

LIQ03

Notice of progress report in voluntary winding up



Companies House

SATURDAY



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A16

08/09/2018

#84

COMPANIES HOUSE

1 Company details

Company number 0 3 9 9 6 4 0 3
Company name in full K. Walsh Construction Limited

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

2 Liquidator's name

Full forename(s) Gareth David
Surname Rusling

3 Liquidator's address

Building name/number Kendal House
Street 41 Scotland Street
Post town Sheffield
County/Region
Postcode S 3 7 B S
Country

4 Liquidator's name ①

Full forename(s) Gerald Maurice
Surname Krasner

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 4th Floor
Street Cathedral Buildings
Post town Dean Street
County/Region Newcastle Upon Tyne
Postcode N E 1 1 P G
Country

② Other liquidator
Use this section to tell us about
another liquidator.

LIQ03

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6 Period of progress report

| | | | | | | | | |
|-----------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| From date | ^d 3 | ^d 1 | ^m 0 | ^m 7 | ^y 2 | ^y 0 | ^y 1 | ^y 7 |
| To date | ^d 3 | ^d 0 | ^m 0 | ^m 7 | ^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



X

Signature date

| | | | | | | | |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| ^d 0 | ^d 3 | ^m 0 | ^m 9 | ^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 | Kerry Norton |
| Company name | Begbies Traynor (SY) LLP |
| Address | Kendal House 41 Scotland Street |
| Post town | Sheffield |
| County/Region | |
| Postcode | S 3 7 B S |
| Country | |
| DX | |
| Telephone | 0114 2755033 |

**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

K. Walsh Construction Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

| Statement of Affairs £ | | From 31/07/2017 To 30/07/2018 £ | From 31/07/2014 To 30/07/2018 £ |
|------------------------------|--|---------------------------------------|---------------------------------------|
| | GENERAL FIXED CHARGE | | |
| 159,000.00 | Book Debts, Retentions & Work in Prog | NIL | NIL |
| (17,000.00) | Centric Commercial Finance | NIL | NIL |
| | | NIL | NIL |
| | ASSET REALISATIONS | | |
| 2,000 00 | Plant & Equipment / Van | NIL | 350.00 |
| NIL | Goodwill | NIL | NIL |
| | Book Debts | NIL | 5,000.00 |
| NIL | Investment-K & A Builders (Lincoln) Lt | NIL | NIL |
| Uncertain | Directors Current Account | NIL | NIL |
| 52,064.00 | HM Revenue & Customs - Refund | NIL | 35,022.64 |
| | Insurance Claim | NIL | 10,250.00 |
| | Bank Interest Gross | 0.51 | 2 60 |
| | Vehicle Licence Refunds | NIL | 91.66 |
| | | 0.51 | 50,716.90 |
| | COST OF REALISATIONS | | |
| | Specific Bond | 10 00 | 274.00 |
| | Statement of Affairs Fee | NIL | 5,000 00 |
| | Office Holders Fees | 5,000.00 | 19,750.00 |
| | Debt Collection Costs | NIL | 1,000.00 |
| | Disbursements | | |
| | Subsistence | NIL | 5 00 |
| | Mileage | NIL | 418.93 |
| | Postage | 46.17 | 211.41 |
| | Storage | NIL | 2,137.50 |
| | Agents/Valuers Fees | NIL | 35.00 |
| | Legal Fees | NIL | 2,500.00 |
| | Accountants Fees | NIL | 17,325.92 |
| | Statutory Advertising | NIL | 243.38 |
| | | (5,056.17) | (48,901.14) |
| | FLOATING CHARGE CREDITORS | | |
| (15,215.00) | Floating Charge Holder-Barclays Bank | NIL | NIL |
| | | NIL | NIL |
| | UNSECURED CREDITORS | | |
| (1,090,117.00) | Trade & Expense Creditors | NIL | NIL |
| (117,850 00) | Hire Purchase / Leasing Shortfall | NIL | NIL |
| | | NIL | NIL |
| | DISTRIBUTIONS | | |
| (2.00) | Share Capital | NIL | NIL |
| | | NIL | NIL |
| (1,027,120.00) | | (5,055.66) | 1,815.76 |
| | REPRESENTED BY | | |
| | Bank Balance | | 1,815.76 |
| | | | 1,815.76 |


