

WU07

Notice of progress report in a winding-up by the court



Companies House

SATURDAY



A992KA6J

A13

11/07/2020

#130

COMPANIES HOUSE

1 Company details

Company number 0 0 5 5 2 3 3 1

Company name in full Orb Estates Plc

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

2 Liquidator's name

Full forename(s) Douglas

Surname MacDonald

3 Liquidator's address

Building name/number 29 Craven Street

Street London

Post town WC2N 5NT

County/Region

Postcode

Country

4 Liquidator's name

Full forename(s)

Surname

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

5 Liquidator's address

Building name/number

Street

Post town

County/Region

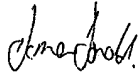
Postcode

Country

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

WU07

Notice of progress report in a winding-up by the court

6	Period of progress report											
From date	^d 1	^d 4	^m 0	^m 5	^y 2	^y 0	^y 1	^y 9				
To date	^d 1	^d 3	^m 0	^m 5	^y 2	^y 0	^y 2	^y 0				
7	Progress report											
<input checked="" type="checkbox"/> The progress report is attached												
8	Sign and date											
Liquidator's signature	<div>Signature</div> <div>X </div>								X			
Signature date	^d 0	^d 9	^m 0	^m 7	^y 2	^y 0	^y 2	^y 0				

WU07

Notice of progress report in a winding-up by the court



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 **Lisa Jenkins**

Company name **The MacDonald Partnership Ltd**

Address **29 Craven Street**

London

Post town **WC2N 5NT**

County/Region

Postcode

Country

DX

Telephone **020 3819 8600**



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



TMP

Solving underperformance & financial distress.

29 Craven Street
London, WC2N 5NT

Telephone +44 (0)20 3819 8600
Facsimile +44 (0)20 3553 2339
www.tmp.co.uk

TO ALL KNOWN MEMBERS & CREDITORS

9 July 2020

Our ref: S:\INSOLVINS-CASE\IO\ORB ESTATES\COMPLIANCE - LIQUIDATION\ANNUAL REPORTS\2020 07 08 LETTER TO CREDITORS RE ANNUAL REPORT.DOCX

Dear Sirs

RE: ORB ESTATES PLC (IN CREDITORS VOLUNTARY LIQUIDATION)

This is my report to members and creditors following the end of the first year of the liquidation.

I can confirm that no monies have been paid to ordinary unsecured creditors by virtue of the application of Section 176(A) of the Insolvency Act 1986 (as amended) ("the prescribed part").

To date it has not been possible to pay any dividends to any class of creditor as there have been no funds realised.

FURTHER INFORMATION

A copy of 'A Creditors Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals, is available at the link:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/>

and 'A Statement of Insolvency Practice 9 (Revised)' is available at the link:

<https://www.r3.org.uk/technical-library/england-wales/sips/more/29125/page/1/sip-9-payments-to-insolvency-office-holders-and-their-associates/>

Hard copies of these documents may also be requested by using the contact details above.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at:

<http://www.creditorinsolvencyguide.co.uk/>

A creditor may, with the permission of the Court or with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report.

**TMP**

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Facsimile +44 (0)20 3553 2339
www.tmp.co.uk

Should you have any queries, please do not hesitate to contact this office.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Douglas MacDonald', written over a horizontal line.

Douglas MacDonald
Liquidator

Enc



Orb Estates Plc (In Compulsory Liquidation)
In the High Court of Justice - Business and Property Courts in Manchester
Number 00200 of 2019
Company Number:
Liquidator's First Progress Report
Pursuant to Rule 18.8 of The Insolvency (England and Wales) Rules 2016

1. INTRODUCTION

- 1.1. I, Douglas MacDonald, was appointed as Administrator over the Orb Estates Plc (Orb Estates) ("the Company") on 11 July 2003.
- 1.2. The appointment as Administrator was made in accordance with the UK Insolvency Act 1986. The Manchester High Court recognised the Centre of Main Interests of the Company being within the UK and was satisfied the Administration Order and appointment could be made.
- 1.3. On 14 May 2019 the Administration Order was discharged, pursuant to section 18 of the Act, and wound the Company up.
- 1.4. Pursuant to section 140(1) of the Act, I, Douglas MacDonald, was appointed as Liquidator of the Company. I am licensed in the UK by the Institute of Chartered Accountants in England and Wales.
- 1.5. The company's former trading address and registered office was Albemarle House, 1 Albemarle Street, London, W1S 4HA. The current registered office 29 Craven Street, London, WC2N 5NT.
- 1.6. This report provides an update on the conduct of the liquidation for the period from 14 May 2019 to 13 May 2020. This report contains details of the progress made, the expected outcome for creditors and other information that the Liquidator is required to disclose.
- 1.7. In accordance with rule 17.29(2) of the Rules, the creditors' committee, as established in the Administration, shall continue in the Liquidation. Consequently, the relevant continuation notice has been filed at Companies House.

2. PROGRESS OF LIQUIDATION

- 2.1. The history and background of Orb Estates is complex. I also act as Liquidator of other Orb Estates Group companies. My detailed investigations into Orb Estates and the Orb Estates Group companies indicate potential recoveries into Orb Estates and the Orb Estates Group companies.
- 2.2. **Background**
 - 2.2.1. In July 2012 the Administrator became aware of new information - meaning further realisations might be possible.
 - 2.2.2. Detailed investigations were required and, with the sanction of the Committee, the Administrator set about an initial review and preliminary investigation into the new information and evidence.



- 2.2.3. The interim conclusions of the review were presented and discussed with the Committee. The committee sanctioned the Administrator and his team to conduct a full and thorough investigation into the potential claims that Orb Estates and Mitre might have.
- 2.2.4. The investigation was extensive and detailed findings were presented to the committee. Sanction was provided by the committee on an ongoing basis to carry on with the investigations and to consider and review recovery strategies, including, if appropriate, bringing legal action in pursuit of the potential recoveries.
- 2.2.5. HPIL was a company held within the wider Orb Estates Group at around the time of the Company's Administration. HPIL was placed into Liquidation in 2008 and dissolved in 2010. HPIL was reinstated by its former Liquidator in 2015. HPIL is a participant in various High Court proceedings.
- 2.2.6. Notwithstanding the potential for future recoveries I petitioned to dismiss the Administration Order and place the company into Liquidation with a view of pursuing the recoveries in Liquidation.

