

Liquidator's Progress Report

S.192

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

To the Registrar of Companies

WEDNESDAY



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31/10/2012

#381

COMPANIES HOUSE
Company Number

00561881

Name of Company

Vange Scaffolding Limited

+/ We
Kirstie Jane Provan
32 Cornhill
London
EC3V 3BT

Richard Hooper
Old Station Road
Loughton
Essex
IG10 4PL

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

The Progress Report covers the period from 15/09/2011 to 14/09/2012

Signed

Date

29/10/12

Begbies Traynor (Central) LLP
32 Cornhill
London
EC3V 3BT

Ref VA012CVL/KJP/IMC/GAS/VDG/AG/C

Vange Scaffolding Limited (In Creditors' Voluntary Liquidation)

Progress report pursuant to Section 104A of the
Insolvency Act 1986 and Rule 4.49C of the
Insolvency Rules 1986

Period: 15 September 2011 to 14 September 2012

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Vange Scaffolding Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The Company moving into creditors' voluntary liquidation from administration pursuant to Paragraph 83 of Schedule B1 to the Act
"the liquidators", "we", "our" and "us"	Kirstie Jane Provan of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT and Richard Hooper of Haslers, Old Station Road, Loughton, Essex, IG10 4PL
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	<ul style="list-style-type: none">(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and(ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s)	Vange Scaffolding Limited
Company registered number	00561881
Company registered office	32 Cornhill, London, EC3V 3BT
Former trading address	14 Brunel Road, Benfleet, Manor Trading Estate, Essex, SS7 4PS

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	15 September 2010
Date of liquidators' appointment	15 September 2010
Changes in liquidator (if any)	None

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 15 September 2011 to 14 September 2012

RECEIPTS

Book debts

£5,427 has been received from a Company debtor during the period

Miscellaneous

A refund of £288 has been received from Chubb Electronic Security in respect of a pre-payment made by the Company

A refund of £2 has been received from Connect Plus (M25) Limited

PAYMENTS

Legal fees

Legal fees amounting to £23,373 have been paid to the Liquidators' solicitors, Lawrence Graham LLP ("LG"), in respect of their assistance in progressing the employee tribunal claims. Further details of progress made in this respect can be found in Section 9 of this report

Tax advice

A payment of £700 has been made to ESW Limited, the Company's former tax advisor, for the preparation of a Corporation Tax terminal loss relief claim. This has resulted in HM Revenue & Customs' ("HMRC") offsetting trading losses of £827,869, incurred in 2010, against the Company's taxable profits in the three years prior to the company entering into Administration. The net cash effect of this is a reduction in HMRC's unsecured claim of £167,057.

Corporation Tax

£713 has been paid to HMRC in respect of the Company's Corporation Tax liability for the first year of liquidation.

Stationary and postage

£959 has been paid to The Colour Company in respect of stationary and postage charges incurred during the reporting period.

Insurance

During the reporting period £628, previously incorrectly allocated to VAT receivable, has been re-allocated to insurance costs.

Liquidators' fees and expenses

See Section 6 of this report for details.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the directors' statement of affairs included in the statement of proposals of the former administrators.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

Secured creditor

As you may recall there is no secured creditor as Barclays Bank Plc's ("the Bank") guarantee in respect of the outstanding Barclays Asset Finance liability was deemed not valid. Therefore, any shortfall resulting from the sale of assets initially thought to fall under the Bank's guarantee, will now rank as an unsecured claim in the liquidation.

Preferential creditors

The Liquidators estimate the total preferential claims to amount to approximately £460,000. However, we are currently in the process of adjudicating each of the claims and therefore the above estimate is subject to change.

It is anticipated that preferential creditors will be paid in full.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part for unsecured creditors is calculated were provided by the former administrators in their statement of proposals

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act. Therefore, no prescribed part of net property is available for distribution to the unsecured creditors

Unsecured creditors

We consider that there will be sufficient funds for a dividend to be paid to unsecured creditors

The anticipated return to the unsecured creditors based on the current estimated outcome statement is 20p/£. However, this figure is based on our initial estimate of employee unsecured claims and is therefore subject to change

6. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors at a meeting held on 28 February 2011 by reference to the time properly given by us (as Liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP and Haslers in attending to matters arising in the liquidation and we are authorised to draw disbursements, including disbursements for services provided by both firms (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firms' policies, copies of which are attached at Appendix 2 of this report