Gareth David Rusling
Joint Liquidator



K. Walsh Construction Limited (In Creditors' Voluntary Liquidation)

Progress report

Period: 31 July 2017 to 30 July 2018

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. 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 and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

Contents

- ❑ Interpretation
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- ❑ Assets that remain to be realised and work that remains to be done
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 - 2. Liquidators' time costs and disbursements
 - 3. Statement of Liquidators' expenses

1. INTERPRETATION

| <u>Expression</u> | <u>Meaning</u> |
|---|--|
| "the Company" | K. Walsh Construction Limited (In Creditors' Voluntary Liquidation) |
| "the liquidation" | The appointment of liquidators on 31 July 2014. |
| "the liquidators", "we", "our" and "us" | Gareth David Rusling of Begbies Traynor (SY) LLP, Kendal House, 41 Scotland Street, Sheffield, S3 7BS, Sheffield.North@Begbies-Traynor.com and Gerald Maurice Krasner of Begbies Traynor (Central) LLP, 4th Floor, Cathedral Buildings, Dean Street, Newcastle Upon Tyne, NE1 1PG |
| "the Act" | The Insolvency Act 1986 (as amended) |
| "the Rules" | The Insolvency (England and Wales) Rules 2016 |
| "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 Act |

2. COMPANY INFORMATION

| | |
|----------------------------|---|
| Trading name(s): | K Walsh Construction Limited |
| Company registered number: | 03996403 |
| Company registered office: | Kendal House, 41 Scotland Street, Sheffield, S3 7BS |
| Former trading address: | 5 Frome Close, Lincoln, Lincolnshire, LN6 3DA |

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

| | |
|-----------------------------------|--|
| Date winding up commenced: | 31 July 2014 |
| Date of liquidators' appointment: | 31 July 2014 – Gareth David Rusling 31 July 2014 – John Russell 24 April 2017 – Gerald Maurice Krasner |

Changes in liquidator (if any):

John Russell has retired from office as joint liquidator of the Company. By an order of the High Court of Justice, dated 24 April 2017, Gerald Maurice Krasner of Begbies Traynor (Central) LLP was appointed joint liquidator in his place. Gerald Maurice Krasner is licenced as an Insolvency Practitioner by the Institute of Chartered Accountants England and Wales.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 31 July 2017 to 30 July 2018. Detailed below is an explanation of the transactions which have occurred during the period covered by this report.

Receipts

Bank Interest Gross

Funds totalling £0.51 have been realised in respect of the interest which has accrued on the balance of funds held within the joint liquidators account.

Payments

Specific Bond

Following the change in liquidator, funds totalling £10.00 have been discharged. This is to ensure that the case remains adequately bonded.

Office Holders Fees

The joint liquidators have drawn remuneration in the sum of £5,000.00 during the period covered by this report. This falls in line with the previously agreed fee basis.

Disbursements

The sum of £46.17 has been drawn and relates to the postage charges incurred in circulating the previous report to creditors.

What work has been done in the period of this 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 at Appendix 2. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only. Our previous reports contain details of the work undertaken since our appointment.

General case administration and planning

The joint liquidators have completed works required to maintain the liquidation including periodically reviewing the case to ascertain which works remain outstanding and progressing the case to ensure all statutory requirements have been completed during the course of the liquidation. Such reviews have been carried out on a six monthly basis. In addition, completion of the statutory checklists and updating both paper files and electronic diaries has been carried out, together with scanning any incoming post onto the system.

Also, all statutory documentation which is required to be issued to the relevant parties during the course of the liquidation has been compiled and issued on the statutory due dates.

There is no financial benefit to creditors from our work in this area. However, we have a duty to undertake this work and therefore these costs cannot be avoided.

Compliance with the Insolvency Act, Rules and best practice

The joint liquidators have prepared and submitted to all relevant parties the statutory liquidators' annual progress report and receipts and payments accounts pursuant to The Insolvency Act 1986 and have dealt with all statutory requirements pursuant to The Insolvency Act and Rules, including reporting to shareholders and creditors.

Also, general banking duties have been carried out including the raising and posting of income and expenditure onto the system when required and ensuring all cash functions are carried out periodically.

In addition, periodic bond reviews have been carried out to ensure that the case remains adequately bonded.

