

The Insolvency Act 1986
Administrator's progress report

Name of Company
 KFC Realisations Limited formerly Key Financial Claims Limited

Company number
 07022415

In the
 Chancery Division, Manchester District Registry
(full name of court)

Court case number
 3192 of 2015

(a) Insert full name(s) and address(es) of administrator(s)

I/We (a)
 Christopher James Farrington
 Deloitte LLP
 Four Brindleyplace
 Birmingham
 B1 2HZ

Daniel James Mark Smith
 Deloitte LLP
 PO Box 500
 2 Hardman Street
 Manchester
 M60 2AT

administrator(s) of the above company attach a progress report for the period

(b) Insert date

From
 (b) 30 May 2016

To
 (b) 30 September 2016

Signed

[Handwritten Signature]

Joint / Administrator(s)

Dated

15/11/16.

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 searchers of the

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THURSDAY



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 COMPANIES HOUSE

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

Deloitte.

KFC Realisations Limited formerly Key Financial Claims Limited (In Administration) (“the Company”)

Court Case No 3192 of 2015
High Court of Justice, Chancery
Division, Manchester District
Registry
Company Number 07022415

Registered Office: c/o Deloitte LLP, Four Brindleyplace, Birmingham, B1 2HZ

Progress report to creditors for the period 30 May 2016 to 30 September 2016 pursuant to Rule 2.112 of the Insolvency Rules 1986 (as amended) (“the Rules”).

Christopher James Farrington and Daniel James Mark Smith (“the Joint Administrators”) were appointed Joint Administrators of KFC Realisations Limited formerly Key Financial Claims Limited on 30 November 2015. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP (“Deloitte”) are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), (“the Act”), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

16 November 2016

Contacts

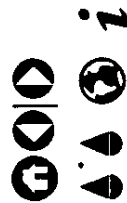
Joint Administrators of the Company

Christopher James Farrington
Daniel James Mark Smith
Deloitte LLP
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Birmingham
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Contact details

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Website <http://www.deloitte-insolvencies.com/keyfinancialclaims/>
[imited](#)

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Key messages

Commentary

• The purpose of the administration is to achieve a better result for the Company's creditors as a whole than an immediate liquidation of the Company

Purpose of administration

Progress of administration

- Since appointment the Joint Administrators have realised £39k from the Company's book debts and have continued to pursue the one remaining debtor during the period
- In addition to the above, the Company receives 10% of Family Money Saver's ("FMS") revenue from collecting the KFC pipeline, and 2.5% of FMS' own pipeline. During the period realisations of £9k and £55k have been achieved respectively
- The Joint Administrators have collected £500 of the Director's loan account during the period

Costs

- The basis of our remuneration has been fixed by reference to time costs as set out in the fees estimate on page 11. We estimate that our time costs for the duration of the appointment will not exceed our original fee estimate of £214,951
- Our time costs for the report period are £30,332 bringing our total time costs since appointment to £184,361
- The Joint Administrators have drawn remuneration of £100,000 to date against total time costs of £184,361. Further detail on the Joint Administrators' time costs are set out in the analysis on page 11

Outstanding matters





- Conclude debtor collections and pipeline recoveries
- Realise the Director's loan account
- Finalise the wind down costs incurred during the trading period
- Case closure

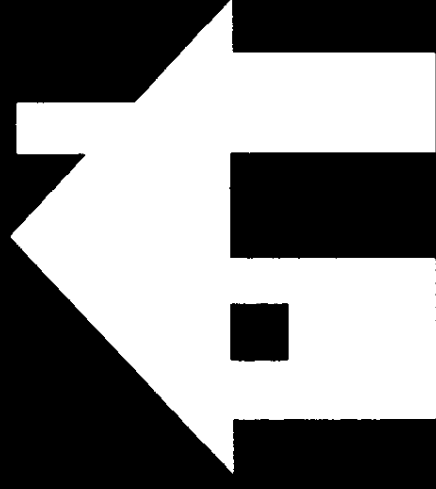
Dividend prospects

- Secured creditors - The Company has no secured creditors
- Preferential creditors - There will be sufficient realisations to enable payment in full of preferential claims
- Unsecured creditors - It is likely there will be a distribution to unsecured creditors

