

LIQ03

Notice of progress report in voluntary winding up



Companies House

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

1 Company details

Company number 0 4 4 4 1 3 8 2

Company name in full Magic Hat Solutions Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Andrew

Surname Davenport

3 Liquidator's address

Building name/number Maxim

Street Omega Court

358 Cemetery Road

Post town Sheffield

County/Region South Yorkshire

Postcode S 1 1 8 F T

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

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

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 1	^d 1	^m 1	^m 0	^y 2	^y 0	^y 2	^y 1
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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 **Jonathan Cutts**

Company name **Maxim**

Address **Omega Court**

358 Cemetery Road

Post town **Sheffield**

County/Region **South Yorkshire**

Postcode

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Country

DX

Telephone **0114 349 6927**

**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

**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.

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

Magic Hat Solutions Limited (in Creditors' Voluntary Liquidation)

Progress report pursuant to Section 104A of the
Insolvency Act 1986 and Rule 18.3 of the
Insolvency Rules 2016

Period: 7 October 2020 to 6 October 2021

Important Notice

This progress report has been produced solely to comply with my 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"	Magic Hat Solutions Limited (in Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of a liquidator on 7 October 2019 via the deemed consent procedure
"the Liquidator"	Andrew Davenport of Maxim, Omega Court, 358 Cemetery Road, Sheffield S11 8FT
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 2016 (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"	<ul style="list-style-type: none">(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):	Magic Hat Solutions Limited
Company registered number:	04441382
Company registered office:	c/o Maxim, Omega Court, 358 Cemetery Road, Sheffield S11 8FT
Former trading address:	12 Cobcar Street, Elsecar, Barnsley, South Yorkshire S74 8DA

3. DETAILS OF APPOINTMENT OF THE LIQUIDATOR

Date winding up commenced:	7 October 2019
Date of liquidator's appointment:	7 October 2019
Changes in liquidator (if any):	N/a

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is my abstract of receipts and payments for the period from 7 October 2020 to 6 October 2021. I can confirm that I have reconciled the account against the financial records that I am required to maintain.

Receipts

- **Director's Loan Account**

An amount of £2,436.06 was received from the Supervisor of the IVA of Nicholas Talbot, the director of the Company, in relation to the Company's claim of £97,442.29 in respect of Mr Talbot's overdrawn director's loan account. This represented a dividend to Mr Talbot's creditors of 2.5 pence in the £.

- **Bank Interest**

Bank interest of £1.52 has been earned on the funds held.

Payments

No payments were made from the liquidation estate during the period of this report.

I can confirm that no Liquidation Committee was formed during the period of this report.

5. ESTIMATED OUTCOME FOR CREDITORS

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

Secured creditors

There are no secured creditors.

Preferential creditors

There are no preferential creditors.

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

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no current charges over its assets.

Legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case there were no creditors secured by a floating charge such that the prescribed part provisions do not apply.

Unsecured creditors

Unsecured creditors were estimated at £51,428.37.

Based upon realisations to date and estimated future realisations, it is uncertain whether there will be sufficient funds available to enable a dividend to be paid to unsecured creditors.

6. REMUNERATION & EXPENSES

The following resolutions by correspondence were passed by creditors, on 16 December 2020, in relation to my remuneration and expenses:

1. THAT the Liquidator be authorised to pay £3,500.00 plus disbursements, plus VAT, to Maxim for assisting in the preparation of the Statement of Affairs and the deemed consent procedure used to appoint a Liquidator.
2. THAT the Liquidator's remuneration be fixed by reference to the time properly given by him (as Liquidator) and the various grades of his staff calculated at the prevailing hourly charge-out rates of Maxim for attending to matters arising in the winding up.*
3. THAT the Liquidator be authorised to draw disbursements, including disbursements for services provided by his firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with his firm's policy.

* This was based on a fees estimate of £42,458.00.

My time costs for the period 7 October 2020 to 6 October 2021 amount to £4,496.50 which represents 16.20 hours at an average rate of £277.56 per hour.

