

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 02221881

Company name in full Leicester Labels Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Brett Lee

Surname Barton

3 Liquidator's address

Building name/number The Enterprise Hub

Street 5 Whitefriars Street

Post town Coventry

County/Region

Postcode CV12DS

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

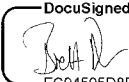
Country

② Other liquidator

Use this section to tell us about
another liquidator.

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| | | | | | | | | | | | | | | | | | |
|--|--|--|-------------------------------------|--|-------------------------------------|--|-------------------------------------|--|-------------------------------------|--|-------------------------------------|--|-------------------------------------|--|-------------------------------------|--|--|
| 6 | Period of progress report | | | | | | | | | | | | | | | | |
| From date | <div><div>d</div><div>2</div></div> | | <div><div>d</div><div>1</div></div> | | <div><div>m</div><div>0</div></div> | | <div><div>m</div><div>7</div></div> | | <div><div>y</div><div>2</div></div> | | <div><div>y</div><div>0</div></div> | | <div><div>y</div><div>2</div></div> | | <div><div>y</div><div>0</div></div> | | |
| To date | <div><div>d</div><div>2</div></div> | | <div><div>d</div><div>0</div></div> | | <div><div>m</div><div>0</div></div> | | <div><div>m</div><div>7</div></div> | | <div><div>y</div><div>2</div></div> | | <div><div>y</div><div>0</div></div> | | <div><div>y</div><div>2</div></div> | | <div><div>y</div><div>1</div></div> | | |
| 7 | Progress report | | | | | | | | | | | | | | | | |
| <div><input checked="" type="checkbox"/> The progress report is attached</div> | | | | | | | | | | | | | | | | | |
| 8 | Sign and date | | | | | | | | | | | | | | | | |
| Liquidator's signature | <div><div>Signature</div><div><div>X</div><div><div>DocuSigned by:</div><div></div></div></div><div>FC94595D8F8941B...</div></div> <div>X</div> | | | | | | | | | | | | | | | | |
| Signature date | <div><div>d</div><div>2</div></div> | | <div><div>d</div><div>0</div></div> | | <div><div>m</div><div>0</div></div> | | <div><div>m</div><div>9</div></div> | | <div><div>y</div><div>2</div></div> | | <div><div>y</div><div>0</div></div> | | <div><div>y</div><div>2</div></div> | | <div><div>y</div><div>1</div></div> | | |

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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 **Rachel Louise Ballinger**

Company name **BLB Advisory Limited**

Address
The Enterprise Hub
5 Whitefriars Street

Post town
Coventry

County/Region

Postcode **C V 1 2 D S**

Country

DX

Telephone
02475 097627



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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



**LEICESTER LABELS LIMITED
IN CREDITORS' VOLUNTARY LIQUIDATION**

**PROGRESS REPORT OF THE LIQUIDATOR FOR THE PERIOD
21 JULY 2020 TO 20 JULY 2021**

17 SEPTEMBER 2021

Important Notice

This report has been produced solely to comply with our statutory duty to report to members and creditors of the Company pursuant to Section 104A of the Insolvency Act 1986. This report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by members and creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

Contents

- 1 Interpretation
- 2 Company Information
- 3 Details of Appointment of Liquidator
- 4 Progress Since Appointment / During the Period
- 5 Investigations
- 6 Remaining Assets and Matters to be Dealt With
- 7 Estimated Outcome for Creditors
- 8 Remuneration and Expenses
- 9 Other Relevant Information
- 10 Conclusion

Appendices

- A. Receipts and Payments Account for the Period
- B. Time Costs for the Period
- C. Extracts of Rules 18.9 and 18.34 of the Insolvency (England & Wales) Rules 2016 (as amended)
- D. Office Holder's Fees and Expenses and Original Estimate dated 10 August 2020

1 INTERPRETATION

| <u>Expression</u> | <u>Meaning</u> |
|--|---|
| "the Company" | Leicester Labels Limited (In Creditors' Voluntary Liquidation) |
| "the Liquidation" | The appointment of the liquidator on 21 July 2020 |
| "the liquidator", "we", "our" and "us" | Brett Lee Barton (IP Number 9493) of BLB Advisory Limited, The Enterprise Hub, 5 Whitefriars Street, Coventry CV1 2DS |
| "the Period" | From 21 July 2020 to 20 July 2021 |
| "the Act" | The Insolvency Act 1986 (as amended) |
| "the Rules" | The Insolvency (England and Wales) Rules 2016 (as amended) |
| "secured creditor" | In relation to a company, means a creditor of the company who holds in respect of his debt a form security over property of the company |
| "security" | Any mortgage, charge, lien or other security (Section 248(1) of the Act) |
| "preferential creditor" | Any creditor of a company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act |
| "unsecured creditor" | Is to be read in accordance with Section 248(1)(a) of the Act (a creditor without security or preferential status) |