2.3. It is deemed inappropriate to further particularise the detail of the ongoing investigation, conclusions or strategy at this stage as it may prejudice Mitre and the Orb Estates's position. I can however say that I, along with my team, continue to pursue potential recoveries, with the support of our legal advisers. We remain hopeful of a realisation for the benefit of creditors.

3. LIQUIDATOR'S ACTIONS TO DATE

3.1. Since I was appointed Liquidator, I have undertaken various tasks as part of my routine administrative functions. For example, I have filed notice of my appointment at Companies House and arranged for my appointment to be advertised in the London Gazette. These are tasks that are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

4. ASSETS

4.1. As outlined above, there are potential recoveries within the wider Orb Group.

5. LIABILITIES

5.1. Secured Creditors

- 5.1.1. No creditors hold security over the company.
- 5.1.2. The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. However, in this instance as there is no floating charge, the requirement to pay a distribution under the prescribed part is not applicable.

5.2. Preferential Creditors

- 5.2.1. There are no preferential creditors.



5.3. Unsecured Creditors

At the time of the administration there were an estimated 161 unsecured claims. A total of 113 creditors have submitted claims.

	Estimated Statement of Affairs Figure	Claim Received
Trade & Expense Creditors	85,052,809.67	129,665,711.11
HM Revenue & Customs VAT	4,977,117.00	5,138,449.00
HM Revenue & Customs PAYE / NIC	136,397.91	91,495.89
Connected Creditors	27,095,973.00	27,030,523.00
	<u>117,262,297.58</u>	<u>161,926,179.00</u>

6. RECEIPTS AND PAYMENTS ACCOUNT

- 6.1. A summary of the Receipts and Payments account for the period 14 May 2019 to 13 May 2020 is attached along with the final receipts and payments account for the Administration of Orb Estates at Appendix 1
- 6.2. Please note that the figures included within the receipts and payments account are stated net of VAT.
- 6.3. There have been no receipts or payments to date other than the statutory fees charges by the Insolvency Service.

7. LIQUIDATORS FEE RESOLUTION

- 7.1. As the Administration Order was granted pre-Sept 2003, the fee resolution agreed in the Administration does not automatically follow through to the Liquidation.
- 7.2. I am therefore required to ask the Creditors Committee to pass a further resolution with respect to the basis of my remuneration in the Liquidation. Prior to asking the committee I am obliged to provide creditors with an estimate of my fees and other relevant information.
- 7.3. I am proposing that I am remunerated on a time cost basis as I consider this fair and reasonable in the circumstances, having regard to the complexity of the work required, risk, and current benefit and future potential benefit to creditors.
- 7.4. The significant work required in the Liquidation of Orb Estates is likely to be my dealings with the HPII Liquidator and having the Orb Estates claim adjudicated and accepted. I am following the HPII litigation closely. I will also need to deal with the rescission of the 2005 settlement agreement between Orb Estates and HPII (and other parties). My other work in the Liquidation will be administration of the case, dealing with creditors and the Committee, and reporting. These are the broad areas of work for which I am seeking approval and the basis of my remuneration.
- 7.5. I have attached at Appendix 2 a time cost estimate for the Liquidation.



- 7.6. In addition to the estimated time cost for the Liquidation, any realisations in the Liquidation would also be used to defray my outstanding costs incurred in the Administration as a priority expense.
- 7.7. Should creditors wish to see any further information to assist in their understanding of the work involved I will consider any requests individually in light of the restrictions I refer to within this report.
- 7.8. Any financial outcome will be largely dependent on the passage of time and the amount of gross assets recovered.

8. LIQUIDATOR'S ESTIMATED DISBURSEMENTS

- 8.1. Category 1 disbursements are payments to independent third parties that do not require creditors' consent. They are shown on the attached receipts and payments accounts net of VAT. Those category 1 expenses incurred (and unpaid) to date include:
- 8.2. Category 2 Disbursements are those disbursements which include payments in which The MacDonald Partnership Ltd have an interest. Those incurred to-date are shown below net of VAT. There have been insufficient realisations to cover these disbursements.
- 8.3. It is not unreasonable to assume Category 2 Disbursements will be incurred and currently estimated to be around £2,500.
- 8.4. I have attached at Appendix 2 additional information in relation to the firm's billing policy on staffing, use of professional advisors, disbursements, including Category 2 disbursement recovery policy, and details of our current charge-out rates by staff grade.

9. WORK REQUIRED

- 9.1. Without waiving privilege, on advice from our legal team, a decision was made in 2018 to simplify and narrow our claims in the various legal actions. This means that Orb Estates and Mitre are no longer pursuing litigation.
- 9.2. Despite a settlement agreement being entered into between Orb Estates and HPIL and other parties in January 2005, it is my contention that, with detailed knowledge gained during the course of our investigations and litigation, Orb Estates remains a significant creditor of HPIL. In simple terms, this is by virtue of monies that were misappropriated from Orb Estates in the period 2000 to 2003 for the benefit of HPIL, and also for guarantees provided by Orb Estates to HPIL without any corresponding benefit. In turn, Mitre is a significant creditor of Orb Estates.
- 9.3. The significant work required in the Liquidation of Orb Estates is likely to be my dealings with the HPIL Liquidator and having the Orb Estates claim adjudicated and accepted. I am following the HPIL litigation closely. I will also need to deal with the rescission of the 2005 settlement agreement between Orb Estates and HPIL (and other parties). My other work in the Liquidation will be administration of the case, dealing with creditors and the Committee, and reporting. These are the broad areas of work for which I am seeking approval and the basis of my remuneration.
- 9.4. Further information about the work that I may undertake is listed in Appendix 3. This list includes generic tasks that are expected to be necessary or may already have been undertaken. Certain tasks may not be undertaken as they may later be deemed not required in this instance. If any one task is not required, it may not make a material difference to the amount of work done for which approval of basis of remuneration is being sought.
- 9.5. The fee resolution in respect of the Liquidators remuneration seeks to ensure that the Liquidator is reasonably and fairly remunerated for the work he is required to undertake under statute or best



practice whilst at the same time reflecting the complexity and significant financial and other risks being undertaken in seeking further recoveries for creditors.

