

LIQ03

Notice of progress report in voluntary winding up



Companies House

TUESDAY



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27/02/2018

#400

COMPANIES HOUSE

1 Company details

Company number 0 4 4 7 3 4 6

Company name in full Hubert C. Leach Limited

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

2 Liquidator's name

Full forename(s) Finbarr Thomas

Surname O'Connell

3 Liquidator's address

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

Country

4 Liquidator's name ①

Full forename(s) Mark Christopher

Surname Ford

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

5 Liquidator's address ①

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

Country

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


LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

From date	^d 3	^d 1	^m 1	^m 2	^y 2	^y 0	^y 1	^y 6	
To date	^d 3	^d 0	^m 1	^m 2	^y 2	^y 0	^y 1	^y 7	

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

Liquidator's signature	Signature X  X								
Signature date	^d 2	^d 6	^m 0	^m 2	^y 2	^y 0	^y 1	^y 8	

LIQ03

Notice of progress report in voluntary winding up



Presenter information

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

Contact name **Liam Clarke**

Company name **Smith & Williamson LLP**

Address **25 Moorgate**

London

Post town **EC2R 6AY**

County/Region

Postcode

Country

DX

Telephone **020 7131 4000**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Hubert C. Leach Limited
(In Liquidation)
Joint Liquidators' Trading Account

Declaration of Solvency £	From 31/12/2016 To 30/12/2017 £	From 31/12/2014 To 30/12/2017 £
OTHER DIRECT COSTS		
Consultants	3,064.75	552,124.11
Consultants Expenses	1,366.00	75,629.99
	(4,430.75)	(627,754.10)
TRADING EXPENDITURE		
Heat & Light	NIL	7,308.60
Telephone	14,601.13	42,381.82
Insurance	NIL	206.04
Professional Fees	NIL	100.00
Hire of Equipment	NIL	3,430.93
Repairs & Maintenance	NIL	10,735.33
Sundry Expenses	NIL	2,074.79
Vehicle Running Costs	NIL	2,682.56
Stationery	NIL	225.07
Equipment Acquisition	NIL	3,500.00
IT Systems and Migration	NIL	167,619.82
	(14,601.13)	(240,264.96)
TRADING SURPLUS/(DEFICIT)	(19,031.88)	(868,019.06)

Hubert C. Leach Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Declaration of Solvency £		From 31/12/2016 To 30/12/2017 £	From 31/12/2014 To 30/12/2017 £
	ASSET REALISATIONS		
5,986,000.00	Freehold / Investment Properties	NIL	6,444,830.64
NIL	Land Stock	NIL	1,050,000.00
2,471,000.00	Land Development / WIP	NIL	2,232,750.00
635,000.00	Strategic Properties	NIL	350,000.00
5,000.00	Fixtures & Fittings	NIL	16,020.13
5,000.00	Motor Vehicles	NIL	7,800.00
	Site Stock	NIL	1,250.00
7,706,000.00	Debtors	NIL	7,100,608.18
8,020,000.00	Shares & Investments	NIL	2,325,239.75
	Ground Rent Income	NIL	245,318.32
	Rental Property Income	NIL	29,907.26
	11 Fieldings Road - Beneficial Interest	NIL	400,000.00
	VAT Refund	NIL	6,471.21
	Insurance Refund	NIL	4,613.19
18,440,000.00	Cash at Bank	NIL	17,982,048.83
	Petty Cash On Site	NIL	471.49
	Office Supplies	NIL	514.05
	Bank Interest Gross	1,025.13	64,639.92
	Legal Costs Refunds	NIL	352.60
	Property Rights - Deed Grant of Ease	10.00	14,010.00
	Property Refunds - Tax, Rates, Utilities	NIL	4,289.32
	Trading Surplus/(Deficit)	(19,031.88)	(868,019.06)
	Suspense Account	138.96	3,510.54
	Contractual Obligations Refunds	NIL	20,404.11
	Land Rights Realisations	NIL	10.00
	Third Party Refunds	NIL	457.27
	Refunds - Miscellaneous	NIL	3,647.72
		(17,857.79)	37,441,145.47
	COST OF REALISATIONS		
	Land Promotion Costs	500.00	36,703.00
	Site Ongoing Contractual Obligations	NIL	155,686.95
	Specific Bond	NIL	140.00
	Subsidiary Costings	163.00	1,128.00
	Joint Liquidators Pre Liquidation Fees	NIL	52,640.50
	Liquidators Fees	74,334.25	843,830.75
	Liquidators Expenses	NIL	1,782.90
	Professional Fees - Pension Policy	25,684.75	417,265.69
	Smith & Williamson Group Fees	NIL	536.00
	Agents/Valuers Fees	16,361.67	465,920.89
	Agents/Valuers Expenses	NIL	1,189.52
	Legal Fees	24,105.50	278,617.99
	Legal Expenses	303.80	5,775.88
	Irrecoverable VAT	1,030.00	6,930.30
	Property Agents - Management Fees	NIL	12,350.85
	Internet, Telephone & Fax	NIL	190.00
	Stationery & Postage	58.10	1,359.80
	Land & Company Searches	111.00	387.36
	Clearance / Storage Costs	1,651.16	15,363.23
	Re-Direction of Mail	NIL	780.00
	Statutory Advertising	NIL	332.00

Hubert C. Leach Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Declaration of Solvency £	From 31/12/2016 To 30/12/2017 £	From 31/12/2014 To 30/12/2017 £
	Future Rents and Rent Deposit Transf	897.55
	Council Tax & Rates	17,107.80
	Other Property Expenses	35,141.62
	Insurance of Assets	42,779.53
	Petty Cash	(0.08)
	Bank Charges	4,591.76
	Funds held at Barclays (Sweep Acc)	91,768.16
		(2,491,197.95)
	UNSECURED CREDITORS	
(2,816,000.00)	Trade & Expense Creditors	606,218.48
(554,342.00)	Employees	76,135.03
	Employees Expenses	814.45
	NHBC Maintenance Obligations	278,756.68
(178,000.00)	Banks/Institutions	30.00
(18,000.00)	HM Revenue & Customs - Corporation	5,393.89
(42,000.00)	HM Revenue & Customs - PAYE/NIC	150,049.23
(34,000.00)	HM Revenue & Customs - VAT	NIL
(6,341,000.00)	Family / Inter Company Debts	NIL
	Contractual Agreements	1,283.00
		(1,118,680.76)
	DISTRIBUTIONS	
	Preferred Ordinary Shareholders	45,150.00
	Deferred Ordinary Shareholders	32,905,965.40
		(32,951,115.40)
33,284,658.00	(652,701.18)	880,151.36
	REPRESENTED BY	
	VAT Receivable	58,914.54
	Clients Deposit (Int Bear)	821,236.82
		880,151.36



Hubert C Leach Limited (in members' voluntary liquidation)

Joint liquidators' annual progress report for the period from 31
December 2016 to 30 December 2017

26 February 2018



Contents

1.	Glossary	1
2.	Introduction and statutory information	2
3.	Realisation of assets	2
4.	Creditors	3
5.	Distributions to members	3
6.	Liquidators' remuneration	4
7.	Liquidation expenses	6
8.	Outstanding matters	8
9.	Members' rights	8
10.	Next report	9

Appendices

I	Receipts and payments account	11
II	Time analysis	15
III	Cumulative time analysis	18
IV	Staffing, charging, subcontractor and adviser policies and charge out rates	22
V	Member's guide to liquidators' fees in a members' voluntary liquidation	24



1. Glossary

Abbreviation	Description
the Company / HCL	Hubert C. Leach Limited
C&W	Cushman & Wakefield (formerly DTZ Debenham Tie Leung Limited)
DOS	Declaration of Solvency
ETR	Estimated to Realise
Executive Team / Management Team	Jim Hatch, Christopher Shelton and John French
HMRC	HM Revenue & Customs
LTA87	Landlord and Tenant Act 1987 If preceded by S this denotes a section number
IA86	Insolvency Act 1986 (also relevant to solvent companies) If preceded by S this denotes a section number
IR16	Insolvency (England and Wales) Rules 2016
IR86	Insolvency Rules 1986 (also relevant to solvent companies) Which has been subsequently revoked by IR16 If preceded by R this denotes a rule number
the liquidators/joint liquidators	Finbarr Thomas O'Connell and Mark Christopher Ford
NHBC	National House Building Council
SHL	Swanfield (Hamels) Limited
SIP	Statement of Insolvency Practice (England & Wales) (also relevant to solvent companies)
S&WCF	Smith & Williamson Corporate Finance Limited
S&WEBC	Smith & Williamson Employee Benefits Consultancy, a division of Smith & Williamson Financial Services Limited
S&WFS	Smith & Williamson Financial Services Limited

Note: References to IA86 and IR86 in this report are to the legislation as it applies to this case.

