

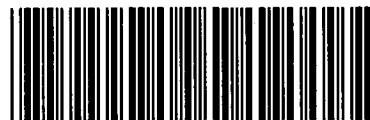
LIQ03

Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



ABZUGQ59

A04

22/03/2023

#156

COMPANIES HOUSE

1 Company details

Company number 0 0 7 9 6 2 5 6

Company name in full Lowfield Printing Co. Limited (The)

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Nicholas

Surname Myers

3 Liquidator's address

Building name/number 45 Gresham Street

Street

Post town

London

County/Region

Postcode

E C 2 V 7 B G

Country

4 Liquidator's name^①

Full forename(s) Henry Anthony

Surname Shinnars

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address^②

Building name/number 45 Gresham Street

Street

Post town

London

County/Region

Postcode

E C 2 V 7 B G

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

From date	^d 1	^d 6	^m 1	^m 0	^y 2	^y 0	^y 1	^y 9
To date	^d 1	^d 5	^m 1	^m 0	^y 2	^y 0	^y 2	^y 0

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 1	^d 0	^m 1	^m 2	^y 2	^y 0	^y 2	^y 1
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LIQ03

Notice of progress report in voluntary winding up



Presenter information

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

Contact name **Blyss Nicholls**

Company name **Evelyn Partners LLP**

Address **45 Gresham Street**

Post town **London**

County/Region

Postcode **E C 2 V 7 B G**

Country

DX

Telephone **020 7131 4000**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

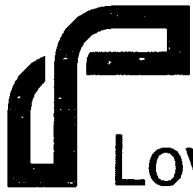
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

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Lowfield Printing Co. Limited (The) (in creditors' voluntary liquidation)

Joint liquidators' annual progress report (restated) for the period
from 16 October 2019 to 15 October 2020

10 December 2021



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1. Glossary

Abbreviation	Description
the Company	Lowfield Printing Co. Limited (The)
the liquidators/joint liquidators	Nicholas Myers and Henry Anthony Shinnars
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
IR86	Insolvency Rules 1986, as revoked by IR16 If preceded by R, this denotes a rule number
SOA	Statement of affairs
ETR	Estimated to realise
HMRC	HM Revenue & Customs
HSBC	HSBC Bank Plc is the Qualifying Floating Charge Holder, charges in the name of Midlands Bank Plc
RPS	Redundancy Payments Service

2. Introduction and Summary

This report provides an update on the progress of the liquidation of the Company for the period ended 15 October 2020 and should be read in conjunction with any previous reports.

By way of reminder, we, Nicholas Myers and Henry Anthony Shinnars both of Smith & Williamson LLP, 25 Moorgate, London EC2R 6AY, were appointed liquidators of the Company.

On 3 October 2018 the members passed a written resolution to place the Company into liquidation with effect from 16 October 2018 and the creditors ratified the appointment by the deemed consent process.

It should be noted that reports for the first and second year of liquidation have previously been issued for the respective periods ending 2 October 2019 and 2 October 2020. Given the liquidators were appointed by the Company's members and creditors on 16 October 2018, the reporting periods were incorrect and, therefore, both reports have been restated and reissued to cover the correct periods, being from 16 October 2018 to 15 October 2019 and 16 October 2019 to 15 October 2020 respectively. This is the restated report for the second year of the liquidation.

The principal trading address of the Company was 9 Kennet Road, Thames Road, Crayford, Kent DA1 4QT. The business traded under the name 'Lowfield Printing Company'.

The Company's registered office is 25 Moorgate, London EC2R 6AY and its registered number is 00796256.

Please note this report was first prepared during the period of the Covid-19 pandemic and, as a result of government advice and restrictions, we had limited access to some of our physical case files and, where relevant, produced this report from records available on our IT systems. We took every reasonable step to ensure that the information was accurate based on the information known and available to us. If anything transpires to subsequently be incorrect or incomplete, we will provide an explanation and corrected information either in the next progress report or as soon as we are in a position to do so.

If you have any concerns regarding this matter, please contact Blyss Nicholls by email blyss.nicholls@smithandwilliamson.com or by telephone 0207 131 4000.

3. Realisation of assets

Attached at appendix I is our receipts & payments account for the period from 16 October 2019 to 15 October 2020. This account includes cumulative figures for the total period of the liquidation, from 16 October 2018 to 15 October 2020.

The receipts & payments account also includes a comparison with the directors' SOA values, which is the directors' best estimate of the Company's financial position as at the date of liquidation.

3.1 Bank interest gross

Bank interest in the sum of £95.11 has been received on funds held in the liquidation account with the Royal Bank of Scotland Plc during the report period. The total sum of £247.18 has been received in gross bank interest during the course of the liquidation.