2 COMPANY INFORMATION

| | |
|----------------------------|--|
| Trading names: | Leicester Labels Limited |
| Company registered number: | 02221881 |
| Company registered office: | BLB Advisory Limited, The Enterprise Hub, 5 Whitefriars Street, Coventry CV1 2DS |
| Former trading addresses: | 84 – 86 Baggrave Street, Leicester LE5 3QT |

3 DETAILS OF APPOINTMENT OF LIQUIDATOR

| | |
|-----------------------------------|---|
| Date winding up commenced: | 21 July 2020 |
| Date of Liquidators' appointment: | 21 July 2020 |
| Changes in liquidator (if any): | None |
| Liquidator Name / Details: | Brett Lee Barton (IP Number 9493) of BLB Advisory Limited, The Enterprise Hub, 5 Whitefriars Street, Coventry CV1 2DS |
| Contact Information: | Telephone: 02475 097627 Email: rachel@blbadvisory.co.uk |

4 PROGRESS SINCE APPOINTMENT / DURING THE PERIOD

Receipts and Payments

Attached at Appendix A is the receipts and payments account for the Period. In order to assist you in reviewing this document, I provide the following notes:

Receipts

Factored Book Debts

As can be evidenced by the directors' Statement of Affairs, Metro Bank SME Finance ("Metro") holds a debenture over the Company's assets, conferring fixed and floating charges pursuant to a factoring agreement. Immediately prior to the Liquidation, Metro called upon the personal guarantee provided by the directors and in accordance with their guarantee the directors made payment in the amount of £15,152.

Metro subsequently reassigned the ledger to the Company and during the period of the Liquidation the directors have assisted in the collection of the outstanding book debts, with the sum of £67,109.20 having been realised in this regard. The directors are hopeful that further realisations will be achieved, however, given the time elapsed since my appointment the extent of further realisations is uncertain.

Tangible Assets

In the period leading up to my appointment as Liquidator, Raj Kumar of Kumar & Co ("the Agents") attended at the Company's premises to appraise the tangible assets. Kumar & Co, are RICS accredited valuers, auctioneers and agents based in Birmingham. Following my appointment as Liquidator, instructions were given to the Agents to provide a formal valuation and to provide me with their advice on the most appropriate method of their disposal.

As disclosed in my report to creditors of 10 August 2020, an offer was received in the sum of £10,000 plus VAT from the Company's directors to purchase the intellectual property (including its trading name, website and contact list), plant & machinery and a motor vehicle. The offer can be analysed as:

| Asset | Offer (exc. VAT) (£) |
|-----------------------|----------------------|
| Intellectual Property | 3,000 |
| Plant & Machinery | 6,000 |
| Motor Vehicle | 1,000 |
| Total | 10,000 |

The Agents recommended that the offer received was greater than what could have been achieved should the items have been uplifted and sold at auction and, as such, the offer from the directors was accepted on 27 July 2020 and full consideration has since been received.

Intellectual Property

As detailed above, the directors purchased the intellectual property of the Company in the sum of £3,000 plus VAT.

Bank Interest Gross

All realisations in the Liquidation have been banked into a separate interest-bearing client account held with Lloyds Bank plc. During the period under review, gross bank interest has been received in the sum of 32 pence.

Payments

You will note from the enclosed receipts and payments account at Appendix A that payments shown are in the main self-explanatory. All of the items included within the enclosed receipts and payments account are shown net of VAT. It should be noted that as the Company was registered for VAT purposes, any VAT on the costs relating to the Liquidation has been, or will be, recovered in full.

A detailed explanation as to the remuneration and expenses drawn by the Liquidator can be found below and within the enclosed appendices.

Please note that with effect from 1 April 2021 a revised Statement of Insolvency Practice 9 has been introduced which now refers to "Expenses" as any payments from the estate which are neither an office holder's

remuneration nor a distribution to creditors or members. "Expenses" also includes what are now defined as disbursements, being payments, which are first met by the office holder, and then reimbursed to the office holder from the estate. Accordingly, this report refers to "expenses" where previous communications may have referred to "disbursements". In the event that you have a query or are unable to compare this new style of reporting with previous reports, please contact Rachel Ballinger on 02475 097627 or by email rachel@blbadvisory.co.uk for further clarification.

During the period under review payments have also been made and/or costs incurred as follows:

Pre-Appointment Costs

The sum of £4,000 plus VAT has been paid to BLB Advisory Limited in relation to pre-appointment costs. This is in addition to the £6,000 plus VAT paid to BLB Advisory Limited by the Company prior to the appointment of the Liquidator, meaning the sum of £10,000 plus VAT has been paid to BLB Advisory Limited in this regard.

