 00
Travel		921 31		NIL	921 31
Total		1,428 43		634 96	2,063 39

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 are to be approved in the same manner as our remuneration

Narrative of work carried out for the period 22 September 2016 to 4 November 2016

The key areas of work have been

Statutory and compliance	<ul style="list-style-type: none"> ■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences, ■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment, ■ issuing regular press releases and posting information on a dedicated web page, ■ preparing statutory receipts and payments accounts, ■ arranging bonding and complying with statutory requirements, ■ ensuring compliance with all statutory obligations within the relevant timescales
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the administration strategy, including the decision to trade and meetings with internal and external parties to agree the same, ■ briefing of our staff on the administration strategy and matters in relation to various work-streams, ■ regular case management and reviewing of progress, including regular team update meetings and calls, ■ meeting with management to review and update strategy and monitor progress, ■ reviewing and authorising junior staff correspondence and other work, ■ dealing with queries arising during the appointment, ■ reviewing matters affecting the outcome of the administration, ■ allocating and managing staff/case resourcing and budgeting exercises and reviews, ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters, ■ 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 the Bank and HIF regarding the progress of the administration and case strategy
Cashiering	<ul style="list-style-type: none"> ■ setting up administration bank accounts and dealing with the Company's pre-appointment accounts, ■ preparing and processing vouchers for the payment of post-appointment invoices, ■ creating remittances and sending payments to settle post-appointment invoices, ■ preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks, ■ reviewing and processing employee expense requests, ■ 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 initial information from the Company's records in relation to the taxation position of the Company, ■ submitting relevant initial notifications to HM Revenue and Customs, ■ reviewing the Company's pre-appointment corporation tax and VAT position, ■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations, ■ working initially on tax returns relating to the periods affected by the administration, ■ analysing VAT related transactions, ■ reviewing the Company's duty position to ensure compliance with duty requirements, ■ dealing with post appointment tax compliance
Shareholders	<ul style="list-style-type: none"> ■ providing notification of our appointment, ■ responding to enquiries from shareholders regarding the administration, ■ providing copies of statutory reports to the shareholders
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, ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage
Trading	<ul style="list-style-type: none"> ■ attending to supplier and customer queries and correspondence, ■ raising, approving and monitoring purchase orders and setting up control systems for trading, ■ negotiating and making direct contact with various suppliers as necessary to provide additional information and undertakings, including agreeing terms and conditions, in order to ensure continued support, ■ securing petty cash on site and monitoring spend, ■ dealing with issues in relation to stock and other assets required for trading, ■ communicating and negotiating with customers regarding ongoing supplies, including agreeing terms and conditions,

	<ul style="list-style-type: none"> ■ monitoring stock and stock reconciliations, ■ dealing with hauliers to ensure ongoing services, ■ ensuring ongoing provision of emergency and other essential services to site
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets, ■ liaising with finance companies in respect of assets subject to finance agreements, ■ liaising with agents regarding the sale of assets, ■ dealing with issues associated with the sale of stock, ■ reviewing outstanding debtors and management of debt collection strategy, ■ liaising with Company credit control staff and communicating with debtors, ■ liaising with HIF regarding debtor recoveries, ■ reviewing the inter-company debtor position between the Company and other group companies
Property matters	<ul style="list-style-type: none"> ■ reviewing the Company's freehold properties, including review of leases, ■ performing land registry searches
Sale of business	<ul style="list-style-type: none"> ■ planning the strategy for the sale of the business and assets, including instruction and liaison with professional advisers, ■ seeking legal advice regarding sale of business, including regarding non-disclosure agreements, ■ collating relevant information in relation to the sale of the Company's business and assets and advertising the business for sale, ■ dealing with queries from interested parties and managing the information flow to potential purchasers, including setting up a data room, ■ managing site visits with interested parties, fielding due diligence queries and maintaining a record of interested parties, ■ carrying out sale negotiations with interested parties
Health and safety	<ul style="list-style-type: none"> ■ liaising with internal health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with, ■ liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets, ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place, ■ assessing the level of insurance premiums
Employees	<ul style="list-style-type: none"> ■ dealing with queries from employees regarding various matters relating to the administration and their employment, ■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments, ■ holding employee briefing meetings to update employees on progress in the administration and our strategy, ■ administering the Company's payroll, including associated taxation and other deductions, and preparing PAYE and NIC returns, ■ communicating and corresponding with HM Revenue and Customs, ■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office, ■ managing claims from employees, ■ ensuring security of assets held by employees
Pensions	<ul style="list-style-type: none"> ■ collating information and reviewing the Company's pension schemes, ■ calculating employee pension contributions and review of pre-appointment unpaid contributions, ■ ensuring compliance with our duties to issue statutory notices, ■ liaising with the trustees of the defined benefit pension scheme, the Pensions Regulator and the Pensions Protection Fund concerning the changes caused to the pension scheme as a result of our appointment, ■ ensuring death-in-service cover for employees remains in place, ■ communicating with employees representatives concerning the effect of the administration on pensions and dealing with employee queries
Creditors and claims	<ul style="list-style-type: none"> ■ drafting and circulating our proposals, ■ creating and updating the list of unsecured creditors, ■ responding to enquiries from creditors regarding the administration and submission of their claims, ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records, ■ dealing with suppliers with retention of title claims, including reviewing supporting documentation and arranging and carrying out stock inspection visits,

