

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

MONDAY



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A17

10/08/2020

#145

COMPANIES HOUSE

### 1 Company details

Company number 0 2 0 9 1 9 1 7

Company name in full WOODLANDS SOCIAL HOUSING LIMITED

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

### 2 Liquidator's name

Full forename(s) Graham Stuart

Surname Wolloff

### 3 Liquidator's address

Building name/number Brightfield Business Hub

Street Bakewell Road

Post town Orton Southgate

County/Region Peterborough

Postcode P E 2 6 X U

Country

### 4 Liquidator's name ①

Full forename(s)

Surname

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

### 5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

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

LIQ03

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**6** Period of progress report

From date	<sup>d</sup> 1	<sup>d</sup> 1	<sup>m</sup> 0	<sup>m</sup> 6	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9
To date	<sup>d</sup> 1	<sup>d</sup> 0	<sup>m</sup> 0	<sup>m</sup> 6	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0

**7** Progress report

☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X

*G. M. Allen*

X

Signature date

<sup>d</sup> 1	<sup>d</sup> 0	<sup>m</sup> 0	<sup>m</sup> 8	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
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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 **Graham Stuart Wolloff**Company name **Elwell Watchorn & Saxton LLP**Address  
**Brightfield Business Hub**  
**Bakewell Road, Orton Southgate**Post town **Peterborough**County/Region **Cambs**Postcode **P E 2 6 X U**

Country

DX

Telephone **01733 235253****Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

**ELWELLWATCHHORNSAXTON**

Collaborative Business Recovery

**Private and Confidential**

Our ref GSW/DG/AA/WOO04/7

Date 6 August 2020

**TO ALL KNOWN MEMBERS & CREDITORS**

Dear Sirs

**WOODLANDS SOCIAL HOUSING LIMITED ("the Company") –  
IN CREDITORS VOLUNTARY LIQUIDATION**

I refer to my appointment as liquidator of the above named company and in accordance with Rule 18.7 of the Insolvency Rules 2016 (as amended), I write to provide all members and creditors of the company with an account of my acts and dealings and of the conduct of the winding-up for the period 11 June 2019 to 10 June 2020. This report should be read in conjunction with my previous reports.

I attach the following additional information:

- a) Receipts and payments account.
- b) Additional details of work undertaken in this period.
- c) Schedule of remuneration and case expenses; with further information

**SUMMARY**

There are funds in hand of just over £144,000 and there are 6 freehold tenanted houses to be sold. Due to the failure to complete projects for Housing Associations, the total value of the creditors' claims has gone up from the initial amount of approximately £4 million to an estimated at £13.5 million. As previously reported, the monies that are expected to be available will therefore only enable me to pay a dividend to unsecured creditors that I estimate will be in the order of 5p in the £.

**Liquidation Committee**

A liquidation committee was appointed at the meeting of creditors held on 24 June 2015 comprising:-

- TSL Scaffolding Services Limited
- Morphuse Framing Solutions Limited,
- Kestrel Timber Frame Ltd,
- Maybrick Limited
- Jefferson Sheard Limited

**Use of website to deliver future documents**

I have taken advantage of the legislative provisions whereby I can put future documentation onto a website and need not write to creditors to notify them that I have done so save for certain specified circumstances.

Tel 01733 235253 / Fax 01733 236391 / Email peterborough@ewslip.co.uk / Web ewslip.co.uk  
Elwell Watchorn & Saxton LLP, Brightfield Business Hub, Bakewell Road, Orton Southgate,  
Peterborough PE2 6XU

Elwell Watchorn & Saxton LLP is a limited liability partnership registered in England number OC311000  
VAT registration number: 655 0983 15  
Registered office: 109 Swan Street, Sileby, Loughborough, Leicestershire LE12 7NN  
Members: Graham Wolford Limited Joe Sadler Limited Nigel Price Limited  
Liam Short Limited Mark Talbot Limited



Elwell Watchorn & Saxton LLP uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how Elwell Watchorn & Saxton LLP uses your personal information on our website at [www.ewslp.co.uk/privacy/stakeholders](http://www.ewslp.co.uk/privacy/stakeholders) or, if a shareholder, at [www.ewslp.co.uk/privacy/directors-shareholders-owners](http://www.ewslp.co.uk/privacy/directors-shareholders-owners).