9.5.1. Administrative and planning functions

Administrative and planning functions represent the routine administrative functions of the Liquidation, carried out by this firm's staff and me as Liquidator, together with necessary control and supervision.

These functions are required in nearly every Liquidation and do not give direct financial benefit to the creditors. They still have to be carried out or undertaken by me, as the Liquidator however, to meet the requirements under the insolvency legislation and the *Statements of Insolvency Practice*, which set out required practice that all Liquidators must now follow and for the orderly conduct of the Liquidation.

9.5.2. Investigations

The insolvency legislation gives me as Liquidator the powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure and also in respect of matters such as misfeasance and wrongful trading.

During the Administration, considerable time and expense was incurred in detailed investigations relating to the Company, leading to the current litigation outlined in this report

9.5.3. Realisation of assets

This is the activity required to protect and realise the known assets in the case. This may include bringing and defending litigation or taking other action the Liquidator deems to be in the best interests of creditors.

In the Liquidation, this will include following the HPII litigation closely. It will also include providing any further information required to substantiate Orb Estates' claim in the Liquidation of HPII. This may include an application to rescind the January 2005 settlement agreement between Orb Estates and HPII (and other parties).

9.5.4. Disbursements

Category 1 expenses do not have to be approved, but when reporting to any committee and creditors during the course of a Liquidation, it is normal to keep creditors informed in respect of the actual expenses incurred compared with the original estimate provided.

I am, however, seeking a specific resolution approving Category 2 disbursements.

- 9.6. A copy of 'A Creditors Guide to Liquidator's Fees' published by the Association of Business Recovery Professionals and 'A Statement of Insolvency Practice 9 (Revised)' is available at the link:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/>

<https://www.r3.org.uk/technical-library/england-wales/sips/more/29125/page/1/sip-9-payments-to-insolvency-office-holders-and-their-associates>

Hard copies of these documents may also be requested by using the contact details above.



10. LIQUIDATOR'S FEES & DISBURSEMENTS INCURRED IN REPORTING PERIOD

10.1. Liquidators Fees

- 10.1.1. Attached is a copy of the current time costs and disbursements for the Liquidation.
- 10.1.2. During the reporting period I have incurred fees of £8,782, represented by 28.50 hours at an average hourly rate of £308.14.

10.2. Liquidators Disbursements

- 10.2.1. Category 1 disbursements (which are payments to independent third parties that do not require creditors' consent) exclusive of VAT are as follows:

Bordereau	£30.00
Postage and Co Searches	79.30
Statutory Advertising	<u>174.96</u>
Total	<u>284.26</u>

- 10.2.2. I have not been yet able to draw any expenses in this matter.
- 10.2.3. The above disbursements have been incurred and are not an expense for which approval is required but are disclosed to provide creditors with a full understanding of the anticipated costs of liquidation.
- 10.2.4. I anticipate further Category 1 disbursements to be no more than £2,500.
- 10.2.5. Category 2 Disbursements incurred (which include payments in which The MacDonald Partnership Ltd have an interest) exclusive of VAT are estimated to be as follows:

Printing and Stationery (Incurred)	<u>361.40</u>
Total	<u>361.40</u>

- 10.2.6. I anticipate further Category 2 disbursements to be no more than £2,500.
- 10.2.7. I have attached additional information in relation to the firm's billing policy on staffing, use of professional advisors, disbursements, including category 2 disbursement recovery policy, and details of our current charge-out rates by staff grade.

11. DESCRIPTION OF WORK UNDERTAKEN WITHIN THE REPORTING PERIOD

11.1. 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:



- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up physical/electronic case files (as applicable).
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and others required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).
- Complying with GDPR.
- Convening and holding general meetings of creditors and members (as applicable).
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.
- Filing returns at Companies House.

11.2. Investigations:

- Further investigations relating to the litigation as outlined in the report.
- Work required to substantiate the Orb Estates claim in the HP11 Liquidation, including the rescission of the January 2005 settlement agreement with HP11 (and other parties).

11.3. Realisation of assets:

- Watching brief over the litigation in HP11.
- Dealing with the Liquidator of HP11 in the event of any realisations in the HP11 Liquidation.

11.4. Creditors:

- Maintaining up to date creditor information on the case management system.
- Dealing with the Committee, creditor correspondence, emails and telephone conversations regarding their claims.

12. CREDITORS RIGHTS

- 12.1. Within 21 days of receipt of this report, a creditor may request the liquidator to provide further information about the remuneration and expenses set out in this report. A request must be in writing, and may be made by a secured creditor, or an unsecured creditor with the concurrence of at least five per cent in value of the creditors (including that creditor), or the permission of the court.
- 12.2. Any secured creditor, or any unsecured creditor with either the concurrence of at least 10 per cent in value of the creditors (including that creditor) or the permission of the court, may apply to the court, on the grounds that the basis fixed for the liquidator's remuneration is inappropriate, or the remuneration or expenses charged by the liquidator is excessive.
- 12.3. The application must, subject to any order of the court under the paragraph above, be made no later than eight weeks after receipt of the progress report that first reports the fee basis, the charging of the remuneration or the incurring of the expenses in question.



12.4. Unless the court orders otherwise, the costs of the application shall be paid by the applicant and are not payable as an expense of the liquidation.