2. Introduction and statutory information

This report provides an update on the progress in the liquidation of the Company for the year ended 30 December 2017. It should be read in conjunction with any previous reports.

By way of reminder, Finbarr Thomas O'Connell and Anthony Cliff Spicer, of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, were appointed liquidators of the Company on 30 December 2014.

Anthony Cliff Spicer has ceased to act as office holder of this estate following an application for a block transfer Order on the grounds of his retirement. The Order was sealed on 15 February 2016 by District Judge Exton sitting in the Chancery Division of the High Court of Justice Bristol District Registry (Court No. 6 of 2016) and the effective date of Mr Spicer's removal is 22 February 2016.

Mark Christopher Ford's appointment was made following the above mentioned Order and the effective date of his appointment is 22 February 2016.

The principal trading address of the Company was Hamels Mansion, Hamels Park, Knights Hill, Buntingford, Hertfordshire SG9 9NF.

The Company's registered office is 25 Moorgate, London, EC2R 6AY and its registered number is 0447346.

3. Realisation of assets

Attached at Appendix I is our receipts and payments account for the period from 31 December 2016 to 30 December 2017. This account includes cumulative figures for the period from 31 December 2014 to 30 December 2017.

The receipts and payments account also includes a comparison with the directors' DOS values.

3.1 Assets still to be realised

Detailed below are the Company's remaining assets to be realised:

- Kennett Park, Kentford (Title: SK316488);
- Rump strip portfolio;
- SHL future distributions;
- Terminal loss relief claim;
- Garden Village Partnership (deferred payment).

The joint liquidators and their property agents are progressing along a number of avenues with regard to the disposal of the Kennett Park site, and assessing available options to deal with the Company's residual rump strip assets.

By value, the majority of these residual realisations now vest with resolving matters with HM Revenue & Customs in respect of SHL future distributions and recovery of the Company's terminal loss relief claim.

4. Creditors

4.1 Secured and Preferential creditors

The directors' DOS and the Company's records indicated that the Company had no secured creditors or preferential creditors.

4.2 Unsecured creditors

As detailed in our previous reports, there was a considerable number of general trading liabilities outstanding upon liquidation. The Company's former accounts team staff were retained by the joint liquidators, on behalf of the Company, as self-employed consultants, to finalise accounts and verify the liabilities due. All of these liabilities were settled in full on normal contractual payment terms and therefore are not included within the quantum of funds / claims outlined below.

A summary of unsecured claims received and agreed is set out below:

	As per DOS	Claims received in current period	Claims agreed in current period	Total claims agreed
Amount of claims (£)	2,816,000	-	-	443,415.40
Number of claims		-	-	43

All unsecured creditors have been paid in full.

The Company has a number of on-going contractual liabilities linked to terms of previous sales and development of land prior to the liquidation. A total of £155,686.95 has been paid by the liquidators during the period of the liquidation with regard to these contractual liabilities/obligations.

5. Distributions to members

5.1 Cash distributions

The following cash distributions have been made to members during the current period in respect of the classes of shares shown. Details of the cumulative amount of distributions to members are also included:

Deferred Ordinary Shares (£1 per share)		
Date paid	Amount paid per share £	Total amount of distribution £
29 December 2017	29.91	500,000
Paid in previous periods	1,777.36	29,710,410 ¹
Total	1,807.27	£30,210,410

¹ Shareholder loans balances due to the Company and the property known as Hamel's Mansion and Hamel's Estate were distributed in specie to two of the shareholders at values of £434,320 and respectively £2,270,000.

5.2 Distributions in Specie

No distributions in specie have been made within the period.

6. Liquidators' remuneration

The members resolved that the basis of the liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the liquidation.

The liquidators' time costs are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
31 December 2014 to 30 December 2015	1,601.70	467,699.50	291.98	430,181.25
31 December 2015 to 30 December 2016	1,060.20	330,406.75	311.65	339,315.25
31 December 2015 to 30 December 2016 (Adjustment)*	2.50	715.25	-	-
31 December 2016 to 30 December 2017	460.00	139,249.50	302.72	74,334.25
Total	3,124.40	938,071.00	300.24	843,830.75

*This reflects a small adjustment to the previous period due to certain time cost amendments not being appropriately reflected on our time recording systems.

Attached as Appendix II is a time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the liquidators and their staff in attending to matters arising in the liquidation. Details of work carried out in the period are also included in the appendix.

Attached as Appendix III is a cumulative time analysis for the period for 31 December 2014 to 30 December 2017 which provides details of the liquidators' time costs since appointment, a total of £843,830.75 has been drawn on account of these costs.

You will note that the joint liquidators have incurred sizeable time costs within the period. The majority of these costs relate to queries from HM Revenue & Customs on the Company's corporation tax affairs. This includes resolving queries on the final pre-liquidation return that included identification of additional assets, revaluation of certain assets and a terminal loss relief claim. In light of the revaluation of assets and subsequent disposal of these holdings, additional work and queries have been raised on the Company's post liquidation affairs. Certain work has also been undertaken resolving queries in respect of the Company's VAT affairs.

Resolving planning matters relating to residual land holdings and adoption of certain outstanding obligations have also required more involvement from the liquidators and their staff than envisaged. As these works are still ongoing the likely timeframe to conclude the liquidation has also increased.

As you will note from above, the joint liquidators have exceeded their previous estimate in light of this unforeseen work. As a result, going forward, the joint liquidators anticipate that their total time costs will now be £1,088,000. This will exceed our previous estimate of time costs provided in 2015 of £918,000 by an additional £170,000 taking in to account the additional costs already incurred and the envisaged future costs of circa £150,000 in finalising the liquidation. A narrative explanation of these future costs can be found in the 'Outstanding matters' section of this report.

Please note that this estimate is based on present information and may change due to unforeseen circumstances arising. Members will be advised accordingly and, if appropriate, approval sought prior to drawing any fees.

On a general note, members should be aware that some of the work is required by statute and may not necessarily provide any financial benefit such as obtaining tax clearance and filing statutory returns with the Registrar of Companies.

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at Appendix IV.

A copy of 'A Member's Guide to Liquidators' Fees in a Members' Voluntary Liquidation' is attached as Appendix V for reference.

6.1 Smith & Williamson Employee Benefit Consultants, a division of Smith & Williamson Financial Services Limited (S&WFS)

Payments to parties in which the liquidators or their firm have an interest must be disclosed to and approved by members.

S&WFS, a company associated with Smith & Williamson LLP, has dealt with the Company's pension affairs.

S&WFS was instructed to assist with the Company's pension affairs prior to liquidation by the Company, and their remuneration was established in their engagement letter of the 13th December 2014. These terms were subsequently ratified within the liquidation at a meeting of the Company's members by correspondence on 18th September 2015. S&WFS' time costs are technically due from the Company's pension scheme but the Company, being the principle employer, is also liable for these costs.

Detailed below is a breakdown of the S&WFS' fees for the period covered by this report and for the liquidation as a whole to date. Due to there being two separate pension schemes, S&WFS' fees are reported separately.