Again, there will be no financial benefit to the creditors from the work carried out in this area. However, we have a duty to undertake this work and therefore, these costs cannot be avoided.

Investigations

The joint liquidators have not expended any time on this particular matter, during the period covered by this report.

Realisation of assets

The joint liquidators have not expended any time on this particular matter, during the period covered by this report.

Trading

As the joint liquidators did not trade the Company, no time has been spent on this particular matter.

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

A nominal amount of time has been spent liaising with the Company's creditors by verbal communications in relation to dividend prospects within the liquidation proceedings.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedures, tax, litigation, pensions and travel)

The joint liquidators have spent time liaising with the Company's former accountants with regard to the CIS tax refund due to the Company. In addition, time has been spent arranging for VAT returns and corporation tax returns to be submitted to HM Revenue & Customs ("HMRC") in relation to the periods which have fallen due during the period covered by this report.

The above work has not provided any financial benefit to the Company's creditors however, such work is of a statutory nature which the joint liquidators must comply with therefore, cannot be avoided.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our progress report for the period 31 July 2015 to 30 July 2016.

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 creditors

Barclays Bank plc ("Barclays")

The Company granted a debenture to Barclays dated 23 March 2005 which created fixed and floating charges over the whole of the Company's undertaking. Upon the appointment of the joint liquidators, the Company was indebted to Barclays in the sum of £15,215.62, following the application of set-off by Barclays in respect of the credit balance held on the Company's account.

Centric SPV1 Limited ("Centric")

In addition to the above, the Company granted a debenture to Centric dated 11 December 2013 which created a fixed and floating charge over the whole of the Company's undertakings, and relates to the invoice discounting facility provided to the Company in respect of its book debts. Upon the joint liquidators' appointment, the Company was indebted to Centric in the sum of £16,803.90.

During the course of the liquidation, no distributions have been made to either Barclays or Centric. As a result of there being no further realisations achievable within the liquidation proceedings, Barclays and Centric will suffer an approximate shortfall of £15,215.62 and £16,803.90 respectively.

Preferential creditors

There are no known preferential claims.

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

Details of how the prescribed part for unsecured creditors is calculated were provided in our progress report for the period 31 July 2016 to 30 July 2017.

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in Section 176A(6) of the Act, to be nil and the prescribed part of the Company's net property to be nil.

There will be no distribution of the prescribed part as our estimate of the Company's net property is less than the minimum prescribed by the Insolvency Act 1986 (Prescribed Part) Order 2003 and we think, in accordance with Section 176A(3)(b) of the Act, that the costs of making a distribution of the prescribed part to unsecured creditors would be disproportionate to the benefits.

Notwithstanding the above, as no distributions have been made to either Barclays or Centric under the provisions of their floating charge, there will be no distribution of the prescribed part.

On present information we do not intend to make an application to court under Section 176A(5) of the Act for an order not to distribute the prescribed part of net property to the unsecured creditors. However, we reserve our position generally in this regard should circumstances materially change.

Unsecured creditors

No dividend is available for unsecured creditors because the funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation

6. REMUNERATION & DISBURSEMENTS

Remuneration

Our remuneration has been fixed by a resolution of creditors at a meeting held pursuant to Section 98 of the Act on 31 July 2014 by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (SY) LLP in attending to matters arising in the winding up and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9), in accordance with our firm's policy, which is attached at Appendix 2 of this report.

Our time costs for the period from 31 July 2017 to 30 July 2018 amount to £3,598.50 which represents 20.6 hours at an average rate of £174.68 per hour.

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

- ☐ Begbies Traynor (SY) LLP's charging policy
- ☐ Time Costs Analysis for the period 31 July 2017 to 30 July 2018

To 30 July 2018, we have drawn the total sum of £19,750.00 on account of our remuneration, against total time costs of £61,481.00 incurred since the date of our appointment.

Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type. An additional analysis is also attached which details the time costs for the entire period for which we have administered the liquidation.

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

Disbursements

To 30 July 2018, we have also drawn disbursements in the sum of £2,772 84.

Why have subcontractors been used?