Investigations/
directors

- reviewing Company and directorship searches and advising the directors of the effect of the administration,
 - liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies,
 - arranging for the redirection of the Company's mail,
 - reviewing pre-appointment transactions,
-

Time costs

SIP 9 –Time costs analysis (22/09/2016 to 04/11/2016)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Bankrupt/Director/Member			
General correspondence	0 50	267 50	535 00
Notification of appointment	4 80	1,204 00	250 83
Cashiering			
General (Cashiering)	65 65	23,164 25	352 84
General			
Books and records	7 75	2,420 00	312 26
Fees and WIP	0 50	62 50	125 00
Statutory and compliance			
Appointment and related formalities	37 25	9,886 25	265 40
Bonding and bordereau	0 70	203 50	290 71
Checklist & reviews	1 90	699 50	368 16
Pre-administration checks	0 20	25 00	125 00
Reports to debenture holders	4 50	1,822 50	405 00
Statutory advertising	0 10	20 50	205 00
Strategy documents	20 00	10,324 00	516 20
Tax			
Initial reviews - CT and VAT	9 10	2,429 50	266 98
Post appointment PAYE	3 50	980 00	280 00
Post appointment VAT	25 05	5,996 50	239 38
Creditors			
Creditors and claims			
General correspondence	37 50	8,752 50	233 40
Notification of appointment	1 60	628 00	392 50
Pre-appointment VAT / PAYE / CT	1 00	280 00	280 00
ROT Claims	55 95	12,242 25	218 81
Secured creditors	0 50	102 50	205 00
Employees			
Agreeing employee claims	0 50	280 00	560 00
Correspondence	15 40	4,452 00	289 09
Pension funds	1 50	420 00	280 00
Pensions reviews	4 80	1,321 50	275 31
Investigation			

SIP 9 –Time costs analysis (22/09/2016 to 04/11/2016)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Directors			
Correspondence with directors	0 50	202 50	405 00
Directors' questionnaire / checklist	0 30	61 50	205 00
Statement of affairs	2 50	1,012 50	405 00
Realisation of assets			
Asset Realisation			
Freehold property	1 00	346 00	346 00
Health & safety	9 30	3,066 50	329 73
Open cover insurance	4 70	1,301 00	276 81
Plant and machinery	0 20	41 00	205 00
Sale of business	214 90	88,981 00	414 06
Trading			
Cash & profit projections & strategy	19 75	5,278 75	267 28
Purchases and trading costs	22 00	6,860 00	311 82
Sales	130 50	36,217 50	277 53
Total in period	705 90	231,352 50	327 74
Brought forward time (appointment date to SIP 9 period start date)	0 00	0 00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	705 90	231,352 50	
Carry forward time (appointment date to SIP 9 period end date)	705 90	231,352 50	

Appendix 6 Statement of Affairs, including creditor list

John Stuart McNaughton has provided the following Statement of Affairs for the Company as at the date of our appointment. We have received a signed Statement of Concurrence from Phillip John Nash in respect of the Statement of Affairs.

We have not carried out anything in the nature of an audit nor analysis on the information provided. The figures do not take into account the costs of the administration.