Begbies Traynor's time costs for the period from 15 September 2011 to 14 September 2012 amount to £85,399 00 which represents 325 80 hours at an average rate of £262 12 per hour. Begbies Traynor's total time costs from the commencement of the liquidation to date amount to £291,440 00 which represents 1,168 hours at an average rate of £248 71 per hour

Haslers' time costs for the period from 15 September 2011 to 14 September 2012 amount to £36,298 25 which represents 135 65 hours at an average rate of £267 59 per hour. Haslers' total time costs from the commencement of the liquidation to date amount to £76,120 50 which represents 316 95 hours at an average rate of £240 17 per hour

The following further information in relation to our time costs and disbursements is set out at Appendix 2

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 15 September 2011 to 14 September 2012
- ☐ Begbies Traynor (Central) LLP's and Haslers' policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's and Haslers' charge-out rates

To 14 September 2012, Begbies Traynor have drawn the total sum of £287,677 50 plus disbursements of £1,673 83 and Haslers have drawn the total sum of £61,500 plus disbursements of £1,097 45 on account

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been taken in accordance with the approval obtained are provided in the narrative summary of time costs incurred which is at Appendix 2

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3

8. ASSETS THAT REMAIN TO BE REALISED

Debtors

Negotiations are ongoing with one debtor who, as previously reported, made counter claims against the Company. The outstanding debt amounts to approximately £20,000 before taking the debtor's considerable counter claims into consideration. Legal advice has been sought and the Liquidators are now liaising directly with the debtor in order to bring this matter to a conclusion.

A statutory demand was issued in respect of another debtor that failed to make payment. A final settlement figure of £5,250 plus VAT has now been agreed with the debtor and the Liquidators anticipate payment to be received in the near future.

Director's loan

As creditors may recall, the Liquidators approached one of the former directors with regards to recovering a loan that had been offset against a potential balance due to a director of the Company prior to the administration. Legal advice has been sought in this respect and the matter is still under investigation.

9. OTHER RELEVANT INFORMATION

Employees

As creditors may recall, the Liquidators received notice that in excess of 150 former employees had made claims through the employment tribunal for holiday pay, redundancy pay, arrears of wages, notice pay, wrongful dismissal and a protective award.

During the reporting period, the Liquidators, together with Lawrence Graham LLP ("LG"), have reviewed each of the claims in great detail and liaised with both the employees' representatives and the Employment Tribunal in order to agree the amounts due to each of the employees.

The Liquidators have now reached a stage where all of the Tribunal claims have been agreed in principle but have not yet been formally documented. Our solicitors consider this should happen shortly.

The Liquidators are starting to agree all of the preferential and unsecured claims, incorporating the outcome of the Tribunal claims agreement.

Investigations and reporting on directors' conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. We can confirm that we have discharged our duties in these respects.

Investigations carried out to date

The Liquidators have instructed Moon Beever Solicitors to assist them with their ongoing investigations into the trading of the Company and various transactions that occurred in the period leading up to the Administration. The confidential nature of these investigations means that the Liquidators are unable to provide further information in relation to these enquiries at this stage.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report

Right to make an application to court

Pursuant to Rule 4.131 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate

11. CONCLUSION

The Liquidators will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner



Kirstie Provan
Joint Liquidator

Dated 29/01/12

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 15 September 2011 to 14 September 2012