Executive Pension Scheme:

Period	Costs incurred	Fees drawn
	£	£
31 December 2014 - 30 December 2015	9,815.00	-
31 December 2015 - 30 December 2016	4,257.50	14,072.50
31 December 2016 - 30 December 2017	Nil	Nil
Total	14,072.50	14,072.50

Employee Scheme - Leach Pension Scheme Limited:

Period	Costs incurred	Fees drawn
	£	£
8 December 2014 - 30 December 2014	8,505.00	-
31 December 2014 - 30 December 2015	132,927.75	127,661.50
31 December 2015 - 30 December 2016	20,955.00	34,726.25
31 December 2016 - 30 December 2017	7,727.25	7,727.25
Total	162,387.75	162,387.75

S&WCF, a company associated with Smith & Williamson LLP, has also assisted the Company leading up to the liquidation. The basis of their remuneration was established in their engagement letters of the 31st May 2012 and 7th November 2012.

These terms were subsequently ratified within the liquidation at a meeting of the Company's members by correspondence held on 18th September 2015. A breakdown of the fees settled within the period in respect of S&WCF's costs are detailed below.

S&WCF Advice:

Period	Costs incurred £	Fees drawn £
28 November 2014 - 30 December 2014	22,932.58	22,932.58
31 December 2014 - 30 December 2015	536.00	536.00
31 December 2015 - 30 December 2016	Nil	Nil
31 December 2016 - 30 December 2017	Nil	Nil
Total	23,468.58	23,468.58

7. Liquidation expenses

7.1 Professional advisers

On this assignment we have used the professional advisers listed below. Only the advisers marked by (*) were instructed on behalf of the Company by the joint liquidators and these parties were instructed on a time cost basis based on the joint liquidators' knowledge of their expertise. The basis of the fee arrangements with the other parties listed were established by the executive team prior to their departure but all are / were subject to review on a regular basis by the joint liquidators.

Name of professional adviser	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £
Pension Professional Fees			
PKF Cooper Parry LLP	29,750.00	5,000.00	24,750.00
Hewitsons LLP	1,560.00	1,560.00	Nil
PPF Levy	56.00	635.00	Nil
2020 Trustees Ltd	35,762.50	10,762.50	25,000.00
Agents/Valuers Fees			
Cushman & Wakefield* ²	21,670.47	16,361.67	11,825.00
Legal Fees			
Farrer & Co LLP*	28,762.00	23,415.50	10,101.50
HRJ Foreman Laws	690.00	690.00	Nil
Total	118,250.97	58,424.67	71,676.50

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

² Cushman & Wakefield have instructed a number of sub-contractors on behalf of the Company within the period, including: ADAS, Boyer, Graham Handley, Martin and Wicksteed Playgrounds, amongst others, and these costs are included in this sub-contractors costs.

7.2 Subcontractors

We have utilised the services of the following subcontractors during the current period:

Name of professional adviser	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £
Property Expenses			
Shelton Building & Maintenance Ltd	5,280.00	4,400.00	880.00
Consultants ³	3,064.75	3,064.75	Nil
Consultants' expenses	116.00	116.00	Nil
Trevor Jones Partnership LLP	1,250.00	1,250.00	Nil
Total	9,710.75	8,830.75	880.00

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

7.3 Liquidators' disbursements

We have paid and/or incurred the following disbursements in the current period:

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Company / Land Registry searches	93.00	111.00	18.00
Postage / Couriers	77.10	58.10	77.10
Storage Costs	2,728.60	1,651.16	1,077.44
Travel	16.90	Nil	16.90
Total	4,392.50	4,298.40	94.10

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

7.4 Category 2 disbursements

There were no Category 2 disbursements incurred and/or paid in the current period.

Approval to recover Category 2 disbursements was given at the general meeting of the Company's members held on 31st December 2015.

7.5 Policies regarding use of third parties and disbursement recovery

Appendix IV provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of disbursements.

³ A number of the Company's former staff were engaged as consultants by the joint liquidators on behalf of the Company to assist with the winding down of the Company's business affairs

8. Outstanding matters

As detailed in section six of this report the joint liquidators anticipate the future costs to be in the region of £150,000. Please note that this estimate is based on present information and may change due to unforeseen circumstances arising.

The remaining actions to be concluded in the liquidation are as follows:

- Sale/distribution in specie of residual properties;
- Finalising the Company's obligations under various option, promotion and development agreements;
- Finalising the Company's outstanding obligations in respect of on-going contractual obligations (some only envisaged to be finalised in 2020/2021)
- Realisation of outstanding debtors or deferred receipts;
- Recovery in respect of a corporation tax terminal loss relief claim, and subsequently obtaining tax clearance;
- Finalising all practical and procedural issues as referred to in this report; and
- Closure of the liquidation, including declaring final distributions and preparing and issuing a final report

On a general note, members should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to them, such as obtaining tax clearance and filing statutory returns with the Registrar of Companies.

9. Members' rights

Within 21 days of the receipt of this report, members with at least 5% of the total voting rights of all members having the right to vote at general meetings of the Company or otherwise with the court's permission may request in writing that the liquidators provide further information about their remuneration or expenses which have been itemised in this report.

Any members with at least 10% of the total voting rights of all members having the right to vote at general meetings of the Company or otherwise with the court's permission may within 8 weeks of receipt of this 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 (including any paid) by the liquidators, as set out in this report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Finbarr Thomas O'Connell or Mark Christopher Ford in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

i) Email: ip.complaints@insolvency.gsi.gov.uk

ii) Telephone number: +44 300 678 0015

iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

10. Next report

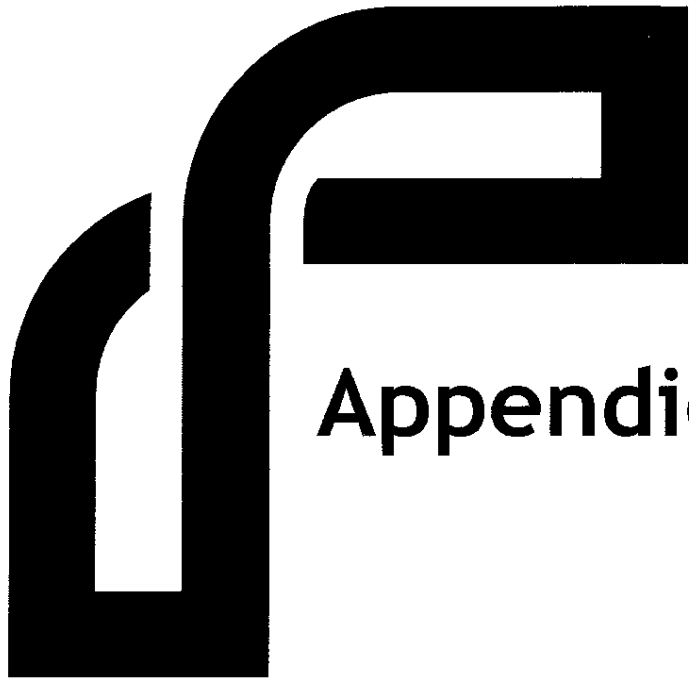
We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation unless we have concluded matters prior to this, in which case we will write to all members with our final progress report.



Finbarr Thomas O'Connell and Mark Christopher Ford

Joint Liquidators

Date: 26 February 2018



Appendices

I Receipts and payments account

Winding down affairs account to 30 December 2017

Declaration of Solvency £	From 31/12/2016 To 30/12/2017 £	From 31/12/2014 To 30/12/2017 £
OTHER DIRECT COSTS		
Consultants	3,064.75	552,124.11
Consultants Expenses	1,366.00	75,629.99
	(4,430.75)	(627,754.10)
CLOSING EXPENDITURE		
Heat & Light	NIL	7,308.60
Telephone	14,601.13	42,381.82
Insurance	NIL	206.04
Professional Fees	NIL	100.00
Hire of Equipment	NIL	3,430.93
Repairs & Maintenance	NIL	10,735.33
Sundry Expenses	NIL	2,074.79
Vehicle Running Costs	NIL	2,682.56
Stationery	NIL	225.07
Equipment Acquisition	NIL	3,500.00
IT Systems and Migration	NIL	167,619.82
	(14,601.13)	(240,264.96)
WINDING DOWN COSTS	(19,031.88)	(868,019.06)