Statement of affairs


Name of Company Key Foods Ingredients Limited	Company number 04062850
In the High Court of Justice Chancery Division Manchester District Registry <small>[full name of court]</small>	Court case number 2844 of 2016

Statement as to the affairs of Key Foods Ingredients Limited (the 'Company'), 1 St Peter's Square, Manchester, M2 3AE

On the 22 September 2016, the date that the Company entered administration

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the Company as at 22 September 2016 the date that the Company entered administration

Full name JOHN STEWART McNAUGHTON
Signed 
Dated 27.9.16

A – Summary of Assets

Assets

Assets subject to fixed charge

PROPERTY
MORTGAGES

BOOK DEBTS
H.F. SIMPLEN and KEY

Assets subject to floating charge

P+M
EQUIPMENT

Uncharged assets:

VEHICLES.

Estimated total assets available for preferential creditors

Book Value £	Estimated to Realise £
2,057,774	2,200,000
	(1,400,000)
	<u>800,000</u>
833,000	625,000
	(625,000)
	<u>0</u>
3,108,707	710,000
16,697	8,000
104,412	83,000.
	<u>1,601,000.</u>

Signature

Date 10.10.14.

A1 – Summary of Liabilities

Estimated		to realise £
Estimated total assets available for preferential creditors (carried from page A)	£	£ 1,601,000
Liabilities		
Preferential creditors -		0
Estimated deficiency/surplus as regards preferential creditors		£ 1,601,000
Estimated prescribed part of net property where applicable (to carry forward)	£	(323,200)
Estimated total assets available for floating charge holders		£ 1,277,000
Debts secured by floating charges	£	1,144,000
Estimated deficiency/surplus of assets after floating charges		£ 133,000
Estimated prescribed part of net property where applicable (brought down)	£	323,200
Total assets available to unsecured creditors		£ 457,000
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£	(2,748,376)
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)		£ (2,291,376)
Shortfall to floating charge holders (brought down)	£	0
Estimated deficiency/surplus as regards creditors		£ (2,291,376)
Issued and called up capital	£	
Estimated total deficiency/surplus as regards members		£ (2,411,376)

Signature



Date 10 10 16

COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
MERLOES	MILTON KEMES MYKIS 86A	22,850	VAN DER KES ROY		27,650
"	" " " "	87,500	CAR 741-16 UNR		60,306.
LEXUS	BURDEN HENRY E PSON KT19 5UZ	14,021	CAR DS 14 UNR		15,971
TRADE CREDITORS	SUE SWEET	1,210,000			
CLAIM FROM		1,252,000			
FROM CREDITORS		212,000			UN KNOWN?
FX CLAIM.					
TOTAL		2,748,376			

Signature

Date 10.10.16.

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No of shares held	Nominal Value	Details of Shares held
Phil NADIM	c/o KOT	45%		
ANDY SAMUELSON	c/o OMAN	27.5%		
BIGORN YAMINI	c/o OMAN.	27.5%		
TOTALS		100%		

Signature 

Date 10.10.16

Date: 11/10/2016
Time: 15:41:47

Key Food Ingredients Ltd Aged Creditors Analysis (Summary)

Page: 1

Report Date: 11/10/2016
Include future transactions: No
Exclude Later Payments: No