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

- ☐ Narrative summary of office holder's time costs and expenses,
- ☐ Table of time spent and charge-out value for the period 7 October 2020 to 6 October 2021,
- ☐ Table of time spent and charge-out value for the period 7 October 2019 to 6 October 2020,
- ☐ Table of time spent and charge-out value for the period 7 October 2019 to 6 October 2021,
- ☐ Maxim's charging policy.

I have not drawn any funds in respect of my remuneration or expenses during the period of this report.

In addition to the table of time spent by me and my staff in attending to matters arising during the period covered by this progress report, a table of time spent and charge out value for the period from 7 October 2019 to 6 October 2020, along with a description of the work undertaken by me and my staff during this period (contained in the narrative summary of time costs incurred) is attached at Appendix 2. My time costs for the period from 7 October 2019 to 6 October 2020 amount to £14,731.50, which represents 50.10 hours at an average rate of £294.04. Also attached at Appendix 2 is a table of time spent and charge out value for the period from 7 October 2019 to 6 October 2021. My time costs for the period from 7 October 2019 to 6 October 2021 amount to 19,228.00, which represents 66.30 hours at an average rate of £290.02 per hour.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at www.maximrecovery.co.uk/resources/creditor-guides. There are different versions of these Guidance Notes, and in this case please refer to the most recent version.

7. LIQUIDATOR'S EXPENSES

No expenses have been incurred during the period of this progress report.

8. ASSETS THAT REMAIN TO BE REALISED AND OTHER MATTERS TO BE DEALT WITH

As reported to creditors under cover of my first progress report, Mr Talbot, the director of the Company, entered an Individual Voluntary Arrangement ("IVA") on 3 January 2020 and I submitted an unsecured claim of £97,442.29 to his Supervisor. This claim was in relation to Mr Talbot's overdrawn director's loan account.

It is estimated that Mr Talbot's IVA will provide a return to his creditors of 30.1 pence in the £. Based upon the Company's claim in Mr Talbot's IVA, this will result in the sum of £29,330.12 being payable to the Company. A first dividend payment of £2,436.06 was received in this regard on 6 May 2021. This payment represented a first dividend of 2.5 pence in the £ to Mr Talbot's creditors.

I anticipate that I shall be in receipt of a second dividend payment in May 2022, however the quantum is presently uncertain.

It is anticipated that dividend payments will be received annually thereafter, over the course of the next 3-4 years. Consequently, I will not be in a position to conclude the winding up process until the IVA has concluded.

9. OTHER RELEVANT INFORMATION

Investigations carried out during the period

No investigations have been carried out during the period of this progress report.

Connected party transactions

No connected party transactions have taken place during the period of this progress report.

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 I provide further information about my remuneration or expenses which have been detailed in 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 as set out in this progress report are excessive or, the basis fixed for my remuneration is inappropriate.

11. CONCLUSION

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



Andrew Davenport
Liquidator

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 7 October 2020 to 6 October 2021

Magic Hat Solutions Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 07/10/2020 To 06/10/2021	From 07/10/2019 To 06/10/2021
	ASSET REALISATIONS		
950.00	Office Equipment	NIL	1,500.00
	Book Debts	NIL	9,501.03
4,178.00	Cash in Client Account	NIL	4,178.97
Uncertain	Director's Loan Account	2,436.06	2,436.06
	Bank Interest	1.52	10.30
		<u>2,437.58</u>	<u>17,626.36</u>
	COST OF REALISATIONS		
	Solicitor's Costs	NIL	1,055.00
	Statutory Advertising	NIL	147.10
		<u>NIL</u>	<u>(1,202.10)</u>
	UNSECURED CREDITORS		
(29,951.00)	Trade & Expense Creditors	NIL	NIL
(717.00)	HM Revenue & Customs (PAYE/NIC)	NIL	NIL
(5,000.00)	HM Revenue & Customs (VAT)	NIL	NIL
(15,761.00)	HM Revenue & Customs (Corp Tax)	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(46,303.00)</u>		<u>2,437.58</u>	<u>16,424.26</u>
	REPRESENTED BY		
	Vat Receivable		240.42
	Bank 1 Current		16,483.84
	Vat Payable		(300.00)
			<u>16,424.26</u>

TIME COSTS AND EXPENSES

- a. Narrative Summary of office holder's time costs and expenses,
- b. Table of time spent and charge-out value for the period from 7 October 2020 to 6 October 2021,
- c. Table of time spent and charge-out value for the period from 7 October 2019 to 6 October 2020,
- d. Table of time spent and charge-out value for the period from 7 October 2019 to 6 October 2021,
- e. Maxim's charging policy.

