

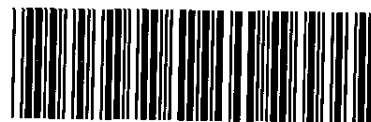
AM10

Notice of administrator's progress report



Companies House

TUESDAY



A08 *A77GSWMA* 05/06/2018 #165
COMPANIES HOUSE

1 Company details

Company number 05259071

Company name in full 1st Equity Limited

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

2 Administrator's name

Full forename(s) Lisa Jane

Surname Hogg

3 Administrator's address

Building name/number The Manor House

Street 260 Ecclesall Road South

Post town Sheffield

County/Region

Postcode S11 9PS

Country

4 Administrator's name ①

Full forename(s) Robert Neil

Surname Dymond

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

5 Administrator's address ②

Building name/number The Manor House

Street 260 Ecclesall Road South

Post town Sheffield

County/Region

Postcode S11 9PS

Country

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

AM10

Notice of administrator's progress report

6 Period of progress report

From date /

d	2
d	2

m	1
m	0

y	2
y	0

y	1
y	7

 /

To date

d	2
d	1

m	0
m	4

y	2
y	0

y	1
y	8

7 Progress report

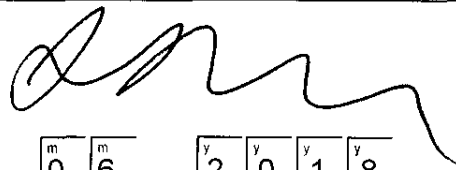
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

d	0
d	1

m	0
m	6

y	2
y	0

y	1
y	8

**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 **Shelley Mallett**

Company name **Wilson Field Limited**

Address **The Manor House**
260 Ecclesall Road South

Post town **Sheffield**

County/Region

Postcode **S 1 1 9 P S**

Country

DX

Telephone **01142356780**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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

1st Equity Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 22/10/2017 To 21/04/2018 £	From 03/06/2011 To 21/04/2018 £
	ASSET REALISATIONS		
Uncertain	Tangible Assets	NIL	NIL
Uncertain	Compensation Claim Against HBOS	NIL	NIL
	Cash at Bank	NIL	195.33
	Bank Interest Net of Tax	NIL	0.40
	Recovery from ATE insurers	NIL	37,905.59
		NIL	38,101.32
	COST OF REALISATIONS		
	Specific Bond	NIL	20.00
	Legal disbs re HBOS claim	NIL	38,253.69
	VAT (Irrecoverable)	NIL	(240.48)
	Statutory Advertising	NIL	60.00
	Mileage allowance	NIL	8.11
		NIL	(38,101.32)
	UNSECURED CREDITORS		
(80,000.00)	Trade & Expense Creditors	NIL	NIL
(1,500,000.00)	Directors Loans	NIL	NIL
(540,000.00)	Bank of Scotland	NIL	NIL
(247,774.88)	HM Revenue and Customs	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(2,367,776.88)		NIL	(0.00)
	REPRESENTED BY		
			NIL

Note:


 Lisa Jane Hogg
 Joint Administrator

Joint Administrators' Final Progress Report

1st Equity Limited – In Administration (“the Company”)

1 June 2018

1ST EQUITY, LIMITED - IN ADMINISTRATION

CONTENTS

- 1** Introduction
- 2** Progress of the Administration
- 3** Unrealised Assets
- 4** Outcome for Creditors
- 5** Administrators' Remuneration
- 6** Creditors' Rights
- 7** Ending the Administration

APPENDICES

- A** Receipts and Payments ("R&P") Account for the Period from 22 October 2017 to 21 April 2018 ("the Six-Month Period") including a cumulative R&P for the entire period following the Joint Administrators' appointment on 3 June 2011 to 21 April 2018
- B** R&P Account for the Period from 22 April 2018 to 1 June 2018 ("the End Period")
- C** Additional information in relation to Administrators' Fees, Expenses & Disbursements