Extension to administration period

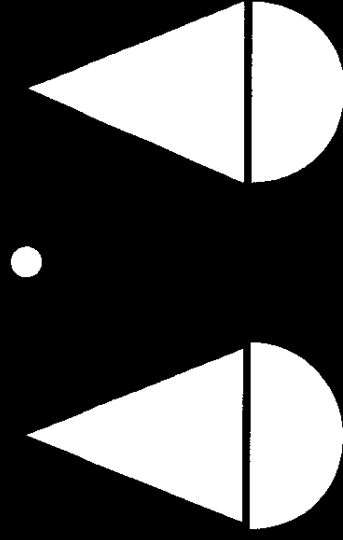
This report has been prepared in support of our request for consent of the creditors to extend the period of the administration by 12 months. Further details are provided on Page 8

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Progress of the administration

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Progress of the administration Summary

Progress of the administration

Work done since our last report

Trading

The costs associated with this short trading period have now been finalised and produced a trading surplus of c £28k. A detailed trading account is provided on page 6.

Book debts

As at the date of our appointment, the Company's sales ledger showed pre-appointment book debts of c £43k. To date we have collected c £39k and continue to liaise with the debtor regarding repayment of the one outstanding balance.

Pipeline revenues

During the report period the Company has realised £9k and £55k as its commission of collection from the FMS (2.5%) and KFC (10%) pipelines respectively.

Third party funds

Funds totalling £335 have been received in respect of third party funds during the period and will be transferred in due course.

Director's loan Account

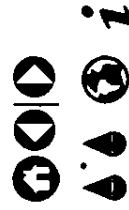
We are continuing to collect the Director's loan advanced to Daniel Gale and £500 has been received during the period. Payments continue to be received to clear the remaining balance of £824.

Statutory tasks

During the period we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature.

- case management
- correspondence with creditors
- cashing in functions
- case review

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors.



Progress of the administration

Receipts and payments



Joint Administrators' receipts and payments account From 30 November 2015 to 30 September 2016

£	SoA values	Notes	Period	To date
Receipts				
Trading surplus	28,320			28,320
Goodwill	1			1
Intellectual Property Rights	1			1
Customer Contracts	1			1
Company Records	1			1
FMS Pipeline	8,924			13,097
KFC Pipeline	129,224			100,271
Office Furn. and Equipment	17,675			10,000
Cash at bank	132,301			132,052
Book debts	43,370			39,380
Directors' loans	9,032			2,250
Client Account Funds	3			12,059
Bank interest gross	152			325
Third Party Monies	4			23,019
Total receipts	331,602			360,777

Payments				
Specific Bond				115
Administrators' Fees				100,000
Administrators' Expenses				225
Website costs				500
Agents/Valuers' Fees				1,670
Legal Fees (1)				13,819
Legal fees (2)				100
Third Party Monies	4			13,443
Statutory Advertising				85
Bank Charges				142
Total payments	13,443			130,098

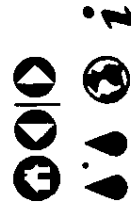
Balance	230,680			
Made up of				
IB Current A/c		1		215,451
VAT Control Accounts		2		15,229
Balance in hand	230,680			

A receipts and payments account together with a separate trading account is provided opposite and on the next page, detailing the transactions in the period to 30 September 2016 and all transactions since the date of our appointment

Notes to receipts and payments account

- All funds are held in an interest bearing bank account. The associated corporation tax on interest received will be accounted for to HM Revenue & Customs
- All sums shown are net of VAT, which is recoverable and will be accounted for to HM Revenue & Customs in due course
- Funds held in the Company's client account for compensation at the date of appointment where the client cannot be traced
- Monies received belonging to third parties that will be transferred in due course

Progress of the administration Trading account



Joint Administrators' trading account From 30 November 2015 to 30 September 2016

Our trading account shown opposite has been prepared on a cash basis and has now been finalised, producing a c £28k surplus