Supplier From: 22/09/16
Supplier To: 11/11/16

** NOTE: All report values are shown in Base Currency, unless otherwise indicated **

A/C	Name	Credit Limit	Turnover	Balance	Future	Current	Period 1	Period 2	Period 3	Other
A000	A & B Air Systems Limited	£ 0.00	2,233.75	2,680.50	0.00	0.00	2,680.50	0.00	0.00	0.00
A001	A C Richards Limited	£ 0.00	707.70	311.10	0.00	0.00	0.00	311.10	0.00	0.00
A005	ABM (Security Systems)	£ 0.00	1,596.55	1,915.86	0.00	0.00	1,164.00	751.86	0.00	0.00
A011	Adelphi Masterfi	£ 0.00	0.00	-1,068.00	0.00	0.00	0.00	0.00	0.00	1,068.00
A015	Air Controls & Compressors	£ 0.00	557.12	472.72	0.00	0.00	0.00	185.48	287.24	0.00
A018	Alliance Fluid Handling Limited	£ 0.00	1,619.40	1,554.64	0.00	0.00	389.64	389.64	389.64	389.64
A026	Arco	£ 0.00	1,348.51	430.68	0.00	0.00	0.00	365.40	65.28	0.00
A028	Armet Logistics	£ 0.00	58,621.75	39,219.10	0.00	0.00	-23,512.00	27,906.30	2,028.00	12,796.80
A029	Arrow County Supplies	£ 0.00	3,595.28	1,381.43	0.00	0.00	0.00	1,322.72	2,058.71	0.00
A030	Auco Scales & Service Co Ltd	£ 0.00	336.00	129.60	0.00	0.00	0.00	0.00	129.60	0.00
A034	ADP Security Systems Ltd	£ 0.00	867.00	795.60	0.00	0.00	0.00	244.80	306.00	244.80
A035	Advance Fuel Cards	£ 0.00	0.00	-1,446.88	0.00	0.00	0.00	0.00	0.00	-1,446.88
A040	ATS Euromaster	£ 0.00	23.30	27.96	0.00	0.00	0.00	0.00	0.00	27.96
A044	ARC	£ 0.00	2,704.80	2,266.74	0.00	0.00	308.79	1,958.04	0.00	0.00
A045	Atlas T.Joe Bending Limited	£ 0.00	425.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A046	Auco	£ 0.00	687.73	825.28	0.00	0.00	0.00	0.00	825.28	0.00
ALLIANCE	Alliance DMU	£ 0.00	0.00	729.06	0.00	0.00	0.00	0.00	0.00	729.06
AROLE	Arkle Finance DMU	£ 0.00	0.00	1,007.68	0.00	0.00	0.00	0.00	0.00	1,007.68
B000	B & L Services Ltd	£ 0.00	600.60	720.72	0.00	0.00	0.00	0.00	720.72	0.00
B003	Berendsen UK Ltd	£ 0.00	20,332.48	12,898.45	0.00	0.00	0.00	5,742.58	7,178.22	-22.35
B012	Billington Farms	£ 0.00	4,500.00	1,480.00	0.00	0.00	0.00	600.00	1,680.00	1,200.00
B021	Brandon Hire Ltd	£ 0.00	942.64	556.86	0.00	0.00	173.99	200.16	182.71	0.00
B029	British Telecom	£ 0.00	2,144.08	1,594.31	0.00	0.00	497.42	471.12	117.44	513.33
B031	British Gas	£ 0.00	62.88	170.45	0.00	0.00	0.00	0.00	0.00	170.45
B034	By Product Services Ltd	£ 0.00	260.00	1,161.00	0.00	0.00	156.00	0.00	0.00	1,005.00
B037	Bupa Dental	£ 0.00	436.12	218.06	0.00	0.00	0.00	109.03	109.03	0.00
B038	Bupa	£ 0.00	4,218.56	1,294.70	0.00	0.00	0.00	1,054.64	0.00	240.06
B039	Barry Callebaut Sourcing AG	£ 0.00	13,020.00	13,020.00	0.00	0.00	0.00	0.00	13,020.00	0.00
B043	Bersons Products	£ 0.00	18,712.00	18,712.00	0.00	0.00	0.00	18,712.00	0.00	0.00
C003	Can Closure Sales Ltd	£ 0.00	6,500.00	7,800.00	0.00	0.00	0.00	0.00	3,900.00	3,900.00
C009	Central Tin Containers Limited	£ 0.00	5,142.41	21,417.87	0.00	0.00	0.00	0.00	0.00	21,417.87
C010	CENTRI FORCE	£ 30.00	27,102.44	15,812.63	0.00	0.00	0.00	4,114.80	0.00	11,698.08
C028	Counter Post Ltd	£ 0.00	1,270.00	414.00	0.00	0.00	300.00	114.00	0.00	0.00
C030	County Milk Products Ltd	£ 0.00	144,066.39	100,167.28	0.00	0.00	0.00	0.00	30,877.62	69,289.66
C033	Chestrut Dairies	£ 0.00	0.00	23,720.40	0.00	0.00	0.00	0.00	0.00	23,720.40
C035	COMET Property Management	£ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C038	Crown Transport Ltd	£ 0.00	250.00	300.00	0.00	0.00	0.00	0.00	0.00	300.00
D002	DAIRY-PAK	£ 0.00	6,009.47	5,168.46	0.00	0.00	320.82	0.00	4,847.64	0.00
D004	Dairy Crest Ltd	£ 0.00	606.81	-821.61	0.00	0.00	30.43	128.88	0.00	-980.92
D006	Datserve UK	£ 0.00	444.82	533.79	0.00	0.00	533.79	0.00	0.00	0.00
D007	Dee Valley Water	£ 0.00	0.00	24.50	0.00	0.00	0.00	0.00	0.00	24.50
D011	Dewlay	£ 0.00	8,116.66	7,499.98	0.00	0.00	0.00	4,061.09	0.00	3,438.89
D017	Dansko Foods Ltd	£ 50,000.00	303,574.84	88,113.56	0.00	0.00	0.00	0.00	88,113.56	-0.03
D019	D & B Pipe & Site Services Ltd	£ 0.00	731.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DAIRYCRE1	Dairy Crest Ltd - DMU	£ 0.00	0.00	-109.19	0.00	0.00	0.00	0.00	0.00	-109.19
E000	Engineering Services	£ 0.00	688.77	379.92	0.00	0.00	0.00	132.12	247.80	0.00
E007	Expenses	£ 0.00	0.00	-5.97	0.00	0.00	0.00	0.00	0.00	5.97
E012	Eurofins Scientific Ltd	£ 0.00	6,061.06	2,573.00	0.00	0.00	353.16	1,435.12	734.72	0.00
E017	Emballator UK Ltd	£ 0.00	53,205.84	45,145.67	0.00	0.00	0.00	0.00	5,252.27	39,893.40
E018	Environmental Scientific	£ 0.00	2,514.50	1,877.40	0.00	0.00	0.00	268.20	1,341.00	1,341.00
F022	ENRO Oil (Ceras)	£ 0.00	1,780.05	538.67	0.00	0.00	0.00	570.11	-418.78	690.00
F023	East Riding	£ 0.00	0.00	455.00	0.00	0.00	0.00	-91.00	0.00	637.00
L025	Euro Racking Supplies Ltd	£ 0.00	5,550.00	6,660.00	0.00	0.00	0.00	6,660.00	0.00	0.00
F016	Food and Dairy Engineering	£ 0.00	2,768.50	1,861.80	0.00	0.00	0.00	230.40	549.60	1,081.80
F017	Flexipal Packaging Ltd	£ 0.00	3,342.88	5,999.56	0.00	0.00	0.00	2,115.00	0.00	3,884.56
G018	ChP Legal	£ 0.00	0.00	3,458.70	0.00	0.00	0.00	0.00	0.00	-3,458.70
G019	Gaundet Risk Management	£ 0.00	0.00	-1,957.20	0.00	0.00	0.00	0.00	0.00	-1,957.20
G020	Gröner Bio-Orq Ltd	£ 0.00	301.00	180.60	0.00	0.00	0.00	0.00	180.60	0.00
G022	General Welding Supplies	£ 0.00	428.50	175.56	0.00	0.00	0.00	0.00	42.36	133.20
G025	Golden Cottage	£ 0.00	675.80	220.40	0.00	0.00	0.00	0.00	180.40	40.00
G026	G.M. Welding Services Ltd	£ 0.00	720.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
H005	Hilton Borough Council	£ 0.00	0.00	62,322.00	0.00	0.00	0.00	10,387.00	0.00	51,935.00
H007	Heritage Hygienic	£ 0.00	165.00	198.00	0.00	0.00	0.00	0.00	198.00	0.00
H009	Hygiene International Limited	£ 0.00	3,565.00	2,712.00	0.00	0.00	0.00	0.00	1,146.00	1,566.00
H010	Hydrosand Ltd	£ 0.00	957.68	1,049.56	0.00	0.00	0.00	29.34	1,020.22	0.00
H011	Mar Port	£ 0.00	350.00	420.00	0.00	0.00	0.00	0.00	0.00	420.00