1ST EQUITY LIMITED - IN ADMINISTRATION

1 Introduction

- 1.1 I, together with my colleague Claire Louise Foster, was appointed Joint Administrator of the Company on 3 June 2011. The appointment was made by the director, Robert Jones.
- 1.2 By Order of the High Court of Justice dated 24 May 2013, Claire Louise Foster, by consent, was removed as Joint Liquidator and Robert Neil Dymond was appointed Joint Administrator in her place with effect from 24 May 2013.
- 1.3 This Administration has been handled by Wilson Field Limited ("Wilson Field") at The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS. The Administrators' contact details are by phone on 0114 235 6780 or via email at s.mallett@wilsonfield.co.uk. The Administration is registered in the The High Court of Justice, Chancery Division, Leeds District Registry, under reference number 703 of 2011.
- 1.4 The trading address of the Company was Vallis House, Frome, Somerset, BA11 3EG. The business did not operate under a trading name.
- 1.5 The registered office of the Company is Wilson Field, The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS and its registered number is 05259071.
- 1.6 As the Administration has now completed, I am required to provide a progress report covering the period since my last report which ended on 21 October 2017. This is my final report in the Administration and covers the Period and should be read in conjunction with the Joint Administrators' Statement of Proposals issued to creditors on 19 July 2011 and any previous progress reports which have been issued.

2 Progress of the Administration

- 2.1 As noted previously, the statutory objective pursued in the Administration was achieving a better result than would be likely if the company were wound up. In addition to the pursuance of this statutory objective, the Administrators have duties imposed by insolvency and other legislation, some of which may not have provided any financial benefit to creditors.
- 2.2 This section of the report provides creditors with an overview of the progress made in both the Six-Month Period and the End Period, both in terms of the statutory objective, but also work which is required of the Administrators under other related legislation.
- 2.3 At Appendix A is my R&P Account covering the Six-Month Period together with a cumulative R&P Account from the date of my appointment to 21 April 2018.
- 2.4 At Appendix B is my R&P Account covering the End Period together with a cumulative R&P Account from the date of my appointment to the conclusion of the Administration.

Administration (including statutory compliance & reporting)

- 2.5 As noted previously, the Administrators must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work undertaken in this regard has been outlined previously.

Realisation of Assets

Compensation Claim Against HBOS Plc ("HBOS")

- 2.6 As previously advised, the Administrators were pursuing a claim against HBOS relating to a breach of the Bank Licence Agreement ("BLA") which was terminated prior to the Administration. It was alleged that the level of compensation offered by HBOS for terminating

1ST EQUITY LIMITED - IN ADMINISTRATION

the BLA early was insufficient and that HBOS had breached the BLA prior to its termination entitling the Company to substantial damages.

- 2.7 Harrison Clark Rickerbys Solicitors ("HCR") were engaged to assist in pursuing the claim due to its complexities and advice was sought from Counsel.
- 2.8 Unsuccessful mediation took place with HBOS which led to a claim being issued on 31 March 2014. Due to the claim being issued, HBOS made an application to have the proceedings transferred from Bristol Mercantile Court to the Commercial Court in London and to have the claim struck out, which slowed proceedings taking place.
- 2.9 Trial commenced on 17 October 2016. The Court heard evidence of the Administrators and other witnesses. Following legal advice being sought and after consultation from ATE Insurers part way through the trial, the Administrators offered a drop-hands settlement. HBOS agreed to this and the case was dismissed with both parties agreeing to bare their own costs.
- 2.10 Following the drop-hands settlement being reached in the claim against HBOS, funds of £37,906 were recovered from ATE Insurers in respect of the costs incurred relating to the same.

Professional Negligence Claim

- 2.11 As previously reported, the Administrators have instructed Irwin Mitchell LLP ("Irwins") to pursue a professional negligence claim against Harrison Clark Rickerbys Solicitors ("HCR") in relation to the matters that came to light during the trial of the HBOS claim.
- 2.12 Since my last report, a letter of response has been received from DWF LLP ("DWF") acting on behalf of HCR on 28 February 2018 pursuant to the Professional Negligence Pre-Action Protocol ("the Protocol").
- 2.13 Irwins have provided an in-depth response to the letter and proposed mediation as a resolution process for the claim.
- 2.14 Updates surrounding this claim will be made available within the Liquidation.
- 2.15 Creditors should note that Irwins have agreed to pursue this claim during on a Conditional Fee Agreement ("CFA") basis as there were no funds in the Administration estate to discharge their costs.
- 2.16 Irwins fees under the terms of the CFA are based on time costs with an additional success fee based on a percentage uplift. The success fee is 67% of their time costs incurred. The costs incurred, excluding success fee, together with disbursements, would be sought from the defendant should the claim be successful. The success fee would be discharged from any damages awarded from a successful claim.
- 2.17 It should also be noted that Counsel, Radcliffe Chambers ("Radcliffe") of the Chancery Bar Associations, have been instructed and have also agreed to pursue this claim on a CFA basis. Radcliffe's fees under the terms of the CFA are based on time costs with an additional success fee based on a percentage uplift. The success fee is 100% of their time costs incurred. The costs incurred, excluding success fee, together with disbursements, would be sought from the defendant should the claim be successful. The success fee would be discharged from any damages awarded from a successful claim.
- 2.18 Due to the time required to collate information and pursue the HBOS claim and subsequent professional negligence claim against HCR, the Administration has been extended on numerous occasions which creditors have previously been notified about.
- 2.19 During both the Six-Month Period and the End Period covered by this report, no asset realisations have been received.

