

LIQ03

Notice of progress report in voluntary winding up



Companies House

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1 Company details

Company number 0 4 7 1 3 8 3 3

Company name in full Ludgate Building And Construction Limited

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

2 Liquidator's name

Full forename(s) Vincent John

Surname Green

3 Liquidator's address

Building name/number 4 Mount Ephraim Road

Street Tunbridge Wells

Post town Kent

County/Region

Postcode T N 1 1 E E

Country

4 Liquidator's name ①

Full forename(s) Gary

Surname Shankland

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

5 Liquidator's address ②

Building name/number 31st Floor

Street

Post town 40 Bank Street

County/Region London

Postcode E 1 4 5 N R

Country

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

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Period of progress report

From date	^d 1	^d 2	^m 0	^m 8	^y 2	^y 0	^y 2	^y 0	
To date	^d 1	^d 1	^m 0	^m 8	^y 2	^y 0	^y 2	^y 1	

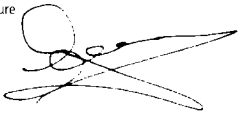
7

Progress report

<input checked="" type="checkbox"/> The progress report is attached	
---	--

8

Sign and date

Liquidator's signature	<div>Signature</div> <div>X </div> <div>X</div>								
Signature date	^d 0	^d 4	^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 Vincent John Green

Company name Crowe U.K. LLP

Address 4 Mount Ephraim Road
Tunbridge Wells

Post town Kent

County/Region

Postcode T N 1 1 E E

Country

DX

Telephone 01892 700200



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

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**Ludgate Building And Construction Limited
(In Creditors' Voluntary Liquidation)**

Annual Progress Report to 11 August 2021

**Vincent Green of Crowe U.K. LLP
4 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EE**

and

**Gary Shankland of Begbies Traynor (London) LLP ("Begbies Traynor")
31st Floor, 40 Bank Street, London, E14 5NR**

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1. INTRODUCTION

On 12 August 2020, Vincent John Green of Crowe U.K. LLP and Gary Shankland of Begbies Traynor were appointed Joint Liquidators of Ludgate Building And Construction Limited ("the Company").

The Joint Liquidators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to their appointment. Prior to the Joint Liquidators' appointment, a review of ethical issues was undertaken and no ethical threats were identified. Since their appointment the Joint Liquidators have continued to undertake periodic reviews of ethical matters and no ethical threats have been identified.

This Progress Report summarises the progress of the Liquidation for the period from 12 August 2020 to 11 August 2021 ("the Reporting Period").

Statutory information relating to the Company is attached at **Appendix I**.

2. ADMINISTRATION AND PLANNING

The Joint Liquidators are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progression of the administration of the case, which ensures that work is carried out to high professional standards. A detailed list of these tasks can be found at **Appendix II**.

Reporting

The Joint Liquidators have met their statutory and regulatory duties to report to creditors, as listed below. In consideration of the need for transparency and engagement with creditors, care has been taken to ensure that reports and other communications with creditors have provided useful details of the strategies pursued and the outcomes anticipated.

During the Reporting Period, the following key documents have been issued:

- The report (on the creditors' S100 decision);
- Notice to creditors following the appointment of the Joint Liquidators confirming the outcome of the creditors' meeting;

Other administrative tasks

During the Reporting Period, the following material tasks in this category were carried out:

- Informing all relevant persons of the commencement of the Liquidation, including filing statutory documents at Companies House and meeting statutory advertising requirements;
- Conducting periodic case reviews to ensure that the Liquidation is progressing efficiently, effectively and in line with statutory requirements;
- Maintaining case files, including documenting decisions made by the Joint Liquidators that materially affect the Liquidation

3. ENQUIRIES AND INVESTIGATIONS

During the Reporting Period, the Joint Liquidators carried out an initial review of the Company's affairs in the period prior to appointment. This included seeking information and explanations from the directors by means of questionnaires; making enquiries of the Company's accountants; reviewing information received from creditors; and collecting and examining the Company's bank statements, accounts and other records.

