

The Insolvency Act 1986

Liquidator's Progress Report

S. 192

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

To the Registrar of Companies

Company Number

02674165

Name of Company

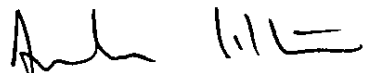
(a) Insert full name
of company

(a) Finlays (North East) Limited

(b) Insert full
names and
addressesWe, (b) Andrew Little
8 High Street
Yarm
Stockton on Tees
TS15 9AESteven Philip Ross
Tenon House
Ferryboat Lane
Sunderland
SR5 3JNthe Liquidators of the company, attach a copy of our statement of receipts and payments
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 22 October 2014 to 21 October 2015

Signed


Andrew Little

Dated

11/12/15

Presenters name,
address and
reference, if anyRowlands Restructuring & Insolvency
8 High Street, Yarm, Stockton on Tees TS15 9AE
Ref F2076

WEDNESDAY

A12 *A4MDIS95* #178
16/12/2015
COMPANIES HOUSE

FINLAYS (NORTH EAST) LIMITED - IN LIQUIDATION

JOINT LIQUIDATORS' PROGRESS REPORT

FOR THE PERIOD 22 OCTOBER 2014 TO 21 OCTOBER 2015

**ANDREW LITTLE AND STEVEN PHILIP ROSS
JOINT LIQUIDATORS**

APPOINTED 22 OCTOBER 2013

**ROWLANDS RESTRUCTURING & INSOLVENCY
8 HIGH STREET
YARM
STOCKTON ON TEES, TS15 9AE**

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1. PURPOSE OF REPORT

This report has been prepared in accordance with insolvency legislation to provide creditors, members and the registrar of companies with information relating to the progress of the liquidation in the period from 22 October 2014 to 21 October 2015.

This report has been prepared solely to comply with the statutory requirements of Section 104A of the Insolvency Act 1986, as amended ("the Act") and Rule 4.49C of the Insolvency Rules 1986, as amended ("the Rules"). It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the company. Any estimated outcomes for creditors are illustrative and may be subject to significant change. Neither the Liquidators nor Rowlands Restructuring & Insolvency accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report.

2. PROGRESS OF THE LIQUIDATION

2.1 Realisation of Assets \ Sale of Business

Debtors

Various payments in relation to post office salaries and news bills were made into the Company bank account following the appointment of the Joint Liquidators. These receipts vest in the Liquidation.

Following correspondence with the bank a sum of £322.04 has been received in the period.

Rates Refund

A rates refund of £358.54 has been received in relation to the disclaimed property at Norfolk Place, Berwick Hills, Middlesbrough.

2.2. Administration and Planning

During the period the Joint Liquidators filed at Companies House the appropriate Form 4 68 for the year to 21 October 2014 together with the progress report, the progress report was also circulated to creditors accordingly. They also submitted the appropriate VAT forms, reconciled the liquidation bank account and carried out reviews of the liquidation file.

During the period there were numerous lengthy telephone calls and various correspondence with the Company's electricity supplier in relation to invoices for power usage at the various shops. The estimated invoices totalled circa £16,000.00 plus VAT. The Joint Liquidators disputed the amount of the invoices and considered them to be grossly overstated. The matter was passed from department to department with little progress being made. It was finally agreed that a settlement of £2,500.00 plus VAT would be accepted for the period that the shops were under the Liquidators control.

3. ASSETS REMAINING TO BE REALISED

A non-refundable deposit of £5,000.00 is currently held by Sintons Law in relation to an aborted sale of one of the properties. The purchaser is claiming that due to the liquidation the deposit should now be refunded. It is the Liquidators belief that these funds are an asset of the Company. Sintons Law are currently dealing with this matter.

4. CREDITORS' CLAIMS AND DIVIDEND PROSPECTS

4.1. Secured Creditors

Barclays Bank plc hold a Fixed and Floating charge dated 17 April 2014. The Joint Liquidators have received a claim from Barclays in the sum of £167,174.51.

A distribution of £69,103.63 was paid to Barclays Bank plc in respect of their fixed charge on 12 March 2014.

4.2 Preferential Creditors

Preferential claims received in relation to arrears of pay and holiday pay have totalled £22,671.53. Funds are available to pay a preferential dividend and this is expected to be paid in early 2016.

4.3 Unsecured Creditors

Following their appointment the Joint Liquidators circulated all known creditors requesting that they submit a proof of debt. To date claims received total £1,458,193.23. However, the Joint Liquidators, having reviewed the Company records believe, that there are a number of creditors who have not yet submitted a claim.