At the date of the liquidation the indebtedness was estimated at £118,860. HSBC have been collecting the Company's book debts under the factoring facility and the respective fixed charge, however, it is unlikely they will be repaid in full. Accordingly, any shortfall due to HSBC will rank as a secured claim under their floating charge.

Aldermore Bank Plc ("Aldermore") held security over various print equipment of the Company under a hire purchase agreement. At the date of liquidation, the indebtedness was estimated at £46,070. The required settlement amount exceeded the value of the assets. Aldermore are therefore able to claim for their shortfall as an unsecured creditor. They had not submitted a claim at the end of this reporting period.

Paragon Business Finance Plc ("Paragon") held security over a colour printing press under a hire purchase agreement. At the date of liquidation the indebtedness was estimated at £100,627. As the required settlement

5.1 Secured creditors

5. Creditors

As previously reported, under the Company Directors Disqualification Act 1986 we have a duty to make a submission to the Secretary of State for Business, Energy & Industrial Strategy on the conduct of all those persons who were directors at the date of liquidation or who held office at any time during the three years immediately preceding insolvency.

We have complied with our duty in this regard. As all submissions are strictly confidential, we are unable to disclose their content.

Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors as a response to our request to complete an investigation questionnaire and our own preliminary enquiries into the Company's affairs. Our investigations have not revealed any issues requiring further reporting.

4. Investigations

Book Debts under HSBC's Factoring Facility

The Company operated a factoring facility with HSBC Bank Plc ("HSBC") and the sum due under this facility was £118,860 as at the date of liquidation. According to the directors' SOA, as at the date of liquidation, the outstanding debtors had a book value of £124,982 and an ETR value of £93,736.

Accordingly, HSBC will not be repaid in full under this facility and, therefore, there will be no surplus realisations due to the liquidation estate in this regard.

Unfactored book debts

Book debts not subject to the HSBC factoring facility had a book value of £41,437 and an ETR value of £20,719. In the first year of the liquidation the sum of £8,819 had been realised.

Due to disputes raised by the remaining debtors, there have been no further book debt realisations in the reporting period. Further endeavours were made during the report period to maximise realisations, however, the liquidators consider that it is unlikely that any further realisations will be made and, therefore, it is uncommercial and not cost effective to pursue the remaining balance.

3.2 Assets still to be realised

amount exceeded the value of the assets, Paragon can claim for their shortfall as an unsecured creditor. They had not submitted a claim at the end of this reporting period.

5.2 Preferential creditors

The only categories of claim which will have preferential status against the liquidation estate are those of employees in respect of arrears of salary (up to £800) and any accrued but unpaid holiday entitlements. Such claims are first met and paid (up to certain statutory limits) by the RPS, a government department within the Department for Business, Energy and Industrial Strategy, who will then have a subrogated preferential claim against the estate.

Preferential claims in respect of arrears of wages are capped at £800 per employee. Any amount in excess of this will be classified as an unsecured claim.

Any holiday pay owing in excess of the statutory limit applied by the RPS will form part of the employee's residual preferential claim.

Further to claims received to date, we estimate that the total preferential claims of the Company's employees will be £4,023, summarised as follows:

	SOA claims	Claims received
Preferential creditors	£	£
Employee claims (16 claims)	4,250.00	692.07
RPS - Subrogated claim	-	3,330.68
Total	4,250.00	4,022.75

On present information, there are sufficient realisations to pay a distribution to preferential creditors of 100 pence in the pound.

We have therefore taken steps to formally adjudicate and agree the preferential creditor claims and a notice of intended dividend will be circulated to the respective preferential creditors following this report.

5.3 Unsecured creditors

Ordinary unsecured creditors include trade and expense creditors, HMRC and employees' non-preferential claims (to include the subrogated unsecured claim of the RPS and employees with residual unsecured claims).

We have received claims totalling £234,393 from 27 creditors. Total claims as per the directors' SOA were £282,082.

Based on the anticipated level of realisations and the likely shortfall due to HSBC under its floating charge, it is anticipated there will not be sufficient funds to pay a dividend to the unsecured creditors.

5.4 Prescribed part

The Regulations and Rules provide that, where a company has granted a floating charge either on or after 15 September 2003, there is a provision for a share of the Company's net property to be set aside for distribution to unsecured creditors in priority to the floating charge holder. These funds are referred to as the Prescribed Part.

For these purposes, net property is defined as being realisations from assets subject to floating charges after the associated costs of realisation and after settlement of preferential claims. The prescribed part is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter, subject to a maximum prescribed part fund of £600,000.

The Company granted a floating charge to HSBC on 8 September 1998. Accordingly, there is no requirement to create a prescribed part fund out of the Company's net floating charge property for unsecured creditors, as this requirement only applies to charges created after 15 September 2003.