£	To date	Estimated future movements	Outcome
Receipts			
Sales	52,135	-	52,135
Cont to Head Office Costs	2,689	-	2,689
Total receipts	54,824	-	54,824
Payments			
Direct Labour	9,911	-	9,911
Consultancy Fees	1,858	-	1,858
Rent	8,101	-	8,101
Service Charge	3,730	-	3,730
Electricity	456	-	456
Telephone/Internet	830	-	830
Postage	392	-	392
Payroll	1,050	-	1,050
Insurance	175	-	175
Total payments	26,504	-	26,504
Trading surplus	28,320	-	28,320



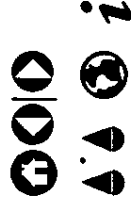
Information for creditors

Outcome

8



Information for creditors Outcome



Secured creditors

The Company has no secured creditors

Preferential creditors

Preferential creditors consist of amounts owed to the Company's employees for holiday pay. We estimate that there will be 28 preferential claims totalling c. £16,000, which we anticipate being able to pay in full during the administration. Work will commence shortly to agree claims and make the distribution.

Prescribed Part

As there are no secured creditors with floating charges, the Prescribed Part provisions will not apply to this case.

Unsecured creditors

Following the payment of the preferential creditors in full, we anticipate that there will be sufficient asset realisations to enable a distribution to be made to unsecured creditors but are unable to provide an estimate of quantum at this stage.

Claims process

Unsecured creditors are invited to submit their claims to us by completing a proof of debt form which is available on the administration website and which should be sent to the address on page 1, marked for the attention of Wendy Packwood.

Extensions to the administration

This report has been prepared in support of our request for consent of the creditors to extend the period of the administration by 12 months to conclude debtor collections and pipeline recoveries, realise the Director's loan account and finalise the wind down costs incurred during the trading period.

Exit

As detailed in our proposals, in this case, we will request approval from the creditors for us to be discharged from liability as at the date the Registrar of Companies registers the Joint Administrators' final progress report.

i Remuneration and expenses

Joint Administrators' remuneration 10



Remuneration and expenses

Joint Administrators' remuneration

Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at <http://www.deloitte-insolvencies.com/keyfinancialclaimslimited>.

Should you require a paper copy, please send your request in writing to us at the address on Page 1 of this report and this will be provided to you at no cost

Basis of remuneration

The basis of our remuneration was fixed on 5 February 2016 by a meeting of creditors by correspondence by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration as set out in the fees estimate

Time costs incurred

A copy of our Fees Estimate detailing the work that we anticipate will need to be undertaken on this case for the duration of the appointment together with estimates of the likely cost and amount of time that each part of that work will take to complete is provided on Page 11

We have also updated the Fees Estimate to provide details of our actual time costs for the period of this report and for the entire period of our appointment. As you will see our total time costs to 30 September 2016 are £184,361 made up of 498.2 of hours at an average charge out rate of £370 across all grades of staff

We have drawn remuneration of £100,000 as shown in the receipts and payments account on Page 5

Variances to budget estimates

Statutory and compliances

Additional costs associated with statutory duties include an increased time spent in dealing with audit of the client account

Initial actions

There has been a reallocation of time but overall across the three task categories we remain within budget

Third party assets

Additional costs incurred dealing with the collection of third party assets from the Company's site

Book debts

The costs associated with the recovery of the Director's loan account and the book debt collections have been greater than initially anticipated. Further costs will be incurred to finalise these asset recoveries

Sale of business

Additional time has been incurred dealing with the deferred consideration element of the sale proceeds. There are likely to be further costs incurred to finalise this realisation

Closure of trading

It has taken more time than originally anticipated to finalise the trading costs and obtain final invoices for utilities, rent, etc

Employee correspondence

There has been considerably more time spent dealing with employee queries regarding holiday entitlements

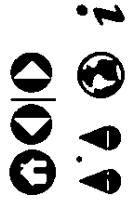
For the reasons set out above, our time costs to date are broadly in line with expectations and we thus do not anticipate that it is likely that our remuneration will exceed the amount of £214,951 as provided in our Fees Estimate



Fees Estimate and Joint Liquidators' time costs for the period 30 May 2016 to 30 September 2016