During the period the Joint Liquidators have handled queries from creditors in relation to various matters including but not limited to, queries regarding their claims and general update on the progress of the liquidation.

The agreement of creditors' claims by the Joint Liquidators is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by creditors themselves.

4.4. Prescribed Part

The "Prescribed Part" is a statutory amount, calculated as a percentage of net floating charge realisations, which entitles unsecured creditors to a share of realisations. This is calculated on a sliding scale up to a maximum of £600,000 before costs.

Whilst there are creditors secured by fixed and qualifying floating charges over the assets and undertaking of the Company, those creditors will receive no recovery under their floating charges. There is therefore no requirement to estimate the amount of the Prescribed Part of the assets under Section 176A of the Act.

5. RECEIPTS AND PAYMENTS SUMMARY

We attach as Appendix B a summary of our receipts and payments for the period from 22 October 2014 to 21 October 2015.

5.1. VAT Basis

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately.

6. COSTS AND JOINT LIQUIDATORS' REMUNERATION

6.1 Joint Liquidators' Remuneration and Disbursements

The Joint Liquidators' remuneration was approved on a time cost basis by creditors on 22 October 2013.

Rowlands Restructuring & Insolvency have incurred time costs of £93,481.90 plus VAT since the date of appointment at an average hourly rate of £155.80. Of this, a total of £92,000.00 has been paid and £1,481.90 remains outstanding. Of the £92,000 that has

been paid £10,000 relates to the fixed charge realisations. An analysis of time incurred in the period is attached at Appendix H

RSM (Previously known as Baker Tilly) have incurred time costs of £5,224.75 plus VAT since the date of appointment at an average hourly rate of £207.33. Of this, a total of £132.50 remains outstanding. An analysis of time incurred in the period is attached at Appendix I.

6.2 Remuneration and Disbursements Incurred in the period from 22 October 2014 to 21 October 2015

Rowlands Restructuring & Insolvency have incurred time costs of £11,839.20 plus VAT in the current period at an average hourly rate of £168.17. An analysis of time incurred in the period is attached at Appendix H.

RSM have incurred time costs of £132.50 plus VAT in the current period at an average hourly rate of £189.29. An analysis of time incurred in the period is attached at Appendix I.

Approval was also given to the drawing of disbursements, including category 2 disbursements. Details of the current rates are attached at Appendices C & E.

Disbursements incurred in the period are detailed in Appendix F.

A copy of "A Creditors' Guide to Liquidator's Fees", issued by the Association of Business Recovery Professionals, which sets out the basis of fixing the Liquidator's Remuneration, is available at

<http://rowlandsaccountants.co.uk/downloads/restructuring-and-insolvency>.

Please let me know if you would prefer a hard-copy of this guide.

7. JOINT LIQUIDATORS' STATEMENT OF EXPENSES

A statement of the expenses incurred during the period, is attached at Appendix G. This includes all expenses incurred by the Joint Liquidators in the period of the report irrespective of whether they have been paid or not and may include estimated amounts where actual invoices have not been received. The receipts and payments abstract at Appendix B sets out the expenses actually paid in the period together with cumulative figures.

At the Section 98 meeting on 22 October 2013 creditors approved a fee of £25,000 be paid to Rowlands Restructuring & Insolvency for work undertaken in relation to the calling and preparation of the members and creditors meetings and for the preparation of the Statement of Affairs fee. This also included dealing with the orderly closing down of all the shops. These fees have been paid.

7.1 Detailed cost breakdown

Attached to this report are three Appendices relating to my costs on this assignment:

- Appendix C. Rowlands Restructuring & Insolvency's statement on remuneration and expenses in insolvency proceedings,
- Appendix D. Baker Tilly charging, expenses and disbursements policy;
- Appendix E. Baker Tilly current charge out and disbursement rates;
- Appendix F. Joint Liquidators' disbursements table,
- Appendix G. Joint Liquidators' statement of expenses,
- Appendix H: Rowlands Restructuring & Insolvency time cost analysis;
- Appendix I: Baker Tilly time cost analysis

The work that we do as Joint Liquidators is derived from the responsibilities placed upon us by the underlying legal and regulatory framework for work of this nature in general. The actual matters with which we are dealing are set out briefly in both this report and in our earlier reports to creditors.