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Denise Gordon by email at [d.gordon@ewslp.co.uk](mailto:d.gordon@ewslp.co.uk), or by phone on 01733 235253.

**Disclaimer**

This report has been circulated for the sole purpose of providing creditors with an update for information purposes only to fulfil the necessary statutory requirement. The contents are private and confidential and may not be relied upon, referred to, reproduced in whole or in part or otherwise used by creditors for any purpose other than providing an update for them for information purposes, or by any other person for any purpose whatsoever.

Yours faithfully



Graham Stuart Wolloff  
Liquidator  
Licensed in the United Kingdom to act as an insolvency practitioner  
by the Insolvency Practitioners Association

**WOODLANDS SOCIAL HOUSING LIMITED – IN CREDITORS' VOLUNTARY LIQUIDATION**  
**LIQUIDATOR'S PROGRESS REPORT TO CREDITORS AND MEMBERS**  
**FOR THE PERIOD ENDING 10 JUNE 2020**

**STATUTORY INFORMATION**

Company name: WOODLANDS SOCIAL HOUSING LIMITED

Registered office: 109 Swan Street  
Sileby  
Leicestershire  
LE12 7NN

Former registered office: Squirrels Lodge  
Hards Lane  
Frognall  
Deeping St James  
Peterborough  
PE6 8RL

Registered number: 02091917

Liquidator's name: Graham Stuart Wolloff

Liquidator's address: Brightfield Business Hub,  
Bakewell Road,  
Orton Southgate,  
Peterborough,  
Cambridgeshire  
PE2 6XU

Liquidator's date of appointment: 11 June 2015

**LIQUIDATOR'S ROUTINE WORK SINCE LAST REPORT**

There is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the creditors. These activities specifically include returns required by the Crown and statutory reporting requirements dictated by the insolvency legislation, this report being one such example. A description of the routine work undertaken since my last progress report is contained in the Schedule of further information attached.

**RECEIPTS AND PAYMENTS**

My Receipts & Payments Account for the period from 11 June 2019 to 10 June 2020 is attached. Receipts total £365,243 whilst costs paid total £226,661, (including liquidator's fees of £35,000). Preferential creditors of £20,074 have been paid in full and the balance of funds of £141,713 is held in an interest-bearing estate bank account with a further amount of VAT receivable of £2,381.27.

## **ASSETS**

Asset realisations to date are set out in the attached receipts and payments account, with further details provided below.

### **Freehold Properties and Rental Income**

As I have previously reported, the Statement of Affairs showed four tenanted freehold properties that were estimated to realise £470,000, the two other tenanted properties were always recorded at Land Registry as being the Directors' personal properties. However, during the liquidation, I have continued to collect the rent and deal with the management of all six tenanted properties because it was the Company that was receiving the rent in the normal course of business.

In my previous report, I outlined details of the settlement that was reached with Mr Baxter and Mr King, where they agreed to withdraw their claims to beneficial ownership of the two properties and to complete the legal transfers to the Company. The titles of both properties were transferred to the Company in mid-December 2019. A further part of the settlement allowed me to retain all rental income from these properties that had been collected since the commencement of the liquidation. Along with the value of the properties, this has an approximate benefit to the liquidation of £370,000.

It was planned to instruct an agent to commence the sale of all six properties in the Spring of 2020 once the weather had improved and the housing market had picked up from the winter lull. Unfortunately, as everyone is aware, due to the Covid-19 outbreak and the subsequent lockdown this was not possible and it is now a matter of judging when is the best time to put the properties on the market.

I am keeping this under review but in the meantime the properties continue to generate rental income as they all remain tenanted.

### **Connected Party Debtors and Directors' Loan Accounts**

In my previous report, I explained that the claims against the directors for amounts that had been lent to themselves and to connected companies were dealt with in the overall settlement with the directors.

## **LIABILITIES**

### **Secured Creditors**

Although the Company had four charges over its assets, in fact there were no debts were owed to the charge holders.

### **Preferential Creditors**

As previously reported, the preferential claims have been paid in full.