Magic Hat Solutions Limited - in Creditors' Voluntary Liquidation

NARRATIVE SUMMARY OF OFFICE HOLDERS' TIME COSTS & 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 my fees to consider the level of my fees and expenses in the context of the case.

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

Pre-appointment fees

The payment of any reasonable and necessary expenses incurred in connection with preparing a Statement of Affairs of the Company and seeking a decision from creditors on the nomination of a Liquidator can be made out of the Company's assets as an expense of the liquidation. However, where the payment is to be made to the Liquidator, or an associate of the Liquidator, the approval of the creditors is required.

Prior to the liquidation, Maxim had obtained information about the Company's affairs from the director, along with information about creditors of the Company, and entered it in our case management system to enable documents relating to the proposed liquidation be issued. Maxim also assisted the director in the preparation of the report creditors and preparation of the Statement of Affairs. It was necessary to undertake this work in order to comply with statutory requirements and required practice when placing the Company into liquidation.

I sought a fixed fee for this work (£3,500) and the amount sought derived from both the time costs of similar work that Maxim have done in the past in dealing with previous cases of this nature and complexity, and informal comparisons with the sort of fee charged for similar work by other insolvency practitioners. I considered that this represented a fair and reasonable reflection of the work which had been undertaken and reflected the complexity of the case. The director of the Company agreed to fund part of this fee due to there being insufficient Company assets to do so. My fee for this work has been paid, however, I have yet to draw it.

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?

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

Administration & Planning

This represents the work involved in the routine administrative functions of the case by my staff and I. It does not give a direct financial benefit to creditors, but it is work that I am required to undertake to meet my requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow. A summary of the work carried out under this category, during the period of this progress report, includes the following:

- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the office holder's estate bank account.
- Maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.

- Overseeing and controlling the work done on the case carried out by my staff.
- Filing documents at Companies House.
- Filing an annual corporation tax return with HMRC.

All work undertaken in respect of general case administration was conducted in compliance with the Insolvency Act, Rules and best practice. All time spent in conducting the administration of the case was proportionate to the complexity of the case. In this instance, there were no exceptional issues to be dealt with regard to the case administration.

A summary of the work carried out under this category, during the period covered by my first progress report (7 October 2019 to 6 October 2020), includes the following:

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up a physical case file.
- Setting up the case on the practice's electronic case management system and entering data.
- Obtaining a specific penalty bond.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case carried out by my staff.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Filing documents at Companies House.

Creditors

During the period of this report, I have carried out the following work:

Progress reports – I prepared and issued a first progress report to creditors on 25 November 2020.

Resolutions by correspondence - A report was sent to creditors on 25 November 2020, in order for me to obtain approval of the basis of my fees, along with obtaining authorisation to draw disbursements (including category 2 disbursements). These resolutions were approved by creditors via correspondence on 16 December 2020.

During the period covered by my first progress report, I carried out the following work:

Unsecured creditors – I maintained up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. I have also dealt with correspondence and queries received from creditors regarding their claims and dividend prospects as they were received. I was required to undertake this work as part of my statutory functions.

Investigations

No investigations were carried out during the period of this progress report.

During the period of my first progress report, I carried out investigations into the Company's affairs in order to ensure that all assets of the Company have been identified and appropriately dealt with. My initial assessment as to whether there could be any matters that could lead to any recoveries for the estate led to me investigating the following matters:

The Company's most recent financial statements (y/e 31 August 2017) detailed that the Company owned a fixed asset in the amount of £12,221.00. Nicholas Talbot confirmed to me that this was in relation to a domain name owned by the Company (findthebestroute.com). See 'Realisation of assets' section below for further details.

