

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

05766505

Name of Company

L K Worldwide Limited

I / We

Robert Neil Dymond, The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS

Lisa Jane Hogg, The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 25/05/2015 to 24/05/2016

Signed



Date

21 July 2016

Wilson Field Limited
The Manor House
260 Ecclesall Road South
Sheffield
S11 9PS

Ref LKWO01C/RD/LJH/PS/JF3

MONDAY



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COMPANIES HOUSE

L. K. Worldwide Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 25/05/2015 To 24/05/2016	From 25/05/2012 To 24/05/2016
	ASSET REALISATIONS		
Uncertain	Book Debts	593 93	593 93
2,500 00	Cash at Bank	NIL	2,253 14
	Bank Interest Gross	0 02	0 02
	Bank Interest Net of Tax	1 36	2 72
	Sundry Refund	NIL	781 68
	Director's contribution to costs	NIL	636 25
	Antecedent Settlement Monies	14,000 00	14,000 00
		<u>14,595 31</u>	<u>18,267 74</u>
	COST OF REALISATIONS		
	Specific Bond	20 00	40 00
	Statement of affairs fee	2,277 94	3,317 94
	Petition costs	NIL	2,261 00
	Liquidators' fees	5,000 00	5,091 43
	Legal Fees	3,000 50	3,000 50
	Postage, stationery, photocopying	2,646 00	2,646 00
	Search Fees	NIL	20 00
	Travel expenses	NIL	60 00
	Storage and collection of records	1,152 00	1,152 00
	Statutory Advertising	NIL	180 00
		<u>(14,096 44)</u>	<u>(17,768 87)</u>
	UNSECURED CREDITORS		
(508,296 86)	Trade & Expense Creditors	NIL	NIL
(42,325 07)	HM Revenue and Customs - VAT	NIL	NIL
(42,831 73)	LK Freight Limited - In Administration	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(591,053 66)</u>		<u>498 87</u>	<u>498 87</u>
	REPRESENTED BY		
	Bank 1 Current		102 07
	Vat Control Account		396 80
			<u>498 87</u>



Robert Neil Dymond
Joint Liquidator

Our ref RD/LJH/PS/JF3/CVL405/LKWO01C

Joint Liquidators' Annual Progress Report to Creditors & Members

**L. K. Worldwide Limited
- In Liquidation ("the Company")**

21 July 2016

L. K WORLDWIDE LIMITED - IN LIQUIDATION

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L K WORLDWIDE LIMITED - IN LIQUIDATION

1 Introduction and statutory information

- 1 1 I, Robert Neil Dymond, together with my colleague Lisa Jane Hogg, of Wilson Field Limited, The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS, was appointed as Joint Liquidator of L K Worldwide Limited (the Company) on 25 May 2012. This progress report covers the period from 25 May 2015 to 24 May 2016 (the Period) and should be read in conjunction with previous progress reports.
- 1 2 The principal trading address of the Company was A2 Lympe Distribution Park, Otterpool Lane, Hythe, Kent, CT21 4LR. The registered office of the Company has been changed to Wilson Field Limited, The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS. The Company's registered number is 05766505.

2 Progress of the Liquidation

- 2 1 This section of the report provides creditors with an update on the progress of the Liquidation during the Period.
- 2 2 Attached at Appendix A is my R&P for the Period together with a cumulative R&P for the period from the date of appointment to the end of the Period.
- 2 3 A detailed narrative of work carried out during the reporting period is provided below.
- 2 4 Some of the work required to be undertaken by the Insolvency Practitioner is statutory and may not necessarily provide any financial benefit to creditors. Where work done is anticipated to produce a financial benefit, this will be stated. It may be necessary for the Liquidator to instruct third parties to assist in this process because of a particular expertise that the third party may bring such as valuation, tax or legal advice. I attach a schedule of Administrative duties at Appendix E undertaken to comply with statutory regulations which may not bring any direct financial benefit to the creditors.
- 2 5 Attached at Appendix B is a time analysis outlining the time spent by the Liquidators and their staff during the period of this report together with a cumulative time analysis covering the period since my appointment as Joint Liquidator at Appendix C.
- 2 6 Further information regarding the basis of remuneration agreed in this case and the Liquidators' fees can be found in section 5 of this report.