We believe this case generally to be of average complexity, and accordingly no extraordinary responsibility has to date fallen upon us as Joint Liquidators. The underlying basis of charging proposed to and approved by the creditors has been Rowlands Restructuring & Insolvency standard charge out rates. Rowlands Restructuring & Insolvency charge out rates have been reviewed periodically.

7.2. Other professional costs

Sintons Law, solicitors, have been retained as legal advisors in view of their general experience and expertise in these matters. Sintons had previously been instructed by the Company in relation to the sale of the shops. During the period they have advised me on matters in relation to the aborted sales of a property as previously mentioned in paragraph 3. I have agreed their remuneration on the basis of their standard hourly charge-out rates, plus VAT and disbursements.

8. CREDITORS' RIGHT TO INFORMATION AND ABILITY TO CHALLENGE REMUNERATION AND EXPENSES


In accordance with the provisions of Rules 4.49E and 4.131 of the Rules, creditors have a right to request further information about remuneration or expenses and to challenge such remuneration or expenses.

A request for further information must be made in writing within 21 days of receipt of this report.

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to court that the remuneration charged, the basis fixed or expenses incurred by the liquidator are in all the circumstances excessive.

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question.

Should you have any further queries please do not hesitate to contact me.



ANDREW LITTLE
ROWLANDS RESTRUCTURING & INSOLVENCY
JOINT LIQUIDATOR

Andrew Little is licensed to act as an Insolvency Practitioner in the UK by the Insolvency Practitioners Association. Steven Philip Ross is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales.

COMPANY INFORMATION

Company Name	Finlays (North East) Limited
Company Number	02674165
Date of Incorporation	24/12/1991
Previous Company Names	N/A
Trading Name:	"Finlays" and "Bargain Booze at Finlays"
Trading Address	1 St Marys Green Whickham Newcastle Upon Tyne Tyne & Wear NE16 4DN
Principal Activity	Newsagents and off-licence
Registered Office:	8 High Street, Yarm, Stockton on Tees, TS15 9AE
Previous Registered Office	1 St Marys Green Whickham Newcastle Upon Tyne Tyne & Wear NE16 4DN
Date Registered Office changed	04 November 2013
Functions	<p>The Joint Liquidators' appointment specified that they would have power to act jointly and severally</p> <p>The Joint Liquidators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment.</p>

Appendix B

RECEIPTS AND PAYMENTS ACCOUNT

SOA Value £		22/10/2014 to 21/10/2015 £	£	Total to 21/10/2015 £	£
	SECURED ASSETS				
0 00	Contributions to Landlord Costs	0 00		4,280 00	
0 00	Contributions to rent arrears	0 00		2,023 99	
0 00	Goodwill	0 00		153,001 00	
			0 00		159,304 99
	COST OF REALISATIONS				
0 00	Bank/Transfer charges	0 00		(154 00)	
0 00	Insurance	0 00		(636 00)	
0 00	Land agents fees	0 00		(5,500 00)	
0 00	Land Registry Fee	0 00		(150 00)	
0 00	Landlord costs	0 00		(2,790 00)	
0 00	Legal Fees	0 00		(27,000 00)	
0 00	Liquidators Fees	0 00		(10,000 00)	
0 00	Rent arrears	0 00		(19,471 36)	
0 00	Sales agents fees	0 00		(24,500 00)	
			0 00		(90,201 36)
	SECURED CREDITORS				
(140,000 00)	Fixed Charge Claims	0 00		(69,103 63)	
			0 00		(69,103 63)
	ASSET REALISATIONS				
0 00	Bank Interest Gross	0 00		140 84	
22,195 85	Cash in hand at appointment	0 00		22,195 85	
0 00	Debtors	322 04		11,051 05	
15 00	Furniture, Fixtures and Fittings	0 00		149,999 00	
91 50	Investments	0 00		0 00	
15 00	Leasehold Property	0 00		0 00	
0 00	Licence to occupy fee	0 00		52,222 41	
0 00	Mobile Phone Sim Commission	0 00		8 00	
0 00	Newspapers Deliveries	0 00		3,900 31	
0 00	Postage compensation	0 00		50 00	
0 00	Rates Refunds	358 54		9,736 74	
0 00	Scratchcard Winnings	0 00		6,830 00	
10,000 00	Stock/Inventory on Hand	0 00		0 00	
			680 58		256,134 20
	COST OF REALISATIONS				
0 00	Bank/Transfer charges	(26 40)		(74 80)	
0 00	Books & Stationery	0 00		(58 43)	
0 00	Casual wages	0 00		(505 00)	
0 00	Company Search	0 00		(8 00)	
0 00	Corporation Tax	(4,409 26)		(4,409 26)	
0 00	Courier	0 00		(160 00)	
0 00	Debt Collection Fees	0 00		(1,808 51)	
0 00	Document Storage and Destruction	(1,100 00)		(1,100 00)	
0 00	Electricity	(2,500 00)		(2,500 00)	
0 00	Insurance	0 00		(600 57)	
0 00	Land agents fees	0 00		(14,750 00)	
0 00	Land Registry Fee	0 00		(24 00)	
0 00	Landlord costs	(1,000 00)		(1,320 00)	