Receipts and payments account to 30 December 2017

Declaration of Solvency £		From 31/12/2016 To 30/12/2017 £	From 31/12/2014 To 30/12/2017 £
	ASSET REALISATIONS		
5,986,000.00	Freehold / Investment Properties - Total	NIL	6,444,830.64
	83 Bridge Road East	NIL	2,202,362.64
	Hamels Mansion	NIL	2,100,000.00
	Hamels Estate	NIL	170,000.00
	Neighbourhood Centre, Emperors Gate	NIL	750,000.00
	7,7a & 8 East Street Ware	NIL	170,000.00
	Byron Court	NIL	134,000.00
	Ground Rent Portfolio	NIL	481,468.00
	Various Garages	NIL	410,000.00
	Rump Strips	NIL	27,000.00
NIL	Land Stock - Total	NIL	1,050,000.00
	Land at Harlow	NIL	400,000.00
	Land at Hoddesden	NIL	650,000.00
2,471,000.00	Land Development / WIP - Total	NIL	2,232,750.00
	Wixams	NIL	351,250.00
	Kennett Park	NIL	1,463,500.00
	Plot 71 Tylers Close	NIL	368,000.00
	Plot 51 Meridan Park	NIL	50,000.00
635,000.00	Strategic Properties - Total	NIL	350,000.00
	10 Garden Walk	NIL	350,000.00
5,000.00	Fixtures & Fittings - Total	NIL	16,020.13
	Hamels Equipment	NIL	7,020.13
	Kennett Park - Site Equipment	NIL	9,000.00
5,000.00	Motor Vehicles	NIL	7,800.00
	Site Stock	NIL	1,250.00
7,706,000.00	Debtors - Total	NIL	7,100,608.18
	HCL PF Ltd	NIL	5,819,491.34
	Leach Lewis Ltd	NIL	500,000.00
	Leach Lewis Rubber Trucks Ltd	NIL	341,847.25
	Ground Rent	NIL	4,949.59
	Shareholder Loans	NIL	434,320.00
8,020,000.00	Shares & Investments - Total	NIL	2,325,239.75
	Swanfield (Hamels) Ltd	NIL	1,452,686.50
	Swanfield (Hamels) Ltd - HCL (NT) Ltd	NIL	404,875.00
	Re HCL (High Leigh) Ltd	NIL	467,678.25
	Ground Rent Income - Total	NIL	245,318.32
	Ground Rent	NIL	125,768.32
	Lease Extensions	NIL	119,550.00
	Rental Property - Total	NIL	429,907.26
	Income	NIL	29,907.26
	11 Fieldings Road - Beneficial Interest	NIL	400,000.00
	VAT Refund	NIL	6,471.21
	Insurance Refund	NIL	4,613.19

Receipts and payments account to 30 December 2017 - continued

Declaration of Solvency		From 31/12/2016 To 30/12/2017	From 31/12/2014 To 30/12/2017
£		£	£
18,440,000.00	Cash at Bank	NIL	17,982,048.83
	Petty Cash On Site	NIL	471.49
	Office Supplies	NIL	514.05
	Bank Interest Gross	1,025.13	64,639.92
	Legal Costs Refunds	NIL	352.60
	Property Rights - Deed Grant of Easement	10.00	14,010.00
	Property Refunds - Tax, Rates, Utilities	NIL	4,289.32
	Winding Down Costs	(19,031.88)	(868,019.06)
	Suspense Account	138.96	3,510.54
	Contractual Obligations Refunds	NIL	20,404.11
	Land Rights Realisations	NIL	10.00
	Third Party Refunds	NIL	457.27
	Refunds - Miscellaneous	NIL	3,647.72
		(17,857.79)	37,441,145.47
	COST OF REALISATIONS		
	Land Promotion Costs	500.00	36,703.00
	Site Ongoing Contractual Obligations	NIL	155,686.95
	Specific Bond	NIL	140.00
	Subsidiary Costings	163.00	1,128.00
	Joint Liquidators Pre Liquidation Fees	NIL	52,640.50
	Liquidators Fees	74,334.25	843,830.75
	Liquidators Expenses	NIL	1,782.90
	Professional Fees (Pension Policy) - Total	25,684.75	417,265.69
	<i>Other Professionals</i>	17,957.50	229,478.19
	<i>S&W Financial Services Ltd</i>	7,727.25	187,787.50
	Smith & Williamson Group Fees	NIL	536.00
	Agents/Valuers Fees	16,361.67	465,920.89
	Agents/Valuers Expenses	NIL	1,189.52
	Legal Fees	24,105.50	278,617.99
	Legal Expenses	303.80	5,775.88
	Irrecoverable VAT	1,030.00	6,930.30
	Property Agents - Management Fees	NIL	12,350.85
	Internet ,Telephone & Fax	NIL	190.00
	Stationery & Postage	58.10	1,359.80
	Land & Company Searches	111.00	387.36
	Clearance / Storage Costs	1,651.16	15,363.23
	Re-Direction of Mail	NIL	780.00
	Statutory Advertising	NIL	332.00
	Future Rents and Rent Deposit Transfers	NIL	897.55
	Council Tax & Rates	NIL	17,107.80
	Other Property Expenses	5,354.76	35,141.62
	Insurance of Assets	3,025.00	42,779.53
	Petty Cash	NIL	(0.08)
	Bank Charges	488.77	4,591.76
	Funds held at Barclays (Sweep Acc)	(18,346.28)	91,750.25
		(134,825.48)	(2,491,180.04)

Receipts and payments account to 30 December 2017 - continued

Declaration of Solvency £		From 31/12/2016 To 30/12/2017 £	From 31/12/2014 To 30/12/2017 £
	UNSECURED CREDITORS		
(2,816,000.00)	Trade & Expense Creditors	NIL	606,218.48
(554,342.00)	Employees	NIL	76,135.03
	Employees Expenses	NIL	814.45
	NHBC Maintenance Obligations	NIL	278,756.68
(178,000.00)	Banks/Institutions	NIL	30.00
(18,000.00)	HM Revenue & Customs - Corporation	NIL	5,393.89
(42,000.00)	HM Revenue & Customs - PAYE/NIC	NIL	150,049.23
(34,000.00)	HM Revenue & Customs - VAT	NIL	NIL
(6,341,000.00)	Family / Inter Company Debts	NIL	NIL
	Contractual Agreements	NIL	1,283.00
		NIL	(1,118,680.76)
	DISTRIBUTIONS		
	Preferred Ordinary Shareholders	NIL	45,150.00
	Deffered Ordinary Shareholders	500,000.00	32,905,965.40
	Cash Distribution	500,000.00	27,940,410.40
	Hamels Mansion & Estate	NIL	2,270,000.00
	HCL (Nuns Triangle) Ltd Shares	NIL	404,875.00
	HCL (Investments) Ltd Shares	NIL	1,240,680.00
	HCL (Churchgate) Ltd Shares	NIL	400,000.00
	HCL (Hertford Road) Ltd Shares	NIL	650,000.00
		(500,000.00)	(32,951,115.40)
33,284,658.00		(652,683.27)	880,169.27
	REPRESENTED BY		
	VAT Receivable		58,914.54
	Clients Deposit (Int Bear)		821,236.82
			880,151.36

Notes and further information required by SIP 7

- No payments have been made to any Smith & Williamson entity from outside the estate.
- Details of significant expenses paid are provided in the body of our report.
- Information concerning the liquidators' remuneration and disbursements incurred is provided in the body of our report.
- Information concerning the ability to challenge the liquidators' remuneration and expenses of the liquidation is provided in our report.
- All bank accounts are interest bearing.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is shown as irrecoverable VAT.
- As detailed in the report, certain assets were distributed in specie.