The Directors provided the books and records and a completed questionnaire as well as a Statement of Affairs ("SoA").

The information obtained from this process enabled the Joint Liquidators to meet their statutory duty to submit a confidential report on the conduct of the Directors (past and present) to the Insolvency Service.

This work was also carried out with the objective of making an initial assessment of whether there were any matters that may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have had past dealings with the Company.

This initial assessment has been completed and the Joint Liquidators have, as a result, been able to ascertain what they believe to be the final director loan account positions. These are detailed further in Section 4.

4. REALISATION OF ASSETS

The Joint Liquidators' Receipts and Payments account is attached at **Appendix III**. The funds in the Liquidation estate are held in a non-interest bearing account.

Detailed below is key information about asset realisations and the Joint Liquidators' strategy, however, more details about the work undertaken can be found at **Appendix II**. The Joint Liquidators formulated and worked through a realisation strategy that sought to maximise realisations net of costs. The financial benefit of those efforts is described further below.

Key Appraisal Limited ("the Agent"), who are professional independent agents with adequate professional indemnity insurance, was instructed by the Joint Liquidators to value the Company's assets, and to negotiate the sale of the Company's assets with the Company's Director, Nicolas Ludgate, and other non-connected parties.

The Agent entered into conversations with Mr Ludgate and an offer was made for an amount of the Company's assets. The offer totalled £15,650 (plus VAT) and comprised chattel assets and work in progress. The Agent recommended that the Joint Liquidators accept the Directors' offer given that no further costs of sale would be incurred.

A breakdown of Mr Ludgate's offer is as follows:

Asset	£
Motor Vehicles (Vauxhall Vivaro and Ford Transit)	13,650
Work in Progress	2,000
TOTAL	15,650

The offers made by unconnected purchasers are also set out below:

Asset	£
Motor Vehicles (Vauxhall Vivaro x 2 and Ford Transit)	10,900
Plant & Machinery	870
Fixtures & Fittings	300
TOTAL	12,070

The Joint Liquidators between them agreed to accept the offers made.

The estimated to realise values given in the Directors' SoA for the Company's plant & machinery and the fixtures & fitting has not been achieved as:

- certain higher value items (electrical and mechanical) were found to be unserviceable and of nil value and;
- certain stock was in a worse condition than anticipated which reduced the realisable value.

However, the forced sale valuation of £23,000, as estimated by the Agent for the assets as a whole, has been exceeded.

Goodwill

The SoA showed this asset's book value and estimated to realise value to be uncertain.

No offer was made for the Company's goodwill and no realisations have been made.

Book Debts / Work in progress

The SoA showed the Book Debts / Work in progress ("WIP") to have a book value of £21,500 and an estimated to realise value to be uncertain.

The Company entered into several contracts for building works which related to WIP. However, The Joint Liquidators have received claims from multiple clients relating to costs incurred to complete the work that the Company left unfinished. These claims total £53,383. In light of the claims made, no recoveries are anticipated to be made.

As set out above, the offer from Mr Ludgate comprised an amount of WIP in the sum of £2,000, relating to the completion of a single housebuilding contract. Mr Ludgate made a payment to the Agent, which was subsequently received into the Liquidation bank account on 1 December 2020.

No further realisations are anticipated to be made from this source.

Plant and Machinery

The SoA showed the book value to be £2,185 and the estimated to realise value to be £1,750.

As previously stated, a non-connected purchaser made an offer of £870 plus VAT for the plant and machinery. The Agent recommended acceptance of the offer to the Joint Liquidators and this was agreed. The sum of £870 plus VAT was received by the Agent on 3 November 2020.

No further realisations will made from this source.

Fixtures, fittings and IT equipment

The SoA provided a book value and estimated to realise value of £2,579 and £500 respectively.

An amount of the saleable fixtures, fittings and IT equipment were sold to a non-connected party for £300 plus VAT. The monies from the sale were realised in full on 3 November 2020, as shown on the Receipts and Payments Account.

No further realisations will made from this source.