1ST EQUITY LIMITED - IN ADMINISTRATION

- 2.20 In previous reporting periods, the below realisations have been recovered for the benefit of the Administration estate.

Cash at bank	£ 195.33
Bank interest net of tax	£ 0.40
Recovery from ATE insurers	<u>£37,905.59</u>
	<u>£38,101.32</u>

Creditors (claims and distributions)

- 2.21 Further information on the outcome for creditors in this case can be found at section 4 of this report. The Administrators are not only required to deal with correspondence and claims from unsecured creditors, but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture as well as dealing with the general handling of communications with stakeholders, such as customers and suppliers.
- 2.22 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service ("RPS") following dismissal.
- 2.23 The above work will not necessarily bring any financial benefit to creditors generally and the more creditors there are on an assignment, the higher the resultant cost will usually be however the Administrators are required by statute to undertake this work. In this case, I have reviewed and lodged claims from creditors and maintained correspondence between creditors.

Investigations

- 2.24 You may recall from my earlier progress reports to creditors that some of the work the Administrators were required to undertake was to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless those investigations revealed potential asset recoveries that could have been pursued for the benefit of creditors.
- 2.25 My report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the first period of the Administration and is confidential.
- 2.26 Since my last progress report, I would advise that no further asset realisations have come to light that may be pursued by me for the benefit of creditors.

3 Unrealised Assets

- 3.1 I would confirm that all assets have now been realised except for the professional negligence claim detailed above.
- 3.2 The cumulative R&P Account at Appendix B reflects the final position on both realisations achieved and payments made during the Administration. This includes details of all expenses and disbursements incurred and paid by the Administrators. Any liabilities incurred but not discharged will be dealt with in the subsequent Liquidation.

4 Outcome for Creditors

Secured Creditors

- 4 1 The Company did not extend security to any of its creditors.

1ST EQUITY LIMITED - IN ADMINISTRATION

Preferential Creditors

- 4.2 The RPS have submitted a preferential claim of £1,160 relating to one employee in respect of holiday pay. However, due to insufficient realisations, no distribution has been made to date.
- 4.3 The Joint Administrators believe there will be a recovery made from the professional negligence claim being pursued against HCR, detailed above, to enable the preferential creditors to be paid in full.

Unsecured Creditors

- 4.4 At the date of this report I have received claims totalling £3,255,262 from 16 creditors.
- 4.5 The Company did not grant any floating charges to a secured creditor. Accordingly, there was no requirement to create a fund out of the Company's net floating charge property for unsecured creditors (known as the **Prescribed Part**), which only applies to charges created on or after 15 September 2003.
- 4.6 The Joint Administrators believe there will be a recovery made from the professional negligence claim being pursued against HCR, detailed above, to enable a distribution to be made to the unsecured creditors.

5 Administrators' Remuneration

Pre-administration costs

- 5.1 On 4 August 2011, creditors approved the Joint Administrators' pre-administration costs of £6,560. These fees have not been drawn in the Administration and will be discharged as and when funds permit in the subsequent Liquidation.

Post-administration costs and expenses

- 5.2 The basis of the Administrators' fees was fixed in the Administration by the creditors. The approved the Joint Administrators' remuneration be based on a combination of a fixed fee of £100,000 and 20% of the value of the property that the Joint Administrators' realise which exceeds £100,000.
- 5.3 Assets realisations have not permitted the Joint Administrators' to draw any remuneration to date. These agreed fees will be discharged as and when funds permit in the subsequent Liquidation.
- 5.4 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from <http://www.r3.org.uk/what-we-do/publications/professional/fees>
- 5.5 Attached at Appendix C is additional information in relation to the Administrators' fees, expenses and disbursements, including where relevant information on the use of subcontractors and professional advisers.