II Time analysis

From 31 December 2016 to 30 December 2017

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner	Associate director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Administration and planning							£	£
Statutory returns, reports & meetings	2.20	0.00	7.40	5.65	0.00	15.25	4,437.00	290.95
Initial post-appointment notification letters, including creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Cashiering general, including bonding	0.40	0.00	0.00	7.70	0.00	8.10	1,490.00	183.95
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	5.35	0.35	0.00	1.55	0.00	7.25	2,791.50	385.03
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	21.65	0.00	97.50	1.00	0.00	120.15	41,900.00	348.73
Protection of company records (incl electronic)	0.00	0.00	1.50	0.00	0.00	1.50	525.00	350.00
Insurance & general asset protection	0.00	0.00	1.20	0.40	0.00	1.60	448.00	280.00
Traveling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Filing, file and information management	0.00	0.00	11.25	0.00	0.00	11.25	3,701.25	329.00
Pre-appointment non creditor tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Agents and advisers, general	0.00	0.00	19.55	0.45	0.00	20.00	6,607.75	330.39
Filing - Administration and planning	0.00	0.00	3.60	0.00	0.00	3.60	1,098.00	305.00
Director/manager review, approval and signing	1.85	0.00	0.50	1.20	0.00	3.55	1,362.75	383.87
Other	0.25	0.35	36.35	1.10	0.00	38.05	12,226.25	321.32
Realisation of assets								
Freehold Property (land and buildings)	0.50	0.00	0.00	0.70	0.00	1.20	396.50	330.42
Debtors not financed (includes reassigned debtors)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Stock	0.30	1.40	0.00	0.00	0.00	1.70	655.50	385.59
Other chattel assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Financed assets (only if equity otherwise creditors, incl HP and leasing)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Completion of work in progress	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Cash at Bank	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Liaising with agents (general)	0.00	0.00	15.55	0.00	0.00	15.55	5,006.00	321.93
Sale of assets-post completion matters	0.00	0.00	6.15	0.00	0.00	6.15	1,898.25	308.66
Filing - realisation of assets	0.00	0.00	0.00	0.70	0.00	0.70	154.00	220.00
Other	0.00	0.00	6.45	5.00	0.00	11.45	3,339.25	291.64
Winding down operations								
Winding down decision and day 1-3 operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Sales and customers	0.00	0.00	0.00	0.40	0.00	0.40	88.00	220.00
Purchasing/suppliers (not landlord)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Accounting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Insurances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Consultants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Premises issues (incl landlord and site clearance)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Health & Safety	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Shutdown or handover	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Director/manager review, approval and signing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Creditors								
Fixed charge creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Floating charge creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Employees & pension (other) (incl Jobcentre/CSA etc)	0.40	0.00	0.00	0.00	0.00	0.40	174.00	435.00
Crown (not RPO etc)	0.00	0.00	0.00	2.60	0.00	2.60	572.00	220.00
Unsecured creditors	9.00	2.15	17.70	0.35	0.00	29.20	10,999.00	376.68
Distributions for prefs and unsecured	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Director/manager review, approval and signing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Other	0.00	0.00	16.05	0.00	0.00	16.05	5,059.50	315.23
Shareholders in an MVL								
Shareholder general communications	0.00	5.25	0.20	0.00	0.00	5.45	2,029.75	372.43
Shareholder non-statutory reporting	0.00	0.00	19.60	0.00	0.00	19.60	6,232.25	317.97
Shareholder distributions	0.00	0.45	4.75	0.00	0.00	5.20	1,730.00	332.69
Director/manager review, approval and signing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Other	1.00	0.25	14.70	0.00	0.00	15.95	5,174.75	324.44
Corporate Tax								
Corporate Tax	0.00	0.00	48.70	49.40	0.00	98.10	19,153.25	195.24
Forensics								
Forensics	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total	42.90	10.20	328.70	78.20	0.00	460.00	£139,249.50	£302.72

Explanation of major work activities undertaken

Administration and Planning

This section of the analysis encompasses the cost of the liquidators and their staff in complying with their statutory obligations, internal compliance requirements, and all tax matters. This work includes the following:



- Protection of the Company's assets and records (including electronic).
- Dealing with routine correspondence.
- Dealing with agents on general appointment matters, not relating to the actual sale of assets but mainly relating to strategy planning and correspondence with advisers for update reports and shareholder enquiries.
- Protection of assets, including protection of contractual positions, although not specifically relating to asset realisations a considerable amount of time costs have been incurred implementing historic strategy and managing contractual obligations.
- Maintaining physical case files and electronics case details on IPS (case management software).
- Case reviews (including 6 month reviews).
- Case bordereau and reviews.
- Case planning, administration, and general case progression, including adjustments in liquidators' strategy.
- Preparing reports to stakeholders.
- Maintaining and managing the liquidators' cash book and bank accounts.
- Ensuring statutory lodgements and tax lodgements obligations are met.
- Submitting VAT returns and Corporation Tax returns (when due) and dealing with significant queries from HM Revenue & Customs on both Corporation Tax and VAT returns
- Working with Executive team resolving queries relating to historic company matters, and work relating to costing provisions and estimated outcome analysis. This represents a major proportion of the time incurred under the sub-heading "other".

Realisation of assets

This section is in relation to the realisation of the Company's assets, which is explained in detail through the contents of our report. A significant amount of time was spent in relation to the sale planning. Some of these time costs may also be allocated to communications with shareholders. The work generally includes the following:

- Discussions with our legal advisors in respect of the sales documentation and in relation to tax matters.
- Discussions with our sales agents including in respect of the most appropriate sales strategy.
- Liaising with the parties following the disposals of freehold and leasehold properties.
- A considerable amount of time relates to liaising with property and planning agents, dealing with such issues as:
 - Contractual obligations.
 - S106 and s38 Obligations; and
 - Property planning, and project costing requirements.
 Some have this time as not specially relating to asset realisations has been coded with "Administration and planning".
- Sourcing information necessary for the tax enquiries on asset disposals / tax planning.
- Insurance of the assets, and claims under policies if required.

Winding down of operations

The Company ceased trading on the date of liquidation, as such certain trading matters needed to be finalised in the liquidation. Detailed below is a breakdown of time spent in winding down of operations within the period:

- Premises issues relating to the Company's former NHBC obligations.

Creditors

Work under this section includes correspondence and other contact with the creditors of the Company. The work includes the following:

- Dealing with creditor correspondence via email and telephone.
- Maintaining creditors' information on IPS.
- Dealing with queries on pre liquidation tax filings and adjudication of claims.

- Overseeing the management of the finalisation of the Company's pension scheme position.
- A considerable amount of time has incurred managing contingent and contractual liabilities that relate to the mitigation and management of future claims against the Company. Most of this work overlaps with liaising with agents on s106 and s38 agreements.

Shareholders

Work under this section includes correspondence and other contact with the shareholders of the Company. The work includes the following:

- Shareholder communications; including non-statutory reporting (strategy update reports).
- Asset disposal strategy discussions.
- Shareholder outcome statements.
- Shareholder distributions.
- Filing.
- Distribution reviews, and approval.