The choice of agents and advisors was based on the joint liquidators' knowledge of the agents and advisors experience and known ability to perform the type of work to be undertaken and also taking into account the complexity and nature of the assignment and the basis of their fee arrangements

On this basis, the joint liquidators instructed Charterfields Limited ("Charterfields") to dispose of the Company's motor vehicle. As a result of Charterfields being instructed, fees totalling £35.00 have been discharged following the work they have carried out in this regard.

In addition, Commercial Asset Finance ("CAM") were instructed to assist the joint liquidators in pursuing a debt which was due to the Company. CAM were instructed by the joint liquidators due to their known success rate in obtaining payment and/or settlement of outstanding balances. On this basis, funds totalling £1,000.00 have been discharged to CAM for their assistance in securing realisations.

Also, Irwin Mitchell Solicitors LLP ("Irwins") were instructed to provide advice to the joint liquidators with regard to the Company's outstanding debt and also any matters which occurred in the liquidation which required legal assistance.

As a result of the above work being carried out by Irwins, funds totalling £2,500.00 have been discharged.

Also, Streets were instructed to pursue the outstanding CIS tax due from HMRC to the Company. Streets were instructed based on their expertise and knowledge of tax issues.

Category 2 Disbursements

In accordance with the resolution obtained in relation to disbursements, the following Category 2 disbursements have been charged to the case since our last report to creditors.

| Other amounts paid or payable to the office holder's firm | |
|--|-----------------|
| Type and purpose | Amount £ |
| Postage | 46.17 |
| TOTAL | 46.17 |

A copy of 'A Creditors' Guide to Liquidators Fees (E&W)' which provides guidance on creditors' rights on how to approve and monitor a Liquidator'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.

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. A cumulative statement showing the total expenses incurred since the date of our appointment also appears at Appendix 3.

8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

The assets detailed below still remain to be realised within the liquidation: -

CIS Tax Refund

As detailed within our previous reports, the joint liquidators instructed Streets Accountants to pursue HMRC in respect of a CIS Tax refund due to the Company. Previously, the relevant form was submitted to HMRC to enable Streets to pursue the refund on the joint liquidators' behalf.

Following protracted correspondence between Streets and HMRC over a prolonged period of time, HMRC have advised Streets that following a thorough sub-contractor reconciliation, it showed that no refund is due to the Company

Streets are currently reviewing this however, it is highly unlikely that any realisations will be achieved from this source

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

The joint liquidators will continue to complete works required to maintain the liquidation including periodically reviewing the case to ascertain which works remain outstanding and progressing the case to ensure all statutory requirements have been completed during the course of the liquidation and, in readiness for closure as and when required. This will be carried out by way of six monthly case reviews.

In addition, all statutory documentation which is required to be issued to the relevant parties during the course of the liquidation will be compiled and issued on the statutory due dates.

There will be no financial benefit to creditors from our work in this area. However, we have a duty to undertake this work and therefore these costs cannot be avoided

Compliance with the Insolvency Act, Rules and best practice

The joint liquidators will prepare and submit to all relevant parties the statutory liquidators' annual progress report and final report and receipts and payments account pursuant to The Insolvency Act 1986 and deal with all statutory requirements pursuant to The Insolvency Act and Rules, including reporting to shareholders and creditors.

A final review of the case will be carried out to ensure that all matters have been concluded in order that the case can proceed to closure when applicable.

In addition, banking duties will be carried out by way of reconciliations and the processing of bank statements etc.

The joint liquidators will continue to carry out periodic bond reviews to ensure that the case remains adequately bonded.

Again, there will be no financial benefit to the creditors from the work carried out in this area. However, we have a duty to undertake this work and therefore, these costs cannot be avoided.

Investigations

The joint liquidators do not envisage that any further investigations will require conducting during the course of the liquidation however, should any matters be brought to the joint liquidators' attention which require further investigations, such work will of course be carried out.

Realisation of assets

As a result of the outcome following the pursuit of the CIS tax refund from HMRC, we do not anticipate any further time being spent on this particular matter during the course of the liquidation.

Trading

As the joint liquidators did not trade the Company, no time will be spent on this particular matter

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

The joint liquidators will continue to liaise with the Company's creditors by way of written and verbal communications in relation to their claims and any queries that may arise within the liquidation.

Based on current estimations, we do not anticipate that there will be sufficient realisations to enable a distribution to be made to the Company's unsecured creditors therefore, we do not anticipate that any work will be carried out in agreeing creditor claims.