### **Non-preferential unsecured Creditors**

As reported previously, the claims of the former Housing Association customers was subject to a critical review but we were not able to identify any significant grounds to dispute the claims and as result, the total of creditor claims has risen from approximately £4.2million in the Company' records before liquidation to an estimated at £13.5 million. I have not yet taken steps to formally admit the non-preferential creditors' claims.

## **PRE-APPOINTMENT REMUNERATION**

The creditors previously approved a pre-liquidation, statement of affairs fee of £9,500 plus VAT which was paid in a previous reporting period.

## LIQUIDATOR'S REMUNERATION

The basis of my remuneration was approved by a resolution of the Liquidation Committee on 30 July 2015 as follows:

- 1 In accordance with Rule 4.127 of the Insolvency Rules 1986, the liquidator's remuneration shall be fixed by reference to the time properly given by the office holder and his staff in attending to matters arising in the insolvency.
- 2 Fees drawn on account in accordance with the above shall be restricted to 50% of time costs on the first £802,175 of realisations.
- 3 The remaining 50% of time costs may be drawn on account from any realisations above £802,715 but restricted to no more than 25% of the additional realisations above £802,715.
- 4 There shall be no additional uplift to time costs in consideration for the above restriction on drawings so that the maximum fee is 100% of time costs.

I enclose a 'schedule of remuneration, disbursements and case expenses, with further information', which provides details of the time costs incurred and disbursements. The time costs incurred amount to £124,477.00 to the end of this reporting period, and although the above resolution would have allowed me to draw remuneration on account of some £62,500 to date I have limited the amount drawn to £35,000 on account of those time costs.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at:  
<http://www.creditorinsolvencyguide.co.uk/>.

A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3 can be found at:  
<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/>.

Please note that there are different versions of the Guidance Notes and in this case you should refer to the November 2011 version. Details of the firm's charging policy are included in the enclosed Schedule of remuneration and case expenses, with further information.

## LIQUIDATOR'S EXPENSES

The disbursements incurred can be summarised as follows:

Category 1, disbursements not requiring approval, represent a re-charge to the estate for direct costs, payable to independent third parties, specifically incurred in the administration of the estate. In certain instances, these costs were initially met from the firm's resources due to the lack of funds available at the time that payment was due.

Category 2, disbursements requiring approval, represent a charge to the estate for the costs incurred by the firm specifically in relation to the estate.

I do not intend to draw any Category 2 disbursements are to be paid and therefore no accruals have been calculated.

An unsecured creditor may, with the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Liquidator's remuneration and expenses within 21 days of their receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Liquidator as being excessive, and/or the basis of the Liquidator's remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

Further details are included in the attached Schedule of remuneration and case expenses; with further information.



**Professional advisors engaged**

I have used professional advisors to assist with the administration and progression of the case.

The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and I am satisfied that they are reasonable in the circumstances of this case. Professional advisors' fees are recharged at cost.

Actual costs incurred in this reporting period are as follows: -

Adviser/Organisation	Service provided	Reason selected	Basis of fees	Fees paid this reporting period
W & H Peacock	Advice and assistance in respect of auction and private treaty sales	Relevant qualifications, knowledge and experience	Sales commissions of 5% on vehicles and 10% on other items. Plus costs of sale.	£ Nil
W & H Peacock	Asset valuation	Relevant qualifications, knowledge and experience	Fixed fee	£ Nil
Leslie Keats	Debt recovery and Quantity Surveying services	Relevant qualifications, knowledge and experience	Standard time costs basis	£ Nil
Lester Aldridge (no longer acting)	Legal advice regarding winding-up petition and potential claims against directors	Relevant qualifications, knowledge and experience	Standard time costs basis	£ Nil
David Pritchard Limited	Quantity Surveying services	Prior knowledge and experience	Standard time costs basis plus expenses	£ Nil
Clumber Consultancy Limited	Pension schemes investigation, report and advice	Specialist knowledge	Standard fee per scheme	£ Nil
Clarke Willmott LLP	Legal advice regarding potential claims against directors	Relevant qualifications, knowledge and experience	Standard time costs basis	£20,255.36
David Mohyuddin QC, 3 Stone Chambers	Counsel advice	Relevant qualifications, knowledge and experience		£1,000.00

\* The services of W&H Peacock were engaged to value the assets of the company and to provide the necessary report for the preparation of the statement of affairs for the sum of £1,480.00. They then arranged for the settlement of the finance agreements and sale of the tangible assets by auction and private treaty. Their fees for the asset sales were commission of 5% on motor vehicles and 10% on other assets. Their commission fee was therefore £6,758.40. In addition, there were charges for marketing, labour, auction costs and travelling that amounted to £4,516.15. The total amount paid to W&H Peacock was therefore £11,274.55. All charges were paid in a previous reporting period.

