



3956339

Puriti Limited (in Compulsory Liquidation)

Liquidator's Annual Progress Report

31 October 2016

Puriti Limited - in Compulsory Liquidation ("the Company")

Liquidator's Annual Progress Report to Members and Creditors

For the year ending 6 September 2016

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Carter Backer Winter LLP
66 Prescott Street
London
E1 8NN





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1. STATUTORY INFORMATION

Company name	Puriti Limited
Registered office	66 Prescott Street London E1 8NN
Former registered office	Nancorras Farm St Mawes Cornwall TR2 5AD
Registered number	03956339
Date of Winding up Petition	3 February 2011
Petitioning Creditor	HM Revenue & Customs
Date of Winding up Order	23 March 2011
Court Reference	Truro County Court No 303 of 2011
Liquidator's date of appointment	7 September 2011
Liquidator's name	Melissa Lorraine Jackson
Liquidator's address	66 Prescott Street London E1 8NN

Please note, I joined CBW on 31 March 2014 as a Director of Corporate Recovery & Insolvency. As a consequence, this matter is now being administered from CBW's offices.

This report should be read in conjunction with my previous reports of 20 October 2015, 5 November 2014, 4 November 2013 and 5 November 2012.

2. RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 7 September 2015 to 6 September 2016 is attached at Appendix 1.

3. ASSETS

Overdrawn Director's Loan Account

I would advise you that in view of the advice received from Counsel, on 23 March 2016 I have applied to court to commence legal proceedings against the directors in order to recover the sums due to the Company. As a result, in order to avoid any potential substantial legal costs, it was proposed to resolve the matter in a form of mediation.

Consequently mediation took place on 11 October 2016 and after hours of negotiations the offer of £90,000 (subject to conditions) was accepted by me as a final settlement of the claim.



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4. LIABILITIES

Secured Liabilities

As previously advised, the Company's mortgage register held by the Registrar of Companies showed that the Company had been granted a debenture by NatWest Bank Plc incorporating a fixed and floating charge. However, at the time of the winding up, this debt was not due.

Preferential Creditors

There are no preferential creditors in this Liquidation.

Crown Creditors

The Company's Statement of Affairs indicated that £144,185 was owed to HM Revenue & Customs in respect of VAT and £33,214 in respect of Corporation Tax. Claims of £102,732 and £36,792 have been received respectively.

Unsecured Creditors

The Company's Statement of Affairs indicated that there were 3 other unsecured creditors with an estimated total liability of £265,559. The claim of £260,141 was received from 1 creditor to date.

5. LIQUIDATOR'S ACTIONS SINCE APPOINTMENT

Following my appointment, my strategy was to recover the outstanding director's loan due to the Company. I have investigated the circumstances surrounding the merger of the Company and its associated company and corresponded with the directors and their legal advisors in order to recover the outstanding sums due to the Company. I have obtained Counsel's advice in respect of the potential claims which may be brought by me in order to recover the outstanding sums due to the Company.

During this reporting period, I have issued legal proceedings against the directors and subsequently attended mediation in order to reach the settlement agreement.

6. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.

There were no matters that justified further investigation other than the director's overdrawn loan account as detailed above.

7. LIQUIDATOR'S REMUNERATION

My remuneration was previously authorised by creditors at a meeting held on 31 October 2011 to be drawn on a time cost basis.

My time costs to 6 September 2016 amount to £109,562, of which £41,962 was charged in the period between 7 September 2015 and 6 September 2016.

As mentioned in my previous report, I joined CBW on 31 March 2014 as a Director of Corporate Recovery & Insolvency. My time costs for the period from 7 September 2011 to 31 March 2014 amount to £41,812.

No remuneration has been drawn to date. A schedule of my time costs incurred is attached as Appendix 2.