12.5. Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at:

www.creditorinsolvencyguide.co.uk/

13. RULES GOVERNING ACTIONS

13.1. I am bound by the rules of my professional body, including any that relate specifically to insolvency. The rules of my professional body can be found at

<https://www.icaew.com/technical/insolvency/sips-regulations-and-guidance>

In addition, IPs are bound by the Statements of Insolvency Practice (SIPs), details of which can be found at:

<https://www.r3.org.uk/technical-library/england-wales/sips/>

14. ETHICS

14.1. I am also required to comply with the Insolvency Code of Ethics and a copy of the Code can be found at:

<https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics>

15. COMPLAINTS PROCEDURE

15.1. At The MacDonald Partnership Ltd, we always strive to provide a professional and efficient service. However, we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of this case, then, in the first instance, you should contact me as the complaint's officer at the address given in this letter. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

15.2. Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned.

15.3. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at www.gov.uk/complain-about-insolvency-practitioner; or you can email insolvency.enquiryline@insolvency.gsi.gov.uk; or you may phone 0300 678 0015 - calls are charged at up to 10p per minute from a land line, or for mobiles, between 3p and 55p per minute if you're calling from the UK.



16. PROFESSIONAL INDEMNITY INSURANCE

16.1. The firm's professional indemnity insurance is provided by Travelers Insurance Company Ltd, Exchequer Court, 33 St. Mary Axe, London EC3A 8AG. This professional indemnity insurance provides worldwide coverage excluding professional business carried out from an office in the United States of America or Canada, and any action for any claim brought in any Court in the United States of America or Canada.

17. BRIBERY ACT 2010

17.1. TMP is committed to applying the highest standards of ethical conduct and integrity in its business activities. Every employee and individual acting on TMP's behalf is responsible for maintaining our reputation and for conducting company business honestly and professionally.

17.2. TMP takes a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate.

17.3. TMP requires all those who are associated with it to observe the highest standards of impartiality, integrity and objectivity.

17.4. TMP prohibits anyone acting on its behalf from:

- bribing another person. A bribe includes the offering, promising or giving of any financial or other type of advantage;
- accepting a bribe. This includes requesting, agreeing to receive or accepting any financial, or another kind of advantage;
- bribing a foreign public official; and
- condoning the offering or acceptance of bribes.

TMP will:

- avoid doing business with others who do not accept our values and who may harm our reputation;
- maintain processes, procedures and records that limit the risk of direct or indirect bribery;
- promote awareness of this policy amongst its staff, those acting on its behalf and entities with which it has any commercial dealings;
- investigate all instances of alleged bribery, and will assist the police, and other authorities when appropriate, in any resultant prosecutions. In addition, disciplinary action will be considered against individual members of staff;
- review this policy regularly and update it when necessary.

18. SUMMARY

The Liquidation will remain open until the assets have been realised. It is not possible to say when this will be achieved. Once resolved, the Liquidation will be finalised and our files will be closed.



19. NEXT REPORT

The next report to creditors will be before or within two months of the 2nd anniversary which is 13 May 2021.

Should you have any queries regarding this report, or the Liquidation in general, please contact Lisa Jenkins on 020 3819 8600.

A handwritten signature in black ink, appearing to read 'Douglas MacDonald'.

Douglas MacDonald
Liquidator

9 July 2020



APPENDIX 1

Receipts and payments accounts

1. Liquidation

Receipts and payments for the Liquidation of Orb Estates:

- 1.1. The receipts and payments accounts are shown net of VAT.
- 1.2. As shown on the receipts and payments account, Orb Estates currently has no funds. The ISA bank account shows a negative balance of £9,488 as a result of Secretary of State fees and other charges. These will only be recouped in the event of a realisation into the Liquidation. This is the normal presentation of receipts and payments in a compulsory liquidation.
- 1.3. There are currently insufficient funds available to make a distribution to creditors. Any future distribution is dependent on HPII recovery action.
- 1.4. A distribution in Orb Estates also depends on Orb Estates' claim in HPII being adjudicated and accepted by the Liquidator of HPII.

2. Administration

Receipts and payments for the Administration of Orb Estates:

- 2.1. This is the final account up to 13 May 2019.
- 2.2. The receipts and payments accounts are shown net of VAT.
- 2.3. There are no funds remaining in the Administration.

**Orb Estates Plc
(In Liquidation)
LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT**

	Statement of affairs £	From 14/05/2019 To 13/05/2020 £	From 14/05/2019 To 13/05/2020 £
RECEIPTS			
Petitioners Deposit		1,600.00	1,600.00
		<u>1,600.00</u>	<u>1,600.00</u>
PAYMENTS			
Sec of State Fees		11,000.00	11,000.00
Bank Charges		88.00	88.00
		<u>11,088.00</u>	<u>11,088.00</u>
Net Receipts/(Payments).		<u>(9,488.00)</u>	<u>(9,488.00)</u>
MADE UP AS FOLLOWS			
ISA NIB		(9,488.00)	(9,488.00)
		<u>(9,488.00)</u>	<u>(9,488.00)</u>



Douglas MacDonald
Liquidator

Orb Estates Plc
(In Administration)
Administrator's Summary of Receipts & Payments
To 31/08/2019

S of A £		£	£
	ASSET REALISATIONS		
13,000.00	Furniture & Equipment	12,456.00	
	Intercompany Debtors	658,474.35	
245,000.00	Investments	5,000.00	
	Funds from Northacre	548,078.40	
	Tax Refund	555.02	
	Insurance & Rent Refunds	7,037.48	
22,916.00	Cash at Bank	139,576.53	
	Settlement from RBSI	2,100,000.00	
	Bank Interest Gross	193,535.48	
	Contribution to Costs	8,035.00	
			3,672,748.26
	COST OF REALISATIONS		
	Bordereau	2,045.00	
	Office Holders Fees	2,162,256.75	
	Conference Calls	967.03	
	Room Hire -Cred Meeting	2,147.34	
	Agents/Valuers Fees	277,564.11	
	Legal Fees	1,173,423.39	
	Corporation Tax	18,979.46	
	Stationery & Postage	19,069.61	
	Travel	2,183.95	
	Storage Costs	9,387.40	
	Statutory Advertising	1,265.01	
	Carriage	445.73	
	Bank Charges	100.00	
	Company Searches	2,913.48	
			(3,672,748.26)
	PREFERENTIAL CREDITORS		
(136,398.00)	Inland Revenue	NIL	NIL
	UNSECURED CREDITORS		
(4,620,862.00)	Trade & Expense Creditors	NIL	
(4,977,117.00)	Customs & Excise	NIL	
(107,527,742.00)	Intercompany Creditors	NIL	NIL
	DISTRIBUTIONS		
(37,718,661.00)	Ordinary Shareholders	NIL	NIL
(154,699,864.00)			0.00
	REPRESENTED BY		NIL