\* Leslie Keats was engaged to review the construction contract debts and counterclaims. Their interim charge for these services was £22,400.18, plus a further £4,000.00 on account and a final balance of fees of £3,167.09. All amounts were paid in previous reporting period(s).

- \* Lester Aldridge was engaged initially to deal with the withdrawal of the winding-up petition that had been lodged. Their fee for this service was £5,500.00. They have also been assisting with the potential claims against the directors and other third parties. They have confirmed that they will not be making any further charges for this work. This firm is no longer instructed to act in the liquidation.
- \* David Pritchard Limited was working for the Company prior to the liquidation, effectively as the contract manager for certain contracts. In order for Leslie Keats to complete the review of contracts, it was necessary to utilise David Pritchard's personal knowledge of those contracts and whilst the fee for assisting with this amounted to £518.26, it was also a condition that the amount already outstanding as a creditor was paid. This amounted to £2,155.16. Both costs were settled in a previous reporting period.
- \* Clumber Consultancy were engaged to investigate all pension schemes, report on, and deal with matters requiring attention from third parties. They also advised on all actions required to be taken by me in order to comply with The Pension Regulator requirements. Their fee for these services on two schemes was £500.00, paid in a previous reporting period.
- \* Clarke Willmott LLP were been engaged to replace Lester Aldridge and assist with the ongoing potential claims against the directors and other third parties as set out in the assets section above. These matters have now been concluded and the costs incurred have been paid as follows:  
£10,000.00 plus VAT in June 2019 – interim costs.  
£6,900.00 plus VAT in September 2019 - interim costs.  
£3,200.00 plus VAT in January 2020 – final costs.
- \* David Mohyuddin QC, of 3 Stone Chambers, was engaged to provide Counsel's advice on the ongoing potential claims against the directors and other third parties. His fee for his services was £1,000.00 plus VAT, paid in September 2019.

In addition to the above, I have continued to retain the services of the three property management agents that were already dealing with the six investment properties at the time of the liquidation. Their fees for those services are payable as a percentage deduction from the rental income collected by them.

To comply with the Provision of Services Regulations, some general information about Elwell Watchorn & Saxton LLP can be found at <https://ewslip.co.uk/downloads>.

## SUMMARY

### ***Known outstanding matters – work remaining to be completed***

In summary, the following key matters remain outstanding: -

- to complete the sale of the tenanted properties
- to admit the claims of the non-preferential creditors
- to agree with the Liquidation Committee the costs of the liquidation
- to declare and pay a first and final dividend to creditors
- to produce the final report and close the case.

The Liquidation will remain open until these matters have been concluded and the time to complete will be dependent on the property sales. Following this, the Liquidation will be finalised and our files will be closed.

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Denise Gordon on 01733 235253, or by email at [d.gordon@ewslip.co.uk](mailto:d.gordon@ewslip.co.uk).

Graham Stuart Wolloff  
Liquidator  
Licensed in the United Kingdom to act as an insolvency practitioner  
by the Insolvency Practitioners Association.

