

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

04106575

Name of Company

Cash Finance Direct (Holdings) Limited t/a Horizon Finance

H We

Gary N Lee, 340 Deansgate, Manchester, M3 4LY

Dean Watson, 340 Deansgate, Manchester, M3 4LY

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 10/04/2015 to 09/04/2016

Signed



Date

25/5/16

Begbies Traynor (Central) LLP
340 Deansgate
Manchester
M3 4LY

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COMPANIES HOUSE

Ref CA451CVL/GNL/DW/JRF/CAH



**Cash Finance Direct (Holdings) Limited
t/a Horizon Finance (In Creditors'
Voluntary Liquidation)**

Progress report

Period: 10 April 2015 to 9 April 2016

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.

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1 INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Cash Finance Direct (Holdings) Limited t/a Horizon Finance (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 10 April 2015
"the liquidators", "we", "our" and "us"	Gary N Lee of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY and Dean Watson of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2 COMPANY INFORMATION

Trading name(s)	Horizon Finance
Company registered number	04106575
Company registered office	340 Deansgate, Manchester, M3 4LY
Former trading address	Floor 7, Dale House, Tivot Dale, Stockport, SK1 1BE

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	10 April 2015
Date of liquidators' appointment	10 April 2015 - Francesca Tackie & Gary N Lee 6 April 2016 - Dean Watson
Changes in liquidator (if any)	On 6 April 2016, a block transfer order ("the Order") was made in the High Court of Justice, Manchester District Registry, number 2340 of 2016, replacing Francesca Tackie with Dean Watson of this firm as Joint Liquidator

4 PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 10 April 2015 to 9 April 2016

Receipts

Secured Assets

Book Debts

The company granted a debenture supported by fixed and floating charges over the company's assets to Bibby Financial Services Limited ("Bibby") which was created on 18 September 2013 and registered at Companies House on 20 September 2013

The company's sale ledger (ie debtor book) was subject to an invoice finance facility with Bibby. As at the date of liquidation the sales ledger totalled £272,609, with Bibby's indebtedness standing at £205,059

Bibby collected in the book debts and recovered their indebtedness from the collections achieved. Under the terms of the invoice finance agreement, collection fees and termination charges were applied to the account by Bibby in the sum of £19,279 plus VAT whilst two remaining book debts totalling £44,059 were re-assigned to the company

Attempts were made to collect the outstanding book debts. One debtor had a contra claim in the sum of £39,326 which was in respect of existing charges and early termination charges and the second debtor had a contra claim in the sum of £38,000. Accordingly no realisations have been achieved from this source

Asset Realisations

Business Equipment & Office Furniture

As per the statement of affairs the business equipment and office furniture had an estimated to realise figure of £2,000

Following the appointment of liquidators' a retention of title claim was received from Elite Telecom in respect of the telephone recording equipment. Our agents confirmed the validity of the claim and accordingly the equipment was collected. All other IT related and electrical equipment was removed by Northern Realisations Limited for data destruction and disposal of the processors

The sum of £494 plus VAT has been realised from the sale some of the office furniture and equipment

Given the age and condition of the remaining equipment and office furniture it was considered that it would not be cost effective to uplift and sell the assets as the costs incurred in the collection, removal and sale of the assets would likely have exceeded realisations

Book Debts (Commissions)

As per the statement of affairs the company has outstanding commissions due from various lenders and the book value was detailed as being uncertain

Due to deficiencies with the company records it did not prove possible to quantify the level of commissions due and therefore no realisations arose from this source

Cash Held by Begbies Traynor

The cash held by Begbies Traynor in the sum of £17,000 represents funds transferred from the company bank accounts held with the Royal Bank of Scotland Plc at the date of liquidation

Cash at Bank

The total sum of £1,189 was received from The Royal Bank of Scotland Plc in relation to the credit balance held in the company's bank account

Bank Interest Gross

During the course of the liquidation the funds have been placed in interest bearing accounts and the sum of £19 has been received in respect of gross interest

Payments

Specific Bond

The sum of £68 plus VAT was reimbursed to Begbies Traynor (Central) LLP in respect of the specific bond obtained via AUA Insolvency Risk Services to insure the sums received