Motor Vehicles

The book value of the vehicles on the SoA was £18,457 and the estimated to realise value was £24,250. The motor vehicles comprised one truck and three panel vans, which were all described as in 'average' condition.

As stated above, Mr Ludgate made an offer for two of the panel vans of £13,650 plus VAT. The Agent deemed the offer to be suitable for acceptance. The Joint Liquidators accepted this offer.

The remaining three motor vehicles were sold to a non-connected purchaser for £10,900, being upon the Agent's recommendation.

The proceeds of sale for the motor vehicles were paid to the Agent, the sum of which was paid to the liquidation bank account on 1 December 2020.

No further realisations will be made from this source.

Directors Loan Account ("DLA")

The SoA showed the book value and estimated to realise value to be £274,303. This comprised the value of the DLA shown in the Company's accounts to 30 September 2019.

In the Reporting Period, further amounts were identified as being payable to the Company by the Directors, amounting to £52,296. Accordingly, demand was made on the Directors to repay an amount of £326,599. This asset remains unrealised at this stage.

We are advised that Mr & Mrs Ludgate dispute an amount of the DLA. Information has been requested from the Directors, together with evidence to support any reduction to the amount due. No evidence in support of the Directors' claim has been made to date. We are informed that the Company's former bookkeeper has been instructed to assist the Directors in this regard.

The Directors sold their marital home in the Reporting Period. We are advised that payments have been made from the sale proceeds to a number of creditors who were provided with personal guarantees. The sum of these payments can be offset against the DLA. Payments to the personally guaranteed creditors are anticipated to amount to a minimum of £170,000 which will substantially reduce the balance of the DLA payable to the Company.

In an effort to obtain an offer of settlement, the Joint Liquidators requested payment proposals from the Directors, and a request was made for sworn statements of their assets and liabilities and their income and expenditure so that any offer made can be fully considered.

In June 2021 we were informed that the Directors had instructed FRP, a business advisory firm, to assist them in negotiations with the Joint Liquidators to reach settlement. When the former bookkeeper has reviewed that DLA amounts, we are advised that an offer will be made. Accordingly, further information will be provided in next report.

Miscellaneous Refund

Several refunds were received from the Driver and Vehicle Licensing Agency for road tax on the motor vehicles. A total of £640 was realised in the Reporting Period.

No further realisations are anticipated to be made from this source.

Transactions with Connected Parties

Following the Joint Liquidators' appointment, a sale of assets to a connected party has occurred.

The Liquidators instructed the Agent, to dispose of the Company's assets using the most advantageous method available.

Nicholas Ludgate expressed an interest in purchasing the Company's plant & machinery, fixtures, fittings & IT equipment and motor vehicles. Mr Ludgate is connected with the Company because he was a director and shareholder of the Company.

Mr Ludgate was invited to contact the Agent directly to progress his interest. The Agent weighed up the advantages of a swift sale, which would avoid the ongoing costs of storing and marketing the assets, against the potential of attracting a better offer albeit that this would involve incurring more costs. The Agent concluded that Mr Ludgate's offer was very likely to represent the best net realisation for the assets and they recommended that the offer be accepted.

Consequently, two of the Company's motor vehicles and WIP was sold to Mr Ludgate on 3 November 2020.

As far as the Joint Liquidators are aware, the purchaser was not independently advised.

5. CREDITORS

Irrespective of whether sufficient realisations are achieved to pay a dividend to creditors, the Joint Liquidators have had to carry out key tasks which are detailed at **Appendix II**. The following sections explain the anticipated outcomes to creditors and any distributions paid.

Secured Creditors

The Company had granted the following security:

Type of charge	Date created	Beneficiary
Debenture	14 November 2003	HSBC Bank PLC

The debt due to the Bank at the date of appointment was made up of various loans and overdrafts, the total quantum of which was approximately £130,057 excluding charges and accruing interest. It is anticipated that asset realisations will not be sufficient to repay the Bank in full. The Bank has not yet received any monies in this Reporting Period as shown on the Receipts and Payments account and has provisionally submitted its claim in the Liquidation in the sum of £136,708.

