

**Liquidator's Progress
Report****S.192**

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

To the Registrar of Companies

Company Number

02703050

Name of Company

Horner Brothers Print Group Limited

I / We
Robert David Adamson
Mazars House
Gelderd Road
Gildersome
Leeds
LS27 7JN

Patrick Lannagan
The Lexicon
Mount Street
Manchester
M2 5NT

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

The Progress Report covers the period from 08/08/2015 to 07/08/2016

Signed

Date

7/10/16

Mazars LLP
Mazars House
Gelderd Road
Gildersome
Leeds
LS27 7JN

Ref HORNER1/RDA/PAL/CZH/szb/AZH/JZB

WEDNESDAY



A04

"A5HHFYW"
12/10/2016
COMPANIES HOUSE

#248

Horner Brothers Print Group Limited In Liquidation

Liquidators' progress report covering the period 8 August 2015 to 7 August 2016

Contents

	Page
Liquidators' progress report	
1	Introduction
2	Liquidators' Receipts and Payments
3	Asset Realisations and Details of Progress
4	Assets still to be realised
5	Estimated Outcome Statement
6	Liabilities
7	Prescribed Part
8	Investigations
9	Liquidators' Remuneration
10	Liquidators' Disbursements
11	Expenses
12	Creditors' Rights
 Appendices	
A	Statutory information
B	Liquidators' Receipts and Payments Account
C	Estimated Outcome Statement
D	Expenses Statement
E	Analysis of the Liquidators' remuneration
E1	Liquidators' time costs for the current period
E2	Narrative Summary of Liquidators' time costs
E3	Liquidators' cumulative time costs
E4	Rates and Disbursements policy

Horner Brothers Print Group Limited - In Liquidation (“the Company”)

Progress Report to Creditors & Members

1 Introduction

- 1 1 This report is prepared pursuant to Rule 4 49C of the Insolvency Rules 1986, the purpose of which is to provide creditors with details of the progress of the Liquidation during the 12 months to 7 August 2016
- 1 2 I was appointed Joint Liquidator of the Company together with Mr T A Askham following its conversion from an Administration pursuant to paragraph 83 of Schedule B1 of the Insolvency Act 1986 on 8 August 2014 My address is Mazars House, Gelderd Road, Gildersome, Leeds, LS27 7JN
- 1 3 Mr Tim Askham subsequently retired from the partnership of Mazars LLP with effect from 31 August 2016 and Mr Patrick Lannagan a partner in this firm was appointed in his place by an order of the High Court on 12 September 2016
- 1 4 I am authorised to act as an Insolvency Practitioner in the UK by the Insolvency Practitioners Association and Mr Patrick Lannagan is authorised in the UK by the Institute of Chartered Accountants in England and Wales
- 1 5 Statutory information regarding the Company and the Liquidation appointment is attached at Appendix A

2. Liquidators' Receipts and Payments

- 2 1 A summary of receipts and payments covering the period from 8 August 2015 to 7 August 2016 is attached at Appendix B The receipts and payments account also covers the cumulative period from the date of appointment to 7 August 2016
- 2 2 The receipts and payments account confirms that there is currently a balance in hand of £193,505
- 2 3 An explanation of the assets realised and the expenses paid is provided below

3. Asset Realisations and Details of Progress

- 3 1 Asset realisations made during the period covered by this report are detailed below
- 3.2. **VAT Bad Debt Relief**

- 3 2 1 At the date of the former Administration, the Company had an outstanding book debt ledger totalling £1,489,401, subject to an invoice discounting agreement with Reward Commercial Finance LLP ("Reward")
- 3 2 2 Book debts totalling £1,213,492 were collected in the Administration and £847 77 has been collected in the Liquidation, resulting in total collections of £1,214,340
- 3 2 3 I have been making enquiries in relation to a potential VAT Bad Debt Relief ("BDR") claim in respect of the debts that were written off in both the former Administration and in the Liquidation
- 3 2 4 In order to calculate allowable BDR, it is necessary to take into account any unpaid pre-appointment tax due during the period in which the debts arose HM Revenue & Customs ("HMRC") originally advised me that they did not have a claim for VAT and it was estimated that we could make a claim in full for BDR estimated in the region of 20,000 However, HMRC have recently submitted a revised claim which includes a claim for outstanding VAT of circa £331,000 I am therefore in the process of reviewing their revised claim in order to calculate whether we can still make a claim for BDR