Statement of Affairs Fee

The sum of £10,000 plus VAT was paid to Begbies Traynor (Central) LLP in respect of the statement of affairs and pre appointment time in assisting the director to convene the meetings of members and creditors

Travel Expenses

The sum of £67 plus VAT was reimbursed to Begbies Traynor (Central) LLP in respect of travel costs incurred during the course of the appointment

Company Search

The sum of £6 plus VAT was reimbursed to Begbies Traynor (Central) LLP in respect of the costs of company searches obtained from Companies House

Agents/ Valuers Fees

The sum of £2,000 plus VAT was paid to Eddisons Commercial Limited ("Eddisons") in respect of the valuation and sale of the company's assets. Eddisons provided advice in relation to data destruction and supervised the removal of the company's IT equipment for disposal. Eddisons also provided assistance in relation to a retention of title claim and supervised the release of the assets, which comprised of servers and telecommunications equipment.

IT Assistance Fee

The sum of £100 was paid to the company's former IT manager in relation to assistance with taking a back up of the company's computerised records.

Storage Costs

The sum of £55 plus VAT was reimbursed to Begbies Traynor (Central) in respect of the storage costs paid to Restore PLC in respect of storage of the company's books and records.

Re-Direction of Mail

The sum of £320 was paid to Royal Mail Group in respect of the redirection of the company's mail.

Statutory Advertising

The sum of £254 plus VAT was paid out to an external advertising agency, Courts Advertising Limited, relating to the placement of statutory notices in The London Gazette.

5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the director's statement of affairs) are as follows:

Secured creditors

The company granted a debenture supported by fixed and floating charges over the company's assets to Bibby Financial Services Limited ("Bibby") which was created on 18 September 2013 and registered at Companies House on 20 September 2013.

The company's book debts have now been collected and the outstanding balance due to Bibby were been paid from realisations.

Preferential creditors

Preferential claims for 124 employees' arrears of wages, salary and holiday pay were estimated at £126,635 and we have received a claim from the Redundancy Payments Service in the total sum of £93,992.

Unsecured creditors

Unsecured creditors were estimated at £962,159 and we have received claims in the total sum of £1,046,659.

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

Secured creditors

The company's book debts have now been collected and the outstanding balance due to Bibby has been paid in full from the realisations

Preferential creditors

There are insufficient funds to pay a dividend to the preferential creditors as the balance of funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation

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

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows

- ☐ 50% of the first £10,000 of net property,
- ☐ 20% of net property thereafter,
- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

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

Unsecured creditors

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

6. REMUNERATION & DISBURSEMENTS

Remuneration

Our remuneration has been fixed by the a resolution of creditors at the meeting held pursuant to Section 98 of the Act 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 (Central) 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, details of

which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report

Our time costs for the period from 10 April 2015 to 9 April 2016 amount to £61,182 which represents 340 hours at an average rate of £180 per hour

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

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 10 April 2015 to 9 April 2016
- ☐ Begbies Traynor (Central) LLP's charging policy

To 9 April 2016, we have not drawn any fees on account of our remuneration, against total time costs of £61,181 incurred since the date of our appointment

Disbursements

To 9 April 2016, we have also drawn disbursements in the sum of £127

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been taken in accordance with the approval obtained are provided in the narrative summary of time costs incurred which is at Appendix 2

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2015' 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

Book Debts (Commissions)

As per the statement of affairs the company has outstanding commissions due from various lenders and the book value was detailed as being uncertain

Due to deficiencies with the company records it did not prove possible to quantify the level of commissions due therefore no realisations arose from this source

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, as explained in the report circulated at the meeting of creditors convened pursuant to Section 98 of the Act, such report having also been sent to creditors following the meeting, 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 Innovation and Skills
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

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 4.49E 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 detailed in this progress report

Right to make an application to court

Pursuant to Rule 4.131 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 as set out in 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



Gary Lee
Joint Liquidator

Dated 25 May 2016

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 10 April 2015 to 9 April 2016

**Cash Finance Direct (Holdings) Limited t/a Horizon Finance
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments
To 09/04/2016**