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A/C	Name	Credit Limit	Turnover	Balance	Future	Current	Period 1	Period 2	Period 3	Other
H015	Holmac Engineering	£ 0.00	200.00	240.00	0.00	0.00	0.00	0.00	144.00	96.00
H016	Holchem Laboratories Ltd	£ 0.00	4,115.50	1,875.00	0.00	0.00	0.00	1,107.60	767.40	0.00
I004	Impact Flooring Services	£ 0.00	2,833.00	3,399.60	0.00	0.00	0.00	0.00	0.00	3,399.60
I016	Interfoods	£ 0.00	0.00	0.19	0.00	0.00	0.00	37,457.26	0.00	37,457.45
I018	Intertek	£ 0.00	145.60	174.72	0.00	0.00	0.00	174.72	0.00	0.00
I019	Ideth Online Solutions	£ 0.00	1,000.00	1,200.00	0.00	0.00	0.00	0.00	1,200.00	0.00
J005	J.S. McLaughlin Ltd	£ 0.00	7,576.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00
J006	Jackson Fire and Security Ltd	£ 0.00	2,306.24	937.13	0.00	0.00	0.00	0.00	80.40	856.73
J011	Jenkinsons Office Supplies	£ 0.00	3,806.65	5,658.04	0.00	0.00	0.00	742.44	1,147.83	3,767.77
J015	John K Philips	£ 0.00	581.63	697.96	0.00	0.00	697.96	0.00	0.00	0.00
J021	JDC Industrial Services Ltd	£ 0.00	1,395.09	1,674.11	0.00	0.00	0.00	0.00	1,674.11	0.00
J025	John Williams Heating & Ventilation	£ 0.00	1,825.00	1,825.00	0.00	0.00	0.00	0.00	0.00	1,825.00
JENKINSO	Jenkinsons Office Supplies -	£ 0.00	0.00	5.83	0.00	0.00	0.00	0.00	0.00	5.83
JFSCIPHJ	J.F. Ship Hire - DRU	£ 0.00	0.00	140.00	0.00	0.00	0.00	0.00	0.00	140.00
JSMCHALG	J.S. McLaughlin Ltd DRU	£ 0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.20
K001	KCL Marketing Services	£ 0.00	180.00	216.00	0.00	0.00	0.00	0.00	0.00	216.00
K002	Kennet Plastics Limited	£ 0.00	5,751.36	4,430.59	0.00	0.00	738.43	0.00	3,692.16	0.00
K008	Kensan Limited	£ 0.00	0.00	411.60	0.00	0.00	0.00	0.00	0.00	411.60
K015	KPMG	£ 0.00	50,000.00	60,000.00	0.00	0.00	36,000.00	24,000.00	0.00	0.00
KDOLTON	Kendall Farmhouse Cheese	£ 0.00	79,453.10	72,027.75	0.00	0.00	0.00	14,061.41	57,966.34	0.00
L004	Lagel Langsons	£ 0.00	2,493.71	576.89	0.00	0.00	-321.73	899.12	0.00	0.00
L008	Lion Safety	£ 0.00	0.00	0.00	0.00	-132.40	0.00	0.00	132.40	0.00
L014	Linda Sterling Ltd	£ 0.00	3,356.87	2,904.99	0.00	0.00	1,783.91	0.00	1,121.08	0.00
L018	LB Brickwork	£ 0.00	0.00	2,946.00	0.00	0.00	0.00	0.00	0.00	2,946.00
LBBRICKW	LB Brickworks	£ 0.00	0.00	7,946.00	0.00	0.00	0.00	0.00	0.00	7,946.00
M002	MAL Pumps Ltd	£ 0.00	0.00	165.60	0.00	0.00	0.00	0.00	0.00	165.60
M015	Metal Profiling & Engineering	£ 0.00	5,371.26	2,372.98	0.00	0.00	0.00	66.05	2,306.93	0.00
M016	Metrohm UK Ltd	£ 0.00	1,570.00	1,884.00	0.00	0.00	0.00	0.00	1,884.00	0.00
M030	Measurement Systems Ltd	£ 0.00	140.00	168.00	0.00	0.00	0.00	0.00	0.00	168.00
M032	Marwell Vending	£ 0.00	197.50	171.00	0.00	0.00	0.00	0.00	59.40	111.60
M035	Mitchell Charlesworth	£ 0.00	0.00	8,204.40	0.00	0.00	0.00	0.00	0.00	8,204.40
M038	Marshall Moore Limited	£ 0.00	0.00	4,752.00	0.00	0.00	0.00	0.00	0.00	4,752.00
M041	Majestic Chemicals Ltd	£ 0.00	655.60	2,675.94	0.00	0.00	0.00	0.00	0.00	2,675.94
M042	Mercedes Benz Financial	£ 0.00	22,806.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
M043	Moss Rose Piggery Ltd	£ 0.00	1,070.00	1,274.00	0.00	0.00	612.00	0.00	0.00	612.00