Realisation of assets

Antecedent settlement monies

- 2 7 The Liquidators' investigations uncovered the following matters -
- The payment of dividends in the sum of £22,000 at a time when the Company had insufficient reserves available for distribution, and
 - Payments totalling £24,576 made to connected parties without any legitimate basis or justification.

Accordingly the Liquidators instructed MD Law, to pursue recoveries in this regard. A settlement offer of £14,000 was made, and after some additional correspondence, the initial offer was subsequently accepted. The Liquidators sought the legal advice regarding the proposed settlement. The Liquidators were advised that the offer should be accepted, in light of the additional costs that would be incurred in initiating proceedings against the defendants, the uncertainty of being awarded a successful judgement, and additional costs that could be incurred in enforcing a successful judgement. Even if a full recovery had been made, there

L K WORLDWIDE LIMITED - IN LIQUIDATION

would have been no return to creditors based on the level of outstanding costs to date, let alone the substantial future costs that would be incurred

During the Period, the full settlement of £14,000 was received

Book debts

- 2 8 The director's statement of affairs indicated book debts with a book value of £92,414 and an uncertain estimated to realise value owing to the insolvency of several of the Company's debtors. A distribution of £594 was received from the Liquidation of one of the Company's debtors, namely Elswick Freight Services Limited. No further realisations in this regard are anticipated, as detailed in previous progress reports

Bank interest

- 2 9 Funds received were held in an interest bearing trust account. During the Period, bank interest of £1 38 was received
- 2 10 Asset realisations are now complete, and I do not anticipate that any additional costs will be incurred in dealing with the Company's assets

Creditors (claims and distributions)

- 2 11 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. The Liquidators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture
- 2 12 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal
- 2 13 The above work will not necessarily bring any financial benefit to creditors generally, however the Liquidators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidators in dealing with those claims

Investigations

- 2 14 You may recall from my first progress report to creditors that some of the work the Liquidators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidators can pursue for the benefit of creditors
- 2 15 My report on the conduct of the directors of the Company to the Department for Business Innovation & Skills under the CDDA 1986 was submitted during the first year of the Liquidation and is confidential
- 2 16 As detailed above, during the Period, a settlement was agreed regarding matters highlighted by the Liquidators' investigations, which included dividends which were paid when the Company had insufficient distributable reserves and payments made to connected parties without any legitimate basis or justification

L K WORLDWIDE LIMITED - IN LIQUIDATION

3 Creditors

Secured creditors

- 3 1 Barclays Bank plc ("Barclays") holds a debenture incorporating fixed and floating charges over the Company's assets, which was created on 2 October 2010. The director's statement of Affairs indicated that there was no outstanding indebtedness owed to Barclays and to date no claim has been received.

Preferential creditors

- 3 2 No preferential claims have been received to date and none are expected.

Unsecured creditors

- 3 3 I have received claims totalling £310,326 from 68 creditors. I have yet to receive claims from 307 creditors whose debts total £ 364,343 as per the Company's statement of affairs.
- 3 4 The Company granted a floating charge to Barclays on 2 October 2010. Accordingly, I would be required to create a fund out of the Company's net floating charge property for unsecured creditors (known as the Prescribed Part). However, as there is no outstanding indebtedness owed to Barclays, there will be no realisations subject to a floating charge and the Prescribed Part rules will not apply.
- 3 5 I can confirm that no distribution to any class of creditors will be made in this case. Notice of the same was issued to all known creditors on 4 May 2016.