This can be analysed as £5,000 for assisting in the preparation of the Statement of Affairs and £5,000 for assisting in seeking a decision of the Company's creditors on the nomination of liquidators which includes assistance with the preparation of the SIP 6 report to creditors on the Company's financial position. These costs are drawn in accordance with the decision procedure as detailed below in Section 8 of this report.

Agents/Valuers Fees & Expenses

As detailed above, the Agents were instructed to assist with the formal valuation and disposal of the Company's tangible assets. The Agents agreed to act in this matter on a time costs basis. The sum of £1,659.99 plus expenses of £511.42 plus VAT has been paid to the Agents in this regard.

Accountancy Fees

In accordance with the resolution obtained by creditors, it was agreed that Ormerod Rutter Chartered Accountants would be paid £750 plus VAT for their assistance in preparing the Company's Statement of Affairs.

Assistance With Collecting the Debtors

I have agreed to pay the directors a fee of 5% for their assistance with the collection of the book debts. As set out in section 4 above, it has been a combined effort between my team and the directors, that has yielded the realisations achieved to date from a challenging ledger. Whilst no payment has been made during the period under review, the sum of £2,831.40 is outstanding and will be discharged shortly as an expense of the Liquidation.

Legal Fees

Given that fixed charge realisations have been achieved within the Liquidation, it was appropriate to obtain legal advice on the validity of the Bank's security. Furthermore, given that the directors repaid some of the indebtedness to the Bank under their personal guarantee, advice was required as to whether the directors could benefit from the doctrine of subrogation. The sum of £1,100 plus VAT has been paid to George Green LLP for their formal advice in this regard.

Storage Costs

The sum of £300.09 plus VAT has been paid to L&R Storage in respect of storing the Company's books and records collected from the former trading premises.

Statutory Advertising

During the period under review, the sum of £173.70 has been paid to Courts Advertising Limited in respect of statutory advertising.

Bank Charges

The sum of £75.60 has been paid to NatWest Bank Plc in relation to bank charges.

5 INVESTIGATIONS

As part of my statutory duties, I undertook an initial investigation into the Company's affairs to establish whether there were any potential assets to recover and to review any misconduct that required further investigations, taking into account the funds likely to be available to fund an investigation and the costs involved in taking any actions.

My assessment of the Company's affairs indicated that more detailed investigations were required which are ongoing and accordingly, it is not appropriate to provide full disclosure of the matters identified until such time as it is established whether further action is required which would be likely to result in further realisations for the benefit of creditors.

As creditors may recall, Compass Press Print Limited, a connected company by way of common directors and shareholders, purchased the stock of Leicester Labels Limited for a consideration of £6,000 plus VAT prior to these proceedings. As part of my investigations I instructed the Agents to conduct a review of this transaction and they advised that the consideration paid for the stock appeared to be fair & reasonable.

In addition to this, I confirm that I have complied with my statutory duties, including investigating and reporting to the Department of Business Innovation & Skills in respect of the conduct of the Company's director. My report and disclosures are confidential and are not available to creditors.

6 REMAINING ASSETS AND MATTERS TO BE DEALT WITH

My team and I continue to pursue the outstanding book debts of the Company with the ongoing assistance of the directors. It is anticipated that the majority of the remaining ledger will be written off, however, the directors are hopeful that further sums will be recovered.

The investigation matters referred to above are also to be concluded to establish whether there are any claims which need to be taken forward.

In addition to this, during the first 12 months of the Liquidation, my team and I have experienced great difficulty in finalising matters with HM Revenue & Customs ("HMRC"). The consequence of which has meant that the post-appointment VAT position remains unresolved. The insolvency profession has recently received a request from HMRC to hold off from sending additional requests for clearance and informing us that HMRC are closing their helplines for a short period to enable all efforts to be made to work through the backlog.

Despite these measures, the outstanding points have not yet been resolved. The finalisation of the VAT matters may delay the closure of the Liquidation, and there is little that can be done to compel HMRC to respond.

7 ESTIMATED OUTCOMES FOR CREDITORS

Creditors

Secured Creditors

As detailed above, Metro holds a fixed and floating charge over the Company's book debts and as the charge registered at Companies House is dated post 15 September 2003, the provisions of Section 176A of the Act, relating to the prescribed part, may apply.

As a consequence of the repayment of the amount due to Metro under the directors' personal guarantee the directors have a subrogated claim in place of Metro. In this regard the sum of £12,356.43 has been paid to the fixed charge holders.

A further £480 was subsequently recovered by Metro in relation to their fixed charge over the book debts further to an error in funds previously credited to the Company.

Preferential Creditors

Within the directors Statement of Affairs, it was estimated that preferential creditors would total £8,302 in respect of employee claims for arrears of wages and holiday pay. To date, I have received a preferential claim from the Redundancy Payments Office in the sum of £6,555. I am currently adjudicating on the residual employee claims before declaring a dividend to the preferential creditors, and these are expected to be in the region of £400.