APPENDIX 2

Time costs and disbursements

1. Time costs and disbursements

Included within this appendix is:

- 1.1. In respect of the **Liquidation** of Orb Estates, a schedule of the office-holder's time costs and disbursements for the whole period up to 13 May 2020.
- 1.2. In respect of the Liquidation, a fee estimate of time costs expected during the life of the Liquidation in the categories of administration, asset realisation, investigations and creditors. The estimated time costs are £129,757.
- 1.3. In respect of the **Administration** of Orb Estates, a schedule of the office-holder's time costs and disbursements for the whole period up to 13 May 2019.
- 1.4. Information in relation to the firm's billing policy on staffing, use of professional advisors, disbursements, including Category 2 disbursement recovery policy, and details of our current charge-out rates by staff grade.

2. Time costs

- 2.1. The Administrator's time costs to 13 May 2019 (a period of nearly 16 years) amounted to £3,103,753 which comprised 7,829 hours at an average rate of £396 per hour. Of this amount, more than £2.3m related to work on the detailed investigations and recovery actions since 2013.
- 2.2. The Administrator's fees during the Administration were £2,162,257. The Administrator's unbilled time costs are £941,496.
- 2.3. The Liquidator's time costs from 14 May 2019 to 13 May 2020 amount to £8,782 which comprises 28.50 hours at an average rate of £308.14 per hour. Most of this time relates to the case administration, planning and set-up at the start of the Liquidation.

Orb Estates Plc

(In Liquidation)

Liquidator:

Douglas MacDonald

Analysis of Fees

Up to 13/05/20

Classification of Work		Insolvency Practitioner	Other IPs	Manager	Administrators & Support Staff	Total Hours	Time Cost	Average Hourly Rate
		Hours					£	£
Administration & Planning		0.00	2.20	7.05	3.85	13.10	£3,936.00	£300.46
Planning / Engagement	C91		0.10	0.25		0.35	£135.00	£385.71
Set-up	C92		0.10	0.50	0.75	1.35	£305.00	£225.93
Notification	C93		0.50	3.15		3.65	£1,340.00	£367.12
Statutory Duties	C94		0.50	0.60	0.20	1.30	£469.50	£361.15
Books / Records	C95				0.20	0.20	£22.00	£110.00
Cashiering	C96				1.10	1.10	£121.00	£110.00
Tax	C97					0.00	£0.00	£0.00
Compliance	C98		1.00	2.55	1.60	5.15	£1,543.50	£299.71
Other	C99					0.00	£0.00	£0.00
Realisation of Assets		0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Identification	C51					0.00	£0.00	£0.00
Retention of Title	C52					0.00	£0.00	£0.00
Property	C53					0.00	£0.00	£0.00
Book Debts	C54					0.00	£0.00	£0.00
Cash at Bank	C55					0.00	£0.00	£0.00
Insurance	C56					0.00	£0.00	£0.00
Tangible Assets	C57					0.00	£0.00	£0.00
Valuation & Marketing	C58					0.00	£0.00	£0.00
Other	C59					0.00	£0.00	£0.00
Investigations		0.00	0.00	0.00	1.85	1.85	£203.50	£110.00
Initial / Strategy	C61					0.00	£0.00	£0.00
Legal Action & Challenges	C62					0.00	£0.00	£0.00
Reports	C63					0.00	£0.00	£0.00
Books & Records	C65				1.85	1.85	£203.50	£110.00
Correspondence	C66					0.00	£0.00	£0.00
Other	C69					0.00	£0.00	£0.00
Creditors		0.00	4.00	7.05	2.50	13.55	£4,642.50	£342.62
Communication	C71			6.35	0.65	7.00	£2,294.00	£327.71
Creditors Claims	C72					0.00	£0.00	£0.00
Employee Claims	C73					0.00	£0.00	£0.00
Distributions	C74					0.00	£0.00	£0.00
Meetings	C76					0.00	£0.00	£0.00
Reports	C77		4.00	0.70	1.85	6.55	£2,348.50	£358.55
Other	C79					0.00	£0.00	£0.00
Trading		0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Total hours		0.00	6.20	14.10	8.20	28.50		
Hourly charge out rate		£0.00	£475.00	£350.00	£110.00			
Total fees to date (£)		£0.00	£2,945.00	£4,935.00	£902.00	£8,782.00	£8,782.00	£308.14
Total fees drawn to date(£)							£0.00	
Total fees undrawn to date(£)							£8,782.00	

Orb Estates Plc (In Liquidation)

Analysis of Disbursements Up to 13/05/20

Category 1 Disbursements		
Amounts comprising external supplies of incidental services specifically identifiable to a case	Billed £	Unbilled £
Bordereau Statutory Advertising Company Searches Postage		79.30
Total	0.00	79.30

Category 2 Disbursements		
Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest	Billed £	Unbilled £
Printing and stationery		361.40
Total	0.00	361.40

IN THE MATTER OF
ORB ESTATES PLC (IN LIQUIDATION)

FEES ESTIMATE DETAIL

Prepared 15/05/2020

Guidance Note:

The office holder is seeking to be remunerated on a time cost basis. We use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform, recording time spent in 6 minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work. This document provides an estimate as to how much time the office holder and his staff will spend undertaking specific tasks within broad categories of work, and the time costs of undertaking such work, which will depend upon the grade, or grades, of staff undertaking the work and the number of hours spent undertaking the work by each grade of staff. The estimated time that will be spent undertaking the work in each category of work has been multiplied by the applicable charge out rate for each member of staff that it is anticipated will undertake work in that category to arrive at the estimated total time costs attributable to that category of work on the case. We have then divided that estimated total by the estimated number of hours to arrive at what is known as a blended hourly charge out rate for that category of work. The sum of all the estimates for the different categories of work is the total estimated time costs to undertake all the necessary work on the case. Again, we have then divided that estimated total by the estimated number of hours to arrive at a blended hourly charge out rate for the case as a whole.