Preferential Creditors

Employee Claims

Eight employees, including the two Directors, were made redundant on 1 July 2020. The relevant information for employees to submit claims has been submitted to the Redundancy Payments Service and information and assistance has been given to employees to enable them to submit their claims online.

Employees were shown to be owed £4,440 in respect of their claims for holiday pay and arrears of wages to the statutory preferential limit. Claims of £9,469 have been received of which £4,058 is claimed preferentially.

The Joint Liquidators do not currently anticipate being able to pay a distribution in respect of employees' preferential claims.

Unsecured Creditors

HMRC was shown to be owed £172,093.

The trade and expense creditors as per the statement of affairs totalled £345,708 and employees' unsecured claims were estimated to total £87,233. Please be advised that proofs of debt may still be received and therefore the total value of unsecured claims is not known at present; however, claims received to date in this regard total £609,883

Creditor communications are being undertaken by Begbies Traynor. Consequently, those creditors who have not already submitted a claim are requested to send details of their claim to Begbies Traynor,

31st Floor, 40 Bank Street, London, E14 5NR (Tel: 020 7516 1500) or Gabrielle.Whatmore@btguk.com.

Dividend Prospects

Where a floating charge is created after 15 September 2003 a prescribed part of a company's net property should be made available for unsecured creditors.

The sum to be recovered from the DLA is currently uncertain. Accordingly, it is not possible to estimate the sum of any prescribed part. Should no further realisations be made there will be insufficient realisations to discharge all costs and preferential claims in full. Therefore, there will be no net property from which to deduct a prescribed part.

Further information relating to the prescribed part will be given when the sum of the DLA recovery is confirmed.

6. FEES AND EXPENSES

Pre-Appointment Costs

The creditors authorised the fee of £6,000 plus VAT for assisting the Directors with placing the Company in Liquidation and with preparing the Statement of Affairs on 12 August 2020.

The fee was paid from first realisations on appointment and is shown in the enclosed receipts and payments account.

The Joint Liquidators' Fees

It is the firm's practice to ensure that work is conducted by the appropriate staff member at the appropriate level of experience. Junior members of staff deal with the day to day administration on cases and a manager and partner then oversees the work undertaken. Where the issues are complex and litigious, the work will be closely supervised or undertaken by a manager or partner.

The Joint Liquidators' fees were approved by creditors on 12 August 2020 on a fixed fee basis of £37,500 plus VAT.

The Joint Liquidators have drawn the following amounts:

Crowe U.K. LLP	£3,000.00
Begbies Traynor	<u>£3,000.00</u>
	£6,000.00

Having regard for the costs that are likely to be incurred in bringing this Liquidation to a close, the Joint Liquidators' time costs will exceed the sum of the fixed fee. Accordingly, it is anticipated that an uplift to the fixed fee will be requested when the DLA is recovered. Further documentation will be provided to creditors in due course to consider the Joint Liquidators' revised fee proposals.

Expenses

Expenses are amounts payable by the Joint Liquidators from the Liquidation estate which are not otherwise categorised as the Joint Liquidators' remuneration or as a distribution to a creditor or creditors.

Category 1 expenses are payments to entities providing a service to which the expense relates who are not associates and where the specific expenditure is directly referable to the Liquidation. These expenses are charged to the estate at cost. Liquidators may discharge Category 1 expenses from the funds held in the Liquidation without further recourse to creditors.

Category 2 expenses are other expenses which are payable to associates or which have an element of shared cost. Payments may only be made in relation to Category 2 expenses if the creditors have approved the bases of their calculation. Category 2 expenses were approved by creditors on 12 August 2020.

Details of the expenses incurred and paid by Crowe U.K. LLP in the Reporting Period and also since the commencement of the Liquidation are detailed at **Appendix V** together with a comparison to the expenses that were estimated at the outset of the Liquidation.