6. Liquidators' remuneration

The creditors approved the basis of the liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the liquidation. This was granted following the joint liquidators providing a fees and expenses estimate and the requisite majority of creditors granting approval by means of a resolution by correspondence on 13 December 2018.

The liquidators' time costs are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
16 October 2018 to 15 October 2019	204.95	54,580.00	266.31	15,000.00
16 October 2019 to 15 October 2020	48.40	13,204.00	273.00	Nil
Total	253.35	67,784.00	268.00	15,000.00

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

Also attached as appendix III is a cumulative time analysis for the period from 16 October 2018 to 15 October 2020 which provides details of the liquidators' total time costs since appointment. Total time costs are £67,784, as above, compared to our original estimate of £25,610 and only the incurred time costs within the approved estimate may be drawn. A total of £15,000 has been drawn on account of these costs to date and no time costs have been drawn in this reporting period.

Any sum in excess of the approved estimated time costs will not be recovered by the joint liquidators subject to further fee approval being obtained from creditors.

As our original time costs estimate has been exceeded, the joint liquidators will write to the respective creditors shortly following the issuance of this report to seek the appropriate authority to draw additional remuneration in excess of the original fees and costs estimate.

On a general note, creditors should be aware that some of the work that has been undertaken during the liquidation is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include dealing with former employees' claims through the RPS and providing information relating to the

company and its former officers to the Insolvency Service as required by the Company Directors' Disqualification Act 1986.

A copy of 'A Creditor's Guide to Liquidator's Fees' can be downloaded free of charge from the ICAEW's website at the following address:

<http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/liquidations-creditor-fee-guide-6-april-2017.ashx?la=en>

Alternatively, a hard copy is available on request, free of charge.

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

On a general note, please be aware that the charge out rates are subject to an annual review.

7. Liquidation expenses

7.1 Subcontractors

We have not utilised the services of any subcontractors in this case.

7.2 Professional advisers

As you will be aware, our estimated expenses included the cost of instructing professional advisers and the table below discloses the costs incurred and paid, along with the original estimates.

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

Name of professional adviser	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £	Total costs paid £	Estimated total costs £	Variance £
SIA Group (UK) London Limited	Hourly rate and disbursements	-	-	-	5,865.53	5,865.53	Nil
ERA Solutions Limited	Fixed fee	800.00	800.00	-	800.00	-	800.00
Irwin Mitchell (solicitors)	Hourly rate and disbursements	-	2,750.00	-	2,750.00	1,000.00	1,750.00

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

SIA Group (UK) London Limited are regulated by the Royal Institute of Chartered Surveyors and experienced in asset appraisal, advisory and disposal. They valued, marketed and sold the Company's chattel assets above the estimated to realise value on the directors' SOA.

ERA Solutions Limited are specialists in employees and employment matters arising in all forms of insolvency processes. They were instructed to review the claims received from employees and the RPS and assist with the adjudication in preparation for issuing the notice of intended dividend to the preferential creditors.

Irwin Mitchell are solicitors regulated by the Solicitors Regulation Authority and who provided advice in respect of the landlord as detailed below in section 7.5.

The above agents' expertise in their respective fields made costs applicable to the assignment and were considered best value for the work undertaken.

7.3 Liquidators' disbursements

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

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Liquidators' bonds	Nil	Nil	140.00
Storage	327.04	Nil	404.48
Total	327.04	Nil	444.48

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

The outstanding costs have been paid by the liquidators' firm and costs have not been recovered from the estate. Storage costs incurred are presently lower than the original expense estimate.

7.4 Category 2 disbursements

No category 2 disbursements have been incurred and/or paid in the reporting period or since the commencement of the liquidation.

7.5 Other expenses

Other expenses (i.e. those not detailed in the preceding sections) paid during the period covered by this report are shown in the receipts and payments summary at Appendix I. Detailed below are those expenses which we consider to be significant in the context of this case:

Supplier/service provider	Nature of expense incurred	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
I & N Starkey	Rent	7,748.28	£7,748.28	-

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

A payment of rent to the Company's landlord was required for the post-liquidation period during which the Company's tangible assets remained at the premises. An invoice was received during the report period for the period of occupancy, being 16 October 2018 to 18 January 2019, which was duly paid. Incurring such a cost has provided a net benefit to creditors as it resulted in the safeguarding and sale of the chattel assets located at the premises.

7.6 Policies regarding use of third parties and disbursement recovery

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

8. Outstanding matters

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

- Obtain confirmation from HSBC as to the extent of its shortfall under the factoring facility and, therefore, the quantum of its secured claim under its floating charge;
- Issue a notice of intended dividend to preferential creditors;
- Declare and pay a first and final distribution to preferential creditors;

- Finalise the Company's tax affairs and obtain the requisite tax clearances;
- Closure of the liquidation, including preparing and issuing our final report.