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Activity	Estimated total hours	Avg Rate £/h	Estimated total time costs	Hours incurred in the period	Avg Rate £/h	Time costs incurred so far (£)	Hours incurred to date	Avg Rate £/h	Time costs incurred to date (£)
Administrative activities*	Cashiering	51.5	418	21,515	12.1	329	3,964	32.5	10,790
	Case supervision	49.8	380	18,930	5.0	316	1,566	30.7	11,290
	Case reviews	12.6	317	3,988	1.8	414	725	1.8	725
	Case closure matters	8.5	349	2,970	-	-	0	-	0
	External joint appointees	-	-	0	-	-	0	-	0
Statutory & compliance*	Compliance & IPS diary	14.4	360	5,184	9.5	508	4,825	26.5	10,553
	Insurance	2.9	422	1,214	-	-	0	0.8	335
	General reporting	80.3	362	29,085	16.2	275	4,442	63.9	24,304
	Statutory meetings	-	-	0	-	-	0	3.5	1,280
	Regulatory & other legislation	3.6	360	1,296	0.4	335	134	1.1	411
Initial actions*	Court applications	10.5	532	5,583	-	-	0	-	0
	Appointment matters	2.5	552	1,380	-	-	0	16.3	249
	Securing assets	13.1	440	5,746	-	-	0	13.0	335
	Notifications	22.7	327	7,401	-	-	0	8.5	487
	CDDA reporting	18.0	343	6,170	-	-	0	13.2	337
Investigations	Investigations	8.5	399	3,390	-	-	0	5.5	404
	Tax	6.4	319	2,044	22.4	312	6,982	24.9	324
	VAT	36.0	323	12,277	4.9	344	1,666	20.7	411
Taxation*	Third party assets	2.0	430	860	8.2	355	2,915	3.0	430
	Book debts	9.0	313	2,820	-	-	0	19.6	385
	Charital assets	-	-	0	-	-	0	-	-
	Other assets	-	-	0	-	-	0	-	-
	Property	3.0	430	1,290	0.2	500	100	0.4	418
Asset realisations	Retention of title	-	-	0	0.5	220	110	1.4	220
	Sale of business	60.0	273	16,350	-	-	0	50.1	506
	Antecedent transactions	-	-	0	-	-	0	-	-
	Day 1 control of trading	5.0	430	2,150	-	-	0	5.0	430
	Ongoing trading	3.0	430	1,290	-	-	0	4.5	398
Trading	Monitoring trading	28.5	430	12,255	-	-	0	28.5	430
	Closure of trade	26.0	352	9,150	-	-	0	30.3	433
Employees	Consultation	4.0	409	1,636	-	-	0	0.3	760
	Comespondence	47.2	262	12,362	1.5	220	330	64.4	259
	Employment tribunals	0.5	335	168	-	-	0	-	-
	Pensions	25.5	277	7,059	7.5	263	1,972	26.3	285
	Creditors	-	-	0	-	-	0	-	-
Correspondence	Committee	-	-	0	-	-	0	-	-
	Shareholders	0.1	335	34	-	-	0	-	-
	Customers	-	-	0	1.8	335	603	1.8	335
	Press & media queries	-	-	0	-	-	0	-	-
Distributions	Secured creditors	-	-	0	-	-	0	-	-
	Preferential creditors	33.9	297	10,088	-	-	0	-	-
	Unsecured creditors	36.9	252	9,287	-	-	0	-	-
	Shareholder	-	-	0	-	-	0	-	-
Total	627.7	342	214,951	91.8	330.6	30,332	498.2	370.1	164,361



Remuneration and expenses

Detailed information

Disbursements

Our disbursements to date are in line with estimates provided in the proposals and are summarised below

Category 1 disbursements

£ (net)	Value	Paid	Unpaid
Storage	63	-	63
Subsistence	45	45	-
Bordereau	230	115	115
Total expenses	338	160	178

Category 2 disbursements

£ (net)	Value	Paid	Unpaid
Mileage and travel	180	180	-
Website set up	500	500	-
Total disbursements	680	680	-

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred

Our disbursements have been partially recovered

Creditors' right to request information

Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 2 47(1)(fa) and 2 48A of the Rules

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 2 109(4) of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 2 109 of the Rules

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports



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