The hourly charge out rates that will be used on this case are:	£
Partner – appointment taker	575.00
Other Insolvency Practitioners	475.00
Manager	275.00
Case Administrator	110.00
Cashier	110.00
Support staff	55.00

ADMINISTRATION	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
Description of the tasks to be undertaken in this category of work			
Planning Engagement	0.35	135.00	
Set-up	1.35	305.00	
Notification	3.65	1,340.00	
Statutory Duties	1.30	469.50	
Books / Records	0.20	22.00	
Cashiering	13.10	2,171.00	
Tax	-	-	
Compliance	14.15	4,548.50	
Other	-	-	
Total:	34.10	£8,991.00	£263.67
INVESTIGATIONS	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
Description of the tasks to be undertaken in this category of work			
Initial Strategy	-	-	
Legal Action & Challenges	100.00	49,000.00	
Reports	3.00	1,050.00	
Books & Records	1.85	203.50	
Correspondence	-	-	
Other	-	-	
Total:	104.85	£50,253.50	£479.29
REALISATION OF ASSETS	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
Description of the tasks to be undertaken in this category of work			
Dealing with HP11 Litigation	100.00	49,000.00	
Total:	100.00	£49,000.00	£490.00
CREDITORS	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
Description of the tasks to be undertaken in this category of work			
Communication & Committee	20.15	6,996.50	
Creditors Claims	18.00	6,400.00	
Employee Claims	-	-	
Distributions	-	-	
Meetings	-	-	
Reports	19.85	8,116.00	
Other	-	-	
Total:	58.00	£21,512.50	£370.91
GRAND TOTAL FOR ALL CATEGORIES OF WORK	296.95	£128,757.00	436.97

Orb Estates Plc (In Administration)

Administrator: Douglas MacDonald

Analysis of Fees Up to 13/05/19

Classification of work function	Hours					Time Cost £	Average hourly rate £
	Director (IP)	Other IPs	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Advice, administration and planning	70.75	544.40	101.45	690.85	1,407.45	£344,375	£245
Investigations	1,302.20	3,751.75	154.45	187.75	5,396.15	£2,354,883	£436
Realisation of assets	44.50	155.00	22.00		221.50	£87,972	£397
Trading					0.00		£0
Creditors	89.00	553.40	76.05	85.35	803.80	£316,522	£394
Case specific matters					0.00		£0
Total hours	1,506.45	5,004.55	353.95	963.95	7,828.90		
Hourly charge out rate	£571	£410	£287	£95			
Total fees to date (£)	£860,540	£2,049,968	£101,457	£91,787	£3,103,753	£3,103,753	£396
Total fees drawn to date (£)						£2,162,257	
Total fees undrawn to date (£)						£941,496	

Orb Estates Plc (In Administration)

Analysis of Disbursements

Up to 13/05/19

Category 1 Disbursements		
Amounts comprising external supplies of incidental services specifically identifiable to a case	Billed £	Unbilled £
Bordereau	2,045.00	
Room hire and conference calls	3,114.37	
Postage and couriers	5,532.29	
Travel expenses	2,183.95	
Storage costs	9,387.40	
Statutory advertising	1,265.01	
Company searches	2,913.48	
Court fees		
Total	26,441.50	0.00

Category 2 Disbursements		
Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest	Billed £	Unbilled £
Printing, stationery, telephone, fax and emails	13,983.05	31.20
Total	13,983.05	31.20

Professional Advisors	
Name of Professional Advisor	Basis of Fee Arrangement
Squire Sanders & Dempsey (legal advice)	Hourly rate and disbursements
DWF (legal advice)	Hourly rate and disbursements
Crills (legal advice)	Hourly rate and disbursements
Preston Redman (legal advice)	Hourly rate and disbursements
Taylor Vinters (legal advice)	Hourly rate and disbursements
Spring Law (legal advice)	Hourly rate and disbursements
James Pickering (legal advice)	Hourly rate and disbursements
DMH Stallard (legal advice)	Hourly rate and disbursements
Cains (legal advice)	Hourly rate and disbursements
Bridge 2 Ltd (consultants)	Hourly rate and disbursements
Dullater Enterprises Ltd (consultants)	Hourly rate and disbursements
Sanderson Weatherall (valuers)	Hourly rate and disbursements
Stroz Friedberg (consultants)	Hourly rate and disbursements
Turning Circle Solutions (consultants)	Hourly rate and disbursements

Orb Estates Plc (In Administration)

Analysis of Professional Fees

13/05/19

As at 13.05.19
£

Administrator's Fees

2,162,257

Legal Fees

Squire Sanders & Dempsey	249,617
DWF	17,845
Crills	27,855
Preston Redman / D'Angibau	72,552
Rupert Jones (Counsel)	7,225
Michael Parroy (Counsel)	13,766
Steve Johnstone's Lawyers	15,000
Core Mediation	2,623
Taylor Vinters	556,456
Ben Valentin (Counsel)	82,410
Brian Altman QC (Counsel)	56,400
Mark Phillips QC (Counsel)	21,060
Cains	3,927
Arbitral	6,000
Spring Law	21,432
James Pickering	2,800
Chan Law	8,172
Millnet	5,502
DMH Stallard	2,269
Other	512
	<u>1,173,423</u>

Agents' Fees

Bridge 2 Ltd (corporate investigators)	153,532
Dullater Enterprises Ltd (consultants)	89,050
Sanderson Weatherall (valuers)	6,625
Data Genetics International (IT)	3,197
Turning Circle Solutions (investigators)	6,128
Stroz Friedberg (investigators)	9,160
Gerry Dunn	5,000
Other	4,872
	<u>277,564</u>



THE MACDONALD PARTNERSHIP LTD

CHARGE OUT RATES

Effective date

The charge out rates are effective from 1st October 2015.