RECEIPTS & PAYMENTS ACCOUNT CONTINUED...

0 00	Legal Fees	(40 92)		(20,665 92)	
0 00	Licence to occupy	0 00		(52,222 41)	
0 00	Liquidators Fees	(32,092 25)		(87,092 25)	
0 00	Mileage & travel expenses	(44 15)		(1,133 43)	
0 00	Preparation of Statement of Affairs	0 00		(25,000 00)	
0 00	Rent arrears	(469 67)		(2,051 89)	
0 00	Repairs	0 00		(660 01)	
0 00	Sales agents fees	0 00		(22,000 00)	
0 00	Security Costs	0 00		(821 87)	
0 00	Services charges	0 00		(682 96)	
0 00	Specific Bond	(125 00)		(310 00)	
0 00	Statutory Advertising	0 00		(315 00)	
			(41,807 65)		(240,274 31)
	PREFERENTIAL CREDITORS				
(25,000 00)	Holiday Pay	0 00		0 00	
(25,000 00)	Wages	0 00		0 00	
			0 00		0 00
	FLOATING CHARGE CREDITORS				
(140,000 00)	Floating Charge Claims	0 00		0 00	
			0 00		0 00
	UNSECURED CREDITORS				
(107,683 00)	Deficiency In Security	0 00		0 00	
(100,000 00)	Directors Loan Account	0 00		0 00	
(100,000 00)	Employees	0 00		0 00	
(90,000 00)	HM Revenue and Customs	0 00		0 00	
(1,094,195 50)	Trade and Expense Creditors	0 00		0 00	
			0 00		0 00
	EQUITY				
(75,000 00)	Ordinary Shares	0 00		0 00	
			0 00		0 00
(1,864,561 15)			(41,127 07)		15,859 89
	REPRESENTED BY				
	Liquidation Current Account			13,664 16	
	VAT Receivable (Payable)			2,195 73	
					15,859 89
					15,859 89

STATEMENT ON REMUNERATION AND EXPENSES IN INSOLVENCY PROCEEDINGS

INTRODUCTION

The insolvency legislation was changed in April 2010 for insolvency appointments commenced from that time in order to allow more flexibility on how an office holder's fees are charged to a case. This sheet explains how we may apply the alternative fee bases. The new legislation allows different fee bases to be used for different tasks within the same appointment. The basis or combination of bases set for a particular appointment are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the court.

Further detail about how an office holder's fees are approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9). A copy of these guides can be accessed and downloaded from www.rowlandsaccountants.co.uk. Alternatively a hard copy may be requested from Rowlands, 8 High Street, Yarm, Stockton on Tees, TS15 9AE or insolvency@rowlandsaccountants.co.uk.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn and time costs incurred and will also enable the recipients to see the average rates of such costs. Under the new legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under the old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

POLICY

In order to maximise the cost effectiveness of the work performed it is Rowlands normal policy to delegate certain tasks within the case to members of their staff subject to their experience and specialist skills with the provision of supervision as appropriate. Matters deemed to be complex or of significance will be dealt with by senior members of staff or the license holder.

Time Cost Basis

This is the basis that we use in the majority of cases and we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken. All staff who work on this assignment, including case support (such as cashiers and secretarial staff etc) charge time directly to the assignment and are included within any analysis of time. The costs of any central Rowlands administration or general Rowlands overhead costs are not charged directly to the assignment but are reflected in the general level of charge out rates.

The rates vary between individuals of each grade reflecting experience and qualification. Charge out rates may be revised periodically to cover and are adjusted to take account of inflation and the firm's overheads. In cases deemed to be particularly complex revised rates will be presented to creditors. The maximum current charge out rates per grade are currently

<u>Grade</u>	<u>Rate (£) per hour</u> <u>(effective from 1 April 2015)</u>	<u>Rates (£) per hour</u> <u>(previous rates)</u>
Partner	260	250
Associate / Director	200	180
Manager	150	150
Case Handler / Administrator	90	90
Case support staff	30	21

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Each unit of time is 6 minutes. The work is recorded under the following categories including Administration and Planning, Investigations, Realisation of assets, Debtors, Creditors, Employee matters, and Trading.