We do not believe the above work will provide any financial benefit to the Company's creditors based on future estimated realisations.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedure, tax, litigation, pensions and travel

The joint liquidators will continue to correspondence with HM Revenue & Customs with regard to the submission of any corporation tax returns and VAT returns which fall due during the course of the liquidation. This will include the submission of the joint liquidators' final returns.

The above work is of a statutory nature which the joint liquidators must adhere to however, will not provide any financial benefit to the Company's creditors in this matter.

How much will this further work cost?

We anticipate that further costs will be incurred in the approximate sum of £2,500.00 in relation to carrying out the above works. Based on current estimations, we do not believe that the above work will provide any financial benefit to the unsecured creditors.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as follows:

| | | |
|----------------|---|---------|
| Future postage | - | £97.20 |
| Future storage | - | £165.60 |

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Energy and Industrial Strategy. We can confirm that we have discharged our duties in these respects.

Investigations carried out to date

We have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect. No further recoveries have been identified in this particular matter

Connected party transactions

In accordance with Statement of Insolvency Practice 13, we are obliged to inform creditors of any sale of the Company's business or assets which involves a party connected to the Company. We confirm that the following assets were sold

| Date of sale | Asset sold and nature of transaction | Consideration paid and date | Name of Purchaser | Relationship with the Company |
|---------------------|---|---|--------------------------|--|
| 15 August 2014 | Vauxhall Astra Envoy Van by way of an assets sale invoice | £350.00 plus VAT received from Charterfields Limited on 17 February 2015. | Angela Walsh | Angela Walsh is the Company Secretary and 50% shareholder of the Company |

Use of personal information

Please note that in the course of discharging our statutory duties as liquidators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 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 which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any 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 during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

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

A handwritten signature in black ink, consisting of a series of loops and a long, sweeping tail that ends in a sharp hook.

Gareth David Rusling
Joint Liquidator

Dated: 3 September 2018

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 31 July 2017 to 30 July 2018

K. Walsh Construction Limited
(In Liquidation)
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| Uncertain | Directors Current Account | NIL | NIL |
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| (2.00) | Share Capital | NIL | NIL |
| | | NIL | NIL |
| (1,027,120.00) | | (5,055.66) | 1,815.76 |
| | REPRESENTED BY | | |
| | Bank Balance | | 1,815.76 |
| | | | 1,815.76 |

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (SY) LLP's charging policy;
- b. Time Costs Analysis for the period from 31 July 2017 to 30 July 2018; and
- c. Cumulative Time Costs Analysis for the period from 31 July 2014 to 30 July 2018.

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. 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):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 per meeting;
- 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 relate;
- Postage charges at the actual rate incurred

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

² Ibid 1

(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 Sheffield office as at the date of this report are as follows:

| Grade of staff | Charge-out rate (£ per hour) |
|----------------------------|-------------------------------------|
| Directors & Office Holders | 365 |
| Senior Managers | 325 |
| Managers | 305 |
| Senior Administrators | 230 |
| Administrators | 191 |
| Junior Administrators | 80 |
| Support | 40 |

Prior to 1 March 2014, the following rates applied:

| Grade of staff | Charge-out rate (£ per hour) |
|-------------------------------|---|
| Partners (London) | 435 |
| Partners | 320 |
| Directors | 320 |
| Associate Partners | 320 |
| Senior Associates | 300 |
| Senior Managers | 290 |
| Cashier Managers | 290 |
| Human Resource Managers | 290 |
| Managers | 215 |
| Cashiers | 176 |
| Senior Administrators | 176 |
| Human Resource Administrators | 176 |
| Administrators | 100 |
| Junior Administrators | 75 |
| Assistants | 40 |

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.