3.3 Commission re Book Debts

- 3 3 1 Upon my appointment as Administrator, it was agreed that Paragon Group UK Limited ("Paragon"), the purchaser of the Company's business and assets, would assist Reward with the collection of the outstanding book debts and that we would oversee the collection for the purposes of the Administration
- 3 3 2 The basis of the agreement with Paragon was that they would be remunerated on a commission basis for all debts collected, however no funds would be payable until Reward had recovered its outstanding indebtedness in full
- 3 3 3 Reward was repaid in full in the Administration under their fixed charge and the agreement with Paragon was terminated shortly thereafter
- 3 3 4 Unfortunately, I have been unable to agree the level of commission due to Paragon from the book debt collections We are still in negotiations with Paragon and are in the process of making them an offer of settlement As the level of commission has not been agreed, I have been unable to quantify the funds available to unsecured creditors or distribute a dividend at this time

3.4 Pre-appointment Invoices

- 3 4 1 You will recall that there were a number of invoices which remained unprocessed at the date of my appointment totalling circa £45,000 and that I was in the process of ascertaining if they were due to the Liquidation I am advised that Paragon may have had the benefit of these invoices and as such they form part of the negotiations with Paragon in respect of the commission due to them from the book debt collections An update will be provided to creditors within my next report

4 Assets still to be realised

4 1 Assets still to be realised comprise

4.2 VAT Bad Debt Relief

4 2 1 As reported above, I was about to make a claim for BDR when I was advised that HMRC have a claim for VAT in the Liquidation. I am therefore in the process of liaising with HMRC to assess whether we can still make a claim for BDR.

4.3 Commission re Book Debts/ Pre-appointment invoices

4 3 1 We are still in negotiations with Paragon in respect of their commission and are in the process of making them an offer of settlement.

4 3 2 The pre-appointment invoices are part of the ongoing negotiations with Paragon and will be settled as part of the offer of settlement to Paragon.

5 Estimated Outcome Statement

5 1 An estimate of the outcome of the Liquidation is attached at Appendix C.

5 2 Based upon current estimates, there will be sufficient funds to enable a return to unsecured creditors. However, the outcome is subject to change and is dependent upon the level of commissions agreed with Paragon and the level of BDR claim that is allowable in the Liquidation.

5 3 I have also been advised by our pension scheme advisors that the Company's pension providers may have a claim in the Liquidation and are currently looking into this matter for us. If they do have a valid claim this may dilute the level of dividend available to unsecured creditors.

5 4 Further details on the expected outcome for each class of creditor is provided below.

6 Liabilities

6.1 Secured Creditors

6 1 1 Barclays Bank PLC ("the Bank") held a debenture that was created on 9 August 2011 and registered on 16 August 2011 granting fixed and floating charges over the assets of the Company.

6 1 2 Prior to my appointment as Administrator, Reward repaid the Bank's liability in full and subsequently held a debenture that was created on 13 August 2013 and registered on 15 August 2013, granting them fixed and floating charge over the assets of the Company.

6 1 3 Reward also hold a chattels mortgage in respect of the Company's plant and machinery which was identical to the security held by the Bank

6 1 4 At the date of the Administration, Reward was owed £969,906 before charges I can confirm that Reward was subsequently paid in full in the Administration under its fixed charge, in relation to its initial indebtedness plus its termination charges totalling £1,089,864

6 1 5 No further monies are due to Reward in this matter and, therefore, there is no secured liability in the Liquidation

6.2 Preferential Creditors

6 2 1 Preferential claims arise in respect of unpaid wages and holiday pay arrears for the employees of the Company who were made redundant prior to the Administration

6 2 2 I can confirm that there are no preferential creditors in this instance on the basis that all of the employees' contracts were transferred to Paragon as part of the sale agreement under TUPE

6.3 Unsecured Creditors

6 3 1 According to the Company's records, the Company had unsecured creditors with debts totalling £1,386,890 Claims received to date total £1,416,774 from 112 creditors

6 3 2 A notice of intended dividend was sent to creditors on 10 May 2016 and a dividend was due to be paid to unsecured creditors by 30 August 2016 Unfortunately, I have been unable to distribute a dividend to unsecured creditors in line with the notice of intended dividend on the basis that I have been unable to agree the commissions payable to Paragon from the book debt collections