	Notes	Receipts/payments: 15 September 2011 to 14 September 2012 £	Receipts/payments: 15 September 2010 to 14 September 2012 £	Estimated future receipts / payments £	Total £
Receipts					
Balance transferred from realisations in the administration			2 138 989		2 138 989
Sale of property at Manor Road Trading Estate Bentflet			280 000	-	280 000
Sale of motor vehicles		-	12 500	-	12 500
Sale of stock and equipment			5 250	-	5 250
Debtors	1	5 427	629 651	-	629 651
Insurance excess refunds		-	200	-	200
British Telecom refund		-	548	-	548
Bank interest		13 913	19 524	-	19 524
Insurance claim settlements		-	4 058	-	4 058
Miscellaneous refunds		290	290	-	
Funds held in solicitor's client account			2 671	-	2 671
		19 629	3 093 681	-	3,093 392
Less:					
Agents costs - Hico		-	(8 081)	-	(8 081)
Agents costs - Generator Management Services	2	-	(54 549)	-	(54 549)
Agents costs - Small Estate Agent		-	(4 700)	-	(4 700)
Legal costs - LG		(23 373)	(178 933)	(20 000)	(198 933)
Administrators fees		-	(81 114)	-	(81 114)
Administrators disbursements		-	(1 708)	-	(1 708)
Liquidators fees		(137 317)	(334 178)	(90 000)	(424 178)
Liquidators disbursements		(1 682)	(2 771)	(7 500)	(10 271)
Tax advice		(700)	(700)	-	(700)
Insurance		(628)	(11 091)	-	(11 091)
Welplan Insurance		-	(801)	-	(801)
Vehicle Lease Payments		-	(1 960)	-	(1 960)
IT costs		-	(577)	-	(577)
Employee wages		-	(27 042)	-	(27 042)
Pension Contributions		-	(518)	-	(518)
Bank Charges		-	(2 143)	(500)	(2 643)
Utilities		-	(2 464)	-	(2 464)
PAYE & NIC		-	(14 295)	-	(14 295)
Stationery and Postage		(959)	(6 913)	(2 500)	(9 413)
Statutory Advertising		-	(227)	(200)	(427)
Corporation Tax		(713)	(713)	-	(713)
Mail re-direction		-	(156)	-	(156)
VAT paid in respect of the administration liability		-	(55 806)	-	(55 806)
Contingency		-	-	(5 000)	(5 000)
Meeting room hire		-	(495)	-	(495)
		(185 371)	(791 935)	(125 700)	(917 635)
Assets available for preferential creditors		(145 743)	2 301 746	(125 700)	2 175 757
Less:					
Preferential creditors				(460 000)	(460 000)
Surplus with regards preferential creditors				(585 700)	1,715 757
Estimated prescribed part of net property					-
Surplus with regards floating charge holders					1 715 757
Debts secured by floating charge					-
Total assets available to unsecured creditors					1 715 757
Less:					
HM Revenue and Customs	3				(3 548 363)
Deficit under BASF lease agreements	3				(293 263)
Trade and expense creditors (estimated)	3				(996 750)
Employee claims (estimated)	4				(3 600 000)
Total estimated unsecured creditors					(8,438 376)
Estimated deficit with regards creditors					(6 722 619)
Estimated distribution to unsecured creditors					0 20
Balances held					
Barclays Bank floating charge account					197 605
Money Market Treasury					2 008,326
VAT reclaimable					95 815
					2 301 746

Notes

- 1 For prudence the Liquidators have not included a figure for future estimated receipts in respect of outstanding book debts
- 2 This figure includes amounts paid to two former employees for their assistance with the collection of Company book debts as detailed in the main body of the report
- 3 Based on claims received
- 4 This figure is based on our initial estimate of employee unsecured claims and is subject to change

Please note that the above figures do not take any potential realisations in respect of the Liquidators' investigations into account

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's and Haslers' policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's and Haslers' charge-out rates,
- c Narrative summary of time costs incurred,
- d Tables of time spent and charge-out value for the period from 15 September 2011 to 14 September 2012, and
- e Cumulative tables of time spent and charge-out value for the period from 15 September 2010 to 14 September 2012

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories.

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval)

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £150 per meeting,
- Car mileage is charged at the rate of 45 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² *Ibid* 1

- In addition to the 2 categories referred to above, best practice guidance indicates that where payments are made to outside parties in which the office holder or his firm or any associate has an interest these should be treated as Category 2 disbursements

The following items of expenditure which relate to services provided by entities within or formerly within the Begbies Traynor Group have been charged to the case in accordance with the approval obtained from creditors through resolutions by correspondence

Name	Description	Hours	Amount (£)
BTG Tax (now part of Smith & Williamson LLP)	Corporate compliance	0 50	75
BTG Forensic Technology	Administration	0 30	90
	Analysis and reports	2 00	600
	Investigations	0 30	90
		11 40	3,990
	Meetings	2 80	980

The above costs relate to advice provided in respect of a possible Corporation Tax Terminal Loss Relief claim and assistance with accessing and reviewing the Company's electronic records in order to obtain information relating to the litigation involved in collecting the Company's book debts

Although not currently envisaged, the Liquidators may require the services of both BTG Tax and BTG Forensic Technology going forward in the liquidation. Any time incurred will be charged on an hourly basis and creditors will be updated on these costs within the Liquidators' annual reports