S of A £		£	£
258,979 00	SECURED ASSETS		
	Book Debts	NIL	NIL
(205,059 00)	SECURED CREDITORS		
	Bibby Financial Services Limited	NIL	NIL
	ASSET REALISATIONS		
2,000 00	Business Equipment & Office Furniture	494 00	
Uncertain	Book Debts (Commissions)	NIL	
17,000 00	Cash Held by Begbies Traynor	17,000 00	
1,128 00	Cash at Bank	1,189 34	
	Bank Interest Gross	19 13	
			18,702 47
	COST OF REALISATIONS		
	Specific Bond	67 50	
	Statement of Affairs Fee	10,000 00	
	Travel Expenses	67 10	
	Company Search	6 00	
	Agents/Valuers Fees (1)	2,000 00	
	IT Assistance Fee	100 00	
	Storage Costs	55 20	
	Re-Direction of Mail	320 00	
	Statutory Advertising	253 80	
			(12,869 60)
(129,635 00)	PREFERENTIAL CREDITORS		
	RPO re Arrears/Holiday Pay	NIL	NIL
	UNSECURED CREDITORS		
(110,169 96)	Trade Creditors	NIL	
(249,145 16)	Employees (Redundancy/PILON)	NIL	
Uncertain	Customer Refunds	NIL	
(406,419 00)	HMRC (PAYE)	NIL	
(196,425 00)	HMRC (VAT)	NIL	
			NIL
(1,000 00)	DISTRIBUTIONS		
	Ordinary Shareholders	NIL	NIL
(1,018,746 12)			5,832 87
	REPRESENTED BY		
	Vat Receivable		2,039 16
	Bank 1 Current		3,492 51
	Vat Control Account		301 20
			5,832 87

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's charging policy,
- b Narrative summary of time costs incurred, and
- c Table of time spent and charge-out value for the period from 10 April 2015 to 9 April 2016

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

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

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

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

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

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

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

Best practice guidance classifies expenses into two broad categories:

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

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

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) 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 relates,

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

² *Ibid* 1

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

Services provided by an entity within the Begbies Traynor group

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

Eddisons Commercial Limited - Fixed fee up to £3,000 plus VAT and disbursements for services rendered in relation to valuation and disposal advice and assistance with the company's assets

- (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 Manchester office as at the date of this report are as follows

	Standard 1 May 2011 – until further notice Regional
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

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

Time is recorded in 6 minute units.

The office holder may use the services of BTG Corporate Finance LLP during the course of the liquidation. BTG Corporate Finance is a specialist department of the Begbies Traynor Group of Companies which provides corporate finance services. The current charge out rates applying to work carried out by BTG Corporate Finance LLP are as follows

	Charge-out Rate (£ per hour)
Partner 1 - Corporate Finance	400
Director - Corporate Finance	300
Executive - Corporate Finance	150
Administrator	135

The office holder may use the services of BTG Forensic during the course of the liquidation. BTG Forensic is a specialist department of the office holder's firm which provides forensic accounting services. The current charge out rates applying to work carried out by BTG Forensic are as follows:

Grade of staff	Charge-out Rate (£ per hour)
Partner	395
Director	345
Senior Manager	310
Manager	265
Investigator	110

Cash Finance Direct (Holdings) Limited t/a Horizon Finance

SUMMARY OF TIME COSTS AND EXPENSES

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

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

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

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

General case administration and planning

Insolvency Practitioners are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Time charged to "General Case Administration and Planning" in the period covered by this report will include work of this nature, together with sundry tasks such as filing and photocopying. A considerable amount of time has been charged to the collection of the company's records from the trading premises in order to ensure compliance with data protection requirements.

Compliance with the Insolvency Act, Rules and best practice

Insolvency Practitioners are required to comply with the provisions of The Insolvency Act 1986 (as amended) and The Insolvency Rules 1986 (as amended), together with best practice guidelines laid down within the profession (for instance the Statements of Insolvency Practice set out by the R3 body which represents business recovery professionals). This includes the undertaking of periodic reviews of case progression, ensuring that a specific bond is in place at the correct value to insure the sums realised and the issuing of periodic reports on the progress of the insolvency to creditors.