Charge out rates

Title	Grade	Rate
		£ph
Insolvency Practitioners	1.1	575
	1.2	475
Managers	2.1	350
	2.2	275
	2.3	225
Administrators	3.1	110
	3.2	95
	3.3	80
Support Staff	4.1	55
	4.2	50
	4.3	45

NOTE:

Time is recorded in three minute increments.

THE MACDONALD PARTNERSHIP LTD FEES, DISBURSEMENTS AND EXPENSES POLICY

INTRODUCTION

The MacDonald Partnership Ltd is a specialist firm of licensed Insolvency Practitioners.

As a result, we have very specific and specialist billing structures. This schedule sets out our terms and conditions of billing to clarify the position.

GENERAL PHILOSOPHY

It is important to stress that the general philosophy of the firm's billing structure is as follows

1. To provide
 - (i) The highest possible quality in terms of
 - (a) technical excellence
 - (b) delivery of service.
 - (ii) The highest possible level of integrity and professionalism.
 - (iii) A personal service.
2. To provide value for money and to reflect the need for a reasonable profit and return in providing our services.

Given this, it is important to set a basic and reasonable pricing and billing structure to maximise the combined interests of our clients, third parties (such as banks and creditors) and the firm.

VARIATION FROM OUR BILLING STRUCTURE

The billing structure has been created to reflect the economic substance of providing the quality of service that we give.

To charge lower or different fees would be unprofitable for the firm. We will therefore only allow variations from our billing structure in extreme circumstances. Any such variation must be approved by either one of the managing or finance directors.

DEFINITIONS

FEES

Fees are the time charges that reflect the time spent on a case by a partner, director or staff member of the firm. 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 exact constitution of the case team will depend on the anticipated size and complexity of the assignment.

The legislation allows corporate recovery and insolvency cases fees to be charged on a time cost basis, a set fee basis, on a percentage of the assets realised and distributed or a mixture of the above. In cases where we

were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation.

The legislation changed on 1 October 2015 and we now seek remuneration on a mixed basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

Time cost basis

The time charges that reflect the time spent on a case by a partner, director or staff member of the firm. When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 3 minute units with supporting narrative to explain the work undertaken.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time.

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Members' voluntary liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

A schedule of Charge Out Rates applies to each grade of staff and is available for inspection at any time.

EXPENSES

In new appointments made after 1 October 2015, we will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

PROFESSIONAL ADVISORS

We use professional advisors on some of our assignments. The basis of our fee arrangements with advisors, which is subject to review on a regular basis, is generally on an hourly rate basis plus disbursements. Fixed fee arrangements will be disclosed where applicable. Our choice of professional advisors is based on our perception of their experience and ability to perform the type of work required, the complexity and nature of the assignment and the basis of our fee arrangement with them.

DISBURSEMENTS & EXPENSES

For the purposes of compliance with Statement of Insolvency Practice 9 (SIP 9) and R3's best practice guidelines, disbursements and expenses are split into two categories.

Category 1 Disbursements

Generally comprise those external supplies of incidental services specifically identifiable to a specific job or case. (including agents, insurances, as well as other outsourced services such as room hire, statutory advertising, court fees, couriers, postage, printing, travel and document storage).

Category 2 Disbursements

Generally comprise costs, which whilst being in the nature of expenses or disbursements, include elements of shared or allocated costs. Such disbursements are listed below.

1	Binders	£1.15	Per item
2	Car	£0.50	Per mile
3	Copies (black)	£0.15	Per page
4	Dividers	£1.00	Per item
5	Envelopes	£0.10 - £0.15	Per item
6	Files	£6.00	Per item
7	Labels	£0.25	Per sheet
8	Letters	£2.20	Per letter
9	Printouts	£0.20	Per page

AGREEMENT OF FEES, DISBURSEMENTS AND EXPENSES

CORPORATE RECOVERY AND INSOLVENCY

For corporate recovery and insolvency work, the following fee structure applies. For this specialist type of work, fees can either be charged on a time basis or on a scaled percentage charge of assets realised and distributed.

Unless otherwise stated, all corporate recovery and insolvency work is done on a time basis.

1. Pre-appointment work

Pre-appointment work includes (for example)

- (1) Nominees fees in individual and company voluntary arrangements.
- (2) Assistance and preparation in holding a section 98 meeting.
- (3) Assistance in placing a company into administration.
- (4) Investigation work prior to a formal insolvency procedure, or general advisory work.

Pre-appointment work will be charged on the following basis:

- (1) Fees will be agreed with the firm's client in advance.
- (2) A standard engagement letter will be produced and it will refer to the fees, disbursements and expenses policy, as a source of reference.
- (3) In cases where (due to urgency or unusual circumstances) no engagement letter has been drawn up, all fees will be charged according to this schedule.

2. Post appointment work

Post appointment work includes all work done as required by the Insolvency Act 1986 (as amended) and by the Insolvency Rules 1986 (as amended).

All post appointment fees and disbursements must be approved by

- (1) a general meeting of creditors, or
- (2) a meeting of a creditor or liquidation committee, or
- (3) both of the above, or
- (4) where there is a disagreement on the level of fees, by the procedure available in the Insolvency Rules 1986 (as amended).
- (5) in the case of an administrative receivership, by the debenture holder.

3. Scale charges

Where fees are taken on a realisation basis (other than a time charge basis) the scale charges are charged on the basis of the Scale Charges laid out in schedule 6 of the Insolvency Rules 1986, which is detailed as follows.