- (B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the London office as at the date of this report are as follows

	Standard 1 May 2011 – until further notice (£ per hour)
Partner	495
Director	375
Senior Manager	365
Manager	315
Assistant Manager	270
Senior Administrator	235
Administrator	185
Trainee Administrator	160
Support	160

Prior to 1 May 2011, the following rates applied

Grade of staff	Charge-out Rate (£ per hour)
Partner 1	495
Partner 2	395
Director	375
Senior Manager	350
Manager	300
Assistant Manager	250
Senior Administrator	220
Administrator	180
Trainee Administrator	150
Support	150

Prior to 15 January 2011 the following rates applied

Grade of staff	Charge-out Rate (£ per hour)
Partner 1	450
Partner 2	395
Director	375
Senior Manager	350
Manager	300
Assistant Manager	250
Senior Administrator	220
Administrator	180
Trainee Administrator	150
Support	150

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in 6 minute units

TIME AND DISBURSEMENT POLICIES OF HASLERS APPLICABLE TO INSOLVENCY ESTATES AS AT 1 JANUARY 2012

Policies implemented by my firm that have a bearing on the time costs and disbursements charged to the estate are as follows

- 1 All professional staff are obliged to complete weekly timesheets which analyse time spent on each assignment in units of 6 minutes. The cashing functions on estates are performed by professional staff, again the time being charged directly to each assignment.
- 2 Where outside sub-contractors are used, their time is charged out at equivalent rates to permanent staff members. Secretarial personnel and support staff are not charged to cases save in circumstances where a disproportionate effort is required, for example in dealing with bulk mailings to an exceptional number of members, creditors, or debtors.
- 3 The Office Holder assigns the appropriate grades of staff to work on specific cases or activities. Current chargeout rates are as follows:

Grade	Hourly Rate £
Partner/Office Holders	350-425
Managers	275 - 295
Senior Administrators	180 - 225
Administrators	120 - 160
Junior Administrators	90-120
Insolvency Accounting	80

Rates are subject to review on the 1st January each year

- 4 Charge out rates are set by the firm on a standard formula used throughout the industry, based on staff salaries uplifted by a factor of 2.5. In the case of insolvency and recovery work, this is subject to a further uplift to take account of additional financial risk factors and the likelihood of a practitioner, having been appointed to office, being obliged to carry out statutory duties in relation to assignments for which the firm will not be paid. This uplift is also standard practice within the industry.
- 5 Haslers is located in the Greater London Area, just within the M25. It would be unreasonable to compare rates with other practices in Central London where salaries and overheads are highest. On the information available to us, our charge out rates compare favourably with firms of a similar size and peripheral location.
- 6 In some instances where there is undue risk to the firm in recovering its standard hourly rates in full, typically as a consequence of the pursuit of causes of action where the outcomes are far from certain, or where there are considered to be undue risks associated with the conduct of an assignment, then approval for a % uplift on standard hourly rates may be sought. The % uplift sought will vary depending upon the circumstances of each case.

- 7 Haslers has no financial or proprietary interest in any of the firms of agents or solicitors employed by the Office Holder. Unless otherwise specified, agents and solicitors are engaged on a normal commercial basis.
- 8 Selection of agents and solicitors to act in individual cases will be based on a number of criteria
 - a Their expertise to carry out the assignment, and
 - b Their ability and proven track record to progress the matter diligently towards a successful conclusion, and
 - c Cost
 - d Evidence of adequate professional indemnity insurance

Where creditors are wholly reliant upon the ultimate success of litigation, the Office Holder will place a lower priority on cost considerations when selecting a solicitor.

- 9 An external firm may be used to carry out specific work that would normally be carried out by this firm only in circumstances where the instructed firm would be uniquely placed to provide a more cost efficient service and hence value for money to creditors.

Direct Expenses (Category 1)

- 10 Disbursements incurred by an estate, for example statutory advertising, storage, postage and agents' fees, are paid directly from the estate. Alternatively, these are paid by the firm and reclaimed at cost from the estate when funds permit or when the case is finalised and the total costs can be ascertained.
- 11 Where staff use their own vehicles in necessary travel for the purposes of the estate, this is recharged at the amount payable to the member of staff, calculated at currently prevailing Inland Revenue authorised rates.

Other Expenses (Category 2)

- 12 Category 2 disbursements are costs which include elements of shared or allocated costs. It is not Haslers' policy to charge for such costs.