The liquidators' current time costs exceed the original fees and costs estimate.

In undertaking the above work, the liquidators anticipate that future time costs to conclude the liquidation will be in the region of £5,000.

Please note, time costs above the current estimate are not recoverable unless a fee uplift is requested and approved by the requisite majority of creditors.

The benefit of the above work to creditors is that it is anticipated the preferential creditors will receive a distribution of 100 pence in the pound.

9. Privacy and data protection

As part of our role as joint liquidators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at <https://smithandwilliamson.com/rrsgdpr>. If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact Blyss Nicholls of our office if you believe this applies.

10. Creditors' rights

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 or otherwise with the court's permission) may request in writing that the liquidators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the liquidators, as set out in this report, are excessive.

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

On a general note, if you have any comments or concerns in connection with our conduct, please contact Nicholas Myers or Henry Anthony Shinnars in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

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

i) Email: insolvency.enquiryline@insolvency.gov.uk

ii) Telephone number: +44 300 678 0015

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

11. Next report

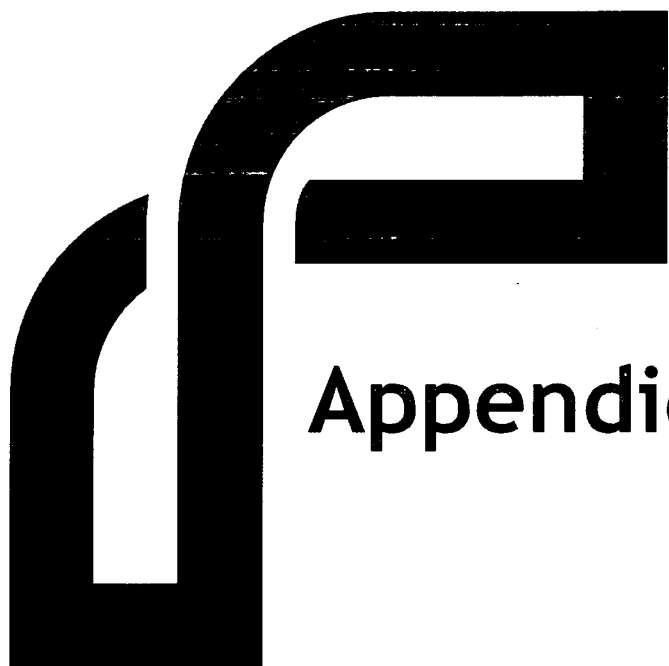
We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation unless we have concluded matters prior to this, in which case we will write to all creditors with our final account, prior to vacating office.



Nicholas Myers

Joint Liquidator

10 December 2021



Appendices

I Receipts & payments account

Statement of Affairs		From 16/10/2019 To 15/10/2020	From 16/10/2018 To 15/10/2020
£		£	£
	SECURED ASSETS		
129,965.00	Plant & Machinery	NIL	NIL
93,736.00	Book Debts	NIL	NIL
3,600.00	Cash at Bank	NIL	NIL
		NIL	NIL
	SECURED CREDITORS		
(118,860.00)	HSBC Bank Plc		
(100,627.00)	Paragon Business Finance Plc	NIL	NIL
(46,070.00)	Aldermore Bank Plc	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
55,000.00	Unencumbered Plant & Machinery	NIL	59,300.00
7,500.00	Insurance Claim	NIL	9,320.00
20,719.00	Book Debts	NIL	8,818.80
	Prepayments	NIL	1,083.95
	Sundry refunds	NIL	545.99
	Bank Interest Gross	95.11	247.18
	Cash at Bank	NIL	62.50
1,000.00	Office Equipment	NIL	NIL
Uncertain	Stock	NIL	NIL
Uncertain	VAT Refund	NIL	NIL
		95.11	79,378.42
	COST OF REALISATIONS		
	Liquidator's Fees	NIL	15,000.00
	Rents Payable	7,748.29	7,748.29
	S&W Pre-appointment Fee	NIL	7,500.00
	Ransom Payment	NIL	6,400.00
	Agents/Valuers Fees	800.00	6,380.00
	Legal Fees	2,750.00	2,750.00
	Lease Payments	NIL	553.60
	Insurance of Assets	NIL	392.00
	Storage Costs	NIL	377.50
	Agents/Valuers Expenses	NIL	285.53
	Statutory Advertising	NIL	162.90
	Bank Charges	0.40	0.80
		(11,298.69)	(47,550.62)
	PREFERENTIAL CREDITORS		
(4,245.00)	Employees Holiday Pay	NIL	NIL
		NIL	NIL
	FLOATING CHARGE CREDITORS		
	Floating Charge Creditor (shortfall under fixed charge)	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(17,906.00)	Directors	NIL	NIL
(126,287.00)	Employees	NIL	NIL
(9,841.00)	HM Revenue & Customs	NIL	NIL
(161,554.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
<u>(273,870.00)</u>		<u>(11,203.58)</u>	<u>31,827.80</u>

From 16/10/2018
To 15/10/2020

£

REPRESENTED BY

Client's Deposit Account
VAT Receivable

31,117.80

710.00

31,827.80

Notes and further information required by SIP 7

- Confirmation of the gross book debt realisations paid directly to HSBC Bank Plc under its factoring facility and fixed charge during the reporting period is yet to be confirmed.
- Confirmation of the gross realisations received by Aldermore and Paragon under their respective chattel mortgages is yet to be received. This will be reported in our next report to creditors.
- The liquidators' remuneration has been approved.
- We have not yet sought approval of or drawn any other costs that would require the same approval as our remuneration.
- No payments have been made to us from outside the estate.
- Details of significant expenses paid are provided in the body of our report.
- There were no payments made to sub-contractors.
- Information concerning the liquidators' remuneration and disbursements incurred is provided in the body of our report.
- Information concerning the ability to challenge the liquidators' remuneration and expenses of the liquidation is provided in our report.
- All bank accounts were interest bearing during the report period.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. The Company was VAT registered and, accordingly, VAT paid on expenses will be recovered to the estate.

Notes and further information required by SIP 9

- Further information as to the principle costs and expenses in the reporting period are detailed in the main body of the report.
- The rent payments were a benefit to creditors as they resulted in the security and sale of the chattel assets located on at the trading address for realisation in the insolvency estate.

II Time analysis for the period

From 16 October 2019 to 15 October 2020

	Partner	Director & Associate Director	Manager	Other Professionals	Support	Total	Cost	Average rate
	Hours	Hours	Hours	Hours	Hours	Hours	£	£/hr
Administration & planning								
Statutory & Regulatory	-	-	-	11.00	-	11.00	2,653.25	241
Case administration	1.90	0.05	2.20	19.05	-	23.20	6,443.75	278
Administration & planning - other	0.45	-	5.35	0.05	-	5.85	1,847.50	316
Sub-total Administration & planning	2.35	0.05	7.55	30.10	-	40.05	10,944.50	273
Investigations								
Records and investigations	-	-	1.30	-	-	1.30	390.00	300
Sub-total Investigations	-	-	1.30	-	-	1.30	390.00	300
Realisation of assets								
Other assets	-	-	-	0.60	-	0.60	144.00	240
Sub-total Realisation of assets	-	-	-	0.60	-	0.60	144.00	240
Creditors								
Employees, Pensions & RPS	-	-	0.25	5.40	-	5.65	1,460.50	258
Unsecured creditors (exc. Staff)	0.10	-	0.25	0.45	-	0.80	265.00	331
Sub-total Creditors	0.10	-	0.50	5.85	-	6.45	1,725.50	268
Total of all hours	2.45	0.05	9.35	36.55	-	48.40		
Total of all £	1,347.00	23.25	3,054.00	8,779.75	-		13,204.00	
Average rate	549.80	465.00	326.63	240.21	-			273
Grand total hours	2.45	0.05	9.35	36.55	-	48.40		
Grand total £	1,347.00	23.25	3,054.00	8,779.75	-		13,204.00	
Average rate £/hr (all staff)	550	465	327	240	-			273

Notes

The above table has been updated from that supplied in our report dated 30 November 2020 to accurately reflect the time costs incurred by the liquidators and their staff in the period from 16 October 2019 to 15 October 2020.

It should be noted that Smith & Williamson LLP had an IT system upgrade which changed the reporting titles from 1 August 2020. For the ease of creditors, the above table and table in Appendix III has been produced using the previous reporting titles to allow for ease of comparison.

The overall heading and fees are the same as those detailed in the fee estimates and do not affect the financial position or estimates set-out when obtaining fee approval.

Explanation of major work activities undertaken

Administration and planning

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

- Dealing with routine correspondence
- General case planning and administration
- Undertaking statutory case reviews including reviewing the book debt position
- Maintaining physical case files and electronics case details on IPS (case management software)
- Maintaining and managing the administrators' cash book and bank accounts
- Internal meetings in respect of case strategy
- Reconciliation of bank account
- Raising cheques, preparing telegraphic transfers and bank reconciliations



- Remittances of receipts
- Drafting the first annual progress report
- VAT and corporation tax returns
- De-registering the VAT number

Investigations

This section relates to our statutory obligations to investigate the actions of the directors of the Company and to review the Charity's records with a view to making to asset recoveries. This work includes the following:

- Communications concerning the Company's records.

Realisation of assets

This section is in relation to the realisation of the Company's assets. The work includes the following:

- Telephone conversation with the landlord concerning the outstanding rent payments

Creditors

This section is in relation to the Company's creditors. The work includes the following:

- Dealing with correspondence from creditors
- Creditor maintenance on IPS
- Liaising with the RPS in respect to employee claims
- Liaising with ERA Solutions concerning employee claim adjudication
- Reviewing and adjudicating the preferential creditor claims
- Drafting a notice of intended dividend to the preferential creditors
- Reviewing the pension position and requesting details of any outstanding pension contributions in anticipation of the dividend to the preferential creditor

III Cumulative time analysis

From 16 October 2018 to 15 October 2020

	Partner	Director & Associate Director	Manager	Other Professionals	Support	Total	Cost	Average rate
	Hours	Hours	Hours	Hours	Hours	Hours	£	£/hr
Administration & planning								
Statutory & Regulatory	0.30	-	-	14.00	-	14.30	3,464.75	242
Case administration	7.35	0.05	18.00	32.55	-	57.95	16,471.25	284
Administration & planning - other	1.30	-	9.65	51.05	-	62.00	15,340.50	247
Sub-total Administration & planning	8.95	0.05	27.65	97.60	-	134.25	35,276.50	263
Investigations								
Directors	0.50	-	-	6.80	-	7.30	1,789.00	245
Records and investigations	0.85	-	14.50	-	-	15.35	4,639.00	302
Sub-total Investigations	1.35	-	14.50	6.80	-	22.65	6,428.00	284
Realisation of assets								
Freehold property assets	0.25	-	2.00	-	-	2.25	692.50	308
Other assets	1.05	-	21.50	12.20	-	34.75	9,544.00	275
Leasing and HP assets	-	-	1.20	2.00	-	3.20	808.00	253
Invoice discounting/factors	-	-	2.10	2.20	-	4.30	1,115.00	259
Realisation of assets, other (legacy)	0.15	-	21.00	13.45	-	34.60	9,251.00	267
Sub-total Realisation of assets	1.45	-	47.80	29.85	-	79.10	21,410.50	271
Trading								
Trading suppliers and expenses	0.40	-	-	-	-	0.40	180.00	450
Trading, other (legacy)	0.10	-	-	-	-	0.10	45.00	450
Sub-total Trading	0.50	-	-	-	-	0.50	225.00	450
Creditors								
Employees, Pensions & RPS	-	-	0.25	6.25	-	6.50	1,656.00	255
Unsecured creditors (exc. Staff)	1.40	-	0.25	8.00	-	9.65	2,627.00	272
Creditors, other (legacy)	-	-	-	0.70	-	0.70	161.00	230
Sub-total Creditors	1.40	-	0.50	14.95	-	16.85	4,444.00	264
Total of all hours	13.65	0.05	90.45	149.20	-	253.35		
Total of all £	6,643.00	23.25	26,596.00	34,521.75	-		67,784.00	
Average rate	486.67	465.00	294.04	231.38	-			268
Grand total hours	13.65	0.05	90.45	149.20	-	253.35		
Grand total £	6,643.00	23.25	26,596.00	34,521.75	-		67,784.00	
Average rate £/hr (all staff)	487	465	294	231	-			268

Notes

The above table has been updated from that supplied in our report dated 30 November 2020 to accurately reflect the time costs incurred by the liquidators and their staff in the period from 16 October 2018 to 15 October 2020 (being the first two years of the liquidation).

It should be noted that Smith & Williamson LLP had an IT system upgrade which changed the reporting titles from 1 August 2020. For the ease of creditors, the above table and table in Appendix III has been produced using the previous reporting titles to allow for ease of comparison.

The overall heading and fees are the same as those detailed in the fee estimates and do not affect the financial position or estimates set-out when obtaining fee approval.

Explanation of major work activities undertaken

Administration and planning

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

- Preparing the documentation and dealing with the formalities of appointment



- Statutory notifications and advertising
- Dealing with routine correspondence
- Maintaining physical case files and electronics case details on IPS (case management software)
- Case bordereau
- Case planning and administration
- Preparing reports to members and creditors
- Maintaining and managing the liquidators' cash book and bank accounts
- Undertaking statutory case reviews including reviewing the book debt position
- Internal meetings in respect of case strategy
- Reconciliation of bank account
- Raising cheques, preparing telegraphic transfers and bank reconciliations
- Remittances of receipts
- Drafting the first annual progress report
- Internal discussions and communications regarding the Anti-Money Laundering requirement.
- VAT and corporation tax returns

Investigations

This section relates to our statutory obligations to investigate the actions of the directors of the Company and to review the Charity's records with a view to making to asset recoveries. This work includes the following:

- Complying with our statutory duties in accordance with the Directors' Disqualification Act 1986
- Investigation the actions of various parties in the lead up to the liquidation of the Company
- Corresponding with previous directors regarding our directors' questionnaire
- Communications concerning the Company's records.

Trading

This section relates to matters concerning the trading activities in the liquidation, although the Company was not trading. This work includes the following:

- Liaising with the landlord concerning handing back the property.

Realisation of assets

This section is in relation to the realisation of the Company's assets. The work includes the following:

- Liaising with agents in respect of the sale of the chattel assets.
- Liaising with the banks in relation to the funds transfers
- Liaising with HSBC to assist with the collection of the secured book debts
- Pursuing debtors of the Company
- Reviewing extensively the Company's book and records
- Liaising with hire purchase creditors and the landlord to arrange collection of various equipment
- Arranging for the site to be cleared
- Dealing with numerous utility companies regarding the Company's occupation at the property
- Engaging with insurers to pursue a pre-appointment claim
- Disclaiming the lease for the Company's trading property
- Telephone conversation with the landlord concerning the outstanding rent payments

Creditors

This section is in relation to the Company's creditors. The work includes the following:

- Dealing with correspondence from creditors
- Creditor maintenance on IPS
- General communications with secured creditors
- Liaising with the RPS in respect to employee claims

- Dealing with a ransom creditor connected to an insurance claim made prior to our appointment
- Dealing with outstanding employee and pension matters
- Liaising with ERA Solutions concerning employee claim adjudication
- Reviewing the preferential creditor claims
- Preparing the notice to the preferential creditors
- Reviewing the pension position and requesting details of any outstanding pension contributions in anticipation of the dividend to the preferential creditor

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IV Initial Fee Estimate

For ease of reference, the original fee estimate is as follows:

Lowfield Printing Co Limited (The) (In Liquidation)								
Total fees estimate according to number of hours, grade of staff and expected work to be undertaken								
Anticipated case duration	1	Year						
	Partner / director	Associate director	Manager/ assistant manager	Senior administrator/ administrator	Assistants & support staff			
Hourly rate (£)	450 - 520	420	250 - 365	170 - 320	90			
						Total hours	Total estimated time costs (£)	Average hourly rate
Classification of work function								
Administration & planning								
Statutory compliance, reporting to stakeholders, accounting, protecting company records, travelling, bonding, case set-up, planning and reviewing and filing	4.00	1.00	10.00	40.00	3.00	58.00	14,590.00	251.55
Realisation of assets								
Identifying, securing, insuring assets, dealing with assets subject to retention of title, debt collection, dealing with leased properties and asset sales	2.00	-	12.00	6.00	-	20.00	5,760.00	288.00
Creditors								
Communication with creditors, Creditors' claims (including employees, other preferential creditors and the Crown), adjudicating and distributing	1.00	-	3.00	6.00	1.00	11.00	2,790.00	253.64
Investigations								
Reviewing books, records and antecedent transactions, assessing directors' conduct and reporting to the Disqualification Unit and liaising with creditors (or the committee if formed)	1.00	-	3.00	5.00	-	9.00	2,470.00	274.44
Totals	8.00	1.00	28.00	57.00	4.00	98.00	25,610.00	261.33

Lowfield Printing Co Limited (The) (In Liquidation)			
Estimated expenses in accordance with categories 1 & 2 (Statement of Insolvency Practice 9) and payable to third parties*			
Expenses applicable to all cases		Incurred	Future estimate
Specific bond		140.00	0.00
Statutory advertising costs		162.90	162.90
Case specific costs - where applicable			
Insurance		0.00	392.00
Agents' fees		5,865.53	0.00
Legal fees		0.00	1,000.00
Storage costs		0.00	2,000.00
Bank charges		0.00	20.00
Total		6,168.43	3,574.90
* Category 1 expenses, in accordance with Statement of Insolvency Practice 9 are specific costs payable to an independent third party and relate directly to the case in question. Category 2 expenses are payable to the office holder's firm and are shared or allocated costs, most notably business mileage.			

Explanation of major work activities undertaken

An explanation of the major work activities undertaken is detailed in Appendices II and III.

Comparison to Initial Fee Estimate

Our initial fee estimate for the first year of the liquidation and approved by creditors was £25,610.

The time costs for the liquidation are higher than originally anticipated and a comparison is shown on the following page. Our actual time costs for the reporting period were £13,204.00 while our cumulative time costs are £67,784.