The Company held 100% of the shares in Speedy Route Limited. I was informed by the director of the Company, Nicholas Talbot, that this wholly owned subsidiary had been sold to Talbot Industries Limited, an associated company, for £100.00, shortly prior to the commencement of the liquidation process. After fully investigating this transaction, I concluded that the Company had not suffered any loss from it as Speedy Route Limited as a whole had no value at the time of the transaction, nor did it have any value in the subsequent period running up to the date it was dissolved by Mr Talbot (6 October 2020).

As at the date of the most recent financial statements filed by the Company (31 August 2017), Mr Talbot had an overdrawn director's loan account of £46,341.00. I reviewed the Company's bank statements and established that the loan account had increased to £239,730.39 as at the date of liquidation. After informing Mr Talbot of the position concerning his loan account, he instructed the Company's former accountants to compile overdue financial statements for the years ending 31 August 2018 and 31 August 2019. These were completed in February 2020 and provided to me. Using both the balance sheet figure as at 31 August 2019 and bank transactions running from this date until the date of liquidation, I was able to establish that the overdrawn director's loan account was £97,442.29. See 'Realisation of assets' section below for further details.

I also undertook investigations into the conduct of the Company's director and submitted a report to the Secretary of State (formerly Department for Business, Energy and Industrial Strategy ("BEIS")). Although this work did not provide any financial benefit to creditors, it is work I was required to undertake to be satisfied that all assets have been disclosed by the director of the Company and to also ensure that I complied with my statutory obligations under the Company Directors Disqualification Act 1986 ("CDDA 86").

Realisation of assets

The only asset realised during the period of this progress report was in relation to Mr Talbot's overdrawn director's loan account. An amount of £2,436.06 was realised in this regard, along with bank interest of £1.52, as detailed in the attached abstract of receipts and payments. Further details are provided below.

As previously advised to creditors, Mr Talbot entered an Individual Voluntary Arrangement ("IVA") on 3 January 2020 and I submitted an unsecured claim of £97,442.29 to his Supervisor in relation to Mr Talbot's overdrawn director's loan account. An amount of £2,436.06 was received by me from Mr Talbot's Supervisor on 6 May 2021. This payment represented a first dividend of 2.5 pence in the £. Time was spent on liaising with the Supervisor of the IVA in relation to this first payment, which included obtaining regular updates from the Supervisor as to the progression of Mr Talbot's Arrangement.

Further to my instruction to BPI Asset Advisory, a professional firm of valuers and auctioneers (RICS qualified surveyors), to market and sell the domain name; findthebestroute.com, time was spent on liaising with them in relation to whether any interest had been generated regarding this asset. Despite marketing the domain name for a number of months, no interest was generated and BPI Asset Advisory advised me in September 2021 that they no longer considered there being any merit in continuing to market the domain name. Consequently, I informed BPI Asset Advisory to cease their marketing efforts in this regard.

During the period of my first progress report, the assets I have dealt with comprised office equipment, book debts and cash in a client account. Funds totalling £15,180.00 were realised in respect of these assets, along with bank interest of £10.30. Further details are provided below:

It was anticipated on the Statement of Affairs that funds totalling £950.00 would be realised in respect of the Company's office equipment. An offer of £1,500.00 was received from Talbot Industries Limited, an associated company, in respect of the office equipment. After seeking advice from BPI Asset Advisory, and in the absence of any other interested parties, I deemed the offer to be acceptable. Funds of £1,500.00 were subsequently received, this being higher than previously anticipated.

I received an amount of £9,501.03 from Santander Bank plc in respect of a book debt that was paid into the Company's bank account shortly prior to my appointment as liquidator. As the bank was overdrawn, the director of the Company made a request to the bank to reject this payment and the bank confirmed this request would be actioned. However, the bank allowed the payment to go into the overdrawn account and I had to request the funds back from them following my appointment. I had to instruct MD Law LLP, a local firm of solicitors, to act on my behalf in order to realise these funds from Santander Bank plc. A significant amount of time was spent in dealing with this matter.