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	Vange Scaffolding Limited
CASE TYPE	CREDITORS' VOLUNTARY LIQUIDATION
OFFICE HOLDERS	Kirstie Jane Provan and Richard Hooper
DATE OF APPOINTMENT	15 September 2010

1 CASE OVERVIEW

- 1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

1.2 Complexity of the case *Debtors*

As previously reported, complications have been experienced in collecting the outstanding book debts. This is due to the claims that were issued against the Company for losses incurred as a result of the Company ceasing to trade and therefore not being able to complete the contracts.

LG and GMS were instructed to provide advice in relation to these claims and potential recoveries from the debtors.

There remain two outstanding book debts that the Liquidators continue to pursue.

Employee claims

As creditors may recall, the Liquidators received notice that in excess of 150 former employees had made claims through the employment tribunal for holiday pay, redundancy pay, arrears of wages, notice pay, wrongful dismissal and a protective award.

During the reporting period, the Liquidators, together with Lawrence Graham LLP ("LG"), have reviewed each of the claims in great detail and liaised with both the employees' representatives and the Employment Tribunal in order to agree the amounts due to each of the employees.

The Liquidators have now reached a stage where all of the Tribunal claims have been agreed in principle but have not yet been formally documented. Our solicitors consider this should happen shortly.

The Liquidators are starting to agree all of the preferential and unsecured claims, incorporating the outcome of the Tribunal claims agreement.

1.3 Exceptional responsibilities As detailed above

1 4 The office holders' effectiveness

Company assets

The only assets that remain to be realised are two book debts which the Liquidators continue to pursue. During the course of the liquidation, the Liquidators have realised book debts with a total value of £629,651.

Total asset realisations during the liquidation, excluding bank interest and including the above debtor figure, amount to £935,167.

1 5 Nature and value of property dealt with by the office holders

The majority of the Company's assets were realised during the course of the preceding Administration. Including the Company's cash at bank, the Joint Administrators realised a total of (including the Company's cash at bank) £2,138,989 through the sale of the Company's chattel assets located at various sites around the UK, and the collection of the majority of the Company's book debts. The Liquidators have continued to collect the Company's book debts and have entered into negotiations with those debtors who have contested the amounts due, secured the sale of the Company's head office for £280,000 (excluding the costs of sale) and have completed the sale of the Company's last remaining chattel assets. A total of £935,167 has been realised during the course of the liquidation to date.

1 6 Anticipated return to creditors

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

Secured creditor

As you may recall there is no secured creditor as the Bank's guarantee in respect of the outstanding Barclays Asset Finance liability was deemed not valid. Therefore, any shortfall resulting from the sale of assets initially thought to fall under the Bank's guarantee, will now rank as an unsecured claim in the liquidation.

Preferential creditors

The Liquidators estimate the total preferential claims to amount to approximately £460,000. However, we are currently in the process of adjudicating each of the claims and therefore the above estimate is subject to change.

It is anticipated that preferential creditors will be paid in full.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part for unsecured creditors is calculated were provided by the former administrators in their statement of proposals.

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act. Therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

Unsecured creditors

We consider that there will be sufficient funds for a dividend to be paid to unsecured creditors

The anticipated return to the unsecured creditors based on the current estimated outcome statement is 20p/£. However, this figure is based on our initial estimate of employee unsecured claims and is therefore subject to change

1 7 Time costs analysis

An analysis of time costs incurred between 15 September 2011 and 14 September 2012, prepared in accordance with Statement of Insolvency Practice 9 for both Begbies Traynor (Central) LLP and Haslers, is attached and shows the number of hours spent by each grade of staff on the different types of work involved in the case, giving the average hourly rate charged for each work type

The time costs analysis provides details of work undertaken by the Liquidators and their staff following their appointment only

1 8 The views of the creditors

As creditors are aware, the Company moved from administration to creditors' voluntary liquidation on 15 September 2010. The Liquidators have a duty to investigate the affairs of the Company and to consider the conduct of the directors. The Liquidators welcome any correspondence or information from creditors to assist with their investigations into the affairs of the Company.

The Liquidators will send progress reports to all known creditors within two months of each anniversary of their appointment.

1 9 Approval of fees

The Joint Liquidators' remuneration is based on hourly costs at scale rates calculated on the time properly given by them and their staff in attending to matters arising in the winding up as agreed at a meeting of creditors held on 28 February 2011.