Floating Charge Creditor

As referred to above, Metro holds a debenture conferring fixed and floating charges over the assets of the Company. The debenture was created on 4 September 2018 and filed at Companies Registration Office on 6 September 2018.

Section 176A of the Act provides that, where a company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the company's net property is calculated by reference to a sliding scale as follows:

- 50% of the first £10,000 of net property;
- 20% of net property thereafter;
- Up to a maximum amount to be made available of £600,000.

As referred to above, following repayment of the amount due to Metro immediately prior to the Liquidation by the directors under their personal guarantee, George Green LLP have advised that they have a subrogated floating charge claim in the sum of £2,795.57.

At this stage, taking into account the costs of the Liquidation and the quantum of the preferential creditors, it is unlikely that there will be any surplus funds to declare a dividend to the floating charge creditors and accordingly the prescribed part will be £nil.

Unsecured Creditors

According to the directors' Statement of Affairs, there were 59 unsecured creditors totalling £656,002. Subsequent to my appointment I was informed of one further creditor that may have had a claim in the proceedings. Unsecured claims totalling £752,396.54 have been lodged in the proceedings, but these are yet to be adjudicated upon.

Dividend Prospects

I am currently in the process of issuing a Notice of Intended Dividend to the preferential creditors of the Company and adjudicating on the residual employee claims. The quantum of the dividend to be declared to the preferential creditors will be wholly dependent on the level of claims received.

As set out above, unless there are significant additional realisations in respect of the book debts or the investigative matters yet to be concluded, there is no prospect of a dividend to the floating charge creditors and by due process to the unsecured creditors by way of the prescribed part.

8 REMUNERATION AND EXPENSES

Remuneration

Pursuant to Rule 18.16(4) of the Rules, I convened a decision procedure and sent, by first class post, an estimate of the likely fees and expenses to be incurred in the liquidation estate on 11 August 2020. On 1 September 2020 by way of a decision sought from creditors by way of correspondence, creditors resolved that:

1. *The balance of the pre appointment fees in the sum of £4,000 plus disbursements* and VAT be paid to BLB Advisory Limited as an expense of the liquidation.*
2. *The sum of £750 plus VAT be paid to Ormerod Rutter Chartered Accountants for their assistance in the preparation of the Statement of Affairs as an expense of the liquidation.*
3. *The Liquidator's remuneration be fixed pursuant to Rule 18.16(2)(b), by reference to the time properly given by the Liquidator and his staff in attending to matters arising in the first 12 months of the winding-up, estimated at £38,541.79 and set out in the fees estimate dated 10 August 2020. The Liquidator be authorised to draw from time to time fees on account of his remuneration when it is deemed appropriate.*
4. *The Liquidator be authorised to draw category 2 disbursements* as they are incurred.*

5. *Whether a liquidation committee should be established if sufficient creditors are willing to be members of a committee and if so, who the creditors' wish to nominate for membership of the committee.*

**As referred to above, any reference to "Disbursements" should now be taken to read as "Expenses".*

During the Period, my firm has incurred time costs of £44,167 representing 245.20 hours, which equates to an hourly rate of £180.13. A table reflecting the time costs incurred during the Period is enclosed at Appendix B. As at the date of this report, time costs in the sum of £34,000 have been drawn in respect of the Liquidator's fees.

Creditors will note that my firm's total time costs in this matter are above the estimate approved by creditors. This has largely been due to the unexpected difficulties encountered due to the repeated lockdowns as a result of the pandemic and also the work involved in dealing with the collection of the book debts which proved to be more onerous than expected. Furthermore, creditors will note that the original fee estimate was for the first 12 months of the liquidation process. I will therefore be circulating a further decision procedure to increase the level of my remuneration in due course.

Included above in Section 4 of this report is a narrative description of the work that has been undertaken during the period under review. For convenience, attached at Appendix D to this report, is a copy of the original fee estimate, for the first 12 months of the Liquidation, that was issued to creditors dated 11 August 2020. The fee estimate sets out a schedule of the typical tasks that are expected to be undertaken during the Liquidation process. The majority of tasks undertaken are done so with a view to maximising the return to creditors by focusing on the realisation of assets, investigating the financial affairs of the Company and adjudication upon creditor claims in the proceedings. These tasks are considered to be for the benefit of the general body of creditors. Whilst some of the statutory and regulatory tasks undertaken do not have a direct benefit to creditors, they assist in the efficient and compliant progression of the Liquidation, which ensures that I and my staff carry out our work to the highest professional standard.

Creditors may recall that you were previously provided with a guide headed "*Office Holder's Fees and Disbursements*". This guide contained the statutory information that I am required to provide to the creditors and where additional information can be located. A further copy of this guide has been included at Appendix D of this report.