III Cumulative time analysis

From 31 December 2014 to 30 December 2017

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner	Associate director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Administration and planning							£	£
Statutory returns, reports & meetings	3 20	0 75	26 65	7 00	0 00	37 60	10,902 00	289.95
Initial post-appointment notification letters, including creditors	0 50	0 00	3 35	0 60	2 00	6 45	1,460 75	226.47
Cashiering general, including bonding	0 40	0 20	0 00	141 45	0 00	142 05	23,443 75	165.04
Job planning, reviews and progression (incl 6 month reviews and planning meetings, checklist & diary)	20 10	11 65	20 55	6 85	0 00	59 15	21,020 50	355.38
Post-appointment taxation (VAT, PAYE/NIC Corp Tax that are not trading related)	24 65	3 80	189 00	1 10	0 00	218 55	70,943 50	324.61
Protection of company records (incl electronic)	0 00	0 00	5 30	3 00	0 00	8 30	2 208 00	266.02
Insurance & general asset protection	0 00	0 00	58.60	4 40	0 00	63 00	17,629 50	279.83
Travelling	0 00	3 00	21 20	10 50	0 00	34 70	8,847.00	254.96
Filing, file and information management	0 00	0 45	44 95	0 00	0 25	45 65	13,739 50	300.97
Pre-appointment non creditor tax	0 00	0 00	2 50	0 00	0 00	2 50	712 50	285.00
Agents and advisers, general	0 00	0 25	213.85	0 45	0 00	214 55	62,395 00	290.82
Filing - Administration and planning	0 00	0 00	15 55	0 00	1 00	16 55	4,588 75	277.27
Director/Manager review, approval and signing	31 75	0 00	7 20	18 60	0 00	57 55	21,447 50	372.68
Other	23 50	2 50	416 80	4 95	0 25	448 00	133,974 75	299.05
Realisation of assets								
Freehold Property (land and buildings)	2 00	10 85	0 00	9 55	0 00	22 40	6,518 25	290.99
Debtors not financed (includes reassigned debtors)	0 00	3.45	2 15	0 45	0 00	6 05	1,971 75	325.91
Stock	1 30	8.95	0 00	0 00	0 00	10 25	3,929 00	383.32
Other chattel assets	0 00	0 00	0 85	0 10	0 00	0 95	257 25	270.79
Financed assets (only if equity otherwise creditors, incl HP and leasing)	0 00	1 65	0 00	0 00	0 00	1 65	618 75	375.00
Completion of work in progress	0 00	0 00	1 50	0 00	0 00	1 50	427 50	285.00
Cash at Bank	0 00	0 00	1.45	0 00	0 00	1 45	413 25	285.00
Liaising with agents (general)	11 70	0 00	189 70	0 25	0 00	201 65	60,203 00	298.55
Sale of assets post completion matters	24 25	0 00	75 80	0 10	0 00	100 15	33,649.75	335.99
Filing - realisation of assets	0 00	0 00	0 00	0 70	0 00	0 70	154 00	220.00
Other	25 25	0 90	69.70	6 40	0 00	102 25	34,051 00	333.02
Winding down operations								
Winding down decision and day 1-3 operations	0 00	2 35	0 00	0 00	0 00	2 35	869 50	370.00
Sales and customers	0 00	1 20	0 00	0 40	0 00	1 60	532 00	332.50
Purchasing/suppliers (not landlord)	0 50	0 75	55 85	0 00	0 00	57 10	16,434 75	287.82
Accounting	0 00	0 25	19.20	0 00	0 00	19 45	5,564 50	286.09
Insurances	0 00	0 00	2.40	0 00	0 00	2 40	684.00	285.00
Consultants	0 00	4 80	1 10	0 00	0 00	5 90	2,089.50	354.15
Premises issues (incl landlord and site clearance)	0 00	10 70	10 50	0 00	0 00	21 20	6,957 75	328.20
Health & Safety	0 00	0 00	1 10	0 00	0 00	1 10	313 50	285.00
Shutdown of handover	0 00	0 75	56 60	0 00	0 00	57 35	16,408 50	286.11
Director/Manager review, approval and signing	1 65	0 00	0 20	0 00	0 00	1 85	849 00	458.92
Other	0 00	1 75	75 20	0 75	0 00	77 70	22,203 25	285.76
Creditors								
Fixed charge creditors	0 00	0 35	0 00	0 00	0 00	0 35	129 50	370.00
Floating charge creditors	0 00	0 00	0 00	1 00	0 00	1 00	160 00	160.00
Employees & pension (other) (incl Jobcentre/CSA etc)	2 15	2 25	11.90	0 15	0 00	16 45	5,293.00	321.76
Crown (not RPD etc)	0 00	0 00	8.45	2 60	0 00	11 05	2,980 25	269.71
Unsecured creditors	14.00	55 95	182.40	20 90	0 25	273 50	83,559 25	305.52
Distributions for prefs and unsecured	0 00	0 00	1 25	15 05	0 75	17 05	2,916 75	171.07
Director/Manager review, approval and signing	0 00	0 00	5 20	0 05	0 00	5 25	1,493 50	284.48
Other	0 00	10 55	118 60	2 65	0 00	131 80	38,851 75	294.78
Shareholders in an MVL								
Shareholder general communications	13 25	35.65	23 30	0 15	0 00	72 35	26,323 00	363.83
Shareholder non-statutory reporting	6 75	35 65	141 50	0 00	0 00	183 90	57,678 25	313.64
Shareholder distributions	25 00	55 25	33 65	2 80	0 00	116 70	42,880 50	367.44
Director/Manager review, approval and signing	0 00	0 00	0 50	0 65	0 00	1 15	272 50	236.96
Other	2 50	6 95	62 20	0 00	0 00	71 65	21,948 00	306.32
Corporate Tax								
Corporate Tax	30 20	0 00	90 00	49 40	0 00	169 60	44,882 00	264.63
Forensics								
Forensics	0 00	0 00	0 00	1 00	0 00	1 00	290 00	290.00
Total	264.60	273.55	2,267 75	314 00	4 50	3,124.40	£938,071 00	£300 24



Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner	Associate director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Pre-Appointment								
AML Conflict & ethics checks, engagement letters	0 00	4 05	1 85	0 60	0 00	6 50	2,145.75	330.12
Initial meetings	0 00	2 25	4 00	0 00	0 00	6 25	1,972.50	315.60
Company searches and background checks	0 00	1 45	0 00	0 00	0 00	1 45	536.50	370.00
General advisory work insolvent	0 00	28 45	3 25	0 00	0 00	31 70	11,452.75	361.79
Appointment formalities	0 00	0 00	0 95	0 00	0 00	0 95	270.75	285.00
Preparation of pre appointment documents	0 00	3 90	9 00	0 00	0 00	12 90	4,068.00	310.70
Creditors' (inc EE's) queries	0 00	0 00	0 85	0 00	0 00	0 85	242.25	285.00
Job planning	5 75	5 65	26 90	0 00	0 00	38 30	12,517.00	326.81
File and information management	0 00	0 00	13 35	0 00	0 00	13 35	3,804.75	285.00
Asset protection	0 00	0 00	2 05	0 00	0 00	2 05	584.25	285.00
Other	8 50	1 65	36 30	0 35	0 00	46 80	15,106.00	322.78
Total	14 25	47 40	98 50	0 95	0 00	161 10	£52,640.50	£326.76

Explanation of major work activities undertaken

Administration and Planning

This section of the analysis encompasses the cost of the liquidators and their staff in complying with their statutory obligations, internal compliance requirements, and all tax matters. This work includes the following:

- Preparing the documentation and dealing with the formalities of appointment.
- Statutory notifications and advertising.
- Protection of the Company's assets and records (including electronic).
- Dealing with routine correspondence.
- Dealing with agents on general appointment matters, not relating to the actual sale of assets but mainly relating to strategy planning and correspondence with advisers for update reports and shareholder enquiries.
- Protection of assets, including protection of contractual positions, although not specifically relating to asset realisations a considerable amount of time costs have been incurred implementing historic strategy and managing contractual obligations.
- Maintaining physical case files and electronics case details on IPS (case management software).
- Case reviews (including 6 month reviews).
- Case bordereau and reviews.
- Case planning, administration, and general case progression, including adjustments in liquidators' strategy.
- Preparing reports to stakeholders.
- Maintaining and managing the liquidators' cash book and bank accounts.
- Ensuring statutory lodgements and tax lodgements obligations are met.
- Submitting VAT returns and Corporation Tax returns (when due).
- Dealing client identification and internal Smith & Williamson LLP compliance requirements.
- Working with Executive team resolving queries relating to historic company matters, and work relating to costing provisions and estimated outcome analysis. This represents a major proportion of the time incurred under the sub-heading "other".

Realisation of assets

This section is in relation to the realisation of the Company's assets, which is explained in detail through the contents of our report. A significant amount of time was spent in relation to the sale planning. Some of these time costs may also be allocated to communications with shareholders. The work generally includes the following:

- Sales negotiations, including sales contract negotiations and drafting.
- Discussions with our legal advisors in respect of the sales documentation and in relation to tax matters.
- Discussions with our sales agents including in respect of the most appropriate sales strategy to conclude sales as soon as reasonably practicable.

- Liaising with the interested parties and prospective purchasers.
- A Considerable amount of time relates to liaising with property and planning agents, dealing with such issues as:
 - Contractual obligations.
 - S106 and s38 Obligations;
 - Promotion and land option obligations;
 - Ground rent portfolios; and

Property planning, and project costing requirements. Some have this time as not specially relating to asset realisations has been coded with “Administration and planning”.