6 Creditors' rights

- 6.1 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) may request in writing that the Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an

1ST EQUITY LIMITED - IN ADMINISTRATION

application to court on the grounds that, in all the circumstances, the basis fixed for the Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Administrators, as set out in this progress report, are excessive.

7 Ending the Administration

- 7.1 A copy of the notice bringing the Administration to an end and moving the Company into Creditors' Voluntary Liquidation is enclosed with this report, which has been sent to the Registrar of Companies for filing. Once this notice is registered, the Company will be in Liquidation and I would confirm that I will become the appointed Liquidator, as agreed in my earlier proposals.
- 7.2 As liquidator, I will be required to report to creditors on the progress of the Liquidation within two months of the anniversary of my appointment. If a dividend is to be declared sooner, I will write to creditors to provide appropriate details in the intervening period.
- 7.3 If any creditors have not yet submitted their proof of debt, please ensure this is forwarded to my office as soon as possible in order that your claim can be admitted for dividend purposes.
- 7.4 I would confirm that the basis of my remuneration as Liquidator remains the same as in the Administration.

For and on behalf of 1st Equity Limited



L J Hogg
Joint Administrator

1ST EQUITY, LIMITED - IN ADMINISTRATION

Appendix A

R&P Account for the Six-Month Period including a cumulative R&P for the entire period following the Joint Administrators' appointment on 3 June 2011 to 21 April 2018

**1st Equity Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 22/10/2017 To 21/04/2018 £	From 03/06/2011 To 21/04/2018 £
	ASSET REALISATIONS		
Uncertain	Tangible Assets	NIL	NIL
Uncertain	Compensation Claim Against HBOS	NIL	NIL
	Cash at Bank	NIL	195.33
	Bank Interest Net of Tax	NIL	0.40
	Recovery from ATE insurers	NIL	37,905.59
		NIL	38,101.32
	COST OF REALISATIONS		
	Specific Bond	NIL	20.00
	Legal disbs re HBOS claim	NIL	38,253.69
	VAT (Irrecoverable)	NIL	(240.48)
	Statutory Advertising	NIL	60.00
	Mileage allowance	NIL	8.11
		NIL	(38,101.32)
	UNSECURED CREDITORS		
(80,000.00)	Trade & Expense Creditors	NIL	NIL
(1,500,000.00)	Directors Loans	NIL	NIL
(540,000.00)	Bank of Scotland	NIL	NIL
(247,774.88)	HM Revenue and Customs	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(2,367,776.88)		NIL	(0.00)
	REPRESENTED BY		
			NIL

Note:



Lisa Jane Hogg
Joint Administrator

Appendix B

R&P Account for the End Period including a cumulative R&P for the entire period following the Joint Administrators' appointment on 3 June 2011

**1st Equity Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 22/04/2018 To 01/06/2018 £	From 03/06/2011 To 01/06/2018 £
	ASSET REALISATIONS		
Uncertain	Tangible Assets	NIL	NIL
Uncertain	Compensation Claim Against HBOS	NIL	NIL
	Cash at Bank	NIL	195.33
	Bank Interest Net of Tax	NIL	0.40
	Recovery from ATE insurers	NIL	37,905.59
		NIL	38,101.32
	COST OF REALISATIONS		
	Specific Bond	NIL	20.00
	Legal disbs re HBOS claim	NIL	38,253.69
	VAT (Irrecoverable)	NIL	(240.48)
	Statutory Advertising	NIL	60.00
	Mileage allowance	NIL	8.11
		NIL	(38,101.32)
	UNSECURED CREDITORS		
(80,000.00)	Trade & Expense Creditors	NIL	NIL
(1,500,000.00)	Directors Loans	NIL	NIL
(540,000.00)	Bank of Scotland	NIL	NIL
(247,774.88)	HM Revenue and Customs	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(2,367,776.88)		NIL	(0.00)
	REPRESENTED BY		
			NIL

Note:



Lisa Jane Hogg
Joint Administrator

Appendix C

Additional Information in Relation to the Administrators' Fees, Expenses & Disbursements

1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 We have not utilised the services of any sub-contractors in this case.