Details of Begbies Traynor's expenses are as follows:

Category 1 Disbursements	Actual Expenses incurred in the reporting period	Actual Expenses incurred to Date	Actual Expenses paid in the reporting period	Actual Expenses paid to Date
Bond – Insolvency Risk Services	£74.25	£74.25	£74.25	£74.25
Postage – Royal Mail	£218.15	£218.15	£218.15	£218.15
Storage – Restore PLC	£7.85	£7.85	£0.00	£0.00

Specialist Advice and Services

When instructing third parties or associates to provide specialist advice and/or services the Joint Liquidators are obligated to ensure that the work is warranted and that the work undertaken provides good value. In each case, when considering which specialist to instruct, the Joint Liquidators take into account the experience and knowledge of the specialist, the likely cost to the Liquidation estate and whether the cost of the instruction is proportionate to the likely benefit.

Guidance in respect of insolvency practitioners' fees is available to download at:

<http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees>

Information about insolvency processes can be found on the R3 website at:

<http://www.creditorinsolvencyguide.co.uk/>

A hard copy of this guidance information will be provided on request.

A copy of both Crowe U.K. LLP's and Begbies Traynor's charge out rate and expenses policies is attached at **Appendix VI**.

7. CREDITORS' RIGHTS

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

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

8. CONCLUSION

The administration of the Liquidation will continue in order to finalise the following outstanding matters that are preventing the case from being closed:

- Recovery of the DLA;
- Distributions to preferential, secured and unsecured creditors (as appropriate)

The Joint Liquidators anticipate that the Liquidation will remain open for a further 12 months to enable these matters to be dealt with.

Should you have any queries, please contact:

Gabby Whatmore at Begbies Traynor (Gabrielle.Whatmore@btguk.com)
Milly McTaggart at Crowe U.K. LLP. (Milly.McTaggart@crowe.co.uk)



Signed

Vincent Green
Joint Liquidator

Date 4 October 2021

Appendix I

Statutory Information

Company Name	Ludgate Building And Construction Limited
Former Trading Name	N/A
Company Number	04713833
Registered Office	31st Floor, 40 Bank Street, London, E14 5NR
Former Registered Office	Unit 4, Connors Yard, Beeches Road, Crowborough, East Sussex, TN6 2AH
Office holders	Vincent John Green of Crowe U.K. LLP, 4 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EE and Gary Shankland of Begbies Traynor of 31st Floor, 40 Bank Street, London, E14 5NR
Office holders' telephone	01892 700 200
Date of appointment	12 August 2020
Change in office holder	N/A

Appendix II

List of Work Undertaken in Reporting Period – Crowe U.K. LLP

General Description	Includes
Administration and Planning	
Document maintenance/file review/checklist	Filing of documents Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing BACS payments
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical and technical aspects of the case
Creditor reports	Preparing annual progress report, investigation, meeting and general reports to creditors Disclosure of sales to connected parties
Investigations	
Realisation of Assets	
Plant and Machinery, Motor Vehicles, Fixtures, fittings and IT Equipment, Goodwill	Liaising with the Agent with regard to the sale of the assets Recovering the monies from the sale where appropriate
Book Debt/Work in Progress	Liaising with the debtors Collecting evidence to support the debtor position
Directors Loan Account	Communicating with the Directors and their representatives Continued pursuit of the Directors Loan balances
Miscellaneous Refund	Communicating with the Director regarding cheques received Recovering the refunds where appropriate

List of Work Undertaken in Reporting Period – Begbies Traynor

General Description	Includes
Document maintenance/file review/checklist	Filing of documents Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Planning / Review	Discussions regarding strategies to be pursued
Creditor reports	Assisting with the preparation of annual progress report, investigation, meeting and general reports to creditors
Investigations	Reviewing the Company's books, records and bank statements and making enquiries of the various advisors and third parties Preparation and submission of a confidential report on the conduct of the current and former directors in line with the statutory duty in this regard falling upon the Joint Liquidators
Claims, Proofs & Distributions	Processing the claims of creditors as and when received and dealing with creditor queries
Directors Loan Account	Ascertaining the true level of the DLAs and liaising with the Joint Liquidator with regards to the same Communicating with the Directors and their representatives Continued pursuit of the Directors Loan balances
Pensions	Dealing with mandatory pension notifications



