

The Insolvency Act 1986

Administrator's progress report

Name of Company
Harley Curtain Wall Ltd t/a Harley

Company number
03244209

In the
High Court of Justice, Chancery Division,
Companies Court
[full name of court]

Court case number
5870 of 2015

(a) Insert full name(s) and
address(es) of the
administrator(s)

We Julie Anne Palmer of and Simon Guy Campbell of Begbies Traynor (Central) LLP, 65 St Edmunds Church Street, Salisbury, Wiltshire, SP1 1EF

administrators of the above company attach a progress report for the period

from

to

(b) Insert dates

(b) 8 September 2015

(b) 7 March 2016

Signed

Joint Administrator

Dated

22/3/16

Contact Details:

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

Begbies Traynor (Central) LLP

65 St Edmunds Church Street, Salisbury, Wiltshire, SP1 1EF

Tel Number 01722 435190

Fax Number 01722 421102

DX Number



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COMPANIES HOUSE

When you have completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

WEDNESDAY

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability

Harley Curtain Wall Ltd t/a Harley (In Administration)

Progress report

Period: 8 September 2015 to 7 March 2016

Important Notice

This progress report has been produced to comply with our statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1 INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Harley Curtain Wall Ltd t/a Harley (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 8 September 2015
"the administrators" "we" "our" and "us"	Julie Anne Palmer and Simon Guy Campbell of Begbies Traynor (Central) LLP, 65 St Edmunds Church Street, Salisbury, Wiltshire, SP1 1EF
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

This report should be read in conjunction with the administrators' proposals circulated to all known creditors on 13 October 2015

2 COMPANY INFORMATION

Trading name	Harley
Date of Incorporation	30 August 1996
Company registered number	03244209
Company registered office	65 St Edmunds Church Street, Salisbury, SP1 1EF

3 DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of administrators' appointment	8 September 2015
Court	High Court of Justice, Chancery Division, Companies Court
Court Case Number	5870 of 2015
Person making appointment	Ray Bailey of Harley House, Brooklands Park, Farningham Road, Crowborough, TN6 2JD acting as director of the Company
Acts of the administrators	The administrators act as officers of the court and as agents of the Company without personal liability Any act required or authorised

under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time

EC Regulation on Insolvency Proceedings

The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation

4 PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 8 September 2015 to 7 March 2016

Receipts

i Sale of Company assets to Harley Facades Ltd

As you are aware we sold the following assets to Harley Facades Ltd on 9 September 2015

- Furniture and equipment - £3,900 plus VAT
- Goodwill – 20,000 plus VAT
- Business name - £1,000 plus VAT

I confirm Harley Facades paid £29,400 plus VAT on 9 September 2015

ii Motor vehicles

Following our appointment we instructed Eddisons (a division of Begbies Traynor Group) to sell the Company's motor vehicles as they were not included in the sale to Harley Facades

The motor vehicles were sold for £22,950 which was slightly higher than the estimated to realise value of £22,500

Eddisons' fees for disposing the motor vehicles were £2,295 They also incurred disbursements of £23

iii Cash at bank

We have recovered £322,099 from the Company's bank account

Please note that this is significantly higher than the estimated to realise amount of £80,000 as HMRC paid the VAT refund of £237,018 into the Company's former bank account

iv Book debts

Please see Section 9 for further information on book debt realisations and Leslie Keats involvement To date we have realised £148,924 from the Company's book debts

I confirm that our agent advised us that we should transfer £46,193 to Harley Facades as part of the work in progress apportionment If Harley Facades did not agree to complete the particular project then book debt realisations would have been significantly lower

To date Leslie Keats' fees total £13,760

v Other realisations

We have also recovered £536 from other sources such as a DVLA and utility refund

Interest of £74 has also accrued over the period in question

Payments

i Pre-administration costs

Our pre-administration costs of £21,191 40 plus VAT were approved by unsecured creditors on 30 October 2015. Please see Section 6 for further information.

ii Professional costs

We have paid £45,476 towards our time costs for acting as Joint Administrators in accordance with the resolution approved by creditors on 30 October 2015. Furthermore, we have also discharged our expenses of £777.

As detailed above, we instructed Eddisons to sell the Company's motor vehicles. Their fees and disbursements were £2,295 and £23 respectively.

We also instructed Lester Aldridge to complete a short form sale agreement to Harley Facades and to serve our appointment document on relevant parties. Their post appointment costs time costs totalled £300.

iii Other costs

On the day of our appointment we attended the Company's premises to collect the Company's books and records to assist us with our statutory investigations. TNT charged £273 for transporting these records to our office.

We also incurred statutory advertising costs of £169.

iv Distribution to preferential creditors

On 2 February 2016, we distributed £9,774 14 being 100p in the pound to preferential creditors.

5 ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

Secured creditor

There is no secured creditor.

Preferential creditors

We estimated that preferential creditors for arrears of wages and holiday pay would total £22,885 61.

However, the Redundancy Payments Office determined that there had been a substantial transfer of the Company's business resulting in a TUPE transfer. Therefore, we only admitted preferential creditors at £9,774 14 for dividend purposes.

I confirm that on 2 February 2016, we distributed £9,774 14 being 100p in the pound to preferential creditors.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors

Unsecured creditors

Based upon realisations to date and estimated future realisations there will be sufficient funds available to enable a dividend to be paid to the unsecured creditors

On 18 September 2015, HMRC notified us of the following tax avoidance schemes entered into by the Company

- i £981k paid into an Employment Benefit Trust
- ii £1.5m paid into a Business Benefit Trust

We have instructed Bond Dickinson to advise us on the merits of HMRC's claim and the potential claims against the director. Bond Dickinson were selected to advise us on this matter as they are on HMRC's panel.

Furthermore, we met with representatives of HMRC on 18 February 2016 to discuss the background of the case and their concerns into the Company's affairs.

We are still in dialogue with HMRC and they have provided us with further documents on the tax avoidance schemes which we are currently looking through.

I confirm that we have spoken to the Company's tax advisors and obtained some of their records on the avoidance schemes. We are also trying to establish the reasons why the advisors recommended that the Company appealed against HMRC's Accelerated Payment Notice.

Please note that Ray Bailey has fully co-operated with us on this matter and has provided us with information on the schemes.

The Company will exit administration into creditors' voluntary liquidation as agreed by unsecured creditors once we are in a position to distribute funds to unsecured creditors as detailed in Section 10.

Unfortunately, we will not be able to distribute any funds to unsecured creditors until HMRC's claim has been properly investigated given the nature and quantum of their claim.

Effect of administration on limitation periods under the Limitation Act 1980

As we have previously confirmed, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

6 PRE-ADMINISTRATION COSTS

On 30 October 2015 the following amounts in respect of unpaid pre-administration costs were approved by a resolution of creditors passed by correspondence

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	Begbies Traynor	14,417 50	2,883 50	17,301 00
Our disbursements in relation to the Work	Begbies Traynor	157 40	31 48	188 88
Legal Fees	Lester Aldridge LLP	2,800 00	560 00	3,360 00
Legal Disbursements	Lester Aldridge LLP	54 00	0 80 (court fee of £50 is not subject to VAT)	54 80
Agent's Fees – Quantity Surveyors	Leslie Keats	1,680 00	336 00	2,016 00
Agent's Fees – Quantity Surveyors	Leslie Keats	60 00	12 00	72 00
Agent's Fees – Asset Valuation	BRV (UK) Ltd	500 00	100 00	600 00
Agent's Fees – Asset Valuation	Eddisons – A division of Begbies Traynor Group	1,500 00	300 00	1,800 00
Agent's Disbursements – Asset Valuation	Eddisons – A division of Begbies Traynor Group	22 50	4 50	27 00
TOTAL PRE-ADMINISTRATION COSTS		21,191 40	4,228 28	25,419 68

7 REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors passed by correspondence by reference to the time properly given by us (as administrators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration. We are also authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report

Our time costs for the period from 8 September 2015 to 7 March 2016 amount to £88,817 50 which represents 291 90 hours at an average rate of £304 27 per hour

The following further information in relation to our time costs and disbursements is set out at Appendix 2

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 8 September 2015 to 7 March 2016
- ☐ Begbies Traynor (Central) LLP's charging policy

To 7 March 2016, we have drawn the total sum of £45,475 50 on account of our remuneration, against total time costs of £88,817 50 incurred since the date of our appointment

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been drawn during the period of this report in accordance with the approval obtained in the total sum of £2,423 25 are provided in the narrative summary of time costs incurred which is at Appendix 2

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2011' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy

8 ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3

9 ASSETS THAT REMAIN TO BE REALISED

As stated in our proposals we have instructed Leslie Keats (Quantity Surveyors) to assist with book debts collections

Leslie Keats originally estimated the realisable value at £80k after PI cover This estimated to realise value reflected their worst case scenario

On 17 March 2016, Leslie Keats provided us with a revised estimate resulting in a worst case recovery of £210k after PI cover

I confirm that we are now close to the end of the Defect Liability Periods which should release substantial funds to the Administration

10 OTHER RELEVANT INFORMATION

Report on Directors conduct

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Innovation and Skills on the conduct of the director We have complied with our duties in this respect

Connected party transactions

Please refer to our letters dated 11 September 2015 and 13 October 2015 for details of the pre-packaged sale of the Company's assets to Harley Facades Ltd

Proposed exit route from administration

We confirm that there are no secured creditors in this matter and that a distribution will be made to the unsecured creditors of the Company

We have the power to make a distribution of the prescribed part to unsecured creditors in the administration but any other distribution to them requires the permission of court It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate

Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to implement the provisions of Paragraph 83 of Schedule B1 to the Act whereby on the registration of a notice sent to the Registrar of Companies, our appointment as administrators shall cease to have effect and the Company will automatically be placed into creditors' voluntary liquidation

11 CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 2.48A of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been detailed in this progress report

Right to make an application to court

Pursuant to Rule 2.109 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate

12 CONCLUSION

Finally, we are seeking the consent of the unsecured creditors to our future discharge as administrators by a resolution passed pursuant to Paragraph 98 of Schedule B1 to the Act. We seek the date of our discharge to coincide with the date on which our appointment as administrators ultimately ceases to have effect.

We will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner.



Julie Palmer
Joint Administrator

Dated 22 March 2016

APPENDIX 1

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 8 September 2015 to 7 March 2016

S of A £		£	£
	ASSET REALISATIONS		
3 900	Furniture & Equipment	3 900	
22 500	Motor Vehicles	22 950	
80 000	Book Debts	148 924	
-	Other debtors	476	
-	DVLA Refund	34	
237 018	VAT Refund	NIL	
	Utility Refund	26	
80 000	Cash at Bank	322 099	
20 000	Goodwill	20 000	
-	Bank Interest Gross	74	
1 000	Company Name	1 000	
			519 483
	COST OF REALISATIONS		
-	Administrators pre appointment fee	14 418	
-	Administrators pre-appointment disbursements	147	
	Office Holders Fees	45 476	
	Office Holders Expenses	777	
	Costs to complete Grenfell Tower	46 193	
-	Agent Fees Pre-appointment	2 000	
-	Agent Fees - Post appointment	2 295	
-	Agent Disbursements	23	
	Legal Fees Pre-appointment	2 800	
	Legal Fees Post-appointment	300	
	Legal Disbursements - Pre-appointment	54	
-	Surveyor - Pre-appointment fee	1 680	
-	Surveyor - Pre-appointment disbursement	60	
-	Carriage & Postage	273	
	Surveyor Post appointment fee	13 760	
	Statutory Advertising	169	
			(130 424)
	PREFERENTIAL CREDITORS		
	RPO re Arrears/Holiday Pay	6 435	
(22 886)	PAYE & NI	679	
	Employees re Arrears/Hol Pay	2 659	
			(9 774)
	UNSECURED CREDITORS		
(1 046 471)	Trade Creditors	NIL	
(87 094)	Employees	NIL	
(52 160)	HMRC	NIL	
			NIL
	DISTRIBUTIONS		
(100)	Ordinary Shareholders	NIL	
			NIL
<u>(764,293)</u>			<u>379,285</u>
	REPRESENTED BY		
	Vat Receivable		26 074
	Bank 1 Current		359 801
	Vat Payable		(6 590)
			<u>379,285</u>

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's charging policy
- b Narrative summary of time costs incurred
- c Table of time spent and charge-out value for the period from 8 September 2015 to 7 March 2016

STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Legal fees	Lester Aldridge	300 00	300 00	Nil
Record collection	TNT	273 36	273 36	Nil
Quantity surveyor	Leslie Keats	13,759 89	13,759 89	Nil
Statutory advertising	Courts Advertising	169 20	169 20	Nil
Bordereau	Marsh Ltd	240 00	240 00	Nil
Conference call facility	Meeting Zone Ltd	4 48	4 48	Nil
Record storage	Archive Solutions	6 72	6 72	Nil
Expenses incurred with entities within the Begbies Traynor Group <i>(for further details see Begbies Traynor Charging Policy)</i>				
Agent's fees	Eddisons	2,295 00	2,295 00	Nil
Agent's fees	Eddisons	22 50	22 50	Nil
Mileage for attending site	-	105 75	105 75	Nil

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories.

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval)

- Car mileage is charged at the rate of 45 pence per mile.
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.

Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by an entity within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval)

Eddisons were instructed to complete the asset valuation of the Company's assets and to assist in our negotiations with Harley Facades Limited. Their charges were calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Eddisons have also been instructed to sell the motor vehicles. Their charges will be equivalent to 10% of realisations.

Instruction of Eddisons Insurance Services Limited to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. Eddisons Insurance Services Limited is not paid from the assets of the estate for the services it provides. In accordance with standard insurance industry practice, Eddisons Insurance Services Limited will receive payment of commission for the services it provides directly from the open cover insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

- (B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Salisbury office as at the date of this report are as follows

Grade of staff	Charge-out rate (£ per hour) 1 May 2011 – until further notice
Partner	395
Director	345
Senior Manager	310
Manager	265

Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases
It is not carried as an overhead

Time is recorded in 6 minute units

Harley Curtain Wall Ltd t/a Harley

SUMMARY OF TIME COSTS AND EXPENSES

This summary, which should be read in conjunction with the Time Costs Analysis for the period of the report attached, is intended to provide sufficient information to enable the body responsible for the approval of our fees to consider the level of our fees and expenses in the context of the case

What work has been done in the period of the report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached

General case administration and planning

Time recorded under this category included

- Preparing documents and dealing with the formalities of our appointment
- Filing
- Dealing with general calls
- Dealing with routine correspondence and emails
- Maintaining physical case files and electronic records
- Opening and maintaining the liquidators' bank account
- Case planning and devising a case strategy
- Completing case reviews and bond reviews

The majority of the above work derived no financial benefit for creditors. However, the Insolvency Profession is a highly regulated industry and we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case

Compliance with the Insolvency Act, Rules and best practice

Time recorded under this category included

- Statutory advertising
- Undertaking statutory notifications to Companies House and the creditors
- Calculating the required bond
- Recovering Company records and listing the records recovered
- Preparing statutory reports and returns
- Drafting the statement of affairs for the director's approval
- Preparing the administrators' proposals and circulating the document to all known creditors

The majority of the above work derived no financial benefit for creditors. However, the Insolvency Profession is a highly regulated industry and we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case

All of the work in the category is required under the Insolvency Act and Rules

Investigations

Time recorded under this category included

- Completing our investigations into the Company's affairs
- Reviewing the financial statements
- Reviewing the Company's physical records
- Reviewing the tax avoidance schemes and collating the necessary information from various parties
- Producing our confidential report to the Department of Business, Innovation and Skills on the conduct of all directors within the last three years

We have a statutory duty to investigate the Company's affairs and to submit a confidential report to the Department of Business, Innovation and Skills

Realisation of assets

Time recorded under this category included

- Raising an invoice to Harley Facades
- Corresponding with our agent in relation to the sale of the Company's motor vehicles
- Corresponding with our quantity surveyors in relation to the book debts and pursuing various parties
- Writing to HMRC in relation to the VAT return
- Writing to the bank in relation to the credit balance

By completing this work we were able to distribute 100p in the pound to preferential creditors. This work will also allow us to distribute funds to unsecured creditors in due course.

Dealing with all creditors' claims (including employees), correspondence and distributions

Time recorded under this category included

- Dealing with creditor correspondence, emails and telephone calls
- Maintaining up to date creditor information and amending claims
- Dealing with employee queries
- Writing to the Redundancy Payments Office in relation to their preferential claim
- Admitting preferential claims so that we are able to distribute funds

We have a statutory duty to adjudicate on creditor claims before distributing any funds

Other matters which includes meetings, tax, litigation, pensions and travel

Time recorded under this category included

- Instructing solicitors to assist with the tax avoidance schemes
- Reviewing information provided by the Company's tax advisors
- Reviewing information provided by HMRC in relation to the tax avoidance schemes
- Meeting with HMRC in relation to the tax avoidance schemes

We are required to complete this work as we are unable to distribute funds to unsecured creditors until we determine HMRC's claim against the Company

Time Costs Analysis

An analysis of time costs for the period of the report is attached showing the time spent by each grade of staff on the different types of work involved in the case, and giving the total costs and average hourly rate charged for each work type

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only

Unsecured creditors approved the following resolution in relation our pre-administration costs

- "That the unpaid pre-administration costs as detailed in the joint administrators' Statement of proposals for achieving the purpose of administration, be approved for payment "

Category 2 Disbursements

In accordance with the resolution obtained in relation to disbursements, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since the date of our appointment

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage for site attendance	105 75
TOTAL	105 75

Disbursements treated as Category 2 disbursements

Other amounts paid or payable to any party in which the office holder or his firm or any associate has an interest	
Type and purpose	Amount £
Eddisons, which is a member of the Begbies Traynor group, provided the following services	Eddisons charged the following amounts for each aspect of work
I Valuation services in relation to the sale of the Company assets to Harley Facades	I £2,000 as approved by creditors when passing the resolution in relation to our pre-administration costs
II Disposal services in relation to the Company's motor vehicles	II £2,295 plus disbursements of £22 50
TOTAL	£4,295 plus disbursements plus VAT

Staff Grade	Partner	Director	Snr Mgr	Mngr	Asst Mgr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	27.6	2.8		2.0		4.6			39.0	13 429.00	344.33
	Administration			3.2	1.5		2.3	0.4	0.3	7.7	1 543.00	200.39
	Total for General Case Administration and Planning	27.6	2.8	6.2	3.5		6.9	0.4	0.3	44.4	15 972.00	320.60
	Appointment				5.0		8.7			13.7	2 199.50	160.55
Compliance with the Insolvency Act Rules and best practice	Banking and Bonding							11.9	0.2	12.1	1 331.00	110.00
	Case Closure											0.00
	Statutory reporting and statement of affairs	25.7		1.0	7.5		10.2			44.4	13 331.00	300.25
	Total for Compliance with the Insolvency Act Rules and best practice	25.7		1.0	12.5		18.9	0.2		45.3	15 661.50	240.19
Investigations	CDDA and investigations	51.8					5.5			57.3	21 203.50	370.04
	Total for investigations	51.8					5.5			57.3	21 203.50	370.04
Realisation of assets	Debt collection	38.4		3.5	3.5					43.4	16 023.00	369.19
	Property business and asset sales	1.9		3.5	0.5					5.9	1 780.50	301.78
	Retention of Time/Third party assets											0.00
	Total for Realisation of assets	38.3		7.0	4.0					49.3	17 803.50	361.13
Trading	Trading											0.00
	Total for Trading											0.00
Dealing with all creditors claims (including employees) correspondence and distributions	Secured				1.0					1.0	205.00	205.00
	Others	10.5	0.2	9.5	4.5		9.7		0.6	35.0	9 026.00	257.86
	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employee's), correspondence and distributions	10.5	0.2	9.5	5.5		9.7		0.6	35.0	9 026.00	257.86
Other matters which includes meetings tax litigation pensions and travel	Meetings	5.3		4.5	7.5					17.3	4 823.50	278.82
	Other											0.00
	Tax			14.5			0.6			15.1	3 923.50	259.83
	Litigation											0.00
	Total for Other matters	5.3		19.0	7.5		0.6			24.4	8 747.00	269.97
	Total hours by staff grade	159.2	2.8	41.7	33.0		41.6	12.3	1.1	291.9		
	Total time cost by staff grade	62 884.00	966.00	11 050.50	6 765.00		5 616.00	1 353.00	121.00		88 817.50	
	Average hourly rate £	395.00	345.00	265.00	205.00		135.00	110.00	110.00			304.27
	Total fees drawn to date £										45 475.50	