2 Professional Advisors

- 2.1 On this assignment, we used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them.

Name of Professional Advisor	Basis of Fee Arrangement
MD Law Solicitors (Legal Advice)	Time costs
Irwin Mitchell Solicitors (Legal Advice)	CFA basis
Harrison Clark Rickerbys Solicitors (Legal Advice)	CFA basis
Radcliffe Chambers (Counsel)	CFA basis

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

3 Joint Administrators' Expenses & Disbursements

Summary of Administrators' expenses

- 3.1 Details of the expenses paid by the Administrators during the Six-Month Period, as well as an outline of the total expenses paid during the entire Administration to 21 April 2018, can be found in the R&P account at Appendix A.
- 3.2 Details of the expenses paid by the Administrators during the End Period, as well as an outline of the total expenses paid during the entire Administration, can be found in the R&P account at Appendix B.
- 3.3 Overleaf are details of any expenses or disbursements which remain unpaid at the date of this report and will be discharged in the subsequent Liquidation in due course:

1ST EQUITY LIMITED - IN ADMINISTRATION

	Paid in prior periods £	Paid in the entire period covered by this report £	Incurred but not paid to date £	Total cost £
Category 1 disbursements				
Solicitors' costs	38,253.69	-	29,781.00	68,034.69
Counsels' costs	-	-	22,150.00	22,150.00
Statutory advertising	60.00	-	-	60.00
Specific penalty bond	20.00	-	80.00	100.00
Category 2 disbursements				
Case related travel & subsistence	8.11	-	1,345.17	1,353.28
Postage, stationery & photocopying	-	-	266.00	266.00
Collection of books & records	-	-	382.20	382.20
Search fees	-	-	50.00	50.00
Document upload	-	-	100.00	100.00
External storage of books & records	-	-	492.00	492.00
Licence fee	-	-	209.96	209.96
VC document	-	-	14.08	14.08
Total	38,341.80	Nil	64,878.41	93,213.21

- 3.4 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable, will be any properly reimbursed expenses incurred by personnel in connection with the case.
- 3.5 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Administrators' fees were approved by creditors.

4 Charge-Out Rates

- 4.1 Wilson Field Limited's current charge-out rates effective from 1 November 2017 are detailed overleaf. Please note this firm records its time in minimum units of 6 minutes.

1ST EQUITY LIMITED - IN ADMINISTRATION

WILSON FIELD LIMITED CHARGE OUT RATES AND DISBURSEMENT POLICY

In accordance with Statement of Insolvency Practice 9 ("SIP 9") covering fees and disbursements, we are required to disclose to you our policy for recovering non-specific disbursements, and the charge out rates for the various grades of staff who may be involved in this case.

Remuneration

The office holder(s) will seek approval from creditors to draw remuneration on a time cost basis, in accordance with the rates detailed below.

	Hourly charge out rate (£)		
Grade	01/02/2014 to 31/10/2014	01/11/2014 onwards	01/11/2017 onwards
Director/Insolvency Practitioner	350-500	500	500
Manager	260-400	400	400
Assistant Manager	N/A	395	395
Team Leader	N/A	390	390
Senior Administrator	240	330	330
Administrator (1-5 years experience)	120-240	230-300	230-300
Trainee Administrator	-	-	180
Secretarial & Support	100-130	130	130

All time is recorded in 6 minute units.

Category 1 Disbursements

In accordance with SIP 9, these do not require the approval of creditors and are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include advertising, insurance, travel expenses etc.

Category 2 Disbursements

In accordance with SIP 9, these require the prior approval of creditors.

Category 2 disbursements are charged in accordance with the liquidator's prevailing recovery policy at the time the disbursement is incurred. The rates applicable from 1 November 2017 are detailed below:

Disbursement	Charge	Period charged
Document Upload Centre charge	£150 for life of case	On appointment
Room Hire where held at a Wilson Field office	£100 per meeting	On appointment
Mileage	45p per mile	On appointment (where appropriate)
Storage of books and records	£80 per box per year	Once records are logged and then annually

In common with all professional firms, our charge out and disbursements rates increase from time to time. We reserve the right to change the rates without prior notice to you. Any change will be reported in the next statutory report to creditors.