MBPTRAD	MBP Trading SA, UK DRU	£ 0.00	0.00	13.75	0.00	0.00	0.00	0.00	0.00	13.75
M017	MG (UK) Associates	£ 0.00	0.00	1,950.00	0.00	0.00	0.00	0.00	0.00	1,950.00
M018	mpower	£ 0.00	0.00	-104.00	0.00	0.00	0.00	-38.00	38.00	28.00
M012	Marwest Digital	£ 0.00	755.00	906.00	0.00	0.00	906.00	0.00	0.00	0.00
O002	Office Depot (UK) Ltd	£ 0.00	372.80	738.60	0.00	0.00	0.00	238.60	0.00	0.00
O003	Clam Food Ingredients Ltd	£ 0.00	41,568.80	65,157.36	0.00	0.00	2,865.70	2,930.20	19,367.40	39,994.56
O007	Orbital Industries Ltd	£ 0.00	0.00	5,596.63	0.00	0.00	0.00	0.00	0.00	5,596.63
O009	Oram Storage & Distribution	£ 0.00	0.00	3,236.00	0.00	0.00	0.00	0.00	0.00	3,236.00
O012	Omega Resource Group Ltd	£ 0.00	15,179.86	11,365.28	0.00	0.00	295.20	3,308.73	4,624.82	3,136.53
O013	Orade	£ 0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	300.00
P019	Pitney Bowes	£ 0.00	336.88	-59.68	0.00	0.00	50.08	57.00	0.00	-166.76
P023	Premier Pallet Systems Ltd	£ 0.00	1,942.40	1,606.72	0.00	0.00	401.68	401.68	401.68	401.68
P034	Philip Nash	£ 0.00	2,245.36	981.91	0.00	0.00	0.00	0.00	789.47	1,771.38
P038	Prima Food Tech Limited	£ 0.00	10,713.56	2,568.60	0.00	0.00	0.00	2,568.60	0.00	0.00
Q001	Qualitex Ltd	£ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R005	Rentokil	£ 0.00	4,835.55	2,754.91	0.00	0.00	0.00	2,754.91	0.00	0.00
R019	R07 Resource Management	£ 0.00	5,429.33	5,397.11	0.00	0.00	0.00	1,728.65	31.20	3,699.66
R021	Regal Polythene Ltd	£ 0.00	287.75	345.30	0.00	0.00	0.00	0.00	-345.30	690.60
RFBELLIS	R.F. Bells & Co DRU	£ 0.00	0.00	98.75	0.00	0.00	0.00	0.00	0.00	98.75
S007	SIF Projects Ltd	£ 0.00	1,465.12	1,165.98	0.00	0.00	0.00	685.98	0.00	480.00
S010	Scottish & Southern	£ 0.00	3,552.13	1,266.03	0.00	0.00	0.00	1,772.75	-131.64	-325.08
S011	Scottish Power	£ 0.00	42,128.67	18,985.33	0.00	0.00	0.00	18,985.33	0.00	0.00
S016	Sigma-Medich	£ 0.00	466.50	1,253.40	0.00	0.00	0.00	325.20	0.00	928.20
S025	SPEAR Associates	£ 0.00	745,944.40	230,396.39	0.00	0.00	0.00	48,713.10	167,040.73	14,642.56
S037	Swaltec	£ 0.00	27,997.88	12,008.35	0.00	0.00	0.00	12,008.35	0.00	0.00
S046	Smith England	£ 0.00	10,512.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00
S048	Shand Henson & Co Ltd	£ 0.00	4,344.29	2,574.37	0.00	0.00	0.00	2,574.37	0.00	0.00
S052	Steven Smith Welding	£ 0.00	720.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
STUARTCO	Stuart Goddard - Expenses	£ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
T006	Technical Foodservices	£ 0.00	13,545.40	4,557.24	0.00	0.00	0.00	4,557.24	0.00	0.00
T007	Tendering Pacific	£ 0.00	0.00	1,125.76	0.00	0.00	0.00	0.00	0.00	1,125.76
T012	THMSTAR Lab Suppliers Ltd	£ 0.00	544.29	409.86	0.00	0.00	0.00	56.03	0.00	353.83
T013	THIT UK Limited	£ 0.00	280.25	150.67	0.00	0.00	0.00	0.00	0.00	150.67
T015	Toyota Material Handling UK	£ 0.00	1,242.98	1,491.58	0.00	0.00	0.00	0.00	1,240.20	251.38
T019	THA	£ 0.00	3,067.45	1,522.05	0.00	0.00	0.00	372.19	1,149.86	0.00
T021	THA Logistics	£ 10,000.00	4,684.73	4,925.20	0.00	0.00	92.26	4,330.86	502.08	0.00
TVICFMC	TV ICFMC MBP - DRU	£ 0.00	0.00	-12.12	0.00	0.00	0.00	0.00	0.00	-12.12