The realisations scale

(i)	On the first £5,000 or fraction thereof...	20%
(ii)	On the next £5,000 or fraction thereof...	15%
(iii)	On the next £90,000 or fraction thereof...	10%
(iv)	On all further sums realised...	5%

The distribution scale

(i)	Of the first £5,000 or fraction thereof...	10%
(ii)	On the next £5,000 or fraction thereof...	7½%
(iii)	On the next £90,000 or fraction thereof...	5%
(iv)	On all further sums realised...	2½%

4. Realisation and distribution for secure creditors

The realisation and distribution fees for any secured creditor (other than an appointing debenture holder) are based on the Official Receivers scale charges as detailed above.

MAINTENANCE OF RECORDS

The MacDonald Partnership Ltd maintains complete records on both time recording, disbursements and expenses to ensure accuracy of charges.

DATA PROTECTION

Confidentiality of information is an important concern for The MacDonald Partnership Ltd. We are registered and comply with the data protection laws of the United Kingdom. Information about clients and creditors are held on databases. If you wish to know what information we hold about you please write to The Data Protection Officer, The MacDonald Partnership Ltd, 29 Craven Street, London WC2N 5NT to request details.

MONEY LAUNDERING

The MacDonald Partnership Ltd is required, by law, to assist the authorities in eradicating the laundering of proceeds of illegal activity. We may therefore ask certain questions in respect of the source of funds or other monies provided, as well as the identification of clients. We may also be required, in certain circumstances, to report to the relevant authorities on any suspicious activity. We are not required to inform any party of any report made about them.

Time Code Descriptions

C5 ASSETS	
C51 Identification	Review books and records and identify assets to be realised. Meetings with directors to discuss the assets to be realised.
C52 Retention of Title	Deal with any retention of title claims.
C53 Property	All matters relating to leasehold and freehold property, including disclaimers.
C54 Book Debts	Collection of book debts, including appointing a solicitors or agent to recover if applicable.
C55 Plant & Machinery	All matters relating to plant and machinery.
C56 Insurance	Arrange insurance of assets and property.
C57 Tangible Assets	Any other tangible assets including, stock, fixtures and fittings and equipment
C58 Valuation & Marketing	Appointing and liaising with agents to value and market assets.
C59 Intangible Assets	Any intangible assets including, cash at bank and intellectual property rights/patents.
C6 INVESTIGATION	
C61 Initial / Strategy	Initial review and investigation strategy. Identifying potential claims.
C62 Legal Action & Challenges	Liaising with solicitors and relevant parties if claims or directors being pursued legal etc.
C63 Reports	Report to DTI on directors' conduct.
C65 Books & Records	Review books and records to identify claims against third parties and directors conduct.
C66 Correspondence	General correspondence regarding investigations.
C69 Other	Any other matters in regard to investigations that are not covered above.
C7 CREDITORS	
C71 Communication	All general correspondence with creditors.
C72 Creditors Claim	All aspect of the creditor's claim including, agreeing, rejecting and adjudicating.
C73 Employee Claim	Processing RPO claims and dealing with any residual claims.
C74 Distributions	Issuing notice of Intention to declare a dividend and preparing distribution for cashier.
C76 Meetings	Preparing for and attending any creditors' meetings.
C77 Reports	Preparing reports for creditors. SIP 9 Reports.
C79 Other	Any other matters that do not fall into the above categories.

C8 TRADING	
C81 Planning	Planning trading strategy.
C82 Management	Management of day to day company trading issues.
C83 Customers	Dealing with customers regarding orders.
C84 Suppliers	Dealing with suppliers, placing orders and managing debts etc.
C85 Property Matters	Dealing with the landlord, utilities and rates and any other property matters.
C86 Accounting	Preparing trading accounts.
C87 Tax	Preparing all tax returns.
C88 Employees	Dealing with wages and general day to day staff matters, including redundancies.
C89 Other	Any other matters that do not fall into the above categories.
C9 CASE ADMINISTRATION	
C91 Planning / Engagement	Initial meeting with director, planning strategy and engagement.
C92 Set-up	Set-up case administration on IPS and Timeslips.
C93 Notification	Initial notification of appointment to creditors, Court, Companies House and pension regulator and any other parties identified.
C94 Stat Duties	R & P to Companies House and other parties and all reporting with in statutory time frames.
C95 Books/Records	Collection and listing of books and records immediate before or on appointment.
C96 Cashiering	Any estate accounting, i.e. receipts in and payments out for the estate account. Bank reconciliations. Ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
C97 Tax	All returns and VAT matters dealt with in the relevant time scales.
C98 Compliance	Case reviews, completing checklists and ensure that the case is being progressed in line with the firm's practices and the statutory guidelines.
C99 Other	Any other matters that do not fall into the above categories.



APPENDIX 3

Details of work to be undertaken in the whole period of the Liquidation

1. **Administration and Planning:**

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up physical/electronic case files (as applicable).
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and others required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).
- Complying with GDPR.
- Convening and holding general meetings of creditors and members (as applicable).
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.
- Seeking closure clearance from HMRC and other relevant parties.
- Preparing, reviewing and issuing final reports to creditors and members.
- Convening and holding final meeting meetings of creditors and members.
- Filing final returns at Companies House.

2. **Investigations:**

- Further investigations relating to the litigation as outlined in the report.
- Work required to substantiate the Orb Estates claim in the HP11 Liquidation, including the rescission of the January 2005 settlement agreement with HP11 (and other parties).

3. **Realisation of assets:**

- Watching brief over the litigation in HP11.
- Dealing with the Liquidator of HP11 in the event of any realisations in the HP11 Liquidation.

4. **Dealing with and distribution to Creditors:**

- Maintaining up to date creditor information on the case management system.
- Dealing with the Committee, creditor correspondence, emails and telephone conversations regarding their claims.
- If appropriate issuing a notice of intended dividend and placing an appropriate gazette notice.
- If appropriate reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.
- Where appropriate requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.
- Calculating and paying a dividend to creditors and issuing the notice of declaration of dividend.