A description of the routine work undertaken in the liquidation to date is as follows:



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1 Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining electronic records and case information
- Review and storage
- Case bordereau
- Case planning and administration
- Preparing reports to members and creditors
- Convening and holding meetings of members and creditors
- Review and storage of books and records
- Corresponding with solicitors regarding disclosure documents

2 Cashiering

- Maintaining and managing the liquidator's cashbook and bank account
- Ensuring statutory lodgements and tax lodgement obligations are met

3 Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining electronic creditor records
- Reviewing proofs of debt received from creditors

4 Investigations

- Conduct investigations into suspicious transactions
- Review books and records to identify any transactions or actions a liquidator may take against a third party in order to recover funds for the benefit of creditors
- Collating information in relation to witness statement

5 Realisation of Assets

- Liaising with solicitors in respect of the recovery of the outstanding director's loan account
- Preparing court application
- Preparing list of documents for mediation

A copy of 'A Creditors' Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals is available at www.cbw.co.uk/creditor-guides. Please note that there are different versions for cases that commenced before or after 6 April 2010 and in this case you should refer to the post-April 2010 version. A hard copy is available on request.

8. LIQUIDATOR'S EXPENSES

In addition to the expenses listed on the attached Receipts & Payments Account, I have incurred expenses totalling £293 to 6 September 2016, of which £39 was incurred in the period between 7 September 2015 and 6 September 2016.

The following agents or professional advisors have been utilised in this matter:

Professional Advisor	Nature of Work	Fee Arrangement
Turner Parkinson	Solicitors	Time costs

As advised in my previous report, Turner Parkinson are instructed in respect of the overdrawn director's loan account and are acting on a conditional fee arrangement.

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with



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them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

9. FURTHER INFORMATION

An unsecured creditor may, with the permission of the Court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the Court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to Court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to Court within the same time limit.

10. DIVIDEND PROSPECTS

Regrettably, based on the information available, I anticipate that after the settlement of the liquidation costs there will be no funds available to make a distribution to creditors.

11. SUMMARY

The Liquidation will remain open until the settlement funds received in full. I expect that this matter will be finalised within 12 months.

Should you have any queries regarding this matter please contact Irma Sabonyte on 020 7309 3824.

A handwritten signature in black ink, appearing to read 'Melissa Jackson'.

Melissa Jackson
Liquidator



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APPENDIX 1

Liquidator's Receipts and Payments Account

**Puriti Limited
(In Liquidation)**

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 07/09/2015 To 06/09/2016 £	From 07/09/2011 To 06/09/2016 £
RECEIPTS			
Realisation of Assets (via OR)		0 00	1,890 00
Directors Loan Account	Uncertain	0 00	0 00
Cash at Bank	104 00	0 00	0 00
Bank Interest Gross		0 00	5 52
Deposit on Petition		0 00	1,000 00
		<u>0 00</u>	<u>2,895 52</u>
PAYMENTS			
Tax on Interest		0 00	1 11
Official Receiver Fee		0 00	2,235 00
Legal Fees - Turner Parkinson Solicitors		0 00	175 00
Couriers		0 00	85 58
Statutory Advertising		0 00	76 50
Website Notice Fee		0 00	7 00
Bank Charges		88 00	428 30
Trade & Expense Creditors	(265,558 60)	0 00	0 00
Inland Revenue	(177,399 00)	0 00	0 00
		<u>88 00</u>	<u>3,008 49</u>
Net Receipts/(Payments)		<u>(88 00)</u>	<u>(112 97)</u>
MADE UP AS FOLLOWS			
ISA IB		(19 18)	(112 97)
VAT Receivable / (Payable)		(68 82)	0 00
		<u>(88 00)</u>	<u>(112 97)</u>



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APPENDIX 2

Details of Time Incurred in accordance with Statement of Insolvency Practice 9 together with CBW's and TMP's charge out rates for this type of work

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Time and Charge Out Summary for the period from 7 September 2011 to 6 September 2016

Hours

	Partner	Manager	Other Senior Professionals	Assistants and Support Staff	Total Hours	Total Costs	Average Hourly Rate
Administration and Planning	114.35	4.65	14.70	23.22	156.92	£50,082.75	£319.16
Cashiering	0.00	0.00	0.00	7.75	7.75	£0.00	£0.00
Compliance	0.00	5.90	0.10	0.00	6.00	£2,547.00	£424.50
Creditors	7.00	0.00	4.00	0.20	11.20	£5,304.00	£473.57
Investigation	7.40	20.20	6.60	0.50	34.70	£14,316.50	£412.58
Legal	13.30	8.10	23.20	0.00	44.60	£18,954.00	£424.98
Meetings (Non-statutory)	0.00	0.00	0.80	0.00	0.80	£312.00	£390.00
Realisation of Assets	22.90	3.50	2.60	8.50	37.50	£13,199.50	£351.99
Review	0.00	7.20	2.70	0.00	9.90	£4,045.00	£408.59
Report preparation & review	0.00	0.00	8.00	0.00	8.00	£800.00	£100.00
	164.95	49.55	62.70	40.17	317.37	£109,560.75	£345.21
Cost Per Employee Category	£65,171.25	£21,515.50	£19,315.00	£3,559.00		£109,560.75	