| Staff Grade | Consultant/Partner | Director | Srct. Mgr | Mngr | Asst Mng | Srct Admin | Admin | Jrct Admin | Support | Total Hours | Time Cost £ | Average hourly rate £ |
|---|---|----------|-----------|------|----------|------------|--------|------------|---------|-------------|-------------|-----------------------|
| General Case Administration and Planning | Case planning | 0.2 | | | | 2.0 | | 1.6 | | 3.8 | 661.00 | 173.95 |
| | Administration | 0.1 | 0.5 | | | 1.1 | 0.4 | | 1.0 | 3.1 | 564.40 | 182.06 |
| Compliance with the Insolvency Act, Rules and best practice | Total for General Case Administration and Planning: | 0.3 | 0.5 | | | 3.1 | 0.4 | 1.6 | 1.0 | 8.9 | 1,225.40 | 177.59 |
| | Appointment | | | | | | | | | | | 0.00 |
| | Banking and Bonding | | | | | 1.4 | 1.7 | | 2.4 | 5.5 | 742.70 | 135.04 |
| | Case Closure | | | | | | | | | | | 0.00 |
| | Statutory reporting and statement of affairs | | | | | 2.7 | | | 0.8 | 3.5 | 653.00 | 186.57 |
| Investigations | Total for Compliance with the Insolvency Act, Rules and best practice | | | | | 4.1 | 1.7 | | 3.2 | 9.0 | 1,395.70 | 155.08 |
| | CDDA and investigations | | | | | | | | | | | 0.00 |
| Realisation of assets | Total for Investigations: | | | | | | | | | | | 0.00 |
| | Debt collection | | | | | | | | | | | 0.00 |
| | Property business and asset sales | | | | | | | | | | | 0.00 |
| | Retention of third/ind party assets | | | | | | | | | | | 0.00 |
| | Total for Realisation of assets: | | | | | | | | | | | 0.00 |
| Trading | Trading | | | | | | | | | | | 0.00 |
| | Total for Trading: | | | | | | | | | | | 0.00 |
| Dealing with all creditors claims (including employees), correspondence and distributions | Secured | | | | | | | | | | | 0.00 |
| | Others | | | | | 0.1 | | | | 0.1 | 23.00 | 230.00 |
| | Creditors committee | | | | | | | | | | | 0.00 |
| Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel | Total for Dealing with all creditors claims (including employees), correspondence and distributions | | | | | 0.1 | | | | 0.1 | 23.00 | 230.00 |
| | Statutory decisions of creditors | | | | | | | | | | | 0.00 |
| | Meetings | | | | | | | | | | | 0.00 |
| | Other | | | | | | | | | | | 0.00 |
| | Tax | | 0.2 | | | 2.6 | 1.4 | | 0.4 | 4.6 | 554.40 | 207.48 |
| | Litigation | | | | | | | | | | | 0.00 |
| | Total for Other matters: | | 0.2 | | | 2.6 | 1.4 | | 0.4 | 4.6 | 684.40 | 207.48 |
| | Total hours by staff grade: | 0.3 | 0.7 | | | 9.9 | 3.5 | 1.6 | 4.6 | 20.5 | | |
| | Total time cost by staff grade: | 108.90 | 235.50 | | | 2,277.00 | 648.50 | 128.00 | 180.00 | 3,598.50 | | |
| | Average hourly rate £: | 365.00 | 338.43 | 0.00 | 0.00 | 230.00 | 181.00 | 80.00 | 38.13 | | 5,000.00 | 174.65 |
| | Total fees drawn to date £ | | | | | | | | | | | |
| | | | | | | | | | | | | |