6 3 3 Creditors will note from the Estimated Outcome Statement included at Appendix C, assuming that realisations and expenses are as anticipated, that there will be a return to unsecured creditors currently estimated at 8p in the £ However, as noted above, the outcome is subject to change and is dependent upon the commissions due to Paragon and the BDR claim As discussed above, I am also awaiting confirmation that the Company's pension scheme do not have a claim in the liquidation If they do have valid claim this may alter the level of dividend available to unsecured creditors

7 Prescribed Part

7 1 In accordance with Section 176A of the Insolvency Act 1986, a proportion of the Company's net assets are to be set aside for the benefit of the Company's unsecured creditors where the Company has granted a floating charge after 15 September 2003 This is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter subject to a maximum fund of £600,000 Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential creditors' claims

- 7 2 Reward was paid in full under its fixed charge in the Administration. As such, there is no floating charge liability in the Liquidation and a prescribed part calculation is, therefore, not required in this instance.

8 Investigations

- 8 1 In accordance with the Company Directors Disqualification Act 1986, the Joint Liquidators are required to investigate the affairs of the Company and the conduct of the directors during the three years prior to the Liquidation. The Joint Liquidators can confirm that this obligation has been complied with and a confidential report was submitted to the Insolvency Service on 4 February 2015.
- 8 2 An initial investigation into the Company's affairs has also been undertaken by the Liquidator in accordance with Statement of Insolvency Practice 2. The purpose of these investigations is to establish whether there are any potential asset recoveries or conduct which requires further investigation.
- 8 3 Following this initial review no further assets or actions were identified which would lead to a recovery for creditors. Therefore no additional time in respect of investigations has been incurred in this period.
- 8 4 Should creditors have any information which they consider may assist the Joint Liquidators in carrying out their investigations, or be aware of any matters which they believe should be brought to the attention of the Liquidators, please provide details in writing to this office. This request for information forms part of our usual investigation procedures and does not imply that there may be any cause of action lying against any person concerned in the Company's affairs.

9 Liquidators' Remuneration

- 9 1 As previously advised the Company moved from Administration to Liquidation on 8 August 2014. Where the Administrator becomes Liquidator, the basis of remuneration fixed under rule 2.106 in the Administration is treated as having been fixed in the Liquidation also.
- 9 2 I can confirm that the Joint Administrators' remuneration was fixed on a time cost basis with the approval of the creditors at an adjourned creditors' meeting held on 4 November 2014. The Joint Liquidators' remuneration is therefore also fixed on the basis of the time properly spent by the Liquidators and their staff in dealing with matters arising during the Liquidation.
- 9 3 Attached at Appendix E1 is a summary of the Liquidators' time costs for the period 8 August 2015 to 7 August 2016. These costs total £15,309.30, which represents 75.90 hours at an average hourly rate of £201.70. Further details of the work carried out during this period is attached at Appendix E2 in the narrative summary.



- 9 4 Total time costs incurred in the Liquidation to date amount to £35,275 20. This represents 201 80 hours at an average hourly rate of £174 80. Attached at Appendix E3 are details of the Liquidators' cumulative time costs since appointment.
- 9 5 As at 7 August 2016 an amount of £30,081 60 has been drawn against the Liquidators' time costs in respect of the Liquidation. During the period of this report the sum of £12,500 was drawn against our costs.
- 9 6 Details of the future work anticipated to be carried out by the Joint Liquidators includes:
- Realisation of remaining assets as detailed in Section 4 of the report
 - Consideration of VAT Bad Debt Relief as detailed in Section 4 of the report
 - Adjudication of claims and payment of unsecured dividend to creditors
 - Reporting and statutory and compliance functions
 - Tax and VAT compliance, including preparing tax computations and returns and seeking final tax clearance prior to closure
- 9 7 The attached Estimated Outcome Statement suggests that my future remuneration could total £19,292 80 plus VAT but this is subject to change, depending on the future time required in dealing with the above matters.
- 9 8 Routine administration of the liquidation has been dealt with by junior staff wherever possible in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the Joint Liquidators. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the Joint Liquidators.
- 9 9 Charge out rates are reviewed annually on 1 September and in common with other professional firms, may increase over the period of the administration of the case. The rates are appropriate to the skills and experience of the team member and the work that they perform. All staff that work on the case, including cashiers, support and any secretarial staff charge their time directly to the assignment. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.
- 9 10 The charge out rates of the team members employed on the assignment during the period covered by this report remain the same as those disclosed in the last Liquidators' report to creditors dated 7 October 2015 and a breakdown is provided in the Rates and Disbursements Policy attached at Appendix E4. Specialist departments within our Firm (such as Receivables, Tax and VAT) have charged time to this case when their expert advice is required. The rate ranges provided incorporate these different rates.