Funds totalling £4,178.97 were transferred from the Company's bank account to a client account administered by my firm, Maxim, prior to liquidation. These funds were subsequently transferred to the case account upon my appointment as Liquidator.

In relation to the director's overdrawn loan account, I submitted an unsecured claim of £97,442.29 to the Supervisor of Mr Talbot's IVA. It was estimated that an overall dividend of 30.1 pence in the pound would be paid to Mr Talbot's unsecured creditors, via annual dividends, over a period of 5 years.

I instructed BPI Asset Advisory to market and sell the domain name; findthebestroute.com on behalf of the Company.

Time Costs Analyses

An analysis of time costs for the period of 7 October 2020 to 6 October 2021 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.

Analyses of time costs for the periods of 7 October 2019 to 6 October 2020 and 7 October 2019 to 6 October 2021 are 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.

Expenses

I have not incurred any expenses during the period of this progress report.

Details of all the expenses incurred during the period of my first progress report are as follows:

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Postage	Royal Mail	19.30	0.00	19.30
Bonding	Marsh Limited	190.00	0.00	190.00

Solicitor's Costs	MD Law LLP	1,055.00	1,055.00	0.00
Statutory Advertising	Gazette Direct	147.10	147.10	0.00
Category 2 expenses (for further details see Maxim's charging policy)				
Stationery & Copies	Maxim	63.00	0.00	63.00

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

Administration & Planning

The continued administration of the case is required up until conclusion. This includes ensuring that any work undertaken is conducted in compliance with The Insolvency Act, Rules and best practice. While not providing any financial benefit to creditors, this work is necessary in order to ensure the orderly and efficient winding up of the Company. This will include:

- General administration of the case (including filing and photocopying),
- Dealing with the Company's tax affairs, including obtaining tax clearance and making final returns to HM Revenue & Customs in relation to corporation tax, VAT and PAYE/NIC prior to the closure of the case,
- Updating final checklists (computerised and manual),
- Final case review,
- Closing computerised system,
- Submitting forms to Companies House,
- Closing bank account,
- Releasing bonding.

It is estimated that the time costs for completing the above work will be £8,119.00. This represents 29.20 hours at an average hourly charge out rate of £278.04.

Creditors

The following work will be required under this category:

- Dealing with creditor communications and other matters throughout the course of the liquidation;
- Preparation of progress reports as and when they fall due.
- Preparation of my final account to creditors.

While not providing any financial benefit to creditors, the remaining work to be carried out is necessary to ensure that the winding up is concluded in an orderly and efficient manner and to ensure compliance with the Insolvency Act, Rules and best practice.

It is estimated that the time costs for completing the above work will be £4,255.00. This represents 15.70 hours at an average hourly charge out rate of £271.01.

Realisation of Assets

Further dividend payments totalling an estimated 27.6 pence in the £ are due to be provided from Mr Talbot's IVA over the course of the next 45 months. I shall therefore liaise with Mr Talbot's IVA Supervisor regarding these dividends. It is anticipated that a second dividend will be paid in May 2022.

It is estimated that the time costs for completing the above work will be £3,220.00. This represents 12.00 hours at an average hourly charge out rate of £268.33.

Expenses

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

Type of expense	Name of party with whom expense incurred	Amount £
Bonding	Marsh Limited	240.00

Bonding costs are only expected to be incurred should Mr Talbot's IVA be successful and all anticipated monies are received into the liquidation estate.

Information in relation to Fees Estimate and anticipated Liquidator's remuneration

		£
Total time costs to date (see Time Costs Analysis)	-	19,228.00
Estimate future time costs (see above)	-	15,594.00
Total time costs		<u>34,822.00</u>

As detailed above, the total cost of the time spent by me and my staff in attending to all matters arising in the winding-up is estimated to be £34,822.00. My remuneration was approved on a time costs basis after providing creditors with a fees estimate of £42,458.00. Consequently, I do not intend to put forward a revised fees estimate to creditors.