Percentage Basis

The new legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal. Different percentages can be used for different assets or types of assets. Where we would like to realise any asset or type of assets on a percentage basis we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

Fixed Fee Basis

The new legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. Where we would like to charge a set amount for a task or different set amounts for different tasks we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

All Bases

The officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

AGENT'S COSTS

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

- Solicitors / Legal Advisors
- Auctioneers / Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

DISBURSEMENTS

As part of our disclosure requirements the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses - are directly referable to an invoice from a third party, which is either in the name of the estate or Rowlands (or a partner / employee of the same), in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. These expenses may include, but are not limited to case advertising, money laundering fees, company search fees, specific penalty bond, identifiable telephone calls, postage at cost, external document storage, external room hire, external printing, invoiced travel, and properly reimbursed expenses incurred by Rowlands and its employees in connection with the case. Obtaining a specific penalty bond and advertising are disbursements that are required in each case as a result of statutory obligations imposed on the Insolvency Practitioner.

Category 2 expenses - are incurred by Rowlands and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, mileage at approved Inland

Revenue scale rates, and internal storage With the exception of photocopying, Rowlands do not typically recharge expenses and disbursements which include an element of shared or allocated costs of internal facilities such as stationery, room hire, communication facilities, printing, internal document storage etc

Category 2 expenses that may be charged by Rowlands

Mileage	£0 45 per mile
Storage Costs	£5 00 per box per year (no adjustment for part years)
Non Specific Company Searches	£10 00
Attestation	£10 00
Photocopying	up to 5p per sheet

TYPICAL TASKS UNDERTAKEN

Matters typically dealt with in the respective time breakdown categories during an insolvency procedure may include, but are not limited to, the following It should be noted that every insolvency case is different, and certain items may not be applicable to this case

Administration & Planning

Cash strategy and planning, cashiering, banking, bank reconciliations, obtaining specific bond and ongoing bond maintenance, any general insurance, uplift and ongoing maintenance of company books and records, filing, internal case progression reviews, case updates, and internal case meetings

Correspondence

All general correspondence excluding specific correspondence relating to other categories

Investigations

Collation and review of directors questionnaires, review of any matters raised by the creditors concerning the conduct of the directors, review of all recent bank transactions undertaken by the company, review of any transactions between the company and associated parties, review of the assets listed in the statement of affairs with the last available statutory accounts, collation of information and submission of a report on all directors in the 3 years prior to liquidation under the Company Directors Disqualification Act 1986

Additional investigations may also be undertaken in specific items at the request of the creditors committee (if any), and antecedent transactions including preferences, transaction at undervalue, misfeasance, breach of fiduciary duties etc

Debtors

Transfer of debtors ledger onto our software, reconciliation of debtors ledger and identification of any refunds, claims, collection of supporting evidence including invoices, proof of delivery, orders etc, corresponding with debtors to collect debts, review and assessment of any responses and/or counterclaims / disputes, general contact with debtors, instruction, liaison and correspondence with solicitors or debt collection agents, liaison with any invoice discounter or factor, and negotiation of any settlement

Realisation of Assets

All other assets excluding debtors including property (freehold and leasehold), intangible assets (intellectual property, patents, goodwill, copyrights etc) and chattel assets (e g furniture & equipment, stock, cash at bank, plant & machinery, work in progress, vehicles, computer equipment etc) Our work includes the preservation of such assets (arranging insurance, security etc), site visits, complying with fire brigade and insurer requirements (e g draining of heating system), arranging collection, preparation of sales particulars, liaising with valuers and agents, assessing and negotiating potential offers, and instructing and liaising with solicitors and reviewing any sale contract,

Reservation of Title

Dealing with all third party assets (including reservation of title, hire purchase, consignment stock, leased assets etc) Our work includes identification of third party assets, reviewing any agreement associated with the assets, corresponding with the claimant, stock taking, arranging and managing uplift of the assets, surrender or disclaiming onerous leases / assets, submission of returns to Registrar of Companies and third parties following disclaimer, and, instructing and liaising with solicitors re challenged claims