If creditors would like additional information in respect of the fees and expenses of the Liquidation, further information is contained in the publication 'A Creditors' Guide to Liquidators' Fees (E&W) 2017' which can be downloaded by visiting <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/>.

Expenses

In accordance with SIP9, I have set out below a summary of the expenses incurred to 20 July 2021, together with an estimate of what further expenses may be incurred in the future. I apologise for the repetition of certain expenses that have previously been explained in Section 4 above.

| Expense | Provider | Initial Estimate dated 11 August 2020 (£) | Amount Incurred (£) | Estimate of Future Costs (£) | Total (£) |
|-----------------------|--------------------------------------|--|----------------------------|-------------------------------------|------------------|
| Specific Bond Premium | Aon UK Limited | 363.40 | - | 363.40 | 363.40 |
| Debtor collection fee | Mr A Khan | - | - | 2,831.40 | 2,831.40 |
| Statutory Advertising | Courts Advertising Limited | 260.55 | 173.70 | 91.35 | 265.05 |
| Stationery & Postage | BLB Advisory Limited / Postworks Ltd | 178.72 | - | 156.12 | 156.12 |
| Storage | L & R Storage | 554.56 | 300.09 | 254.57 | 554.66 |

| | | | | | |
|------------------|----------------------|----------------|---------------|-----------------|-----------------|
| Travel & Mileage | BLB Advisory Limited | - | 91.80 | - | 91.80 |
| Bank Charges | NatWest Bank Plc | - | 75.60 | - | 75.60 |
| | | 1357.23 | 641.19 | 3,696.84 | 4,338.03 |

Category 2 Expenses

Details of the Category 2 expenses, including expenses that should be treated as Category 2 expenses, that have been drawn during the Period under review, or are anticipated to be drawn in the future, in accordance with the approval obtained are set out below. For the avoidance of doubt, these expenses are included within the summary shown above.

| Expense | Provider | Amount Incurred (£) | Estimate of Future Costs (£) | Total (£) |
|----------------------|--------------------------------------|---------------------|------------------------------|---------------|
| Stationery & Postage | BLB Advisory Limited / Postworks Ltd | - | 156.12 | 156.12 |
| Travel & Mileage | BLB Advisory Limited | 91.80 | - | 91.80 |
| | | 91.80 | 156.12 | 247.92 |

9 OTHER RELEVANT INFORMATION

Enclosed at Appendix C is the information that I am required to provide to creditors setting out the process of how additional information can be requested in respect of the remuneration and expenses that have been incurred.

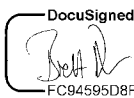
I do not believe that there are any other matters that should be brought to the attention of creditors.

10 CONCLUSION

As set out in more detail above, I am not yet in a position to conclude the Liquidation as I continue in my efforts in realising the outstanding book debts and concluding the remaining investigation points. In addition to this, I am currently in the process of declaring a dividend to the preferential creditors. However, once these have been finalised, I will take steps to complete the Liquidation and provide creditors with my final account.

If you wish to discuss the issues raised in this report or require any additional information, please contact my colleague, Rachel Ballinger, at rachel@blbadvisory.co.uk in the first instance.

Dated: 17 September 2021

DocuSigned by:

FC94595D8F8941B...

Brett Barton
Liquidator

Insolvency Practitioner licensed in the United Kingdom by the Insolvency Practitioners Association

APPENDIX A

**RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD
FROM 21 JULY 2020 TO 20 JULY 2021**

Leicester Labels Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

| Statement of Affairs £ | | From 21/07/2020 To 20/07/2021 £ | From 21/07/2020 To 20/07/2021 £ |
|------------------------------|---------------------------|---------------------------------------|---------------------------------------|
| | SECURED ASSETS | | |
| | Intellectual Property | 3,000.00 | 3,000.00 |
| 100,000.00 | Factored Book Debts | 67,109.20 | 67,109.20 |
| | | 70,109.20 | 70,109.20 |
| | SECURED CREDITORS | | |
| (15,152.00) | Metro Bank SME Finance | 12,836.43 | 12,836.43 |
| | | (12,836.43) | (12,836.43) |
| | ASSET REALISATIONS | | |
| 6,500.00 | Plant & Machinery | 6,000.00 | 6,000.00 |
| 1,075.00 | Motor Vehicle | 1,000.00 | 1,000.00 |
| | Bank Interest Gross | 0.32 | 0.32 |
| | | 7,000.32 | 7,000.32 |
| | COST OF REALISATIONS | | |
| | Pre Appointment Fees | 4,000.00 | 4,000.00 |
| | Liquidator's Fees | 34,000.00 | 34,000.00 |
| | Liquidator's Expenses | 91.80 | 91.80 |
| | Agents/Valuers Fees | 2,171.41 | 2,171.41 |
| | Accountancy Fees | 750.00 | 750.00 |
| | Legal Fees | 1,100.00 | 1,100.00 |
| | Storage Costs | 300.09 | 300.09 |
| | Statutory Advertising | 173.70 | 173.70 |
| | Bank Charges | 75.60 | 75.60 |
| | | (42,662.60) | (42,662.60) |
| | PREFERENTIAL CREDITORS | | |
| (8,302.00) | Employee Arrears/Hol Pay | NIL | NIL |
| | | NIL | NIL |
| | UNSECURED CREDITORS | | |
| (254,683.00) | Trade & Expense Creditors | NIL | NIL |
| (106,651.00) | Employees | NIL | NIL |
| (2,328.00) | Directors | NIL | NIL |
| (95,300.00) | Banks/Institutions | NIL | NIL |
| (99,338.00) | HMRC (non VAT) | NIL | NIL |
| (15,331.00) | HMRC (VAT) | NIL | NIL |
| (82,371.00) | Inter Company balance | NIL | NIL |
| | | NIL | NIL |
| | DISTRIBUTIONS | | |
| (50,000.00) | Ordinary Shares | NIL | NIL |
| | | NIL | NIL |
| (621,881.00) | | 21,610.49 | 21,610.49 |

