

WU07

Notice of progress report in a winding-up by the court



Companies House

SATURDAY



A24 *A7HWXVF4* #259
03/11/2018
COMPANIES HOUSE

1 Company details

Company number 0 3 9 5 6 3 3 9

Company name in full Puriti Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Melissa Lorraine

Surname Jackson

3 Liquidator's address

Building name/number 8 High Street

Street

Post town Brentwood

County/Region Essex

Postcode C M 1 4 4 A B

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.

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6 Period of progress report

From date	^d 0	^d 7	^m 0	^m 9	^y 2	^y 0	^y 1	^y 7
To date	^d 0	^d 6	^m 0	^m 9	^y 2	^y 0	^y 1	^y 8

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X *Mh Jackson*

X

Signature date

^d 0	^d 2	^m 1	^m 1	^y 2	^y 0	^y 1	^y 8
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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 **Melissa Jackson**

Company name **Kennway Francis Limited**

Address **Saxon House**
27 Duke Street

Post town **Chelmsford, Essex**

County/Region

Postcode

C	M	1		1	H	T
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Country

DX

Telephone **020 7129 7366**



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

Kennway Francis Ltd

Corporate Recovery and Personal Insolvency
Licenced Insolvency Practitioners
Saxon House, 27 Duke Street, Brentwood
Essex, CM1 1HT

Puriti Limited – In Compulsory Liquidation
Liquidator's Annual Progress Report
2 November 2018

Liquidator's Annual Progress Report to Members and Creditors

For the year ending 6 September 2018

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10. Dividend Prospects
11. Summary

APPENDICES

1. Appendix 1 – Receipts and Payments Account
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1. STATUTORY INFORMATION

Company name:	Puriti Limited
Registered office:	8 High Street Brentwood Essex CM14 4AB
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:	07 September 2011
Liquidator's name:	Melissa Lorraine Jackson
Liquidator's address:	Saxon House 27 Duke Street Chelmsford Essex CM1 1HT

Please note, this case is now being administered by my firm Kennway Francis Limited.

2. RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 7 September 2011 to 6 September 2018 is attached at Appendix 1.

3. ASSETS

Overdrawn Director's Loan Account-

As previously advised, the Official Receiver identified an overdrawn director's loan account in the sum of £190,000 which had been set off against the debt of an associated company upon a merger of the two companies. I have continued to liaise with solicitors in relation to the repayment of this loan and potential settlement offers put forward by the director.

As previously reported on the advice of Counsel I took steps in March 2016 to recover the sums due from the Directors Mr & Mrs Bray. This led to a mediation which took place in October of 2016.

At the mediation despite terms for settlement being agreed in principle we were unable to finalise an agreement to my satisfaction in settlement of the claim.

Proceedings were therefore issued in the County Court in Truro for a hearing to determine the claim.

Registered Office and Correspondence address: 8 High Street, Brentwood, Essex, CM14 4AB
Company Registration Number: 10941836

IMPORTANT NOTICE – Directors and staff acting as Administrative Receivers and Administrators act as agents and contract without personal liability. Where a company is in Administration, the affairs, business and property of the company are being managed by the Administrators, who act as agents of the company. The authorising body in the UK for M L Jackson acting as insolvency practitioner is the Institute of Chartered Accountants in England and Wales.

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On 13th October 2017, just prior to the hearing date listed of 25th October 2017 and agreement was reached with the directors for settlement of the claim and a Tomlin Order was agreed in the sum of £115,000 in settlement of the claim.

The terms of the settlement were that £5,000 was to be received immediately with the balance of £110,000 by 31st January 2018. I can confirm that £5,000 has been received to date and is being held by my solicitors Turner Parkinson.

On the 31st January 2018 the balance of funds due under the Tomlin Order obtained were not received. I therefore proceeded to apply for a judgement against Mr & Mrs Bray's in the sum of £190,000.