Time charged to "Compliance with the Insolvency Act, Rules and Best Practice" in the period covered by this report includes the undertaking of these tasks, including issuing notice of appointment to creditors, ensuring the specific bond is in place and regularly reviewing this and undertaking case reviews. Time charged also includes liaising with the regulatory bodies and deregistering the company's interim permissions with the Financial Conduct Authority.

Investigations

Insolvency Practitioners are required, in accordance with the provisions of Statement of Insolvency Practice 2, to carry out investigations into the conduct of business by the director or directors of an insolvent company to the extent that it is proportional and in the interests of creditors. This will include a review of the books and records of an insolvent company, an investigation into the causes of the failure of an insolvent company and an assessment of whether there have been any transactions (or similar dispositions) that would result in the formulation and quantification of a civil claim against any party.

When seeking specific redress from the beneficiaries of a transaction which was not entered into in the best interests of an insolvency company or its creditors, an insolvency practitioner will need to consider the likelihood of any action being successful (i.e. does the practitioner have sufficient evidence in support of the claim or is it considered that a satisfactory defence will be able to be put forward by the respondent) and whether the action is financially viable (i.e. is the proposed action strong enough for a solicitor to act on a Conditional Fee Agreement (or "no win no fee") basis, will the costs of taking action likely outweigh any benefits to creditors)

Time charged to "Investigations" in the period covered by this report will include statutory investigations. Time charged to investigations also includes liaising with Phonepay Plus in respect of their investigations.

Realisation of assets

The primary duty of an Insolvency Practitioner is to identify and to realise the value of an insolvent company's property for the benefit of creditors.

The time charged to "Realisation of Assets" in the period covered by this report relates to work undertaken in relation to the sale of the office equipment and requesting the cash at bank. Time charged also relates to attempts made to collect the company book debts.

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

Insolvency Practitioners will need to deal with the claims of creditors during the course of their time in office, which will include the recording of those claims together with the provision of ad hoc updates to creditors and dealing with general queries from those creditors. When funds allow, the Insolvency Practitioner will make distributions to creditors in accordance with the specified order of priority governing secured claims, preferential claims and unsecured claims.

Time charged to "Dealing with All Creditors' Claims, Correspondence and Distributions" in the period covered by this report relates to correspondence exchanged with the creditors of the Company, specifically the provision of updates regarding case matters. A significant amount of time was spent dealing with creditors who were due to receive refunds from the company and liaising with the Financial Ombudsman regarding this matter. A significant amount of time was also spent dealing with claims received from 124 employees.

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

In addition to the above categories, Insolvency Practitioners will also have to attend meetings when applicable (whether this be with directors, the respondents in any potential recovery action commenced in the course of the insolvency, solicitors, creditors or other interested party), tend to an insolvent company's pre and post insolvency tax affairs (including the submission of annual corporation tax returns and periodic VAT returns), enter into litigation in conjunction with appointed solicitors (usually applicable in instances where investigations have quantified a civil action that was unable to be settled directly between the Insolvency Practitioner and the respondent), deal with the winding up of a company pension scheme (where applicable) and undertake travel when applicable (for instance to attend meetings incidental to the progression of the insolvency).

Time charged to "Other Matters" in this period primarily includes time spent meeting with the director and dealing with post liquidation VAT and Corporation Tax matters. Time was also charged to dealing with pension matters including the completion of form RP15 concerning unpaid pension contributions.

Time Costs Analysis

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

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

Work undertaken prior to appointment

In addition to the post appointment time costs detailed in the Time Costs Analysis, the costs relating to work undertaken prior to our appointment in summoning, advertising and holding the creditors' meeting and assisting the directors in preparing the statement of affairs were approved by the creditors at the Section 98 meeting

Expenses

Details of all of the expenses incurred in the period of this report and also since the date of our appointment are attached at appendix 3

Category 2 Disbursements

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

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage (travel expenses incurred in the course of the liquidation)	67
TOTAL	67

Disbursements treated as Category 2 disbursements

Other amounts paid or payable to any party in which the office holder or his firm or any associate has an interest	
Type and purpose	Amount £
Eddisons Commercial Limited which is a member of the Begbies Traynor group, has provided agent services in respect of the valuation and sale of the company's assets Providing advice and making arrangements for data destruction, providing staff to supervise removal of IT equipment for data destruction and disposal Dealing with the retention of title claim and supervising	2,000 Plus VAT

release of the servers and telecommunications equipment	
TOTAL	2,000 Plus VAT

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

Future time charged to "General Case Administration and Planning" will continue to include the maintenance of records incidental to the case, together with sundry tasks such as filing and photocopying