APPENDIX B

SUMMARY OF THE LIQUIDATORS' TIME COSTS FOR THE PERIOD FROM 21 JULY 2020 TO 20 JULY 2021

Time Entry - SIP9 Time & Cost Summary

LEI001 - Leicester Labels Limited
Project Code: POST
From: 21/07/2020 To: 20/07/2021

| Classification of Work Function | Partner | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | Time Cost (£) | Average Hourly Rate (£) |
|---------------------------------|---------|---------|----------------------------|----------------------------|-------------|---------------|-------------------------|
| Admin & Planning | 1.30 | 3.10 | 45.20 | 8.40 | 58.00 | 8,789.50 | 151.54 |
| Creditors | 9.30 | 17.30 | 30.10 | 0.00 | 56.70 | 11,611.50 | 204.79 |
| Investigations | 1.00 | 10.20 | 40.80 | 0.00 | 52.00 | 8,591.00 | 165.21 |
| Realisation of Assets | 6.50 | 21.00 | 32.80 | 0.00 | 60.30 | 11,974.50 | 198.58 |
| Statutory Compliance | 2.30 | 1.90 | 14.00 | 0.00 | 18.20 | 3,200.50 | 175.85 |
| Trading | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Hours | 20.40 | 53.50 | 162.90 | 8.40 | 245.20 | 44,167.00 | 180.13 |
| Total Fees Claimed | | | | | | 34,000.00 | |
| Total Disbursements Claimed | | | | | | 91.80 | |

APPENDIX C

EXTRACTS OF RULES 18.9 AND 18.34 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016 (AS AMENDED)

Rule 18.9 - Creditors' and members' requests for further information in administration, winding up and bankruptcy

18.9 (1) [Who may make written request] The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report or account under rule 18.14—

- (a) a secured creditor;
- (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
- (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
- (d) any unsecured creditor with the permission of the court; or
- (e) any member of the company in a members' voluntary winding up with the permission of the court.

18.9 (2) [Request or application court for permission filed in court] A request, or an application to the application by more than one member or creditor.

18.9 (3) [Duty of office-holder to respond to request] The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—

- (a) providing all of the information requested;
- (b) providing some of the information requested; or
- (c) declining to provide the information requested.

18.9 (4) [Office-holder may provide partial information or decline request] The office-holder may respond by providing only some of the information requested or decline to provide the information if—

- (a) the time or cost of preparation of the information would be excessive; or
- (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
- (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
- (d) the office-holder is subject to an obligation of confidentiality in relation to the information.

18.9 (5) [Reasons in r.18.9(4)] An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

18.9 (6) [Application to court] A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—

- (a) the office-holder giving reasons for not providing all of the information requested; or
- (b) the expiry of the 14 days within which an office-holder must respond to a request.

18.9 (7) [Court order] The court may make such order as it thinks just on an application under paragraph (6).

Rule 18.34 - Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive.

18.34 (1) [Application of rule] This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
- (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
- (c) the expenses incurred by the office-holder are in all the circumstances excessive.

18.34 (2) [Who may make application] 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) a secured creditor,
- (b) 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, or
- (c) in a members' voluntary winding up—
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court.