Having obtained judgement an interim charging order was entered against their property at Nancorras, St Mawes, Truro, Cornwall, TR2 5AD ("the property") on 8 April 2018.

The solicitors acting for Mr & Mrs Bray, Martyn Evans of Brains solicitors of Sydney House, 44 South Street, St Austell Cornwall PL25 5BN. Took out their own charge over their client's property in relation to unpaid legal fees. They subsequently obtained a judgement in the sum of £91,974.77 plus interest on 15 June 2018 and took possession of the property on 4 September 2018.

Since taking possession of the property the property remains empty and I am advised by Brains Solicitors that they are not currently marketing the property having withdrawn it from the market. I have requested an update from Brains solicitor, but no response has been received at the time of issue of this report.

The property had previously been on the market with H Tiddy estate agents in Cornwall and with Knight Frank estate agents in London at an asking price of £1.9 million.

If that price is achievable then after payment of prior charges the Liquidation estate would be paid in full.

The Liquidator continues to chase for updates on the progress of sale and the liquidation will remain open pending realisation of the property.

It is not anticipated that there will be any other asset realisations.

4. LIABILITIES

Secured Liabilities

An examination of 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

The Official Receiver's handover confirmed that the Company did not have any preferential creditors.

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. I have received claims in the sum of £102,732 in respect of VAT and £36,792 in respect of Corporation Tax.

Unsecured Creditors

The Company's Statement of Affairs indicated that there were 3 other unsecured creditors with an estimated total liability of £265,559. To date, I have not received claims from these 3 creditors.

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 entered into protracted correspondence with the directors and their legal advisors to recover the outstanding sum due to the Company.

During this reporting period, I have continued to liaise with my instructed solicitors in order to recover the outstanding director's loan account due to the Company and have gained Counsel's advice on success of any claim which may be brought by me in order to recover these outstanding sums due to the Company.

As set out above steps were taken to obtain a Tomlin Order however Mr Bray failed to make payment under the Order. I then obtained a judgement and a charge against Mr & Mrs Brays property securing the Liquidators claim against Mr & Mrs Bray.

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. As previously reported Mr Bray was disqualified from acting as a Director on the application of the Insolvency Service on 4th September 2013 for 2 years.

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 2018 amount to £144,876.58, of which £7,276 was charged in the period between 7 September 2017 and 6 September 2018.

Time costs charged under TMP are £41,812 and time costs charged under CBW are £95,788.58.

I have not been able to draw any remuneration in this matter. A schedule of my time costs incurred to date is attached as Appendix 2.

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

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.
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.

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- Reviewing and adjudicating on 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.
5. Realisation of Assets
- Liaising with my nominated solicitors in respect of the recovery of the outstanding director's loan account.
 - Obtaining a Tomlin Order, Judgement and a charging order in relation to the property.

A copy of 'A Creditors' Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals is available at www.kennwayfrancis.co.uk [Link to 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

My expenses in the reporting period from 7 September 2017 to 6 September 2018 amount to £144.88 in relation to Court fees. I have not been able to re-imburse the expenses incurred during this period.

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

Professional Advisor	Nature of Work	Fee Arrangement
Turner Parkinson	Solicitors	Time costs
DWF Solicitors	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. Previously the partner dealing with this matter was at DWF solicitors and they also acted 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 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.

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10. DIVIDEND PROSPECTS

Dividend prospects in this matter are now dependent upon the realisation from the sale of the property. It is anticipated that the property will be sold during the next reporting period.

11. SUMMARY

The Liquidation will remain open until the matter of the overdrawn director's loan account is settled. I expect that this matter will be resolved in the course of the next 12 months. Once this issue has been dealt with the liquidation will be finalised and our files will be closed.

Should you have any queries regarding this matter please contact me on 020 7129 7366.