Disbursements	£
Bonding	150.00
PPS	96.80
Postage & Company Seal	8.53
Storage	37.82
Total	293.15

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Time and Charge Out Summary for the period from 7 September 2011 to 31 March 2014

Hours

	Partner	Director	Other Senior Professional	Assistants and Support	Total Hours	Total Costs (£)	Average Hourly Rate
Advice, Administration and Planning	102 00	0 00	0 70	15 20	117 90	£37,449 00	£317 63
Investigations	4 90	0 00	0 60	0 00	5 50	£1,863 00	£338 73
Realisation of Assets	0 00	0 00	2 20	0 00	2 20	£591 00	£268 64
Creditors	0 00	0 00	3 80	8 50	12 30	£1,909 00	£155 20
Total Hours	106 90	0 00	7 30	23 70	137 90		
Cost Per Employee Category	£37,381 00	£0 00	£2,013 00	£2,419 00		£41,812 00	£303 21

Time and Charge Out Summary for the period from 1 April 2014 to 6 September 2015

Hours

	Partner	Manager	Other Senior Professional	Assistants and Support	Total Hours	Total Costs	Average Hourly Rate
Administration and Planning	10 50	4 55	1 80	3 94	20 79	£7,514 00	£361 42
Cashiering	0 00	0 00	0 00	4 75	4 75	£0 00	£0 00
Compliance	0 00	5 90	0 00	0 00	5 90	£2,537 00	£430 00
Creditors	1 00	0 00	0 00	0 20	1 20	£495 00	£412 50
Investigations (Non disqualification)	1 00	0 70	0 00	0 00	1 70	£776 00	£456 47
Legal	3 80	7 40	0 00	0 00	11 20	£4,987 00	£445 27
Realisation of Assets	10 60	2 90	0 40	0 00	13 90	£6,382 00	£459 14
Review	0 00	7 20	0 00	0 00	7 20	£3,096 00	£430 00
	26 90	28 65	2 20	8 89	66 64	£25,787 00	£386 96
Cost Per Employee Category	£12,777 50	£12,319 50	£550 00	£140 00		£25,787 00	

Time and Charge Out Summary for the period from 7 September 2015 to 6 September 2016

Hours

	Partner	Manager	Other Senior Professional	Assistants and Support	Total Hours	Total Costs	Average Hourly Rate
Administration and Planning	1 85	0 10	12 20	4 08	18 23	£5,119 75	280 84
Cashiering	0 00	0 00	0 00	3 00	3 00	£0 00	£0 00
Compliance	0 00	0 00	0 00	0 10	0 10	£10 00	100 00
Creditors	6 00	0 00	0 20	0 00	6 20	£2,900 00	467 74
Investigations (Non disqualification)	1 50	19 50	6 00	0 50	27 50	£11,677 50	424 64
Legal	9 50	0 70	23 20	0 00	33 40	£13,967 00	418 17
Meetings (Non statutory)	0 00	0 00	0 80	0 00	0 80	£312 00	390 00
Realisation of Assets	12 30	0 60	0 00	0 00	12 90	£6,226 50	482 67
Review	0 00	0 00	2 70	0 00	2 70	£949 00	351 48
Report preparation & review	0 00	0 00	0 00	8 00	8 00	£800 00	100 00
	31 15	20 90	45 10	15 68	112 83	£41,961 75	£371 90
Cost Per Employee Category	£15,013 75	£9,196 00	£16,752 00	£1,000 00		£41,961 75	

Disbursements	£
Bordereau	30 00
Printing & Stationery	81 30
Postage & Company Searches	8 53
Total	119 83