Appendix III

Receipts & Payments Account

Ludgate Building And Construction Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 12/08/2020 To 11/08/2021 £	From 12/08/2020 To 11/08/2021 £
	SECURED ASSETS		
Uncertain	Goodwill	NIL	NIL
		NIL	NIL
	SECURED CREDITORS		
(130,056.51)	HSBC UK Bank Plc	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
Uncertain	Book Debts / Work in Progress	2,000.00	2,000.00
500.00	Fixtures, fittings and IT equipment	300.00	300.00
	Miscellaneous Refund	640.40	640.40
24,250.00	Motor Vehicles	24,550.00	24,550.00
274,303.00	Other Debtor - Directors' Loan Account	NIL	NIL
1,750.00	Plant & Machinery	870.00	870.00
		28,360.40	28,360.40
	COST OF REALISATIONS		
	Accountancy Services	120.67	120.67
	Agent's Fees	3,511.80	3,511.80
	Insurance of Assets	416.54	416.54
	Liquidators' Expenses - Begbies	292.40	292.40
	Liquidators' Fees - Begbies	3,000.00	3,000.00
	Liquidators' Fees - Crowe	3,000.00	3,000.00
	Preparation of S. of A.	6,000.00	6,000.00
	Specific Bond	310.00	310.00
	Statutory Advertising	80.00	80.00
		(16,731.41)	(16,731.41)
	PREFERENTIAL CREDITORS		
(4,440.40)	Employee Arrears/Hol Pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(87,232.66)	Employees	NIL	NIL
(51,559.36)	H M Revenue & Customs - CT	NIL	NIL
(51,152.14)	HM Revenue & Customs - Tax	NIL	NIL
(69,381.65)	HM Revenue & Customs - VAT	NIL	NIL
(31,000.00)	Loans	NIL	NIL
(345,707.89)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(469,827.61)		11,628.99	11,628.99
	REPRESENTED BY		
	Bank 1 Current - BARCLAYS		11,628.99
			11,628.99



Appendix V

Expenses Information - Crowe U.K. LLP

Ludgate Building and Construction Limited

Expenses summary for the review period and the whole period, together with a comparison of the original estimate

Expenses including Category 1 Disbursements	Basis	Original Estimated Total	Actual Expenses incurred in the review period	Actual Expenses incurred to Date	Actual Expenses paid in the review period	Actual Expenses paid to Date	Reason for any Excess - if the expenses are likely to, or have, exceeded the original estimate
Agents and Valuers Key Appraisal will be instructed to provide a valuation and to assist with a sale of the Company's assets.	Fixed Fee / Percentage of realisations	£3,250.00	£3,079.00	£3,079.00	£3,079.00	£3,079.00	The valuation fee amounted to £1,000 and the Agent's commission £2,079. Additional sums paid to the Agent relate to disbursements (mileage and vehicle checks) and the costs of clearing the trading premises.
Books & Records Collection, Storage and Destruction Restore PLC will be instructed to collect, inventory, store and eventually securely destroy the Company's books and records.	Fixed Fee	£500.00	£0.00	£0.00	£0.00	£0.00	Books and records dealt with by Begbies Traynor
Rates Review Agents Vacant Space Management will be instructed to carry out a historic rates audit to ascertain whether a rates refund may be due to the Company.	Success Fee - Percentage	Unknown	£0.00	£0.00	£0.00	£0.00	
Pension Consultancy Clumber Consultancy Limited will be instructed to provide advice in respect of the Company's pension arrangements and submit a claim to the Redundancy Payments Service for any unpaid contributions.	Fixed Fee	Fixed Fee	£0.00	£0.00	£0.00	£0.00	Pension matters dealt with by Begbies Traynor
Statutory Advertising		£400.00	£80.00	£80.00	£80.00	£80.00	
Statutory Bond		£200.00	£310.00	£310.00	£310.00	£310.00	The increase is due to two insolvency practitioners being appointed from different firms.
Mail Re-Direction		£225.00	£0.00	£0.00	£0.00	£0.00	
Postage		£50.00	£0.00	£0.00	£0.00	£0.00	
Insurance of Assets		£500.00	£416.54	£416.54	£416.54	£416.54	