Melissa Jackson
Liquidator

Melissa.jackson@kennwayfrancis.co.uk

Kennway Francis Ltd

Corporate Recovery and Personal Insolvency

Licensed Insolvency Practitioners

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Appendix 1 – Liquidators Receipts and Payments Account

Registered Office and Correspondence address: 8 High Street, Brentwood, Essex, CM14 4AB

Company Registration Number: 10941836

IMPORTANT NOTICE – Directors and staff acting as Administrative Receivers and Administrators act as agents and contract without personal liability. Where a company is in Administration, the affairs, business and property of the company are being managed by the Administrators, who act as agents of the company. The authorising body in the UK for M L Jackson acting as insolvency practitioner is the Institute of Chartered Accountants in England and Wales.

Statement of Affairs		From 07/09/2017 To 06/09/2018	From 07/09/2011 To 06/09/2018
£		£	£
	ASSET REALISATIONS		
	Realisation of Assets (via OR)	NIL	1,890.00
Uncertain	Directors Loan Account	NIL	NIL
104.00	Cash at Bank	NIL	NIL
	Bank Interest Gross	NIL	5.52
	Tax on Interest	NIL	(1.11)
		NIL	1,894.41
	COST OF REALISATIONS		
	Official Receiver Fee	NIL	2,235.00
	DTI Cheque Fees	NIL	NIL
	Sec of State Fees	NIL	NIL
	Deposit on Petition	NIL	(1,000.00)
	Legal Fees - Turner Parkinson Solicitors	NIL	175.00
	Couriers	NIL	85.58
	Statutory Advertising	NIL	76.50
	Website Notice Fee	NIL	7.00
	Bank Charges	88.00	604.30
		(88.00)	(2,183.38)
	UNSECURED CREDITORS		
(265,558.60)	Trade & Expense Creditors	NIL	NIL
(177,399.00)	Inland Revenue	NIL	NIL
		NIL	NIL
(442,853.60)		(88.00)	(288.97)
	REPRESENTED BY		
	ISA IB		(288.97)
			(288.97)

02 November 2018 16:01

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Puriti Limited – In Compulsory Liquidation
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APPENDIX 2

Details of Time Incurred in accordance with Statement of Insolvency Practice 9.

The charge out rates for each of the corresponding firms is attached.

Time Entry - SIP9 Time & Cost Summary

P0756 - Puriti Limited
All Post Appointment Project Codes
From: 07/09/2017 To: 06/09/2018

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Case Specific Matters	2.00	0.00	0.00	0.30	2.30	1,045.50	454.57
Creditors	0.00	0.00	0.00	0.80	0.80	148.00	185.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	11.50	0.00	3.00	0.00	14.50	6,082.50	419.48
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	13.50	0.00	3.00	1.10	17.60	7,276.00	413.41
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Puriti Limited - In Compulsory Liquidation

Time and Charge Out Summary for the period from 7 September 2016 to 6 September 2017

Hours

	Partner / Director	Manager	Assistant Manager	Administrator	Assistant & Support	Total Hours	Total Costs	Average Hourly Rate
Administration and Planning	3.75	0.00	0.00	3.60	4.48	11.83	£3,025.83	£255.78
Cashiering	0.00	0.00	0.00	0.00	3.25	3.25	£0.00	£0.00
Report Preparation & Review	0.00	0.00	0.00	2.70	0.00	2.70	£1,053.00	£390.00
Review	0.00	0.10	0.00	3.10	0.00	3.20	£1,253.00	£391.56
Creditors	2.00	0.00	0.00	0.00	0.00	2.00	£980.00	£490.00
Investigations	0.00	0.00	0.00	3.70	0.00	3.70	£1,443.00	£390.00
Legal	9.80	0.00	0.00	1.00	0.00	10.80	£5,192.00	£480.74
Realisation of Assets	27.30	0.00	0.00	4.10	0.00	31.40	£14,976.00	£476.94
Taxation	0.00	0.00	0.00	0.30	0.00	0.30	£117.00	£390.00
	42.85	0.10	0.00	18.50	7.73	69.18	£28,039.83	£405.32
Cost Per Employee Category	£20,996.50	£44.00	£0.00	£6,941.00	£58.33		£28,039.83	