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A/C	Name	Credit Limit	Turnover	Balance	Days	Current	Period 1	Period 2	Period 3	Other
U001	United Utilities	£ 0.00	8,277.38	10,009.35	0.00	0.00	2,468.07	0.00	0.00	7,541.28
U007	UKMAIL	£ 0.00	427.03	121.06	0.00	0.00	0.00	69.54	130.63	79.11
V001	Videojet Technologies Ltd	£ 0.00	1,117.01	339.32	0.00	0.00	0.00	184.09	407.51	115.90
W005	Windy Bank Farm	£ 0.00	17,005.01	25,725.63	0.00	0.00	0.00	8,017.28	4,431.07	13,277.28
W010	Wrexham County Borough	£ 0.00	0.00	736.00	0.00	0.00	0.00	0.00	0.00	736.00
W012	Wright Agri Industries Ltd	£ 0.00	0.00	111,743.32	0.00	0.00	0.00	0.00	0.00	111,743.32
W014	Watershed Label & Print	£ 0.00	0.00	840.00	0.00	0.00	0.00	0.00	0.00	840.00
Totals:			<u>1,897,185.9</u>	<u>1,210,057.9</u>	<u>0.00</u>	<u>-137.40</u>	<u>29,955.03</u>	<u>710,356.53</u>	<u>4,668,227.55</u>	<u>233,620.91</u>