Category 2 Disbursements	Basis	Original Estimated Total	Actual Expenses incurred in the review period	Actual Expenses incurred to Date	Actual Expenses paid in the review period	Actual Expenses paid to Date	Reason for any Excess - if the expenses are likely to, or have, exceeded the original estimate
Photocopying	See charging policy	£50.00	£0.00	£0.00	£0.00	£0.00	
Mileage	Per mile at HMRC rates	£50.00	£0.00	£0.00	£0.00	£0.00	

Appendix VI

Crowe U.K. LLP's Charge Out Rates and Expenses Policy

The table below sets out the charge-out rates utilised by Recovery Solutions at Crowe U.K. LLP for charging staff time:-

Partner	£400 per hour
Director	£350 per hour
Senior Manager	£300 per hour
Manager	£250 per hour
Assistant Manager	£200 per hour
Senior Administrator	£175 per hour
Administrator/Cashier	£140 per hour
Trainee/Support Staff	£75 per hour

It should be noted that the above rates may increase from time to time over the period of the administration of each insolvency case. The above rates are effective from 1 April 2021. Time is charged in six minute units.

Expenses

Expenses are amounts properly payable by the office holder from the estate which are not otherwise categorised as the office holder's remuneration or as a distribution to a creditor or member. These may include, but are not limited to, legal fees, agents' fees, trading expenses and tax liabilities.

Category 1 expenses are payments to entities providing a service to which the expense relates who are not associates and where the specific expenditure is directly referable to the appointment in question. These are charged to the estate at cost, with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums. Legislation provides that office holders may discharge Category 1 expenses from the funds held in the estate without further recourse to creditors or members.

Category 2 expenses are other expenses which are payable to associates or which have an element of shared cost. Payments may only be made in relation to Category 2 expenses after the creditors or members have approved the bases of their calculation.

Further Guidance

Guidance in respect of insolvency practitioners' fees is available to download at:

<https://insolvency-practitioners.org.uk/regulation-and-guidance/creditors-guides-to-fees/>

Information about insolvency processes can be found on the R3 website at:

<http://www.creditorinsolvencyguide.co.uk/>

Begbies Traynor's Charge Out Rates and Expenses Policy

This policy 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 either of the bases allowed under The Insolvency Act England & Wales Rules 2016. These are either:

- As a percentage of the value of the assets realised and/or distributed
- On a time costs basis or
- As a set amount.

In this case creditors have resolved the basis of our remuneration as a set fee (as detailed in the report).

In addition, this policy applies where creditor approval is (or has been) sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm.

Best practice guidance* indicates that such charges should be disclosed to those who are responsible for approving the basis of the office holder's remuneration, together with an explanation of how those charges are calculated.

Expenses incurred by office holders in respect of the administration of insolvent estates

Expenses are payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements, which are expenses that are initially paid by the office holder's own firm, but which are subsequently reimbursed from the estate when funds are available.

Best practice guidance classifies expenses into two broad categories:

- *Category 1 expenses (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 expenses (approval required)* - Items of expenditure that are directly related to the case and either:
 - (i) 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; or
 - (ii) are items of expenditure which are payable to an associate of the office holder and/or their firm.

Shared or allocated costs (pursuant to (i) above)

The following expenses include an element of shared or allocated cost and are charged to the case (subject to approval).

- Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £150) per meeting;
- Car mileage which is charged at the rate of 45 pence per mile.

General Office Overheads

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 expense*:

- 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 as at the date of this report to the London office, where time costs are being used as the basis of the office holder's remuneration, are as follows:

Grade of staff	Charge-out rate (£ per hour)
Consultant/Partner	645
Director	515
Senior Manager	440
Manager	410
Assistant Manager	315
Senior Administrator	290
Administrator	220
Trainee Administrator	160
Support	160

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

As detailed above, time is recorded in 6 minute units.