Compliance with the Insolvency Act, Rules and best practice

Future time charged to "Compliance with the Insolvency Act, Rules and Best Practice" will principally include the preparation and issuing of the final progress reports and also the periodic review of case strategy and bond levels

Investigations

It is not anticipated that any time will need to be charged to "Investigations"

Realisation of assets

It is not anticipated that any time will need to be charged to "Realisation of Assets"

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

The level of future time charged to "Dealing with All Creditor Claims " will include any correspondence exchanged with the creditors and employees of the Company

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

Future time charged to "Other Matters " will principally relate to continued compliance with the Company's post liquidation VAT and Corporation Tax filing responsibilities

How much will this further work cost?

It is anticipated that future time costs will total approximately £2,000

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

Miscellaneous Disbursements

I anticipate further costs being incurred in respect of statutory advertising (estimated at 1 further adverts placed in The London Gazette at a cost of £85 plus VAT per advert), in respect of the ongoing costs of the Company's books and records (at a cost of 20 pence per month), and in respect of the future costs of storing our case files and the Company's books and records following the eventual closure of the liquidation (estimated at £446 plus VAT)

Staff Grade	Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	32.9				0.9	12.2				46.0	15,315.00	332.93
Administration					8.9	68.9			28.1	103.9	15,218.00	148.47
Total for General Case Administration and Planning	32.9				9.8	79.1			28.1	149.9	30,533.00	203.69
Compliance with the Insolvency Act: Rules and best practice	1.0					13.0				14.0	2,670.00	190.71
Banking and Bonding					0.1	0.5			4.9	5.5	647.00	117.64
Case Closure												0.00
Statutory reporting and statement of affairs	0.4				0.8					1.2	322.00	268.33
Total for Compliance with the Insolvency Act: Rules and best practice	1.4				0.9	13.5			4.9	20.7	3,639.00	175.60
Investigations	9.6			0.4	1.0	22.1			34.0	67.1	10,010.50	149.19
CODA and Investigations				0.4	1.0	22.1			34.0	67.1	10,010.50	149.19
Total for Investigations	9.6											
Realisation of assets	0.3				0.2	3.6				4.1	789.50	192.56
Debt collection												
Property business and asset sales					0.3					0.3	61.50	205.00
Retention of Title/Third party assets					0.5					0.5	102.50	205.00
Total for Realisation of assets	0.3				1.0	3.6				4.9	953.50	194.59
Trading												0.00
Total for Trading												0.00
Dealing with all creditors claims (including employees) correspondence and distributions												0.00
Secured												
Others	6.1				5.6	45.0			25.6	82.3	12,968.50	157.58
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees) correspondence and distributions	6.1				5.6	45.0			25.6	82.3	12,968.50	157.58
Other matters which includes meetings tax litigation pensions and travel	1.5									1.5	592.50	395.00
Meetings												
Other					2.9	6.6				9.5	1,749.50	184.16
Tax						4.2				4.2	735.00	175.00
Legation												0.00
Total for Other matters	1.5				2.9	10.8				15.2	3,077.00	202.43
Total hours by staff grade	51.8		0.4		21.2	174.1			92.6	340.1		
Total time cost by staff grade	20,461.00		106.00		4,346.00	30,467.50			5,801.00		61,181.50	
Average hourly rate £	395.00	0.00	0.00	265.00	205.00	175.00	0.00	0.00	82.65			179.89
Total fees drawn to date £											0.00	

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	AUA Insolvency Risk	68	68	Nil
Company Search	Companies House	6	6	Nil
IT Assistance Fee	Mr Kayani	100	100	Nil
Storage Costs	Restore Plc	95	55	40
Re-Direction of Mail	Royal Mail	320	320	Nil
Statutory Advertising	Courts Advertising	254	254	Nil
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>)				
Agent Fees	Eddisons Limited	2,000	2,000	Nil