Disbursements	£
Insolvency Bond	120 00
PPS	10 40
Storage	3 96
Total	134 36

Disbursements	£
PPS	5 10
Storage	33 86
Total	38 96

CARTER BACKER WINTER LLP ("CBW")

CORPORATE RECOVERY AND INSOLVENCY DEPARTMENT

INSOLVENCY APPOINTMENTS

TIME COST CHARGE-OUT RATES FROM 1 APRIL 2016

	<u>Per Hour</u>
	<u>£</u>
Partner	490
Directors	490
Managers	440
Assistant Managers	400
Senior Administrators	390
Administrators	260
Junior Administrators	150
Cashier	0
Support Staff	0 - 185

Note:

Work undertaken on cases is recorded in 6 minute units utilising time-recording software

Time properly incurred on insolvency cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done CBW's charge-out rates change from time to time

DISBURSEMENT RECOVERY

Disbursements are categorised as either Category 1 or Category 2

Category 1 disbursements generally comprise external supplies of incidental services specifically identifiable to the case Where expenses are incurred and then recharged to the case, approval from creditors is not required Examples of Category 1 disbursements include statutory advertising, specific bond insurance, document storage, postage, company search fees, and properly reimbursed expenses incurred by personnel in connection with the case Also included will be services specific to the case where these cannot be practically provided internally, such as printing and room hire

Category 2 disbursements include elements of shared or allocated costs where supplied internally Category 2 disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance CBW does not charge Category 2 disbursements

THE MACDONALD PARTNERSHIP PLC**CHARGE OUT RATES**

Effective date

The charge out rates are effective from 1st October 2010.

Charge out rates

Title	Grade	Rate
		£ph
Partners	1 1	575
	1 2	475
	1 3	375
Managers	2 1	350
	2 2	275
	2 3	225
Administrators	3 1	110
	3 2	95
	3 3	80
Support Staff	4 1	55
	4 2	50
	4 3	45

NOTE.

Time is recorded in three minute increments

THE MACDONALD PARTNERSHIP PLC FEES, DISBURSEMENTS AND EXPENSES POLICY

INTRODUCTION

The MacDonald Partnership Plc is a specialist firm of licensed Insolvency Practitioners

As a result, we have very specific and specialist billing structures. This schedule sets out our terms and conditions of billing to clarify the position

GENERAL PHILOSOPHY

It is important to stress that the general philosophy of the firm's billing structure is as follows

- 1 To provide
 - (i) The highest possible quality in terms of
 - (a) technical excellence
 - (b) delivery of service
 - (ii) The highest possible level of integrity and professionalism
 - (iii) A personal service
- 2 To provide value for money and to reflect the need for a reasonable profit and return in providing our services

Given this, it is important to set a basic and reasonable pricing and billing structure to maximise the combined interests of our clients, third parties (such as banks and creditors) and the firm

VARIATION FROM OUR BILLING STRUCTURE

The billing structure has been created to reflect the economic substance of providing the quality of service that we give

To charge lower or different fees would be unprofitable for the firm. We will therefore only allow variations from our billing structure in extreme circumstances. Any such variation must be approved by either one of the managing or finance directors

DEFINITIONS

FEES

Fees are the time charges that reflect the time spent on a case by a partner, director or staff member of the firm. Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment

With regard to support staff, we advise that time spent by cashiers and other support staff in relation to specific

tasks on an assignment is charged. All activity on cases is charged and recorded in three minute increments

In corporate recovery and insolvency cases fees can be charged on a time cost basis, a set fee basis, on a percentage of the assets realised and distributed or a mixture of the above. The fees charged are based on the Scale Rates charges (which are detailed below)

A schedule of Charge Out Rates applies to each grade of staff and is available for inspection at any time

PROFESSIONAL ADVISORS

We use professional advisors on some of our assignments. The basis of our fee arrangements with advisors, which is subject to review on a regular basis, is generally on an hourly rate basis plus disbursements. Fixed fee arrangements will be disclosed where applicable. Our choice of professional advisors is based on our perception of their experience and ability to perform the type of work required, the complexity and nature of the assignment and the basis of our fee arrangement with them