| Staff Grade | Consultant/Partner | Director | Sr Mngt | Mngt | Asst Mngt | Sr Admin | Admin | Jr Admin | Support | N/A | TOTAL HOURS | Time Cost £ | Average Hourly Rate £ |
|---|--|-----------|---------|----------|-----------|-----------|----------|----------|---------|-----|-------------|-------------|-----------------------|
| General Case Administration and Planning | Case planning | 14.1 | | | | | | | | | 23.7 | 6,596.50 | 266.75 |
| | Administration | 16.7 | 0.7 | 0.6 | | 2.3 | 0.8 | | 1.6 | | 21.9 | 6,824.50 | 311.62 |
| Compliance with the Insolvency Act, Rules and Court Practice | Total for General Case Administration and Planning | 23.8 | 0.7 | 1.3 | | 10.2 | 0.8 | 1.6 | 2.6 | | 47.8 | 13,421.00 | 282.00 |
| | Banking and Bonding | | 0.3 | | | 9.1 | 3.8 | 0.2 | 8.0 | | 22.5 | 3,239.80 | 143.99 |
| Investigations | Case Closure | | | 1.1 | | 0.3 | | | | | 0.3 | 89.00 | 290.00 |
| | Statutory reporting and statement of affairs | 1.5 | | | | 8.1 | 4.0 | | 3.4 | | 17.0 | 3,190.80 | 187.69 |
| Realisation of assets | Total for Compliance with the Insolvency Act, Rules and Court Practice | 1.5 | 6.3 | 1.1 | | 17.5 | 7.8 | 0.2 | 11.8 | | 38.5 | 4,489.60 | 163.31 |
| | GDAs and investigations | 0.8 | | 0.3 | | | | | 0.5 | | 1.6 | 379.50 | 237.19 |
| Trading | Total for Investigations: | 0.8 | | 0.3 | | | | | 0.5 | | 1.6 | 379.50 | 237.19 |
| | Debt collection | 13.4 | 0.3 | 14.6 | | 5.5 | 0.8 | | 8.6 | | 34.2 | 33,306.40 | 224.43 |
| Dealing with all creditors claims (including employees), correspondence and distributions | Property, businesses and asset sales | 2.6 | | | | 1.4 | | | 1.0 | | 4.0 | 1,125.40 | 281.35 |
| | Retention of Title/Third party assets | | | | | | | | | | | | 0.00 |
| Other matters which includes meetings, etc. litigation, pensions and travel | Total for Realisation of assets: | 16.0 | 6.3 | 14.8 | | 6.9 | 0.8 | | 1.0 | | 30.4 | 34,481.80 | 315.72 |
| | Trading | | | | | | | | | | | | 0.00 |
| Creditors committee | Total for Trading: | | | | | | | | | | | | 0.00 |
| | Secured | | | | | 0.2 | | | | | 0.2 | 46.00 | 230.00 |
| Seeking decisions of creditors | Others | 5.3 | | | | 2.8 | | | 2.6 | | 10.7 | 2,403.50 | 224.63 |
| | Creditors committee | | | | | | | | | | | | 0.00 |
| Meetings | Total for Dealing with all creditors claims (including employees), correspondence and distributions: | 8.3 | | | | 3.0 | | | 2.6 | | 10.8 | 2,449.50 | 224.77 |
| | Meetings | | | | | | | | | | | | 0.00 |
| Litigation | Other | | | | | 0.5 | | | | | 0.5 | 115.00 | 230.00 |
| | Tax | 0.2 | 0.2 | 0.5 | | 13.9 | 2.1 | | 0.4 | | 17.3 | 3,548.60 | 205.18 |
| Total hours by staff grade | Litigation | 1.5 | | | | | | | | | 1.5 | 603.00 | 355.00 |
| | Total for Other matters: | 2.6 | 6.3 | 6.5 | | 14.4 | 2.1 | | 0.4 | | 18.6 | 4,287.60 | 217.73 |
| Average hourly rate £ | Total hours by staff grade | 55.4 | 1.5 | 18.6 | | 52.0 | 11.6 | 1.6 | 18.6 | | 20.4 | 283.7 | |
| | Total time cost by staff grade | 19,007.00 | 507.50 | 5,673.00 | | 16,475.00 | 2,196.50 | 144.00 | 732.00 | | 818.00 | 51,481.00 | |
| Total fees drawn to date £ | Average hourly rate £ | 343.09 | 338.33 | 305.00 | 0.00 | 201.44 | 191.90 | 40.00 | 39.57 | | 40.00 | | 237.19 |
| | Total fees drawn to date £ | | | | | | | | | | | 18,750.00 | |

STATEMENT OF 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 | | | | |
| Specific bond | Marsh | 10 00 | 10.00 | - |

The sum of £10 00 has been discharged in respect of the specific bond following the change in liquidator.

CUMULATIVE STATEMENT OF EXPENSES

| Type of expense | Name of party with whom expense incurred | Amount incurred £ |
|-----------------------|---|----------------------|
| Specific bond | Marsh | 274.00 |
| Statement of affairs | The P&A Partnership Limited | 5,000.00 |
| Debt collection costs | CAM | 1,000.00 |
| Agents fees | Charterfields | 35.00 |
| Legal fees | Dean Thomas Solicitors/Irwin Mitchell LLP | 2,500.00 |
| Accountants fees | Streets Chartered Accountants | 17,325.92 |
| Statutory advertising | TMP (UK) Limited | 243.38 |