10 Liquidators' Disbursements

- 10.1 Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. There are two categories of disbursements, including Category 1 (payments to independent third parties) and Category 2 (costs incurred by the Liquidators or the firm that can be allocated to the case on a proper and reasonable basis).
- 10.2 Category 2 disbursements require approval in the same manner as remuneration and creditors will recall that a resolution was passed on 4 November 2014 at an adjourned meeting of creditors in agreement of the anticipated Category 2 disbursements of the Liquidators. Further details of the rates agreed are provided within the Liquidators' Rates and Disbursements policy attached at Appendix E4.
- 10.3 An analysis of the disbursements incurred and paid during the period covered by this report is provided below.

Description	Category	Unpaid in previous period (£)	Amount incurred in period (£)	Amount paid in period (£)	Total disbursements outstanding (£)
Mileage	Category 2	55 88	-	-	55 88
Total		55 88	-	-	55 88

An explanation of each of these disbursements is provided below.

Mileage - Mileage was incurred travelling to the Company's former premises to review the book debt collections with Paragon.

- 10.4 The above disbursement, in the sum of £55 88 relates to Category 2 disbursements.

11 Expenses

- 11.1 Details of expenses incurred during the period of the report and likely future expenses are provided in the Expenses Statement attached at Appendix D.
- 11.2 Further information in respect of the significant expenses incurred is provided in the following sections.
- 11.3 Professional advisors**
- 11.3.1 Details on the nature of the engagement with professional advisors and fee arrangements are provided below.

Name	Nature of Work	Basis of fee Arrangement	Amount paid in period (£)
Clumber Consultants Limited	Pension Scheme Advice	Fixed Fee	-

11 3 2 Clumber Consultants Limited, have incurred the sum of £300 plus VAT providing advice in relation to the status of the Company's pension schemes They have yet to be paid in this matter

11 3 3 The Liquidators' choice of these advisors was based on their perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them

11 3 4 The Liquidators have reviewed the fees incurred to date and are satisfied that they are reasonable in the circumstances of the case

12 Creditors' Rights

12.1 Further information

12 1 1 I would advise you that pursuant to rule 4 49E of the Insolvency Rules 1986, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors or an unsecured creditor with permission of the court, may, within 21 days of receipt of this progress report, ask the Liquidators for further information about the remuneration and expenses set out in this progress report

12.2 Apply to Court

12 2 1 Additionally, pursuant to rule 4 131 of the Insolvency rules 1986, a secured creditor or an unsecured creditor with concurrence of at least 10% in value of the unsecured creditors or an unsecured creditor with the permission of the court may, within 8 weeks of the receipt of this progress report, apply to the court on one or more of the following grounds

- the remuneration charged by the Liquidators, or
- the basis fixed for the Liquidators' remuneration, or
- expenses incurred by the Liquidators

is or are in all of the circumstances, excessive or inappropriate

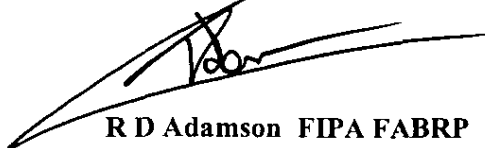
12.3 Further guidance

12 3 1 Creditors can find additional information on their rights relating to Liquidators' fees in a copy of the publication "A creditors guide to Liquidators' Fees" which is available to download from https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Liquidators_Fee

s_Nov2011_pdf or alternatively will be provided free of charge upon written request to this office

- 12 3 2 For further general information regarding a creditor's role throughout an insolvency process, creditors are reminded that they can also visit www.creditorinsolvencyguide.co.uk

Yours faithfully



R D Adamson FIPA FABRP
Joint Liquidator

Dated 23 September 2016

Authorised to act as an insolvency practitioner in the UK by the Insolvency Practitioners Association and bound by the Insolvency Code of Ethics

**Horner Brothers Print Group Limited
In Liquidation**

Statutory Information

Company name	Horner Brothers Print Group Limited
Previous names	
Trading name	
Company number	02703050
Registered office	Walter House Unit 5, Bessemer Park, Rotherham, South Yorkshire, S60 1EN
Trading address	Walter House Unit 5, Bessemer Park, Rotherham, South Yorkshire, S60 1EN
Date of appointment	8 August 2014
Joint Liquidators	R D Adamson and P A Lannagan of Mazars LLP, Mazars House, Gelderd Road, Gildersome, Leeds, LS27 7JN IP No(s) 9380 and 9590
Joint Liquidators' address	Mazars House, Gelderd Road, Gildersome, Leeds, LS27 7JN

Horner Brothers Print Group Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs	From 08/08/2015 To 07/08/2016	From 08/08/2014 To 07/08/2016
ASSET REALISATIONS		
Book Debts	7 97	847 77
Surplus from Administration	NIL	304,512 47
	<u>7 97</u>	<u>305,360 24</u>
COST OF REALISATIONS		
Administrators Disbursements	NIL	1,038 47
Joint Administrators Fees	NIL	80,090 52
Joint Liquidators Remuneration	12,500 00	30,081 60
Legal Fees re Administration	NIL	475 00
Statutory Advertising	84 60	169 20
	<u>(12,584 60)</u>	<u>(111,854 79)</u>
		<u><u>193,505.45</u></u>

Horner Brother Print Group Limited - In Administration
Estimated Outcome Statement as at 7 August 2016

APPENDIX C

	£ To date	£ Future	£ Total
Floating Charge Assets			
Surplus Funds from the Administration	304,512	-	304,512
Book Debts	848	-	848
VAT Refund -	-	Unknown	Unknown
			<u>305,360</u>
Less Estimated Costs			
Administrators' Fees	(80,091)	-	(80,091)
Administrators' Disbursements	(1,038)	-	(1,038)
Liquidators' Fees & Disbursements	(30,082)	(24,487)	(54,568)
Legal Fees	(475)		(475)
Pensions Advice	-	(600)	(600)
Statutory Advertising	(169)	(85)	(254)
Storage	-	(100)	(100)
Book Debt Commission	-	(60,000)	(60,000)
			<u>(197,126)</u>
Account available for Preferential Creditors			108,234
Less Preferential Creditors			<u>-</u>
			108,234
Assets available to Unsecured Creditors			108,234
Less Unsecured Creditors			
Trade & Expense Creditors	(882,398)		
HM Revenue & Customs	(534,376)		
			<u>(1,416,774)</u>
Shortfall to Unsecured Creditors			
Estimated dividend to Unsecured Creditors p/£			<u><u>8</u></u>

EXPENSES STATEMENT

Details of expenses incurred in the current period and details of future anticipated expenses are provided below together with an explanation as to why the expenses have been, or will be, incurred

Details of amounts paid in the period are provided in the Liquidators' Receipts and Payments Account attached at Appendix B

	Type of Expenditure	Who expense incurred by and nature of expense	Amount incurred in previous periods	Amount incurred in current period (£)	Likely future expenses (£)	Total expenses (£)
Professional advisors' costs						
Further details on the Professional advisors engaged in this matter are provided in Section 11 of the report						
1	Legal fees	Addleshaw Goddard Solicitors were instructed to provide legal assistance in relation to the book debt collections in the Administration. They do not have any outstanding fees in this matter. They were chosen based on their experience in insolvency matters. Their fees are agreed on a time cost basis	475 00	-	-	475 00
2	Pension Advisors	Clumber Consultants Limited were instructed to review the Company pensions schemes and to provide advice on any outstanding matters in relation to the schemes in particular the winding up of the pensions schemes were necessary. They were chosen based on their expertise on pension matters arising in insolvency. Their fees are agreed on a fixed fees basis. Their initial report on the schemes was £300 plus VAT. It is estimated that they will incur a further £300 plus VAT finalising their advice in respect of the Company's pensions schemes	-	300 00	300 00	600 00
Other expenses						

EXPENSES STATEMENT

6	Advertising	<p>Courts Advertising Statutory advertising requirements including London Gazette advertisements for notice of the appointment of the Liquidators</p> <p>Future advertising is expected to include notice of the creditors' meeting to consider the Liquidators final report and release form office</p>	169 20	-	84 60	253 80
10	Storage	<p>Iron Mountain Limited Off-site storage of company records</p>	-	-	100 00	100 00
11	Joint Liquidators' Remuneration	To project manage the orderly winding up of the Company's affairs, and to perform those tasks required of a Liquidator as dictated by statute	19,965 90	15,309 30	19,292 80	50,275 20
12	Joint Liquidators' Disbursements	Details of the Joint Liquidators' Disbursements is provided in section 10 of the report. These are expenses paid by this firm and re-charged to the estate when there are sufficient funds	55 88	-	-	55 88
	Total		20,665 98	15,309 30	19,777 40	55,752 68

HORNER BROTHERS PRINT GROUP LIMITED - IN LIQUIDATION

Analysis of Liquidators' time costs for the period 08/08/2015 to 07/08/2016

Classification of Work Function	Hours					Total Hours	Time Cost	Av hourly Rate
	Partner	Director	Manager	Administra tor	Support			
2 Admin & Planning			2 40			2 40	£ 516 00	£ 215 00
3 Taxation		0 30	0 90	0 10		1 30	228 20	175 54
5 Realisation of Assets	9 40		5 00	2 80		17 20	4,149 40	241 24
8 Creditors	2 80		14 30	1 30		18 40	3,188 00	173 26
9 Reporting	2 00		2 20	7 00		11 20	1,987 20	177 43
10 Distributions	5 90		0 30			6 20	1,933 60	311 87
11 Cashiering			0 50	5 40	5 50	11 40	1,212 90	106 39
12 Statutory & Compliance	5 60	0 10	1 10	1 00		7 80	2,094 00	268 46
Total Hours	25.70	0 40	26 70	17.60	5 50	75 90		
Total Time Costs (£)	8,146 90	105 20	3,975 00	2,119 70	550 00		15,309 30	
Av Hourly Rate	317 00	263 00	164.26	120 44	100 00			201 70

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT LIQUIDATORS'
FOR THE PERIOD 8 AUGUST 2015 TO 7 AUGUST 2016****Introduction**

The summary provides a proportionate overview of the work carried out in light of the specific circumstances of the case and includes details of the work that has been done during the period, why it was done and whether the work provides a financial benefit to creditors. This is a new requirement under the Insolvency (Amendment) Rules 2015. Please refer to previous reports for information about the cases progress in previous periods.

This summary should be read together with the Joint Administrators' Time Costs Analysis at Appendix E1. The costs incurred in relation to each category are set out in the attached Time Cost Analysis.

Work carried out in the current period**Administration and planning**

The Liquidators have undertaken the following work:

- Ongoing strategy with regard to the VAT Bad Debt Relief claim

The majority of this work derived no financial benefit for creditors. However, appropriate case administration and planning ensures that the case is managed coherently and efficiently, with minimisation of costs and avoidance of duplication of work. A clear case strategy and strong internal processes aid to add value through the efficient management of the case. This work is also required in order to appropriately document and record how the case has been administered in accordance with regulatory requirements.

Taxation

The following activities were undertaken in order to ensure the Company is compliant with tax requirements:

- Preparing post liquidation Corporation Tax and VAT returns as required by statute

The majority of this work derived no financial benefit for creditors, however, it is required in accordance with tax legislation.

Realisation of Assets

The work undertaken in respect of the realisation of the Company's assets is detailed in Section 3 of the report. The remaining assets comprise of the VAT Bad Debt Relief Claim and in addition to the information provided in Section 4:

- Liaising and negotiating with Paragon in relation to the commissions due in respect of the book debt collections
- Reviewing the VAT Bad Debt Relief Claim allowable in the Liquidation

It is hoped that the work undertaken in relation to the VAT Bad Debt Relief Claim will add value for the benefit of creditors by enabling the realisation of funds in the estate. The costs associated with the recovery are considered appropriate in the circumstances.

This work has been carried out by senior staff, that being the Liquidator and an Assistant Manager due to the complex nature of the issues which is reflected in the Time Cost Analysis.