1 10 Approval of Expenses and Disbursements

At the meeting of creditors on 28 February 2011, it was also resolved that the Joint Liquidators be authorised to make a separate charge in respect of their expenses in accordance with their firms' policies notes contained in Appendix 2 of this report.

1 11 Category 2 Disbursements

In accordance with the resolution obtained in relation to expenses and disbursements, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since the date of our appointment:

Name	Description	Hours	Amount (£)
BTG Tax (now part of Smith & Williamson LLP)	Corporate compliance	0 50	75
BTG Forensic Technology	Administration	0 30	90
	Analysis and	2 00	600
	reports	0 30	90
	Investigations	11 40	3,990
	Meetings	2 80	980

The above costs relate to advice provided in respect of a possible Corporation Tax Terminal Loss Relief claim and assistance with accessing and reviewing the Company's

electronic records in order to obtain information relating to the litigation involved in collecting the Company's book debts

1 13 Other professionals employed and their costs

Pinsent Masons LLP ("PM") have been instructed to provide advice in relation to ongoing matters arising in the liquidation as the relevant partners formerly at LG have moved firms. However, employee claims continue to be dealt with by LG due to their existing involvement in the Tribunal process.

LG's costs to date amount to £178,933

PM's costs to date amount to £6,500

Moon Beaver have been instructed to assist the Liquidators with their ongoing investigations into the trading of the Company and various transactions that occurred in the period leading up to the Administration. Their costs to date amount to £2,521.75

1 14 Staffing and management

Appropriately experienced staff undertook the various tasks arising to ensure that matters were properly dealt with, at the least cost to the Liquidation. It is the policy of Begbies Traynor (Central) LLP that all grades of staff charge time which solely relates to the case. The analysis in the report seeks to give some indication of the various tasks undertaken by the Liquidators and their staff but is not intended to be, nor should be viewed as, an exhaustive list.

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

- 2 1 Begbies Traynor (Central) LLP's and Haslers' policies for charging fees and expenses incurred by office holders is attached at Appendix 2
- 2 2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 2

3 SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

- 3 1 Since the date of our last report, the following work has been carried out
- Ensuring compliance with all statutory obligations in the liquidation,
 - Dealing with the realisation of the Company's remaining book debts,
 - Identifying and pursuing any actions which could lead to the recovery of funds,
 - Liaising with LG in relation to the employment tribunal claims detailed in the report,
 - Liaising with Pinsent Masons regarding HMRC's request detailed in Section 9 of the report,
 - Liaising with Moon Beaver in respect of the Liquidators' investigations,
 - Adjudicating the employees' preferential claims
 - Dealing with enquiries from employees and other creditors, and
 - Dealing with the Corporation Tax terminal loss relief claim detailed in Section 4 of the report

Staff Grade	Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time cost £	Average hourly rate £
Administration and Planning	32	35				45	149			26 10	6,780 50	259 79
	18 1	44	0 2				11 3	4 5	16 8	55 30	16 269 00	294 20
Investigations	15	06					10 1			12 20	2 848 00	233 44
	18	17				15	0 4			5 40	1 989 00	368 33
Realisation of assets		12				12 3	4 6			18 10	4,215 50	232 90
							0 2			0 20	37 00	185 00
Trading												
Creditors												
Other matters	26	48 9				49 7	93 4			194 80	49,561 00	254 68
	18	03								2 10	1,009 50	480 71
		04				30	59	15		10 80	2 194 50	203 19
	10									1 00	495 00	495 00
Total hours by staff grade	30 0	61 0	0 2			71 0	140 8	6 0	16 8	325 8		
Total time cost by staff grade £	14,850 00	24 095 00	73 00			16 685 00	26,048 00	960 00	2 688 00		85 399 00	
Average hourly rate £	495 00	395 00	365 00			235 00	185 00	160 00	160 00			262 12

[illegible]

VANGE SCAFFOLDING LIMITED – IN LIQUIDATION
Analysis of Haslars' time costs for the period 15 September 2010 to 14 September 2012