Statutory Matters

Undertaking and dealing with statutory matters required to comply with the various legislation concerning an insolvency including preparation and holding of creditors meeting, preparation of report/letters to creditors following appointment, submission of returns to Registrar of Companies and/or Court, preparation of adverts for insert in Gazette / newspaper, preparation of proposals, preparation of progress reports for creditors including receipts and payments, preparation of final reports including receipts and payments, together with the holding of final meetings, preparation of reports and updates for the Creditors Committee, together with any meetings required therein

Creditors

Dealing with all classes of creditors

Secured confirming validity of security, reporting to secured creditor, ongoing communication with secured creditor, review of any claim and distribution thereunder, and instructing and dealing with solicitors

Preferential identifying and notifying potential preferential creditors of ability to claim, review of calculation of preferential claim, ongoing communication with preferential creditors, review and adjudication of preferential claims, and, calculation and payment of dividend (if applicable)

Unsecured identifying and notifying unsecured creditors of ability to claim, submission of pre appointment VAT returns, ongoing communication with unsecured and potential unsecured creditors, dealing with potential pension creditor, recording of unsecured claims, review and adjudication of unsecured claims, and, calculation and payment of unsecured dividend (if applicable)

Employees

Notifying of appointment, issuing redundancy notices, and making employees redundant, assistance in completion of relevant forms to make claim from National Insurance Fund, calculation of outstanding entitlement, collation of claim forms and submission to National Insurance Fund, and ongoing employee correspondence

Trading

Assessment of suitability to trade including preparation of profit and cash flow forecasts, company resources, risk analysis etc, assessing ongoing terms of trade with customers and suppliers, ongoing site presence to monitor and supervise trading, dealing with employees, customers and suppliers, internal reviews to assess ongoing trading, dealing with duress creditors, dealing with health & safety and legislative issues, liaising with insurers, instructing and liaising with solicitors, preparation of trading reports, reporting to funders / secured creditors, and dealing with trading compliance such as VAT, PAYE etc

Other Matters

Items which would not normally fall into any of the above categories including travel, taxation (including processing of any post appointment returns to HMRC in respect of VAT, Corporation Tax etc), director correspondence (to the extent it is not within the other categories), general government returns, and miscellaneous items

BAKER TILLY
CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT

HOURLY CHARGE OUT RATES		
		Current rates
		£
Partner		320 - 395
Directors / Associate Directors		225
Manager		225
Administrators		120 to 175
Support staff		105

"CATEGORY 2" DISBURSEMENT RATES	
Internal room hire	£100 per hour
Subsistence	£25 per night
Travel (car)	42 5p per mile
"Tracker" searches	£10 per case

BAKER TILLY

CURRENT CHARGE OUT AND DISBURSEMENT RATES

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done
- The current charge rates for RSM Restructuring Advisory LLP Newcastle are attached
- Time billed is subject to Value Added Tax at the applicable rate, where appropriate
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it
- RSM Restructuring Advisory LLP's charge out rates are reviewed periodically

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to the relevant approving party, but do not require approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 1' disbursements
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest, require the approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 2' disbursements
- A resolution to consider approving 'category 2' disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP Newcastle will be proposed to the relevant approving party in accordance with the legislative requirements
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant approving party
- Expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate, where appropriate

Appendix F

ROWLANDS RESTRUCTURING & INSOLVENCY

JOINT LIQUIDATORS' DISBURSEMENTS FOR THE PERIOD 22 OCTOBER 2013 TO 21 OCTOBER 2015

Recipient, Type and Purpose	Category	Paid	Unpaid
		£	£
Books and Stationery	1	58.43	
Company Search	1	8 00	
Mileage & travel expenses	1 & 2	1,133.43	
Specific bond	1	310 00	
Legal fees	1	40.92	
Total		1,550.78	

JOINT LIQUIDATORS' DISBURSEMENTS FOR THE PERIOD 22 OCTOBER 2014 TO 21 OCTOBER 2015

Recipient, Type and Purpose	Category	Paid	Unpaid
		£	£
Mileage & Travel Expenses	1 & 2	44.15	
Specific Bond	1	125 00	
Total		169 15	

Appendix G

STATEMENT OF EXPENSES INCURRED BY THE JOINT LIQUIDATORS' IN THE PERIOD FROM 22 OCTOBER 2014 TO 21 OCTOBER 2015

Type and Purpose	Incurred in Period
	£
Bank Charges	26 40
Corporation Tax	4,409.26
Document Storage and Destruction	1,100.00
Electricity	2,500.00
Landlord Costs	1,000 00
Legal Fees	40.92
Rent Arrears	469 67
Total	9,546.25