4 Joint Liquidators' remuneration

- 4 1 Creditors approved that the basis of the Liquidators' remuneration be fixed by reference to the time properly given by the insolvency practitioners (as Liquidators) and their staff in attending to matters arising in the Liquidation.
- 4 2 My time costs for the Period are £16,212. This represents 54 10 hours at an average rate of £299.67 per hour. Attached as Appendix B is a time analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by me in managing the Liquidation. To date, £5,091 plus disbursements of £3,798 has been drawn on account.
- 4 3 Also attached as Appendix C is a cumulative time analysis for the period from 25 May 2012 to 24 May 2016 which provides details of my time costs since my appointment. The cumulative time costs incurred to date are £43,339. This represents 187 10 hours at an average rate of £231.63 per hour.
- 4 4 In considering the remaining work to be done in this Liquidation, I currently anticipate that my time costs to complete the Liquidation will be approximately £1,000. I will provide a further update in this regard in my next progress report.
- 4 5 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <https://www.r3.org.uk/what-we-do/publications/professional/fees>.
- 4 6 At the first meeting of creditors held on 25 May 2012, it was also resolved that the Statement of Affairs fee be approved in the sum of £5,000 plus VAT. To date funds in the sum of £5,000 have been paid to Wilson Field in respect of the Statement of Affairs fee, £2,682 of which was drawn from the assets of the Company, and £2,318 of which was paid by the director personally.

L K WORLDWIDE LIMITED - IN LIQUIDATION

- 4 7 Attached as Appendix D is additional information in relation to the Liquidators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers

5 Creditors' rights

- 5 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report
- 5 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidators, as set out in this progress report, are excessive

6 Next report

- 6 1 All matters relating to the Liquidation have now been concluded. I will proceed to convene final meetings of members and creditors in due course in order to close the Liquidation and to seek the Liquidators' release from office

Yours faithfully



R N Dymond
Joint Liquidator

L K WORLDWIDE LIMITED - IN LIQUIDATION

Appendix A

Receipts and payments account ("R&P") for the period from 25 May 2015 to 24 May 2016 ("the Period") and a cumulative R&P for the Period since the Joint Liquidators' Appointment

L. K. Worldwide Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

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	Travel expenses	NIL	60 00
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(42,831 73)	LK Freight Limited - In Administration	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(591,053 66)</u>		<u>498.87</u>	<u>498.87</u>
	REPRESENTED BY		
	Bank 1 Current		102 07
	Vat Control Account		396 80
			<u>498 87</u>



Robert Neil Dymond
Joint Liquidator

L K. WORLDWIDE LIMITED - IN LIQUIDATION

Appendix B

Time analysis for the Period from the 25 May 2015 to 24 May 2016

Time Entry - Detailed SIP9 Time & Cost Summary

LKWO01C - L K Worldwide Limited
From 25/05/2015 To 24/05/2016
Project Code POST

Classification of Work Function	Directors & IP's	Senior Administrator	Manager & Administrator	Administrators	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
ADCA Cashing	2.50		2.60	0.90	4.00	10.00	3,297.50	329.75
ADCR Case Reviews	1.30		1.00	12.60	0.00	14.90	4,270.00	286.58
ADDI Directors/Client	0.10		0.00	0.10	0.00	0.20	75.00	375.00
ADGA File Maintenance	0.00		0.00	2.90	1.40	4.30	907.00	210.93
ADSC Statutory and Compliance	0.40		2.10	12.40	0.00	14.90	4,063.00	272.68
ADSO Strategic Overview	0.00		0.10	0.30	0.00	0.40	118.00	295.00
Admin and Planning	4.30	5.80	5.80	29.20	5.40	44.70	12,730.50	284.80
TDCall Phone Call	0.00	0.00	0.00	0.10	0.00	0.10	25.00	250.00
Case Specific Matters	0.00	0.00	0.00	0.10	0.00	0.10	25.00	250.00
CRCL Creditors Claims	0.00		0.00	0.10	0.00	0.10	25.00	250.00
CRCO Communications with Creditors	0.00		0.00	0.40	0.60	1.00	182.00	182.00
CRTV Tax and VAT	0.40		0.00	0.30	1.60	2.30	619.50	269.35
Creditors	0.40	0.00	0.00	0.80	2.20	3.40	826.50	243.09
INAT Antecedent Transactions	3.70		0.00	0.00	0.00	3.70	1,950.00	500.00
INRE Investigation and Review	0.00		1.00	0.60	0.00	1.60	480.00	300.00
Investigations	3.70	1.00	1.00	0.60	0.00	5.30	2,330.00	439.62
REIS Identifying Securing and Insuring	0.20		0.00	0.00	0.00	0.20	100.00	500.00
REPB Property Business and Asset Sales	0.40		0.00	0.00	0.00	0.40	200.00	500.00
Realisation of Assets	0.60	0.00	0.00	0.00	0.00	0.60	300.00	500.00
Total Hours	9.00	6.80	6.80	30.70	7.60	54.10	16,212.00	299.67