Classification of Work Function	Hours					Time Cost £	Average Hourly Rate £
	Partner/ Office Holder	Manager	Senior Administrator	Administrator	Total Hours		
Administration and Planning	15 35	7 30	6 20	0 65	29 50	9,076 25	307 67
Administrative Set-up	-	0 20	3 60	-	3 80	708 00	186 32
Case Planning	1 70	14 15	9 90	8 40	34 15	7,422 75	217 36
Insolvency Accounting	-	0 10	0 10	-	0 20	42 00	210 00
Maintenance of records	5 50	1 00	10 45	0 60	17 55	4 605 75	262 44
Statutory Reporting	-	-	9 60	0 50	10 10	1,959 00	193 96
Communications With Creditors	3 50	8 60	2 40	-	14 50	4,035 50	278 31
Creditors Claims	0 90	0 10	0 10	-	1 10	341 50	310 45
Realisation of Assets	0 50	6 40	-	-	6 90	1,637 50	237 32
Debt Collection	0 50	0 80	0 10	-	1 40	439 50	313 93
CDDA Reports	0 50	9 10	40 10	-	49 70	10,339 00	208 03
SIP 2 Review	-	3 90	7 60	-	11 50	2,391 50	207 96
Investigating Antecedant Transactions	19 75	40 20	76 60	-	136 55	33,122 25	242 56
Total hours	48 20	91 85	166 75	10 15	316 95		
Total costs (excluding disbursements and VAT)							240 17
Total fees drawn to date							61,500 00

STATEMENT OF EXPENSES

Expenses incurred during the period 15 September 2010 to 14 September 2011

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Sundry	Beefys	10 21	10 21	0 00
Courier	3D Couriers	100 95	100 95	0 00
Courier	Goldstar International Express	28 25	28 25	0 00
Company searches	Companies House	2 00	2 00	0 00
Travel	C2C	14 10	14 10	0 00
	Bestax Taxi Co	10 00	10 00	0 00
	Maplin	7 65	7 65	0 00
	London Taxis	65 00	65 00	0 00
	Various petrol stations	298 80	298 80	0 00
Storage	Archive Solutions	615 19	615 19	0 00
Bonding	Willis Limited	80 00	80 00	0 00
Conference call	British Telecom	39 60	39 60	0 00
Pension contributions	Skandia Life	517 52	517 52	0 00
Meeting room hire	MWB Business Exchange	495 00	495 00	0 00
Agent's fees	Sorrell Estate Agents	4,700 00	4,700 00	0 00
	GMS	51,690 00	51,690 00	0 00
	Hilco	8,080 71	8,080 71	0 00
Legal fees	LG	155,559 84	155,559 84	0 00
Mail re-direction	Royal Mail	155 98	155 98	0 00
Telephone, fax and internet	4 Com Network Services	287 59	287 59	0 00
	Yes Telecom	474 49	474 49	0 00
	BNP Paribas Lease Group	497 53	497 53	0 00
	Vodafone	90 01	90 01	0 00
	British Telecom	478 97	478 97	0 00

Stationary & Postage	Imprima UK Limited	3,369 50	3,369 50	0 00
	The Colour Company	2,246 49	2,246 49	0 00
	ING Lease UK Limited	338 10	338 10	0 00
IT Support	Back Up Direct	180 00	180 00	0 00
	Protec UK	250 00	250 00	0 00
	On Direct Business Services Ltd	147 00	147 00	0 00
Statutory Advertising	Courts Advertising Limited	226 80	226 80	0 00
Employee wages	Employees retained by the former Administrators and current Liquidators	29,901 54	27,042 47	0 00
Property expenses	NPower	587 27	587 27	0 00
	Essex & Suffolk Water	48 17	48 17	0 00
Insurance	Willis Limited	10,463 09	10,463 09	0 00
Employee Insurance	Welplan	801 42	801 42	0 00
PAYE & NI	HM Revenue & Customs	14,294 97	14,294 97	0 00
Vehicle rental payments	Mercedes Benz	1,960 16	1,960 16	0 00
Bank charges	Barclays Bank Plc	2,142 90	2,142 90	0 00

Expenses incurred during the period 15 September 2011 to 14 September 2012

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Storage	Archive Solutions	716 04	397 80	318 24
Company searches	Companies House	1 00	1 00	0 00
Postage	Royal Mail	3 28	3 28	0 00
Legal fees	Lawrence Graham	23,372 90	23,372 90	0 00
	Pinsent Masons	6,500 00	0 00	6,500 00
	Moon Beaver	2,521 75	0 00	2,521 75
Tax advice	ESW Limited	700 00	700 00	0 00
Stationary & Postage	The Colour Company	959 40	959 40	0 00