- Sourcing information necessary for the tax enquiries on asset disposals / tax planning.
- Insurance of the assets, and claims under policies if required.
- Miscellaneous asset realisation (i.e. cash at bank), outlined in the contents of the report.
- Dealing with certain VAT and tax matters relating to the sales processes. This includes sourcing certain records (which were not available at the time of the sale).
- Working with Executive team resolving queries relating to sales just prior to liquidation, and work relating to Heads of Terms / various contracts. This represents a major proportion of the time incurred under the sub-heading “other” and “liaising with agents”.

Winding down of operations

The Company ceased trading on the date of liquidation, as such certain trading matters needed to be finalised in the liquidation. Detailed below is a breakdown of time spent in winding down of operations:

- Management of the organised shutdown or handover of business.
- Premises issues, mainly relating to Hamel’s Mansion.
- Creditor / Supplier payments including consultant’s costings.
- Overseeing the 3 month wind down of the Company’s affairs, including the oversight of creditor validation work.
- Site visit to premises, management / oversight on consultant’s operations.
- Maintaining obligations to homeowners subject to the Company’s obligations under Buildmark and customer warranties. Resolving issues relating to suppliers/homeowners and liaising with consultants over resolving such issues represents a major proportion of the time incurred under the sub-heading “other” and “liaising with agents”.

Creditors

Work under this section includes correspondence and other contact with the creditors of the Company. The work includes the following:

- Dealing with creditor correspondence via email and telephone.
- Maintaining creditors’ information on IPS.
- Submission of pre liquidation tax filings and subsequent adjudication of claims.
- Overseeing the management of the finalisation of the Company’s pension scheme position.
- Adjudicating of creditor claims including matters of retention releases.
- Distributions to various categories of creditors.
- A considerable amount of time has incurred managing contingent and contractual liabilities, that relates to the mitigation and management of future claims against the Company. Most of this work overlaps with liaising with agents on s106 and s38 agreements, and resolving promotion agreement duties and fulfilling contractual duties on completed site.

Shareholders

Work under this section includes correspondence and other contact with the shareholders of the Company. The work includes the following:

- Shareholder communications; including non-statutory reporting (strategy update reports).

- Asset disposal strategy discussions.
- Shareholder distributions in specie.
- Shareholder outcome statements.
- Shareholder distributions.
- Filing.
- Distribution reviews, and approval.

Pre-Appointment

This section includes matters leading up to the appointment of liquidators. The work includes the following:

- Dealing with client identification and internal Smith & Williamson LLP compliance requirements.
- Discussions/meetings with the directors and shareholders of the Company regarding the proposed liquidation and the logistics of appointment.
- Reviewing the trading information provided by existing management and staff.
- Monitoring winding down of trading activities including site visits and cessation advice.
- Assisting with the management of an organised shutdown of business.
- Preparation of appointment documents, including assisting the directors of the Company with the production of the Declaration of Solvency.
- Internal strategy and planning meetings regarding the logistics of liquidators' appointment.
- Establishment of final trading accounts for the business.
- Liaising with various parties on the establishment of the value of the Company's property.
- Liaising with tax advisers and Smith & Williamson tax department to establish any possible pre appointment corporation tax liability.
- Establishment of indemnity and unsecured loan documentation for the shareholders.
- Preparation of initial statutory appointment notifications to be issued immediately upon appointment.

IV Staffing, charging, subcontractor and adviser policies and charge out rates

Introduction

Detailed below are:

- Smith & Williamson LLP's policy in relation to:
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Disbursement recovery
- Smith & Williamson LLP's current charge out rates

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director as joint office holders, 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. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add value to the assignment.

Disbursements

Category 1 disbursements do not require approval by members. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise 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.

Category 2 disbursements do require approval from members. 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.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 disbursement, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are

45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 disbursements.

Details of any Category 2 disbursements incurred and/or recovered in the period covered by this report are set out in the body of this report.

Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to members at the time the basis of the liquidators' remuneration was approved.

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2017.

Smith & Williamson LLP			London		Regional	
Restructuring & Recovery Services			office		offices	
Charge out rates			£/hr		£/hr	
	From 1/7/14	From 1/7/15	From 1/7/16	From 1/7/14	From 1/7/15	From 1/7/16
Partner / Director (from 1 January 2016)	480	425-480	435-485	350	350	350-375
Associate Director	370	370	370-380	295-325	295-300	295-305
Managers	235-310	235-310	235-315	190-290	190-290	190-290
Other professional staff	150-235	150-235	150-235	120-175	120-175	120-175
Support & secretarial staff	85	85	85-90	60-135	60-135	60-135

Smith & Williamson LLP		London office		Regional	
Restructuring & Recovery Services		£/hr		offices	
Charge out rates as at 1 July 2017		£/hr		£/hr	
Partner / Director		435-500		350-375	
Associate Director		390-410		295-315	
Managers		250-350		190-310	
Other professional staff		160-305		120-180	
Support & secretarial staff		80-170		60-135	

Notes

1. Time is recorded in units representing 3 minutes or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. The cashiering function time is incorporated within "Other professional staff" rates.

V Member's guide to liquidators' fees in a members' voluntary liquidation

PAYMENTS TO INSOLVENCY OFFICE HOLDERS AND THEIR ASSOCIATES

INTRODUCTION

When a company goes into members' voluntary (solvent) liquidation ("MVL") the costs of the proceedings may be paid out of its assets. The members, who hope to receive a capital distribution out of the assets, therefore, have a direct interest in the level of costs and, in particular, the remuneration of the insolvency practitioner appointed to act as liquidator. The insolvency legislation recognises this interest by providing mechanisms for members to fix the basis of the liquidator's fees. This guide is intended to help members be aware of their rights to approve and monitor fees and explains the basis on which fees are fixed.

The basis for fixing the liquidator's remuneration in an MVL was set out in Rule 4.148A of the Insolvency Rules 1986 (IR86). Whilst these rules have been subsequently revoked by the Insolvency (England and Wales) Rules 2016, as Rule 4.148A of IR86 was the relevant legislation at the time of the establishment of the liquidators' fees it still applies to this case, until the nature or basis of such fees are subsequently altered.

Rule 4.148A of IR86 states that the remuneration shall be fixed either:

- as a percentage of the value of the assets which are realised or distributed or both, or
- by reference to the time properly given by the liquidator and his staff in attending to matters arising in the liquidation, or
- as a set amount

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the liquidator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the liquidator.

The particular nature of an insolvency office holder's position renders transparency and fairness in all dealings of primary importance. Members and other interested parties with a financial interest in the level of payments from an estate should be confident that the rules relating to charging have been properly complied with.

"other interested parties" means those parties with rights pursuant to the prevailing insolvency legislation to information about the office holder's receipts and payments. This will include a liquidation committee and/or the members (members).

PRINCIPLES

Payments to an office holder or his or her associates should be appropriate, reasonable and commensurate reflections of the work necessarily and properly undertaken.

Those responsible for approving the basis or bases upon which payments to an office holder are to be calculated should be provided with sufficient information to make an informed judgement about the reasonableness of the office holder's requests.

Requests for additional information about payments to an office holder or his or her associates should be viewed upon their individual merits and treated by an office holder in a fair and reasonable way. The provision of additional information should be proportionate to the circumstances of the case.

KEY COMPLIANCE STANDARDS

PROVISIONS OF GENERAL APPLICATION

The information provided and the way in which the approval of payments to insolvency office holders and their associates for remuneration is sought should enable creditors and other interested parties to exercise properly their rights under the insolvency legislation.

An office holder should disclose:

- a) payments, remuneration and expenses arising from an insolvency appointment to the office holder or his or her associates;
- b) any business or personal relationships with parties responsible for approving his or her remuneration or who provide services to the office holder in respect of the insolvency appointment where the relationship could give rise to a conflict of interest.

An office holder should inform members and other interested parties of their rights under insolvency legislation. Information on how to find a suitable explanatory note setting out the rights of members should be given in the first communication with members following appointment and in each subsequent report to members.

SUGGESTED FORMAT

A suggested format for the provision of information is in the note to Appendix V, including the suggested levels at which the provision of further information may be appropriate.

PROVISION OF INFORMATION WHEN FIXING THE BASES OF REMUNERATION

When seeking approval for the basis or bases of remuneration, an office holder should provide sufficient supporting information to enable the approving body, having regard to all the circumstances of the case, to make an informed judgement as to whether the basis or bases sought is/are appropriate. The nature and extent of the information provided will depend on the stage during the conduct of the case at which approval is being sought.