18.34 (3) [Time limit for application] The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

APPENDIX D

**OFFICE HOLDER'S FEES AND EXPENSES
AND
ORIGINAL ESTIMATE DATED 10 AUGUST 2020**

IN THE MATTER OF LEICESTER LAELS LIMITED - IN LIQUIDATION
SUMMARY OF THE PROPOSED FEES OF THE LIQUIDATOR

| | Estimated Hours | Fees £ | Ave. Rate £ |
|---|--------------------|-----------|----------------|
| Statutory Duties, Administration and Planning | 27.70 | 5,477.50 | 197.74 |
| Set-up of IP working files and online systems, strategic planning meetings at all levels and other administrative matters anticipated to arrive during the course of the liquidation that may not be assigned to any other category. | | | |
| Notification of appointment to various parties in accordance with the Insolvency Act 1986 (as amended) ("the Act") and the Insolvency (England and Wales) Rule 2016 (as amended) ("the Rules"). | | | |
| Securing and scheduling the books and records of the company. Maintenance of the liquidator's working files to comply with the legislation, filing of documents etc. Completion and review of standard checklists to ensure that all required steps within the liquidation have been actioned. | | | |
| Complying with various statutory obligations in accordance with the Act, the Rules and other related legislation, not otherwise categorised. | | | |
| Cashiering costs to include funds received, raising payments, recording all transactions on the liquidators' electronic records to comply with Statement of Insolvency Practice 7, opening and closing client bank account and completion of monthly bank reconciliations. | | | |
| Periodic manager reviews completed to ensure that all aspects of the liquidation are dealt with to a high standard (as required by our Recognised Professional Bodies). Periodic review of the application of ethical, anti-money laundering and anti-bribery safeguards. | | | |
| Preparation, completion and submission of corporation tax, VAT and any other applicable tax returns relating to the period of appointment. | | | |
| Drafting and issuing the liquidators' final progress report and account. The completion of all necessary returns and notices to obtain the liquidators' release from office in accordance with the Act and Rules. | | | |
| Creditors | 41.72 | 7,231.01 | 173.33 |
| X Communication with creditors and their representatives including dealing with telephone enquiries, responding to correspondence received (either electronically or by way of a formal response) in relation to all aspects of the assignment. | | | |
| Drafting of annual or periodic reports to creditors. | | | |
| X Assisting the former employees to pursue their claim against the company and the Redundancy Payments Office ("RPO"). Reviewing the records of the company to assist with any queries they may have in order to complete relevant claim forms. | | | |
| X The preparation and submission of the relevant forms prescribed by the RPO. Dealing with queries raised by the RPO in respect of the claims of the former employees. | | | |
| Corresponding with members of the company as and when required. | | | |
| X Communication with secured creditors to obtain full details in respect of their security and any other matters that may be necessary during the course of the liquidation. Where appropriate prepare and issue periodic reports to the secured creditors as regards the status of asset realisations and prospect of a return to them in accordance with their security. | | | |
| X If a Liquidation Committee ("the Committee") is formed, holding an initial meeting with the Committee and agreeing the scope of the work to be undertaken during the assignment. Drafting and preparing periodic reports to the Committee. Seeking the Committee approval on case strategy. Calling and holding meetings as required and the circumstances of the assignment dictate. | | | |
| Reviewing the company's records, liaising with various parties in order to establish the existence of a pension scheme and determining whether a notice is required to the Pension Protection Fund, The Pensions Regulator and any other appropriate parties in accordance with the Pensions Act 2004. | | | |
| X Liaising with pension advisors in respect of the action required by the liquidator in order discharge his obligations to the scheme provider and determining whether any further return is necessary to the RPO in respect of deductions from salaries not paid over. | | | |
| X Updating the liquidator's computerised records for any proof of debt forms received and ensuring that such records are kept up-to-date with creditor contact details, references etc. A detailed review of all creditor claims received and verify against the company's records and the evidence submitted in support of the claims for all classes of creditor (secured, preferential & unsecured). | | | |

To correspond with creditors where there is further evidence or information required and, where necessary, taking independent advice as regards the validity of the creditors' claims and/or security. Where appropriate, X issue a letter to each creditor agreeing their claim. Where no claim received, follow the dividend declaration process as set out in the Rules and provide notice of the intended dividend(s). Calculate and prepare the dividend(s) to each relevant class of creditor, including issuing a letter, a payment and making the necessary declaration of any deductions at source to HMRC. Dealing with unclaimed dividends.

Investigations

26.78 4,867.13 181.78

Investigation as regards the financial affairs of the company and the conduct of its directors. Correspondence with the directors, employees or third parties making further enquiries into the affairs of the company. Reviewing the books and records of the company. The preparation and submission of a report to the Department for Business Innovation and Skills in accordance with the Company Director Disqualification Act 1986. Assisting the Insolvency Service with their investigations.

- X Seeking further information and, if necessary, taking independent advice as regards any potential antecedent transactions. If necessary, reconstruction of the financial affairs of the company.

Realisation of Assets

126.81 20,966.16 165.34

Review the records of the company and the directors Statement of Affairs to identify the assets of the company. Ensuring that the assets are secure including, if necessary, arranging for them to be uplifted and moved to an alternative location. Arranging for the assets to be insured and complying with applicable health & safety requirements.