Appendix H

JOINT LIQUIDATORS' TIME COST ANALYSIS

PERIOD FROM 22 OCTOBER 2013 TO 21 OCTOBER 2015

	Hours Spent					Time Costs £
	Partner	Manager	Admini- strator	Assistants & Support Staff	Total	
Administration and planning	18.00	77.70	33.30	8.40	137.40	18,824.30
Creditors	13.70	109.40	0 00	17.10	140.20	18,347 00
Realisation of assets	181.10	137.00	1 00	2.60	321.70	56,170 60
Total hours	212 80	324.10	34.30	28 10	599.30	
Total time costs	44,357.00	45,241.00	2,462 80	1,281.10		93,341 90

PERIOD FROM 22 OCTOBER 2014 TO 21 OCTOBER 2015

	Hours Spent					Time Costs £
	Partner	Manager	Admini- strator	Assistants & Support Staff	Total	
Administration and planning	5.50	40 80	0 30	3.60	50 20	8,461 20
Creditors	0 00	17 50	0.00	1 00	18.50	3,036 00
Realisation of assets	0.70	1 00	0.00	0 00	1.70	342.00
Total hours	6.20	59 30	0.30	4 60	70.40	
Total time costs	1,582.00	9,735.00	21 00	501.20		11,839 20

NOTE: Please see the attached notes to the time analysis for an explanation of the type of work that is commonly undertaken in respect of each of the categories above.

NOTES TO APPENDIX H

JOINT LIQUIDATORS' TIME COST ANALYSIS

Administration and Planning

This includes dealing with the commencement of the case administration, together with day-to-day case administration duties, maintenance of records and ongoing statutory obligations. These include but are not limited to: handling receipts and payments, VAT and Income tax issues; pension queries and general correspondence. Other matters which are required to be dealt with as part of the appointment and which will fall under this heading include case planning and strategy, case reviews, bonding, maintenance and obtaining books and records, general meetings \ correspondence, statutory and other advertising, insurance, re-directed mail, and statutory reports

Investigations

Where appropriate this will include such matters as investigation of pre-appointment transactions in accordance with the relevant Statement of Insolvency Practice (SIP 2), and the investigation of any potential antecedent transactions such as transactions at under value and preferences which may result in legal action resulting in a recoverable asset

Realisation of Assets

This includes dealing with all aspects of the realisation of assets including identifying, securing and insuring assets, and (where applicable), property, business and asset sales, retention of title claims and debt collection. Other matters dealt with during the case administration which will relate to asset realisation may commonly include effecting disclaimers, dealing with landlords, liaising with agents, undertaking inventories, meetings with purchasers \ directors, arranging collection of leased assets, obtaining insurance, pursuing antecedent claims identified as part of the investigation work set out above. Details of the specific asset realisation work undertaken on this case are set out in the main body of the report. Asset realisation is considered to be a key aspect of the case administration.

Trading

Where the business of the company has been traded (by the liquidator(s)) following the appointment our staff will have had to set up accounts with suppliers in order to trade on an ongoing basis. Payments to suppliers and general correspondence with these have been undertaken. Where trading has ceased, accounts will have been closed and final bills paid. Other matters will also have been dealt with in accordance with the usual trading obligations such as dealing with employees and payroll

Creditors

Queries from and correspondence with creditors and employees have been necessary aspects of the case administration process. Reports to creditors are also an important part of ongoing matters relating to this aspect of the case.

Case Specific Matters

Any case specific matters will generally be set out in the body of the report but will commonly include meetings, correspondence and telephone calls relating to specific issues in the case which do not fall into any the categories set out above and are specific to the case in question. This may include work done in relation to litigation, general advice or other major issues