DISBURSEMENTS & EXPENSES

For the purposes of compliance with Statement of Insolvency Practice 9 (SIP 9) and R3's best practice guidelines, disbursements and expenses are split into two categories

Category 1 Disbursements

Generally comprise those external supplies of incidental services specifically identifiable to a specific job or case (including agents, insurances, as well as other outsourced services such as room hire, statutory advertising, court fees, couriers, postage, printing, travel and document storage)

Category 2 Disbursements

Generally comprise costs, which whilst being in the nature of expenses or disbursements, include elements of shared or allocated costs. Such disbursements are listed below

1	Binders	£1 15	Per item
2	Car	£0 50	Per mile
3	Copies (black)	£0 15	Per page
4	Dividers	£1 00	Per item
5	Envelopes	£0 10 - £0 15	Per item
6	Files	£6 00	Per item
7	Labels	£0 25	Per sheet
8	Letters	£2 20	Per letter
9	Printouts	£0 20	Per page

AGREEMENT OF FEES, DISBURSEMENTS AND EXPENSES

CORPORATE RECOVERY AND INSOLVENCY

For corporate recovery and insolvency work, the following fee structure applies. For this specialist type of work, fees can either be charged on a time basis or on a scaled percentage charge of assets realised and distributed. Unless otherwise stated, all corporate recovery and insolvency work is done on a time basis.

1. Pre-appointment work

Pre-appointment work includes (for example)

- (1) Nominees fees in individual and company voluntary arrangements
- (2) Assistance and preparation in holding a section 98 meeting
- (3) Assistance in placing a company into administration
- (4) Investigation work prior to a formal insolvency procedure, or general advisory work

Pre-appointment work will be charged on the following basis

- (1) Fees will be agreed with the firm's client in advance
- (2) A standard engagement letter will be produced and it will refer to the fees, disbursements and expenses policy, as a source of reference
- (3) In cases where (due to urgency or unusual circumstances) no engagement letter has been drawn up, all fees will be charged according to this schedule

2. Post appointment work

Post appointment work includes all work done as required by the Insolvency Act 1986 (as amended) and by the Insolvency Rules 1986 (as amended)

All post appointment fees and disbursements must be approved by

- (1) a general meeting of creditors, or
- (2) a meeting of a creditor or liquidation committee, or
- (3) both of the above, or
- (4) where there is a disagreement on the level of fees, by the procedure available in the Insolvency Rules 1986 (as amended)
- (5) in the case of an administrative receivership, by the debenture holder

3. Scale charges

Where fees are taken on a realisation basis (other than a time charge basis) the scale charges are charged on the basis of the Scale Charges laid out in schedule 6 of the Insolvency Rules 1986, which is detailed as follows

The realisations scale

(i)	On the first £5,000 or fraction thereof .	20%
(ii)	On the next £5,000 or fraction thereof .	15%
(iii)	On the next £90,000 or fraction thereof	10%
(iv)	On all further sums realised	5%

The distribution scale

(i)	Of the first £5,000 or fraction thereof ..	10%
(ii)	On the next £5,000 or fraction thereof .	7½%
(iii)	On the next £90,000 or fraction thereof	5%
(iv)	On all further sums realised	2½%

4. Realisation and distribution for secured creditors

The realisation and distribution fees for any secured creditor (other than an appointing debenture holder) are based on the Official Receivers scale charges as detailed above

MAINTENANCE OF RECORDS

The MacDonald Partnership Plc maintains complete records on both time recording, disbursements and expenses to ensure accuracy of charges

DATA PROTECTION

Confidentiality of information is an important concern for The MacDonald Partnership Plc. We are registered and comply with the data protection laws of the United Kingdom. Information about clients and creditors are held on databases. If you wish to know what information we hold about you please write to The Data Protection Officer, The MacDonald Partnership Plc, 4th Floor, 100 Fenchurch Street, London, EC3M 5JD to request details

MONEY LAUNDERING

The MacDonald Partnership Plc is required, by law, to assist the authorities in eradicating the laundering of proceeds of illegal activity. We may therefore ask certain questions in respect of the source of funds or other monies provided, as well as the identification of clients. We may also be required, in certain circumstances, to report to the relevant authorities on any suspicious activity. We are not required to inform any party of any report made about them.