Time Entry - SLP9 Time & Cost Summary

MAG001 - Magic Hat Solutions Limited
Project Code: POST
From: 07/10/2019 To: 06/10/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Senior Manager	Senior Administrator	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	11.40	8.20	0.00	0.00	0.00	0.00	19.60	5,819.00	296.89
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	2.70	5.70	0.00	0.00	0.00	0.00	8.40	2,242.50	266.96
Investigations	5.80	11.30	0.00	0.00	0.00	0.00	17.10	4,600.00	269.01
Realisation of Assets	14.70	6.50	0.00	0.00	0.00	0.00	21.20	6,566.50	309.74
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	34.60	31.70	0.00	0.00	0.00	0.00	66.30	19,228.00	290.02

Time Entry - SIP9 Time & Cost Summary

MAG001 - Magic Hat Solutions Limited
Project Code: POST
From: 07/10/2019 To: 06/10/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Senior Manager	Senior Administrator	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	8.00	5.00	0.00	0.00	0.00	0.00	13.00	3,910.00	300.77
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.20	0.20	0.00	0.00	0.00	0.00	0.40	115.00	287.50
Investigations	5.80	11.30	0.00	0.00	0.00	0.00	17.10	4,600.00	269.01
Realisation of Assets	13.90	5.70	0.00	0.00	0.00	0.00	19.60	6,106.50	311.56
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	27.90	22.20	0.00	0.00	0.00	0.00	50.10	14,731.50	294.04

Time Entry - SIP9 Time & Cost Summary

MAG001 - Magic Hat Solutions Limited
Project Code: POST
From: 07/10/2020 To: 06/10/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Senior Manager	Senior Administrator	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	3.40	3.20	0.00	0.00	0.00	0.00	6.60	1,909.00	289.24
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	2.50	5.50	0.00	0.00	0.00	0.00	8.00	2,127.50	265.94
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.80	0.80	0.00	0.00	0.00	0.00	1.60	460.00	287.50
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	6.70	9.50	0.00	0.00	0.00	0.00	16.20	4,496.50	277.56

MAXIM 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.

When seeking the approval of Category 2 expenses, an office holder should explain for each expense the basis on which the expense is being charged to the estate. Any shared or allocated payments incurred by the office holder of their firm are to be treated as Category 2 expenses and approval sought before payment. This is irrespective of whether the payment is being made to an associate because the office holder will be deciding how the expenses are being shared or allocated between insolvency appointments. Requiring approval of these payments enables those who are approving the expenses to confirm the approach being taken by the office holder is reasonable. If an office holder has obtained approval for the basis of Category 2 expenses, that basis may be continued to be used in a sequential appointment where further approval of the basis of remuneration is not required, or where the office holder is replaced.

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

Expenses are any payments from the insolvent estate that are neither an office holder's remuneration nor a distribution to a creditor, or a member. Expenses also include disbursements. Disbursements are payments that are first paid by the office holder and then reimbursed from the insolvent estate. Expenses are divided into two broad categories:

- ❑ *Category 1 expenses (approval not required)* – these are payments to persons providing the service to which the expense relates who are not an associate of the office holder. These expenses can be paid without prior approval.
- ❑ *Category 2 expenses (approval required)* – these are payments to associates or which have an element of shared costs. Before being paid, Category 2 expenses require approval in the same manner as an office holder's remuneration. These expenses require approval whether paid directly from the estate or as a disbursement.

¹ Statement of Insolvency Practice 9 (E&W) – Payments to insolvency office holders and their associates.

STANDARD CHARGEOUT RATES AND CHARGING POLICY

At the date of this report, the rates charged by Maxim for the various grades of staff that may work on a case are as follows:

Grade of Staff	Charge-out Rate (£ per hour)
Director/Insolvency Practitioner	345
Senior Manager	260
Manager	230
Assistant Manager	205
Senior Administrator	185
Administrator	150
Office Support	100

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units).

****Where a licenced insolvency practitioner in the firm is acting as an office holder of a 'solvent' estate (i.e. in a members' voluntary liquidation), the necessary approvals shall be sought from the members of the solvent company.**