Appendix I

BAKER TILLY JOINT LIQUIDATORS' TIME COST ANALYSIS

FOR THE PERIOD FROM 22 OCTOBER 2013 TO 21 OCTOBER 2015

Period	Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
From Jan 2003	Administration and Planning									
	Case Management	0.00	1.70	0.50	0.00	2.50	0.30	5.00	£ 836.00	167.20
	Post-appointment - general	0.00	0.00	0.50	0.00	0.00	0.00	0.50	£ 112.50	225.00
	Total	0.00	1.70	1.00	0.00	2.50	0.30	5.50	£ 948.50	172.45
Investigations										
	Investigations/CDDA	0.00	10.50	0.00	0.00	1.00	0.00	11.50	£ 2,482.50	215.87
	Total	0.00	10.50	0.00	0.00	1.00	0.00	11.50	£ 2,482.50	215.87
Realisation of Assets										
	Assets - general/other	0.00	0.00	2.10	0.00	0.00	0.00	2.10	£ 472.50	225.00
	Land and Property	0.00	0.00	4.30	0.00	0.80	0.00	5.10	£ 1,096.25	214.95
	Total	0.00	0.00	6.40	0.00	0.80	0.00	7.20	£ 1,568.75	217.88
Creditors										
	Unsecured Creditors	0.00	0.00	1.00	0.00	0.00	0.00	1.00	£ 225.00	225.00
	Total	0.00	0.00	1.00	0.00	0.00	0.00	1.00	£ 225.00	225.00
Total Hours (From Jan 2003)										
	Total Hours	0.00	12.20	8.40	0.00	4.30	0.30	25.20	£ 5,224.75	207.33
	Total Time Cost (From Jan 2003)	£ 0.00	£ 2,745.00	£ 1,878.75	£ 0.00	£ 571.00	£ 30.00	£ 5,224.75		
Total Hours		0.00	12.20	8.40	0.00	4.30	0.30	25.20	£ 5,224.75	207.33
Total Time Cost		£ 0.00	£ 2,745.00	£ 1,878.75	£ 0.00	£ 571.00	£ 30.00	£ 5,224.75		
Average Rates		0.00	225.00	223.66	0.00	132.79	100.00	207.33		

**BAKER TILLY
JOINT LIQUIDATORS' TIME COST ANALYSIS CONTINUED...**

FOR THE PERIOD FROM 22 OCTOBER 2014 TO 21 OCTOBER 2015

Period	Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
From Jan 2003	Administration and Planning									
	Case Management	0 00	0 50	0 00	0 00	0 00	0 20	0 70	£ 132 50	189 29
	Total	0 00	0 50	0 00	0 00	0 00	0 20	0 70	£ 132 50	189 29
	Total Hours (From Jan 2003)	0 00	0 50	0 00	0 00	0 00	0 20	0 70	£ 132 50	189 29
	Total Time Cost (From Jan 2003)	£ 0 00	£ 112 50	£ 0 00	£ 0 00	£ 0 00	£ 20 00	£ 132 50		
Total Hours		0 00	0 50	0 00	0 00	0 00	0 20	0 70	£ 132 50	189 29
Total Time Cost		£ 0 00	£ 112 50	£ 0 00	£ 0 00	£ 0 00	£ 20 00	£ 132 50		
Average Rates		0 00	225 00	0 00	0 00	0 00	100 00	189.29		

EXTRACTS FROM THE INSOLVENCY RULES 1986, AS AMENDED

4.49E Creditors' and members' request for further information

- (1) If—
 - (a) within the period mentioned in paragraph (2)—
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (iii) 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, or
 - (b) with the permission of the court upon an application made within the period mentioned in paragraph (2)—
 - (i) any unsecured creditor, or
 - (ii) any member of the company in a members' voluntary winding up,makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4.49B(1)(e) or (f) (including by virtue of Rule 4.49C(5)) or in a draft report under Rule 4.49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter in a draft report under Rule 4.49D or a progress report required by Rule 4.108 which (in either case) was previously included in a progress report not required by Rule 4.108.
- (2) The period referred to in paragraph (1)(a) and (b) is—
 - (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4.108, and
 - (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case.
- (3) The liquidator complies with this paragraph by either—
 - (a) providing all of the information asked for, or
 - (b) so far as the liquidator considers that—
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,giving reasons for not providing all of the information
- (4) Any creditor, and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of—
 - (a) the giving by the liquidator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),and the court may make such order as it thinks just

- (5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4.131(1B) or 4.148C(2) by such further period as the court thinks just.
- (6) This Rule does not apply where the liquidator is the official receiver

4.131.— Creditors' claim that remuneration is or other expenses are excessive

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
 - (1A) Application may be made on the grounds that—
 - (a) the remuneration charged by the liquidator,
 - (b) the basis fixed for the liquidator's remuneration under Rule 4.127, or
 - (c) expenses incurred by the liquidator,is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
 - (1B) The application must, subject to any order of the court under Rule 4.49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4.108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4.49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application; but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party.

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly.

- (3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
 - (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
 - (b) an order fixing the basis of remuneration at a reduced rate or amount;
 - (c) an order changing the basis of remuneration,
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation;
 - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify;and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation.