

LIQ03

Notice of progress report in voluntary winding up



Companies House

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

1 Company details

Company number 0 3 7 5 6 3 1 5

Company name in full Avonline Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Simon Ashley

Surname Rowe

3 Liquidator's address

Building name/number Freshford House

Street

Post town Redcliffe Way

County/Region Bristol

Postcode B S 1 6 N L

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

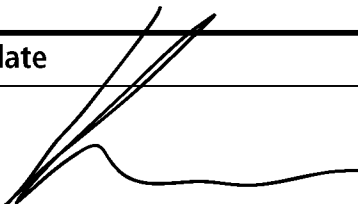
Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report											
From date	^d 0	^d 8	^m 0	^m 2	^y 2	^y 0	^y 2	^y 1				
To date	^d 0	^d 7	^m 0	^m 2	^y 2	^y 0	^y 2	^y 2				
7	Progress report											
<input checked="" type="checkbox"/> The progress report is attached												
8	Sign and date											
Liquidator's signature	Signature 								X			
Signature date	^d 0	^d 1	^m 0	^m 4	^y 2	^y 0	^y 2	^y 2				

**Presenter information**

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

Contact name **Jenny Young**

Company name **Milsted Langdon LLP**

Address **Freshford House**

Redcliffe Way

Post town **Bristol**

County/Region

Postcode **B S 1 6 N L**

Country

DX

Telephone **0117 945 2500**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

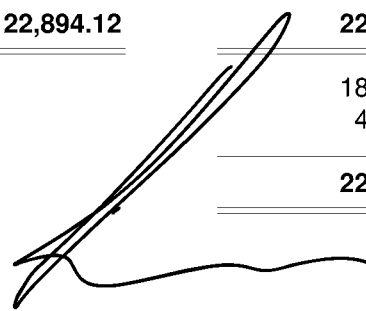
**Further information**

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

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

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

Statement of Affairs £		From 08/02/2021 To 07/02/2022 £	From 08/02/2021 To 07/02/2022 £
	ASSET REALISATIONS		
	Book debts	2,563.76	2,563.76
43,048.71	Cash at bank	41,812.05	41,812.05
29,217.14	Retention Flooring Contracts	NIL	NIL
	Sundry refunds	2,452.41	2,452.41
22,744.45	Unbilled Revenue	NIL	NIL
		46,828.22	46,828.22
	COST OF REALISATIONS		
	Company Server Access and Maintena	1,678.85	1,678.85
	Office holder's expenses	293.10	293.10
	Office holder's fees	14,281.15	14,281.15
	Pre-Appointment expenses	19.00	19.00
	Pre-Appointment fees	7,500.00	7,500.00
	Specific bond	162.00	162.00
		(23,934.10)	(23,934.10)
	SECONDARY PREFERENTIAL CREDITORS		
(295.37)	HMRC	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(950,000.00)	Director's loan	NIL	NIL
(1,030.89)	Trade & expense creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(50,000.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(906,315.96)		22,894.12	22,894.12
	REPRESENTED BY		
	Non-interest Bearing Current Account		18,139.70
	Vat receivable		4,754.42
			22,894.12


 Simon Ashley Rowe
 Liquidator

**LIQUIDATOR'S ANNUAL
PROGRESS REPORT TO
MEMBERS AND CREDITORS**

**AVONLINE LIMITED
("THE COMPANY")
- IN LIQUIDATION**

31 MARCH 2022

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2. Receipts & Payments
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4. Investigations
5. Creditors
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9. Next report

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| B | Time Analysis for the period 8 February 2021 to 7 February 2022 |
| C | Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9 |

1. INTRODUCTION AND STATUTORY INFORMATION

I, Simon Ashley Rowe of Milsted Langdon LLP, Freshford House, Redcliffe Way, Bristol, BS1 6NL, was appointed as Liquidator of Avonline Limited ("the Company") on 8 February 2021. This report provides an update on the progress in the liquidation for the year ended 7 February 2022 and an explanation of the work done myself and my staff.

The principal trading address of the Company was 42/44 Ashton Vale Road, Bristol, BS3 2AX.

The registered office of the Company has been changed to c/o Milsted Langdon LLP, Freshford House, Redcliffe Way, Bristol, BS1 6NL and its registered number is 03756315.

2. RECEIPTS AND PAYMENTS

At Appendix A is my Receipts and Payments Account covering the period of this report.

3. PROGRESS OF THE LIQUIDATION

Administration (including statutory compliance & reporting)

An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated would need to be done in this area was outlined in my initial fees estimate/information which was previously agreed by creditors and additional work undertaken is detailed below.

Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidator.

As noted in my initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors but is required on every case by statute.

During the period, I received several Notices of Intended Prosecution for speeding violations for a vehicle which had previously been registered in the Company name. I contacted one of the Directors to enquire about the whereabouts of the vehicle and was advised that it had been sold to a dealer in 2017. The Director also provided me with a copy of the sales invoices confirming the sale. I contacted the DVLA to enquire if, following the sale of the vehicle, it had been re-registered. I was advised that although it could not provide me with the details of the new registered keeper, the vehicle had been re-registered.

However, in order to comply with the Notices of Intended Prosecutions I was still required to complete an online form for each of the Notices received informing the Speed Enforcement Unit of the sale to the dealer and the date this took place. I can advise that I have not received any further notifications.

Company Records

When a Company enters liquidation, it is normal practice to request that the Company books and records are delivered to the liquidator, however, when these were requested following my appointment, I was advised that although there were no physical records all information was stored on a server which could be accessed remotely and was being maintained by a third party, DL I.T. Solutions Limited ("DLIT").

I initially retained the services of DLIT in order to have access to the server while my IT department transferred the data. However, on reviewing the data downloaded to a portable hard drive I identified a number of corrupt files and the process had to be repeated.

I can advise that all the information from the server has now been retrieved and the physical server has since been collected from DLIT. I have been advised that it has no value and will therefore be wiped data and destroyed.

HM Revenue & Customs

I was advised by the Directors that all matters relating to HM Revenue & Customs ("HMRC") had been settled and that the only remaining matter was a nominal balance of VAT payable. However, I received a request from HMRC for the delivery of a P11D(b) for year 2020-2021. The director provided details for the completion of the return which was subsequently verified against the Company SAGE package, and the return has been filed.

HMRC also wrote to advise that a penalty had been issued for late CIS filings. I wrote to HMRC to advise of the liquidation and requested that the penalty be reversed. I can advise that this has now been granted.

During the liquidation process and once all tangible assets have been realised a VAT7 notice is issued to HMRC requesting the Company be deregistered for VAT. On submission I was advised that the Company was in a VAT Group with Avonline Holdings Limited, a company associated by its directors, and which had since been dissolved.

In order to disband the group I submitted the relevant forms and I can advise I received notice from HMRC that the Company has been deregistered.

Realisation of Assets

Book Debts

The sum of £2,563.76 has been received in relation to a claim the Company made in the liquidation of HADB Realisations Limited formerly known as H.A. & D.B. Kitchin Limited. At the date of liquidation, the Directors did not anticipate any recovery would be forthcoming and therefore this was not included in the Statement of Affairs.

Cash at Bank

The Statement of Affairs stated that the sum of £43,048.71 was being held with the Company bankers, HSBC Bank plc ("HSBC"). However, between the signing of the Statement of Affairs and the Company being placed into liquidation there were a number of Direct Debits drawn from the account. Following my appointment, I wrote to the bank to request the balance funds and can confirm that the sum of £41,444.47 has been received from HSBC and the account closed.

On 24 May 2021 I received, by way of mail redirection, a Statement from Lloyds Bank Plc ("Lloyds") in which it showed a credit balance of £367.13. This was being held in a Pension and Life Assurance account. I wrote to Lloyds to request this balance and can advise that on 1 July 2021 the sum of £367.58, to include interest of 45p was received into the estate account.

Sundry Refunds

Following my appointment, I wrote to the Company's insurance brokers to ensure that all remaining policies were cancelled. Following the cancellation of a Motor Fleet Policy the sum of £381.92 has been received.

Correspondence was received from St James Place, a pension provider who dealt with one of the director's pensions, notifying that a monthly direct debit had been cancelled. I contacted the director to notify her of this and was advised that she had cancelled the direct debit in December 2021 and that payments should not have been taken since that date. I therefore reviewed the Company bank statements and noted that three payments had since been taken from the account. I wrote to St James Place and requested a refund of the sums taken and can advise that on 19 May 2021 the sum of £2,034.60 was received.

I received a Bank Statement from the Bank of Ireland and noted that there was a balance in the account of €69.96. I wrote to the bank and requested this balance with instructions to close the account. I can advise that following the conversion to GBP and the bank charges the sum of £35.89 has been received.

I received a reconciliation spreadsheet from Now Pensions which advised that there was a credit due to the Company for overpaid contributions, however, the statement also showed that there were historic contributions due to Now Pensions. I contacted Now Pensions to request that it offset the amount due and forward to me the balance.

Unfortunately, Now Pensions advised that they could not disinvest the amount due to the Company until all the contributions had been paid and it subsequently made a claim in the liquidation for £989.64. I advised Now Pensions that until all assets of the Company had been received, I would be unable to declare a dividend to creditors and again requested that it release the funds due to the Company.

I received notification from Now Pension that the matter had been sent to its legal team and that it would revert to me in due course. After seven months of regularly requesting updates for this I can advise that the sum of £51.56 has been received.

It is anticipated that the work the Liquidator and his staff have undertaken to date will bring a financial benefit to creditors because I anticipate a dividend to preferential and unsecured creditors.

Matters still to be dealt with

Unbilled Revenue

The Statement of Affairs advised that there was the sum of £22,744.45 in relation to final accounts which had yet to be paid. These were in relation to accounts with two debtors which had either been agreed in principle or were waiting for final accounts to be signed off.

Following my appointment, I wrote to the companies involved to request payment, and although initially not receiving a response to my correspondence I have now received a response from one Debtor who has advised that it has been unable to carry out the necessary checks due to the Covid-19 restrictions surrounding access to care homes and will respond accordingly when access has been granted.

The remaining debtor, although initially advising it would respond to my query, has failed to respond to any further emails sent.

Retention Flooring Contracts

At the date of my appointment there were four debtors who held outstanding retention payments totalling £29,217.14. As these did not fall due for several months, I wrote to each debtor on 11 March 2021 to offer a 10% discount should the retention be released early. Unfortunately, as this was during the COVID 19 lockdown period it was difficult to reach anyone in the construction industry. I located email addresses for the contractors and re-sent my offer of an early settlement discount, receiving a response from three debtors.

One advised that it would respond after the defect liability period had expired, being the end of September 2021, and a second advising that it had only just been able to gain access to care homes and would respond to me fully when it had visited the sites and compiled a defects list.

The third debtor has since advised that the retention which is due back to the Company was insufficient to cover the cost of the rectification work which is required. The amount due to the Company was £1,542.23 however the debtor has advised that the work required to rectify faults would be in excess of £15k. I have forwarded a proof of debt form to the debtor which to date has not been returned. I can advise that any such claim will be fully investigated.

Given the liquidation is now entering its second year and the debtor recovery has stalled I contacted my solicitor to discuss whether I could issue a Notice of Intended Dividend which would set a deadline for the retention debtors to establish if they had any rectification costs to claim in the proceedings. I am advised that the notice period to submit claims under this Notice will depend on the terms of the individual contracts and therefore I am reviewing the Company's records in order establish the position.

4. INVESTIGATIONS

Some of the work the Liquidator is required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidator can pursue for the benefit of creditors.

In accordance with the CDDA 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy and Industrial Strategy. As this is a confidential report, I am not able to disclose the contents.

Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account any information provided by creditors. My investigations have not revealed any issues requiring further report.

5. CREDITORS

Preferential Creditors

There are no ordinary preferential claims anticipated in this case and a summary of the secondary preferential claims in the liquidation together with details of any distributions paid to date are detailed below.

Secondary preferential claim	Statement of Affairs Claim £	Dividend paid p in the £
VAT (HMRC)	295.37	Nil

I anticipate that a dividend of 100p in £ will be made to secondary preferential creditors.

Unsecured Creditors

The Company's Statement of Affairs indicated there were 19 creditors whose debts totalled £950,312.37, of which 17 related to subcontractors for flooring retentions which may fall due. As it was unknown if any of the retention defects would be called for a provisional sum of £1 was given to each of the sub-contractors in the Statement of Affairs. To date, I have received claims totalling £965,090.30 from five creditors, one of which is an aforementioned sub-contractor who has submitted a claim of £1,030.89.

Included in the above is a claim from one of the Directors in the sum of £950,000 for loans she made to the Company. I have also received claims from two creditors who were not listed on the Statement of Affairs, these claims total £14,011.29. Another creditor who had initially made a claim for £48.12 has since withdrawn its claim.

Prior to my appointment I was made aware that there may be two latent claims. One was from Seddon Construction Limited ("SCL") for flooring laid at Redhill Primary School and another from Morgan Sindall Construction and Infrastructure Limited ("MS") for defects with regard to the depths of screed which was laid in new office accommodation and retail units.

The directors dispute the claim made by SCL, however, I can advise that an Investigation Report was carried out on behalf of SCL by bmtrada who inspected the site and advised that although gaps had appeared in the flooring the general appearance of the floor was not affected to an extent which justified relaying or replacement. It advised that two gaps which had developed would need to be filled with a compound capable of accommodating seasonal swelling and shrinkage movements.

As advised the directors had disputed this as the work had been carried out over 7 years previous and they thought it very unlikely that the defect could be associated with, or because of the Company's original installation.

The claim made against the Company by MS was for Breach of Contract in which MS had suffered a loss, damage and expenses and had issued a claim for £8,000,000. However, it had advised that it was willing to settle for £4,500,000 if the offer was accepted within 7 days, however, this offer fell away in May 2021. It was initially thought that this claim was covered by the Company's Professional Indemnity Insurers, however, once appointed I contacted the solicitors dealing with the claim on behalf of the insurance company and I have since been advised that the claim does not fall within the terms of the policy.

I have taken legal advice on these claims and am currently in the process of gathering information for my solicitor and will update creditors in my next report.

At the date of liquidation there were no registered charges. Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors, which only applies to charges created after 15 September 2003.

It is anticipated that a dividend will become available to unsecured creditors in this case.

6. LIQUIDATOR'S REMUNERATION

Creditors approved that my unpaid pre-liquidation fees totalling £7,500 plus VAT and expenses be paid from the estate. During the period of this report, these fees have been paid in full and are shown on the enclosed Receipts and Payments Account at Appendix A

Creditors approved that the basis of my remuneration be fixed by reference to the time properly spent by me and my staff in managing the Liquidation.

My fees estimate/information was originally provided to creditors when the basis of my remuneration was approved and was based on information available to me at that time.

A copy of my approved fees estimate is reproduced below:

Category of work	Estimated Number of Hours	Estimated cost £
Administration (inc statutory compliance & reporting)	58.08	7,841.05
Realisation of assets	18.35	2,633.50
Creditors (claims & distributions)	18.15	2,780.00
Investigations	12.50	1,955.00
Total estimated fees		£15,209.55

My time costs for the period from 8 February 2021 to 7 February 2022 are £28,741.85. This represents 240.55 hours at an average rate of £119.48 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Liquidation. To date, £14,281.15 plus expenses shown in the enclosed Receipts and Payments Accounts has been drawn on account.

I now consider that the original fees estimate I provided for the liquidation is insufficient to complete my duties and it will be necessary for me to seek an increase in due course, this is because the realisation of assets has proved more protracted than previously thought.

Attached as Appendix C is additional information in relation to this firm's policy on staffing, the use of subcontractors, expenses and details of our current charge-out rates by staff grade.

A copy of 'A Creditors Guide to Liquidator's Fees' is available on request or can be downloaded from the <https://www.milstedlangdon.co.uk/insolvency-restructuring/information-for-creditors/>

7. LIQUIDATOR'S EXPENSES

During the period of this report the following expenses have been incurred and paid:

Description	Incurred	Paid	Carried Forward
Specific Bond	£162.00	£162.00	Nil
Purchase of portable Hard Drive	£40.82	Nil	£40.82
EPE Reynell Limited - Statutory Advertising	£249.00	£249.00	Nil
*DL I.T. Solutions Limited - Company Server Access & Maintenance	£1,678.85	£1,678.85	Nil
Recorded Delivery Charge (for delivery of Hard Drive to DL I.T. Solutions Limited)	£4.68	Nil	£4.68
Total	£2,135.35	£2,089.85	£45.50

* Prior to my appointment the Company held all its computer data on a server which was being held off site and which was maintained by DL I.T Solutions Limited. In order to retain access and to retrieve the data held on the Server it was necessary to continue with the maintenance agreements until the data had been retrieved

During the period of this report the following Category 2 expenses have been drawn:

Disbursement	Cost	Paid	Outstanding
Mailing fee	£44.10	£44.10	Nil
Travel	£12.09	Nil	£12.09
Total	£56.19	£44.10	£12.09

8. CREDITORS' RIGHTS

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) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

Information about the way that we will use, and store personal data on insolvency appointments can be found in the Privacy Notice which can be found at <https://www.milstedlangdon.co.uk/insolvency-restructuring/information-for-creditors/>. If you are unable to download this, please contact us and a hard copy will be provided to you.

9. NEXT REPORT

I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account.

If you have any queries in relation to the contents of this report or if you require a hard copy of this report, which will be provided free of charge please contact Jenny Young at jyoung@milstedlandon.co.uk or on 0117 9452500.

Yours faithfully

SIMON ASHLEY ROWE
Liquidator

Enc

APPENDIX A

**RECEIPTS AND PAYMENTS ACCOUNT FROM 8 FEBRUARY 2021 TO
7 FEBRUARY 2022**

Avonline Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 08/02/2021 To 07/02/2022	From 08/02/2021 To 07/02/2022
	ASSET REALISATIONS		
	Book debts	2,563.76	2,563.76
43,048.71	Cash at bank	41,812.05	41,812.05
22,744.45	Unbilled Revenue	NIL	NIL
29,217.14	Retention Flooring Contracts	NIL	NIL
	Sundry refunds	2,452.41	2,452.41
		46,828.22	46,828.22
	COST OF REALISATIONS		
	Specific bond	162.00	162.00
	Pre-Appointment fees	7,500.00	7,500.00
	Pre-Appointment expenses	19.00	19.00
	Office holder's fees	14,281.15	14,281.15
	Office holder's expenses	293.10	293.10
	Company Server Access and Maintena	1,678.85	1,678.85
		(23,934.10)	(23,934.10)
	SECONDARY PREFERENTIAL CREDITORS		
(295.37)	HMRC	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(1,030.89)	Trade & expense creditors	NIL	NIL
(950,000.00)	Director's loan	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(50,000.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(906,315.96)		22,894.12	22,894.12
	REPRESENTED BY		
	Vat receivable		4,754.42
	Non-interest Bearing Current Account		18,139.70
			22,894.12

Notes:

This estate is VAT registered and therefore VAT should be recoverable.

No dividends have been paid.

APPENDIX B

**TIME ANALYSIS FOR THE PERIOD 8 FEBRUARY 2021 TO
7 FEBRUARY 2022**

Avonline Limited
Time and disbursement analysis
For the period 8 February 2021 to 7 February 2022

Charge Group	Partner	Manager	Other Senior Professionals	Assistants and Support Staff	Total	Total cost (£)	Avg. Hourly Rate (£)
Administration and Planning							
Periodic Reviews	1.23	1.20	14.65	-	17.08	2,063.05	120.79
Taxes	-	3.20	13.55	0.40	17.15	2,015.50	117.52
Cashiering	-	-	6.70	-	6.70	539.00	80.45
Statutory Formalities and Reporting	1.63	4.70	26.40	1.50	34.23	4,081.05	119.22
Ethical and Practical Considerations	-	0.80	3.00	-	3.80	456.00	120.00
General	-	7.70	17.90	0.45	26.05	<u>3,313.75</u>	127.21
						12,468.35	
Investigations							
D Report	-	0.50	-	-	0.50	97.50	195.00
Investigation work	-	7.10	39.10	0.34	46.54	5,322.50	114.36
Post Report Follow Up	-	0.10	-	-	0.10	<u>19.50</u>	195.00
						5,439.50	
Realisations							
Chattel Assets	-	0.10	-	-	0.10	20.50	205.00
Book debts	-	5.90	17.00	-	22.90	2,858.75	124.84
Other Assets	-	3.90	15.35	-	19.25	<u>2,303.50</u>	119.66
						5,182.75	
Creditors							
Employees	-	3.60	12.75	-	16.35	1,977.75	120.96
Unsecured Creditors	-	7.20	22.50	-	29.70	3,654.00	123.03
Shareholders	-	0.10	-	-	0.10	<u>19.50</u>	195.00
						5,651.25	
	<u>2.86</u>	<u>46.10</u>	<u>188.90</u>	<u>2.69</u>	<u>240.55</u>	<u>28,741.85</u>	119.48
Disbursements							
Postage						4.68	
Mileage						12.09	
Mailing Fee (Insolvency)						<u>44.10</u>	
						60.87	
Carried forward						<u>28,802.72</u>	

Avonline Limited
Time and disbursement analysis
For the period 8 February 2021 to 7 February 2022

Brought forward		28,802.72
Advertising	249.00	249.00
Grand Total		29,051.72

APPENDIX C

ADDITIONAL INFORMATION IN RELATION TO LIQUIDATOR'S FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9

ADDITIONAL INFORMATION IN RELATION TO THE OFFICE HOLDER'S FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9

1. STAFF ALLOCATION

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. Our charge-out rate schedule below provides details of all grades of staff and their experience level.

2. SUBCONTRACTORS

We have not utilised the services of any sub-contractors on this assignment.

3. PROFESSIONAL ADVISORS

Initial advice has been sought from solicitors Harrison Clark Rickerbys in respect of creditor claims/debtor contracts although no formal instruction nor fee quote has yet been issued.

The services of DLIT have been retained to maintain the server on the same terms as previously agreed with the Company.

Their costs have been paid on the following bases:

• Microsoft Office 365	Monthly	£13.56
• Eset MSP – Protection	Monthly	£6.00
• IT Maintenance	Quarterly	£594.00

4. EXPENSES

The estimate of expenses (including disbursements) which were anticipated at the outset of the case was provided to creditors when the basis of my fees were approved.

A summary of the expenses paid during the period of this report and the total expenses paid since my appointment can be found in the attached Receipts and Payments account.

Category 1 expenses do not require approval by creditors. The type of expenses that may be charged as a Category 1 disbursement to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 expenses do require approval from creditors. These are the costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, faxes and photocopying.

As of 1 April 2021 Milsted Langdon LLP will re-charge the estate the following category 2 expenses only:

- Mileage at 45 pence per mile and in accordance with HMRC's policy, a passenger allowance of 5 pence per mile will be added where appropriate
- Postage at the cost incurred at the time of franking.

5. CHARGE-OUT RATES

A schedule of our charge-out rates for this assignment is detailed below. These rates are reviewed on an annual basis but there have been no material increases in these rates since the commencement of this case.

Name of Professional Advisor	£/hr
Licensed Insolvency Practitioners	205-300
Managers and Supervisors	142-205
Case Administrators and other Administrative staff	35-105

On occasions it is necessary to use other specialists (e.g. tax) to assist on cases. The rates for these specialists may vary slightly from the above but is broadly in line with these charges.

Please note that this firm records its time in minimum units of 1 minute.

6. CREDITORS' GUIDE TO FEES

A Creditors' Guide to the manner in which remuneration charged in this case and the rules relating to this area are detailed in the guides available on our website at <https://www.milstedlangdon.co.uk/insolvency-restructuring/information-for-creditors/>.