L K WORLDWIDE LIMITED - IN LIQUIDATION

Appendix C

Cumulative time analysis for the Period since the Joint Liquidators' Appointment

Time Entry - Detailed SIP9 Time & Cost Summary

LKWO01C - L K Worldwide Limited
From 25/05/2012 To 24/05/2016
Project Code POST

Classification of Work Function	Directors & IP's	Manager & Senior Administrator	Administrators	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
ADCA Cashing	2.70	5.10	0.90	10.50	19.20	4,733.50	246.54
ADCR Case Reviews	3.30	1.80	18.00	3.70	26.80	7,117.50	265.58
ADDI Directors/Client	1.40	0.00	0.10	0.00	1.50	530.00	353.33
ADGA File Maintenance	0.00	0.00	5.90	20.50	26.40	3,280.00	124.24
ADSC Statutory and Compliance	1.70	3.90	21.50	3.10	30.20	7,483.00	247.78
ADSO Strategic Overview	0.00	0.10	0.30	0.00	0.40	118.00	295.00
Admin and Planning	9.10	10.90	46.70	37.80	104.50	23,262.00	222.60
TDCell Phone Call	0.00	0.00	0.10	0.00	0.10	25.00	250.00
Case Specific Matters	0.00	0.00	0.10	0.00	0.10	25.00	250.00
CRCL Creditors Claims	0.00	0.00	0.50	0.10	0.60	79.00	131.67
CRCO Communications with Creditors	2.40	0.00	18.70	0.60	21.70	4,623.00	213.04
CREM Employees	0.10	0.00	0.00	0.00	0.10	35.00	350.00
CRTV Tax and VAT	0.50	0.00	0.30	1.60	2.40	664.50	276.88
Creditors	3.00	0.00	19.50	2.30	24.80	5,401.50	217.80
INAT Antecedent Transactions	7.00	0.00	0.00	0.00	7.00	3,367.50	481.07
INDR CDDA Report	0.30	3.00	0.00	0.00	3.30	915.00	277.27
INRE Investigation and Review	4.20	11.30	23.30	1.00	39.80	8,698.00	218.54
Investigations	11.50	14.30	23.30	1.00	50.10	12,980.50	259.09
REDC Debt Collection	0.40	0.00	3.40	3.00	6.80	1,289.50	189.63
REIS Identifying Securing and Insuring	0.40	0.00	0.00	0.00	0.40	180.00	450.00
REPB Property Business and Asset Sales	0.40	0.00	0.00	0.00	0.40	200.00	500.00
Realisation of Assets	1.20	0.00	3.40	3.00	7.60	1,669.50	219.67
Total Hours	24.80	25.20	93.00	44.10	187.10	43,338.50	231.63

L K WORLDWIDE LIMITED - IN LIQUIDATION

Appendix D

Additional information in relation to the Joint Liquidators' fees, expenses & disbursements

7 Staff allocation and the use of sub-contractors

- 7 1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case
- 7 2 The constitution of the case team will usually consist of an Insolvency Practitioner, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment
- 7 3 On this case we have not used the services of sub-contractors

8 Professional advisors

- 8 1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis

Name of Professional Advisor	Basis of Fee Arrangement
MD Law (legal advice)	Hourly rate and disbursements

- 8 2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them

9 Joint Liquidators' expenses & disbursements

- 9 1 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below, the total anticipated cost includes an estimate of the future costs that will be incurred to the closure of the Liquidation

	Paid in prior period (£)	Paid in the period covered by this report (£)	Incurred but not paid to date (£)	Total anticipated cost (£)
Expenses				
Legal fees	Nil	3,000 50	2,966 00	5,966 50
Statutory advertising	180 00	Nil	Nil	251 00
Specific bond	20 00	20 00	Nil	40 00
Petition costs	2,261 00	Nil	Nil	2,261 00
Travel expenses	60 00	Nil	Nil	60 00
Category 2 disbursements				
Storage and collection of records	Nil	1,152 00	Nil	1,440 00
Postage, stationery and photocopying	Nil	2,646 00	7,938 00	13,230 00
Search fees	20 00	Nil	Nil	20 00
Document upload centre	Nil	Nil	100 00	100 00

- 9 2 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above

L K WORLDWIDE LIMITED - IN LIQUIDATION

9 3 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidators' fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

10 Charge-out rates

4 1 A schedule of Wilson Field Limited's charge-out rates are detailed on the next page.