Creditors

There are approximately 181 unsecured creditor claims. In order to ensure that creditors are dealt with appropriately the following work has been undertaken:

- Responding to queries which arise
- Logging creditors' claims
- Collating information from the Company's records to assist with claim adjudication work
- Preparing a Notice of Intended Dividend to creditors who hadn't proven in the Liquidation

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT LIQUIDATORS'
FOR THE PERIOD 8 AUGUST 2015 TO 7 AUGUST 2016**

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors, however, as it is expected that a dividend will be paid to unsecured creditors, work undertaken in dealing with creditor claims does have a financial benefit in enabling the correct adjudication of claims

The following work has been undertaken to prepare for the distributions

- Requesting further information from creditors where necessary and dealing with rejected claims

Distributions

Distributions are expected to be paid to the unsecured creditors (8 pence in the £)

Work undertaken in respect of distributions include

- Unsecured creditors – Adjudication of creditors claim and dealing with rejected claims

The work involved in agreeing and paying creditor claims provides a financial benefit though ensuring that the level of claims admitted for dividend purposes is correct and in distributing funds to creditors

Reporting

Reporting requirements during the period as prescribed by statute have included the following

- Preparation of the Liquidators' Annual Progress Report for the period from 8 August 2014 to 7 August 2015

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the case has been administered in line with regulatory requirements

Cashiering

Cashiering work undertaken includes

- Bank account maintenance, including periodic reconciliations
- Issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the estate bank account is operated in accordance with guidance issued by my regulatory body

Statutory and Compliance

The work undertaken as required by statute and our internal procedures involves

- Case monitoring and statutory compliance, including internal case reviews
- Reviewing the last annual progress report to creditors
- Reviewing the commission due in respect of the book debt calculations

The majority of this work derived no financial benefit for creditors. However, this work is required in order to ensure that the case has been administered in accordance with regulatory requirements

HORNER BROTHERS PRINT GROUP LIMITED - IN LIQUIDATION

Analysis of Liquidators' time costs for the period 08/08/2014 to 07/08/2016

Classification of Work Function	Hours					Total Hours	Time Cost	Av hourly Rate
	Partner	Director	Manager	Administra tor	Support			
2 Admin & Planning			2 60	1 50	0 00	4 10	£ 708 20	£ 172 73
3 Taxation		0 30	1 10	0 60	2 00	4 00	481 70	120 42
4 Investigations				1 00	0 00	1 00	116 00	116 00
5 Realisation of Assets	12 50	2 90	5 20	61 70	0 00	82 30	14,306 70	173 83
7 Employees				0 40	0 00	0 40	40 00	100 00
8 Creditors	2 80		14 30	1 90	0 00	19 00	3,253 40	171 23
9 Reporting	6 50		2 80	7 00	1 80	18 10	3,768 90	208 22
10 Distributions	5 90		0 30		0 00	6 20	1,933 60	311 87
11 Cashiering			1 20	5 40	35 90	42 50	4,410 50	103 77
12 Statutory & Compliance	17 00	0 10	1 40	5 70	0 00	24 20	6,256 20	258 52
Total Hours	44 70	3 30	28 90	85 20	39 70	201.80		
Total Time Costs (£)	14,169 90	797 70	4,845 40	11,443.60	4,018 60		35,275 20	
Av Hourly Rate	317 00	241 72	167.66	134.31	101 22			174.80

Horner Brothers Print Group Limited - In Liquidation**Rates and Disbursements Policy****Charge-out rates**

Details of the current charge-out rates of the personnel working on this case are set out below

Grade of personnel	Hourly charge out rate (£)
Partner	317
Director	245 - 275
Manager	155 - 215
Administrator	105 - 127
Cashier	100 - 130
Clerical Support	40

Charge-out rates are reviewed annually on 1 September and in common with other professional firms, may increase over the period of the administration of a case. The rates are appropriate to the skills and experience of the team member and the work that they perform. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

Specialist departments within our Firm, (such as Receivables Tax and VAT) may charge a number of hours if and when their expert advice is required. The rate ranges above incorporate these different rates.

Disbursements

Some of the expenses incurred on this matter are likely to be paid by this firm in the first instance and subsequently re-charged to the estate. Such disbursements fall into 2 categories as follows:

Category 1 disbursements: These are payments to independent third parties where there is specific expenditure directly referable to the case and as such can be drawn without prior approval.

Category 2 disbursements: These are costs that are directly referable to the case but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the liquidators of their firm, and that can be allocated to the case on a proper and reasonable basis. Such disbursements require approval in the same manner as remuneration.

It is proposed that the following Category 2 disbursements incurred in administering the case be charged:

- Mileage will be charged at relevant Inland Revenue rates, currently 45p per mile.

All other disbursements are to be reimbursed at cost.

The liquidators reserve the right to increase the charges applicable to mileage and photocopying during the course of the liquidation in line with inflation or increases from our suppliers. Any material amendments will be advised to creditors in the next statutory report.