**WOODLANDS SOCIAL HOUSING LIMITED**  
**In Creditors' Voluntary Liquidation**  
**Liquidator's Summary of Receipts & Payments**

Statement of Affairs £	From 11/06/2019 To 10/06/2020 £	From 11/06/2015 To 10/06/2020 £
<b>SECURED ASSETS</b>		
73,000.00	-	82,372.00
(53,875.00)	-	(54,630.60)
19,125.00	-	27,741.40
<b>ASSET REALISATIONS</b>		
Bank Interest	318.06	1,675.63
70,289.55	5,000.00	6,007.08
110,542.09	-	109,716.82
109,917.83	-	-
470,000.00	-	-
2,000.00	-	550.00
	-	10,100.00
300.00	-	250.00
	-	7,152.62
20,000.00	-	21,348.00
	41,494.00	208,442.88
802,174.47	46,812.06	365,243.03
<b>COST OF REALISATIONS</b>		
Advertising	-	(253.80)
Agents/Valuers Fees:		
Asset Agent's Fees and Costs	-	(11,274.55)
Valuation Fee	-	(1,480.00)
Quantity Surveyors Fees	-	(30,085.53)
Property Management Agents' Fees and Costs	(4,172.91)	(20,869.92)
Bank Charges	(65.00)	(355.00)
Bordereau Premium	-	(816.00)
Corporation Tax	-	(6,203.87)
Document Hosting	(22.00)	(110.00)
Insurance	-	(8,156.65)
IT Services	-	(1,075.00)
Legal Disbursements	(201.36)	(201.36)
Legal Fees	(20,100.00)	(54,918.00)
Counsel's Fees	(1,000.00)	(1,000.00)
Meeting Costs	-	(125.00)
Office Holder's Disbursements	-	(113.40)
Office Holder's Fees	-	(35,000.00)
Other Property Expenses	(2,320.62)	(30,600.57)
Pension Consultancy	-	(500.00)
Petitioners Costs	-	(3,929.00)
Postage	-	(19.15)
Preparation of Statement of Affairs:		
Elwell Watchorn & Saxton	-	(5,250.00)
Third Party	-	(4,250.00)
Rates	-	(430.84)
Re-Direction of Mail	-	(390.00)
Rents Payable	-	(50.00)
Storage and destruction of records	(778.34)	(4,283.43)
Sundry Expenses	-	(137.50)
Utilities	-	(34.98)
VAT - Irrecoverable	(1,088.47)	(4,747.51)
	(29,748.70)	(226,661.06)
<b>PRIORITY EXPENSE CREDITOR</b>		
Quantity Surveyors Fee	-	(2,155.16)
<b>PREFERENTIAL CREDITORS</b>		
(22,285.45)	-	(20,073.65)
Dividend of 100p in the £ on 13.3.18	-	(20,073.65)
<b>UNSECURED CREDITORS</b>		
(52,808.21)	-	-
(54,640.06)	-	-
(4,090,590.03)	-	-
<b>DISTRIBUTIONS</b>		
(80,000.00)	-	-
(3,498,149.28)	17,063.36	144,094.56
<b>REPRESENTED BY</b>		
Current Account - Interest bearing	-	141,713.29
VAT Control Account	-	2,381.27
		144,094.56

## **WOODLANDS SOCIAL HOUSING LIMITED – IN CREDITORS' VOLUNTARY LIQUIDATION**

### **Additional details of work undertaken in this reporting period**

#### ***Administration***

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder and their managers. It does not give direct financial benefit to the creditors but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the office holder's estate bank account.
- Maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.
- Attending to the ongoing requirements of the appointed members of the Liquidation Committee
- Consultation with and seeking sanction from the Liquidation Committee over relevant matters

#### ***Creditors***

Contextual Information:

- a) Number of known creditors in this case: **329**
- b) Number of former employees in this case: **22**

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.

#### ***Realisation of assets***

- Liaising with agents
- Liaison with solicitors over legal matters associated with the assets in the case

**WOODLANDS SOCIAL HOUSING LIMITED  
IN CREDITORS VOLUNTARY LIQUIDATION**

**SCHEDULE OF REMUNERATION AND CASE EXPENSES;  
WITH FURTHER INFORMATION**

It is the firm's policy that all staff involved on an assignment will record all time spent on dealing with matters arising on that client and that the time will be categorised to show the type of activity carried out. The charge out rates of licensed insolvency practitioners, directors and managers do not therefore include provisions for time spent by secretaries, cashiers and support staff. From 1 October 2015, additional categories of staff activity have been introduced to facilitate more detailed reporting where it is appropriate to do so.

Irrespective of any basis of remuneration agreed, the legislation requires that time spent by all staff on a case is recorded. The recorded time cost is calculated by multiplying the time spent by the individual by their charge-out rate. Time is recorded in units of 6 minutes, with 10 units making up each hour of time spent. Charge-out rates are reviewed annually and are subject to change without prior notice. Full details of the rates applied to a specific case are available on application.

Although for most appointments, the legislation allows the office holder to seek to be remunerated on a combination of any or all of the following bases;

- a. A time cost basis
- a. A percentage of the value of the property dealt with by the office holder (realisations and / or distributions)
- b. A fixed fee

it is the Firm's current policy to seek remuneration on (a) a time cost basis for insolvent appointments.

The arrangements regarding office holder remuneration do not however apply to Members Voluntary Liquidations (MVL's), Company Voluntary Arrangements (CVA's) or Individual Voluntary Arrangements (IVA's). In MVL's, the company members agree the fee basis, usually as a fixed fee. In VA's, the fee basis is incorporated in the arrangement proposal which creditors agree when they approve the arrangement.

Office holder's remuneration is subject to VAT with the exception of VA's which are VAT exempt.

The Firm has five grades of staff (including the office holder) as detailed below. The office holder ensures that case assignments have been carried out by appropriate grades of staff. The charge-out rates of the persons involved in this case from commencement to the current time are as follows: -

	<b>Charge-out rate at commencement (up to £ per hour)</b>	<b>Increase October 2016 (up to £ per hour)</b>
Licensed Insolvency Practitioner	195.00	225.00
Director / Senior Manager	165.00	175.00
Manager	135.00	150.00
Other professionals	105.00	135.00
Administrative staff	45.00	65.00

\* In October 2016, the Firm increased the charge out rates of certain grades of staff as detailed in the above table. In addition, specific individual staff members who may have duties associated with this case, moved charging grade.

Each staff member involved in the case records actual time spent in a computerised time recording system together with a narrative describing the actual work undertaken. Work is analysed by prescribed task descriptors which are recorded under the following standardised categories;

- Administration (including statutory reporting)
- Investigations
- Realisation of assets
- Trading
- Creditors (claims and distribution)

In seeking approval to be remunerated on a time costs basis, the office holder must provide a fee estimate to the creditors which then acts as a cap to ensure that the fees subsequently drawn cannot exceed the fee estimate without the office holder seeking further approval. The office holder must also provide details of the work intended to be undertaken together with details of the hourly rates proposed to be charged and an estimate of the time envisaged being taken to complete the required work. The office holder will also state whether it is envisaged at this stage whether there may be a future need to seek approval to exceed the original estimate and any reasons for which this could become necessary. To simplify matters, the estimated charges may be presented using a 'blended' (an average time cost) rate for the work carried out detailed in the fee estimate.

Should the office holder subsequently need to seek authority to draw fees in excess of the original fees estimate, details will be provided which include reasons why the original estimate has been or is likely to be exceeded, details of any additional work required to be undertaken, the hourly rates proposed and an estimate of the additional time envisaged being taken to complete the identified work. The office holder will again state whether it is envisaged at this stage whether there may be a future need to seek approval to exceed the estimate and any reasons for which this could become necessary.

Sufficient information will be provided about the appointment to demonstrate how the fee estimate reflects the requirements of the case. This will include any responsibility of an exceptional nature on the office holder, the effectiveness with which functions are carried out and the value and nature of the property dealt with by the office holder.

A guide to help creditors understand the law and their rights in relation to an insolvency process can be found at:

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

Additional information regarding how the Insolvency Practitioner will be paid can be downloaded under "Fees" at:

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

Alternatively, a creditor may obtain a printed copy by contacting this office directly.

### ***Disbursements***

Disbursements incurred by the office holder in connection with the case must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 - disbursements not requiring approval represent a re-charge to the estate for direct costs, payable to independent third parties, specifically incurred in the administration of the estate. In certain instances these costs were initially met from the firm's resources due to the lack of funds available at the time that payment was due.

Category 2 - disbursements requiring approval, represent a charge to the estate for the costs incurred by the firm specifically in relation to the estate. The basis of payment of category 2 disbursements must be approved by creditors prior to any payment being drawn. It is proposed that payment shall be made in respect of Category 2 disbursements as follows:

- External disbursements will be recharged at cost.
- The in house storage of books and records will be charged at the rate of £1 per archive box per month for the duration of the liquidation period plus fifteen months in addition to the cost of boxes and ultimate confidential destruction.
- Mileage will be charged at up to 45p per mile.