- X The instruction of agents to assist in the identification and valuation of the assets. Agree a disposal strategy with the agents. Identifying third parties who may be interested in purchasing the assets and dealing with all negotiation and sale of such assets. If necessary, liaising with legal advisors in order to pursue the realisations.

- X Reviewing and adjudicating upon claims received for retention of title over goods supplied to the company. Arranging inspection and uplift of goods as appropriate.

Review the company records to collate the supporting documentation in respect of the outstanding debts. Liaising with delivery companies for POD's where necessary. Correspondence with the debtors to elicit payment. Deal with any disputes or queries. Liaising with the directors or third parties to obtain additional relevant information as regards any dispute. Appointing legal advisors or other such professionals to assist in the debt collection process. Maintaining the liquidators computerised records.

- X Conduct a review of any incomplete contracts to determine the scope of work required, if any, to realise payment of retentions and/or work in progress which may exist. Correspondence with the debtors to elicit payment. Deal with any disputes or queries. Liaising with the directors or third parties to obtain additional relevant information as regards any dispute. Appointing legal advisors or other such professionals to assist in the collection process. Maintaining the liquidators computerised records.

- X The completion of any pre-liquidation tax returns that are likely to generate a refund to the liquidation estate. Considering the implications of Crown set-off.

- X Review of all documentation relating to the trading premises, such as title deeds or a lease agreement. Consider whether any value in the property or lease and appoint agents to assist with the valuation and disposal. If no beneficial value, liaise with the landlord(s) to agree a surrender or if not co-operative, issue a Notice of Disclaimer to all applicable parties.

- X Specifically excluded from the categories referred to above, dealing with the identification and realisation of all assets subject to fixed charge security, to include a review the records of the company and the directors Statement of Affairs to identify such assets. The instruction of agents to assist in the identification and valuation of the assets. Agree a disposal strategy with the agents and the secured creditor(s). Ensuring that the assets are secure including, if necessary, arranging for them to be uplifted and moved to an alternative location. Identifying third parties who may be interested in purchasing the assets and dealing with all negotiation and sale of such assets, with the consent of the secured creditor(s). Liaising with legal advisors in order to validate the security and, if necessary, pursue the realisations.

Special Purpose Work

0.00 0.00 0.00

None at present

Total Estimate

223.00 38,541.79 172.83

Note

The wording in each category in the above estimate is only intended to provide creditors with an indication of the various key matters likely to be addressed during the process of the administration of the liquidation estate. The descriptions are not exhaustive and work may be undertaken in dealing with the liquidation which has not been specifically stated. Furthermore, the estimate is based upon the information available to date and there are various factors which may affect the time costs actually incurred. In the event that time costs exceed the above estimate, the liquidator may require creditors to vote upon a further resolution in due course as regards an increase in the costs of the liquidation.

- X The majority of tasks undertaken are done so with a view to maximising the return to creditors by focusing on the realisation of assets, investigating the financial affairs of the Company and adjudication upon creditor claims in the proceedings. These tasks are considered to be for the benefit of the general body of creditors, and marked with an 'X' for creditors' ease of reference. Whilst some of the statutory and regulatory tasks undertaken do not have a direct benefit to creditors, they assist in the efficient and compliant progression of the liquidation, which ensures that the liquidator and their staff carry out our work to the highest professional standard.

**IN THE MATTER OF LEICESTER LABELS LIMITED - IN LIQUIDATION
ESTIMATE OF EXPENSES TO BE INCURRED IN THE LIQUIDATION ESTATE**

| | £ |
|---|----------|
| Liquidator's Disbursements | |
| Stationery, printing & postage | 178.72 |
| Companies House & Land Registry Searches | 0.00 |
| Specific Bond Insurance Fee | 363.40 |
| Meeting Room Hire | 0.00 |
| Statutory Advertising | 260.55 |
| Storage of company records & working papers | 554.56 |
| Travel & Mileage | 0.00 |
| | 1,357.23 |

External Agents Estimated Costs

| | |
|-------------------------------------|----------|
| Accountancy costs | 750.00 |
| BLB Advisory Limited - Pre appt fee | 4,000.00 |
| Solicitor / legal advice - costs | 2,000.00 |
| Valuer / independent agents - costs | 2,000.00 |
| | 8,750.00 |

Note: all costs & disbursements are shown exclusive of VAT, where applicable.

Pursuant to Rules 6.44-6.48 of the Insolvency (England and Wales) Rules 2016 (as amended), should litigation expenses exceed, or are likely to exceed, in the aggregate £5,000, a request for approval shall be made of those creditors specified within Rule 6.45(2). This only applies where such expenses are to be paid from property that is comprised in or subject to a floating charge.