Category	Estimate (£)	Actual (£)	Difference (£)
Administration & Planning	14,590.00	35,276.50	20,686.50
Investigations	2,470.00	6,428.00	3,958.00
Realisation of Assets	5,760.00	21,410.50	15,650.50
Trading	Nil	225.00	225.00
Creditors	2,790.00	4,444.00	1,654.00
Total	25,610.00	67,784.00	42,174.50

The material differences between our original estimates and what has actually been incurred as at 15 October 2020 can be explained as follows:

Administration and planning (£20,686.50 underestimated)

Administration and planning has been underestimated due to the following reasons:

- The liquidators and their staff have incurred a significant amount of time dealing with statutory obligations. There were significant delays in certain equipment being removed from site which resulted in time being expended to deal with the Landlord and other stakeholders.
- The liquidators have also had a high number of utility supply issues to deal with. Legal correspondence was received from the Landlord during the liquidation which necessitated the liquidators seeking legal advice. These protracted negotiations lead to delays in respect to the lease ultimately being disclaimed.
- Due to certain issues between the directors and considering the sensitivities, additional time has been spent with internal meetings and planning our work.
- Correspondence with HMRC regarding the Company's tax affairs, particularly with regard to de-registering the Company for VAT purposes and VAT reclaims, has become protracted.
- It has not been possible to conclude the winding up of the Company within the first year, as originally anticipated, giving rise to additional statutory obligations and general administrative duties which were not previously provided for (e.g. the drafting of annual progress reports, periodic file reviews, ongoing file maintenance and bank account reconciliations).
- Case progression in the second year of the liquidation has also been hindered by the Covid-19 pandemic and restricted access to paper files and Company records.

Investigations (£3,958.00 underestimated)

Investigation costs have been underestimated due to the following:

- Due to certain errors in the Sage accounts, we had to undertake further analysis of the Company's trading position to ascertain whether there were any claims to be brought against third parties.
- Additional time was also spent engaging with third parties to follow up on certain lines of enquiry, as part of our investigations.

Realisation of Assets (£15,656.50 underestimated)

Realisation of Assets has been underestimated due to the following:

- Significant time has been incurred in relation to the realisation of the Company's book debts. A number of these debts were disputed and it has been necessary to undertake an extensive review of the Company's books and records to source additional correspondence and to properly engage with debtors.
- The liquidators were required to provide additional assistance to HSBC in order to ensure realisations with regard to the secured book debts were maximised. As a number of invoices were raised by the Company outside of the facility without HSBC's knowledge, the liquidators had to engage with HSBC to reconcile the position.

- The liquidators have also had to adhere to HSBC's requests to provide certain records held in storage which they required to pursue the debts. In some instances, significant time was expended to locate the required papers.
- Unexpected time was spent dealing with an insurance claim. The liquidators had to obtain all relevant papers and respond to the insurer's queries in order for funds to be released.
- Time has also been incurred in dealing with the chattel assets of the Company. We have had to engage with Aldermore and Paragon Bank to coordinate the protracted recovery of their assets from the Company's former premises.

Trading (£225 underestimated)

Trading has been underestimated due to the following reasons:

This cost relates to time spent dealing with the landlord to hand back the property.

Creditors (£1,654.00 underestimated)

Time spent in relation to creditors of the Company has been underestimated due to the following reasons:

- It has been necessary for the liquidators to establish the position of an unsatisfied charge in favour of Midland Bank PLC lodged against the Company in 1981. This has required liaison with HSBC, the acquirer of Midland Bank PLC, to determine the position.
- Receiving higher than anticipated correspondence and calls from the creditors.
- The liquidators have also had to deal with a ransom creditor which was related to the recovery of an insurance claim.

As stated in the main body of the report, only the incurred time costs within the approved estimate may be drawn. Any sum in excess of the approved estimated time costs will not be recovered by the joint liquidators subject to further fee approval being obtained from creditors.

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

Introduction

Detailed below are:

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

Staff allocation and the use of subcontractors

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

The constitution of the case team will usually consist of a partner and a partner or director or associate director as joint office holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

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

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

Use of professional advisers

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

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

Disbursements

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

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of category 2 disbursement, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile

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

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

Charge out rates

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

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2020.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2018	London office £/hr	Regional offices £/hr
Partner / Director	450-520	360-380
Associate Director	420	290-320
Managers	250-365	225-310
Other professional staff	170-320	140-185
Support & secretarial staff	90	60-140

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2019	London office £/hr	Regional offices £/hr
Partner / Director	470-540	376-432
Associate Director	440	352
Managers	270-380	216-304
Other professional staff	180-380	144-192
Support & secretarial staff	100	80

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2020	London office £/hr	Regional offices £/hr
Partner / Director	495-570	396-456
Associate Director	465	372
Managers	285-400	228-320
Other professional staff	190-465	152-204
Support & secretarial staff	105	84

Notes

1. Up to 31 July 2020 time is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1-minute units or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. The cashiering function time is incorporated within 'Other professional staff' rates.

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Principal offices: London, Belfast, Birmingham, Bristol, Cheltenham, Dublin, Glasgow, Guildford, Jersey, Salisbury and Southampton.

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