- Postage, stationery and telephone are recharged at the rate of £2 per letter and £3 per copy of report in addition to the cost of postage.

It is not intended to draw Category 2 disbursements and accruals have not therefore been calculated.

***Declaration regarding treatment of VAT and accruals***

In accordance with Statement of Insolvency Practice 7, all entries are shown net of VAT, with VAT recorded on a separate line. The receipts and payments account discloses all receipts and payments in the reporting period. However, there may be additional accrued expenditure due in respect of storage of company records and postage, stationery, telephone, mileage and external disbursements. These charges will be drawn upon case closure in accordance with the resolution already approved by creditors.

## Remuneration

The time costs during the course of my administration for the period covered by this report are summarised below:

Work category	Partner Hours	Director Hours	Manager Hours	Other Professionals hours	Admin staff hours	Total Hours	Time cost £	Average hourly rate £
<b>Administration and planning</b>								
Administrative set-up								
Appointment formalities								
Case review	1.90					1.90	427.50	226.00
Cashiering function				16.60	2.00	18.60	1,667.00	89.82
Committee matters				6.10		6.10	823.50	135.00
General administration		0.20		0.40	1.40	2.00	152.00	76.00
Liaising with Government agencies								
Non insolvency returns				4.10		4.10	533.50	130.12
Pension matters								
Planning and monitoring		0.70		1.10	0.20	2.00	280.00	140.00
Statutory compliance – Returns/reports/meetings	13.80	27.40		1.90		43.10	8,156.50	189.25
<b>Sub-total</b>	<b>15.70</b>	<b>28.30</b>		<b>30.20</b>	<b>3.60</b>	<b>77.80</b>	<b>12,040.00</b>	<b>154.76</b>
<b>Investigations</b>								
CDDA reports								
Investigating antecedent transactions								
Legal correspondence / litigation	0.90					0.90	202.50	225.00
SIP 2 post Initial Assessment								
SIP 2 review								
<b>Sub-total</b>	<b>0.90</b>					<b>0.90</b>	<b>202.50</b>	<b>226.00</b>
<b>Asset realisations</b>								
Book debt realisations				1.90		1.90	256.50	135.00
Fixed asset realisations	0.40			0.30		0.70	130.50	186.43
Fixed Charge realisations								
Identifying, securing, insuring assets								
Liaising with agents/solicitors/other professionals								
Other asset realisations	2.80			0.50		3.30	697.50	211.36
<b>Sub-total</b>	<b>3.20</b>			<b>2.70</b>		<b>5.90</b>	<b>1,084.50</b>	<b>183.81</b>
<b>Creditors</b>								
Dividends and distributions								
Employee claims								
Non preferential creditors				2.70	0.40	3.10	382.50	123.39
<b>Sub-total</b>				<b>2.70</b>	<b>0.40</b>	<b>3.10</b>	<b>382.50</b>	<b>123.39</b>
<b>Totals</b>	<b>19.80</b>	<b>28.30</b>		<b>35.60</b>	<b>4.00</b>	<b>87.70</b>	<b>13,709.50</b>	<b>156.32</b>



The total time costs during the course of my administration to the end of the current reporting period are summarised below:

<i>Work category</i>	<i>Partner Hours</i>	<i>Director Hours</i>	<i>Manager Hours</i>	<i>Other Professionals hours</i>	<i>Admin staff hours</i>	<i>Total Hours</i>	<i>Time cost £</i>	<i>Average hourly rate £</i>
<b>Administration and planning</b>								
Administrative set-up				0.50	0.50	1.00	75.00	75.00
Appointment formalities	5.70	5.20		20.70		31.60	4,143.00	131.11
Case review	5.70			21.50		27.20	3,771.00	138.84
Cashiering function	0.10			112.10	5.50	117.70	10,410.50	86.45
Committee matters	3.70			20.30		24.00	3,159.00	131.63
General administration		1.60	3.10	73.80	49.00	127.50	10,616.00	83.26
Liaising with Government agencies				0.60		0.60	63.00	105.00
Non insolvency returns				14.00		14.00	1,728.00	123.43
Pension matters				13.90		13.90	1,579.50	113.63
Planning and monitoring	2.70	1.60		19.40	0.20	23.90	3,214.50	134.50
Statutory compliance – Returns/reports/meetings	29.40	34.30	1.50	74.10	2.00	141.30	21,679.00	153.43
<b>Sub-total</b>	<b>47.30</b>	<b>42.70</b>	<b>4.60</b>	<b>370.90</b>	<b>57.20</b>	<b>522.70</b>	<b>60,438.50</b>	<b>116.63</b>
<b>Investigations</b>								
CDDA reports	4.20			11.10	1.30	16.60	2,043.00	123.07
Post CDDA Report work				3.60		3.60	486.00	135.00
Investigating antecedent transactions	39.40			3.30		42.70	8,425.50	197.32
Legal correspondence / litigation	11.10		0.30	2.90		14.30	2,847.00	199.09
SIP 2 post Initial Assessment				10.40		10.40	1,092.00	105.00
SIP 2 review				27.80	17.10	44.90	3,688.50	82.15
<b>Sub-total</b>	<b>54.70</b>		<b>0.30</b>	<b>59.10</b>	<b>18.40</b>	<b>132.50</b>	<b>18,582.00</b>	<b>140.24</b>
<b>Asset realisations</b>								
Book debt realisations	13.60			6.30		19.90	3,476.50	174.70
Fixed asset realisations	1.20			8.90		10.10	1,291.50	127.87
Fixed Charge realisations				0.40		0.40	42.00	105.00
Identifying, securing, insuring assets	5.40		2.40	5.90		13.70	2,140.50	156.24
Liaising with agents/solicitors/other professionals	5.50		1.40	1.70		8.60	1,500.00	174.42
Other asset realisations	29.80		0.10	15.40		45.30	7,861.00	173.53
<b>Sub-total</b>	<b>55.50</b>		<b>3.90</b>	<b>38.60</b>		<b>98.00</b>	<b>16,311.50</b>	<b>166.44</b>
<b>Creditors</b>								
Dividends and distributions				3.60		3.60	393.00	109.17
Employee claims	5.30			37.80		43.10	5,554.50	128.87
Non preferential creditors	64.40	1.80	2.00	75.70	31.60	175.50	23,197.50	132.18
<b>Sub-total</b>	<b>69.70</b>	<b>1.80</b>	<b>2.00</b>	<b>117.10</b>	<b>31.60</b>	<b>222.20</b>	<b>29,145.00</b>	<b>131.17</b>
<b>Totals</b>	<b>227.20</b>	<b>44.50</b>	<b>10.80</b>	<b>585.70</b>	<b>107.20</b>	<b>975.40</b>	<b>124,477.00</b>	<b>127.62</b>

**Statement of creditors' rights to receive further information and statement of creditors' rights to challenge remuneration and/or expenses**

**Relevant extracts of Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016**  
**Rule 18.9**

- (1) The following may make a written request to the office holder for further information about remuneration or expenses set out in a progress report under Rule 18.4:
  - a secured creditor;
  - an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question); or
  - any unsecured creditor with the permission of the court.
- (2) A request or an application to the court for permission by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one creditor.

**Rule 18.34**

- (1) This rule applies to an application in a winding-up made by a person mentioned in paragraph (2) on the grounds that:
  - the remuneration charged by the office holder is in all the circumstances excessive;
  - the basis fixed for the office-holder's remuneration under Rules 18.16 and 18.20 is inappropriate; or
  - the expenses incurred by the office holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in Rule 18.36 or 18.37 as applicable:
  - a secured creditor; or
  - an unsecured creditor with either
    - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
    - (ii) the permission of the court.
- (3) The application by a creditor must be made no later than eight weeks after receipt by the applicant of the progress report or account under Rule 18.3 which first reports the charging of the remuneration or the incurring of the expenses in question.

A copy of our Standard Terms of Business may be downloaded from:  
<http://www.ewslip.co.uk/downloads>

Alternatively, a Creditor may obtain a printed copy by contacting this office directly.