If any part of the remuneration is sought on a time costs basis, an office holder should provide details of the minimum time units used and current charge-out rates, split by grades of staff, of those people who have been or who are likely to be involved in the time costs aspects of the case.

An office holder should also provide details and the cost of any work that has been or is intended to be subcontracted out that could otherwise be carried out by the office holder or his or her staff.

If work has already been carried out, an office holder should state the proposed charge for the period to date and provide an explanation of what has been achieved in the period and how it was achieved, sufficient to enable the progress of the case to be assessed and whether the proposed charge is reasonable in the circumstances of the case. Where the proposed charge is calculated on a time costs basis, the office holder should disclose the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. An office holder should also provide details and the cost of any work that has been subcontracted out that could otherwise be carried out by the office holder or his or her staff.

PROVISION OF INFORMATION AFTER THE BASES OF REMUNERATION HAVE BEEN FIXED

The requirements in this section are in addition to reporting requirements under insolvency legislation.

When reporting periodically to members, an office holder should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed. Members should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the office holder must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate).

Where any remuneration is on a time costs basis, an office holder should disclose the charge in respect of the period, the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity.

If there have been any changes to the charge-out rates during the period under review, rates should be disclosed by grades of staff, split by the periods applicable.

An office holder should also provide details and the cost of any work that has been subcontracted out that could otherwise be carried out by the office holder or his or her staff.

DISBURSEMENTS

Costs met by and reimbursed to an office holder in connection with an insolvency appointment should be appropriate and reasonable. Such costs will fall into two categories:

- a) Category 1 disbursements: These 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, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the office holder or his or her staff.
- b) 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 1 disbursements can be drawn without prior approval, although an office holder should be prepared to disclose information about them in the same way as any other expenses.

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration. When seeking approval, an office holder should explain, for each category of expense, the basis on which the charge is being made.

The following are not permissible:

- a) a charge calculated as a percentage of remuneration;
- b) an administration fee or charge additional to an office holder's remuneration;
- c) recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges.

If an office holder has obtained approval for the basis of category 2 disbursements, that basis may continue to be used in a sequential appointment where further approval of the basis of remuneration is not required, or where the office holder is replaced.

PRE-APPOINTMENT COSTS

When approval is sought for the payment of outstanding costs incurred prior to an office holder's appointment, disclosure should follow the principles and standards contained in this statement.

PAYMENTS TO ASSOCIATES

Where services are provided from within the practice or by a party with whom the practice, or an individual within the practice, has a business or personal relationship, an office holder should take particular care to ensure that the best value and service is being provided. An office holder should also have regard to relationships where the practice is held out to be part of a national or international association.

Payments that could reasonably be perceived as presenting a threat to the office holder's objectivity by virtue of a professional or personal relationship should not be made unless approved in the same manner as an office holder's remuneration or category 2 disbursements.

PROVISION OF INFORMATION TO SUCCESSIVE OFFICE HOLDERS

When an office holder's appointment is followed by the appointment of another insolvency practitioner, whether or not in the same proceedings, the prior office holder should provide the successor with information in accordance with the principles and standards contained in this statement.

PROVISION OF INFORMATION TO INTERESTED PARTIES

Where a company is in members' voluntary liquidation, realisations will be sufficient for payment to creditors in full with interest and the creditors will not have the principal financial interest in the level of remuneration. An office holder should provide the beneficiaries of the anticipated surplus, on request, with information in accordance with the principles and standards contained in this statement.

If a member believes that the remuneration charged by the liquidator is too high, the basis of his remuneration is inappropriate, or the expenses incurred by the liquidator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court.

Application may be made to the court by any member, provided the member (or members) making the application hold at least 10% of the total voting rights of all the members having the right to vote at general

meetings, or they have the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the liquidator a copy of the application and supporting evidence at least 14 days before the hearing.

If the court considers the application well founded, it may order that the amount of remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not out of the assets of the company.

If the liquidator considers that the remuneration fixed by the members is insufficient he may request that it be increased by resolution of the members. If he considers that the remuneration fixed by the members is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court, the liquidator's notice of his application must be sent to such of the members as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid out of the assets.

NOTE TO APPENDIX V

SUGGESTED FORMAT FOR PROVISION OF INFORMATION

INTRODUCTION

- 1 Information provided by an office holder should be presented in a manner that is transparent, consistent and useful to the recipient, whilst being proportionate to the circumstances of the case. The level of disclosure suggested below may not be appropriate in all instances and the office holder may take account of proportionality considerations. In larger or more complex cases the circumstances of each case may dictate the information provided and its format.
- 2 It is a matter for each office holder to decide what detailed information and explanations are required, having regard to the circumstances of the case. However, the importance of consistency and clarity should be recognised, and this Appendix sets out suggestions in relation to the presentation of information in a standard way. Those receiving the information ought to be able to make an informed judgement about the reasonableness of the office holder's request. The information provided should facilitate comparisons between cases.

A NARRATIVE OVERVIEW OF THE CASE

- 3 In all cases, reports on remuneration should provide a narrative overview of the case. Matters relevant to an overview are:
 - a) the complexity of the case;
 - b) any exceptional responsibility falling on the office-holder;
 - c) the office-holder's effectiveness;
 - d) the value and nature of the property in question.
- 4 The information provided will depend upon the basis or bases being sought or reported upon, and the stage at which it is being provided. An overview might include:
 - a) an explanation of the nature, and the office-holder's own initial assessment, of the assignment (including the anticipated return to creditors) and the outcome (if known);
 - b) initial views on how the assignment was to be handled, including decisions on staffing or subcontracting and the appointment of advisers;
 - c) any significant aspects of the case, particularly those that affect the remuneration and cost expended;
 - d) the reasons for subsequent changes in strategy;
 - e) the steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, and fee drawing;
 - f) any existing agreement about remuneration;
 - g) details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees;
 - h) in a larger case, particularly if it involved trading, considerations about staffing and managing the assignment and how strategy was set and reviewed;
 - i) details of work undertaken during the period;
 - j) any additional value brought to the estate during the period, for which the office holder wishes to claim increased remuneration.

TIME COSTS BASIS

- 5 Where any part of the remuneration is or is proposed to be calculated on a time costs basis, requests for and reports on remuneration should provide:
 - a) An explanation of the office-holder's time charging policy, clearly stating the units of time that have been used, the grades of staff and rates that have been charged to the assignment, and the policy for recovering the cost of support staff. There is an expectation that time will be recorded in units of not greater than 6 minutes.
 - b) A description of work carried out, which might include: details of work undertaken during the period, related to the table of time spent for the period;
 - c) An explanation of the grades of staff used to undertake the different tasks carried out and the reasons why it was appropriate for those grades to be used;

- d) Any comments on any figures in the summary of time spent accompanying the request the office-holder wishes to make.
- e) Time spent and charge-out summaries, in an appropriate format.

- 6 It is useful to provide time spent and charge-out value information in a tabular form for each of the time periods reported upon, with work classified (and sub-divided) in a way relevant to the circumstances of the case, in particular to facilitate comparisons between cases:

Hours	Partner	Manager	Other senior professionals	Assistants & support staff	Total	Time	Average hourly rate (£)
Classification of work							
Administration and planning							
Investigations							
Realisation of assets							
Trading							
Creditors							
Case specific matters (specify the matters)							
Total hours							
Total fees claimed (£)							

- 7 The level of disclosure suggested by the standard format will not be appropriate in all instances and the office holder should take account of proportionality considerations:
- a) where the cumulative time costs are, and are expected to be, less than £10,000 the office holder should, as a minimum, state the number of hours and average rate per hour and explain any unusual features of the case;
 - b) where cumulative time costs are, or are expected to be, between £10,000 and £50,000, a time and charge-out summary similar to that shown above will usually provide the appropriate level of detail (subject to the explanation of any unusual features)
 - c) where cumulative time costs exceed, or are expected to exceed, £50,000, further and more detailed analysis or explanation will be warranted.

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