Statement of Concurrence

Name of Company Key Food Ingredients Limited	Company number 04062850
In the High Court Manchester District Registry (full name of court)	Court case number 2844 of 2016

With regards to the Statement of Affairs of
Key Food Ingredients Limited
(the 'Company')

made on 29 September 2016

by John Stuart McNaughton
Statement of Truth

I Philip Nash of 31 High Street, Hook, Gooles, DN14 5NU concur with the SoA of the Company and I believe that the facts stated in the SoA are a full, true and complete statement of the affairs of the Company on the date that it entered administration and believe that, subject to these qualifications, the facts stated in the statement of affairs are a full, true and complete statement of the affairs of the Company on the date that it entered administration

Full name PHILIP J NASH
Signed [Signature]
Dated 31.10.16

Appendix 7 Glossary

Bank	HSBC Bank PLC
Company	Key Food Ingredients Limited – in Administration
Directors/Management	Phillip John Nash and John Stuart McNaughton
FX	Foreign exchange
Group	The Company together with Simplea Food Products Limited – in Administration
HIF	HSBC Invoice Finance (UK) Ltd
IM	Information Memorandum
Joint Administrators/we/our/us	Paul Dumbell, Paul Flint and David Costley-Wood
KPMG	KPMG LLP
NDA	Non-disclosure agreement
PPE	Property, plant and equipment
Proposals	Statement of proposals
Secured creditors	HSBC Bank Plc and HSBC Invoice Finance (UK) Ltd
Simplea	Simplea Food Products Limited – in Administration
Agents	Sanderson Weatherall LLP
Solicitors	Addleshaw Goddard LLP

Any references in these proposals to sections, paragraphs or rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986 respectively

Appendix 8 Notice: About this statement of proposals

This statement of proposals ('proposals') has been prepared by Paul Dumbell, Paul Flint and David Costley-Wood, the Joint Administrators of Key Food Ingredients Limited – in Administration (the 'Company'), solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes 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.

These proposals have not been prepared in contemplation of them being used, and are 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 same group.

Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on these proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their 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 these proposals.

Paul Nicholas Dumbell and Paul Andrew Flint and David James Costley-Wood 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 these proposals or the conduct of the administration.

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