WILSON FIELD LIMITED CHARGE OUT RATES AND DISBURSEMENT POLICY

In accordance with Statement of Insolvency Practice 9 ("SIP 9") covering fees and disbursements, we are required to disclose to you our policy for recovering non-specific disbursements, and the charge out rates for the various grades of staff who may be involved in this case

Remuneration

The office holder(s) will seek approval from creditors to draw remuneration on a time cost basis, in accordance with the rates detailed below

Grade	Hourly charge out rate (£)	
	01/02/2014 to 31/10/2014	01/11/2014 onwards
Director/Insolvency Practitioner	350-500	500
Manager	260-400	400
Assistant Manager	N/A	395
Team Leader	N/A	390
Senior Administrator	240	330
Administrator (1-5 years experience)	120-240	230-300
Secretarial & Support	100-130	130

All time is recorded in 6 minute units

Category 1 Disbursements

In accordance with SIP 9, these do not require the approval of creditors and are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party These may include advertising, room hire, insurance, travel expenses etc

Category 2 Disbursements

In accordance with SIP 9, these require the prior approval of creditors

Category 2 disbursements are charged in accordance with the liquidator's prevailing recovery policy at the time the disbursement is incurred The rates applicable from 1 November 2014 are detailed below

Disbursement	Charge	
Search fees	£10 per document	On appointment
Document Upload Centre charge	£150	On appointment
Room Hire where meeting held at Wilson Field office	£100	On appointment (where appropriate)
Mileage	45p per mile	On appointment (where appropriate)
Postage, stationery, photocopying etc	£10 per member and creditor per year	On appointment and annually
Insolvency software fee	£150 per year	On appointment and annually
Storage of books and records	£80 per box per year	Once records are logged and then annually

In common with all professional firms, our charge out and disbursements rates increase from time to time We reserve the right to change the rates without prior notice to you Any change will be reported in the next statutory report to creditors

L. K. WORLDWIDE LIMITED - IN LIQUIDATION

APPENDIX E

Outline of administrative work done by the Liquidators and their staff during the Liquidation

Outline of work done by the Liquidators during the Period

Administration (including statutory compliance & reporting)

Under insolvency legislation the Liquidators must comply with certain statutory compliance requirements which may not bring any direct financial benefit to the creditors of the Company

This work can include but is not limited to the following

- Complying with Insolvency code of ethics, Money Laundering and Bribery Act legislation, including periodic reviews
- Notifying creditors of the Liquidators' appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House
- Preparing and issuing periodic progress reports to members and creditors
- Lodging periodic returns with the Registrar of Companies for the Liquidation
- Complying with statutory duties in respect of the Liquidators' specific penalty bond
- Creation and update of case files on the firm's insolvency software
- Redirection of the Company's mail to the Liquidators' office where necessary
- Securing the Company's books and records
- Pension regulatory reporting and auto-enrolment cancellation
- Completion and filing of the notice of the Company's insolvency to HMRC
- Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 (CDDA) including the review of the Company's books and records and the identification of potential further asset realisations which may be pursued in the Liquidation
- Filing a statutory return to the Department for Business, Innovation and Skills under the CDDA
- Periodic case progression reviews (typically at the end of Month 1 and every 6 months thereafter)
- Opening, maintaining and managing the Liquidation estate cashbook and bank account(s)
- Dealing with all post-appointment VAT and corporation tax compliance
- Liaison with secured creditors, obtaining charge documents and validating the security
- Dealing with former employees to provide support and assistance in lodging any claims they may be entitled to make for unpaid wages, holiday pay and other statutory entitlements from the National Insurance Fund and the Company
- Convening any meetings of creditors as requested or as deemed necessary
- Maintaining case files
- Dealing with the formalities with regards closing the case and convening final meetings of members and creditors