Disbursements for the Period	£
Court Fees	1,975.00
Storage	17.88
Sundries	100.00
Travel/Fares	387.57
Total	2,480.45

Time and Charge Out Summary for the period from 7 September 2011 to 6 September 2017

	Partner / Director	Manager	Assistant Manager	Administrator	Assistant & Support	Total Hours	Total Costs	Average Hourly Rate
Administration and Planning	15.60	4.65	0.00	19.00	11.10	50.35	£15,422.08	£306.30
Cashiering	0.00	0.00	0.00	0.00	11.00	11.00	£0.00	£0.00
Compliance	0.00	5.90	0.00	0.10	0.00	6.00	£2,547.00	£424.50
Case conferences and meetings (legal)	2.30	0.00	0.00	0.00	0.00	2.30	£1,092.50	£475.00
Report Preparation & Review	0.00	0.00	0.00	10.70	0.00	10.70	£1,853.00	£173.18
Review	0.00	7.30	0.00	5.80	0.00	13.10	£5,298.00	£404.43
Creditors	8.00	0.00	0.00	0.20	0.00	8.20	£3,850.00	£469.51
CIT Creditors	1.00	0.00	0.00	0.20	0.00	1.20	£525.00	£437.50
Investigations	2.50	20.20	0.00	10.20	0.00	32.90	£13,896.50	£422.39
Legal	23.10	8.10	0.10	24.10	0.00	55.40	£24,146.00	£435.85
Realisation of Assets	47.90	3.50	0.00	4.50	0.00	55.90	£26,492.00	£473.92
Meetings (Non-statutory)	0.00	0.00	0.00	0.80	0.00	0.80	£312.00	£390.00
Taxation	0.00	0.00	0.00	0.30	0.00	0.30	£117.00	£390.00
Document	0.50	0.00	0.00	0.00	0.00	0.50	£237.50	£475.00
	100.90	49.65	0.10	73.90	22.10	246.65	£95,788.58	£385.23
Cost Per Employee Category	£48,787.75	£21,559.50	£40.00	£25,293.00	£108.33		£95,788.58	

Disbursements for the Period	£
Court Fees	1,975.00
Insolvency Bond	120.00
pps	15.50
Storage	55.70
Sundries	100.00
Travel/Fares	387.57
Total	2,653.77

Purhl Limited - In Compulsory Liquidation

Time and Charge Out Summary for the period from 7 September 2013 to 31 March 2014

Hours

	Partner	Director	Other Senior Professional	Assistant and Support	Total Hours	Total Costs (£)	Average Hourly Rate
Advice, Administration and Planning	102.00	0.00	0.70	15.20	117.90	£37,446.00	£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	£3,013.00	£2,419.00		£41,813.00	£303.21

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

Hours

	Partner	Manager	Other Senior Professional	Assistant 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	3.00	7.40	0.00	0.00	11.20	£4,967.00	£443.27
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
Total	26.90	28.65	2.20	8.89	66.64	£25,787.00	£386.96
Cost Per Employee Category	£12,777.56	£12,313.90	£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	Assistant and Support	Total Hours	Total Costs	Average Hourly Rate
Administration and Planning	1.85	0.10	12.20	4.00	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	£16.00	100.00
Creditors	6.00	0.00	0.20	0.00	6.20	£2,990.00	487.74
Investigations (Non disqualification)	1.50	19.50	6.00	0.50	27.50	£11,671.50	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	£948.00	351.48
Report preparation & review	0.00	0.00	0.00	8.00	8.00	£800.00	100.00
Total	31.15	20.90	45.10	15.60	112.83	£43,961.75	£371.90
Cost Per Employee Category	£15,013.75	£9,196.00	£16,752.00	£1,000.00		£43,961.75	

Disbursements	£
Bondreau	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	33.96
Total	39.06

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.