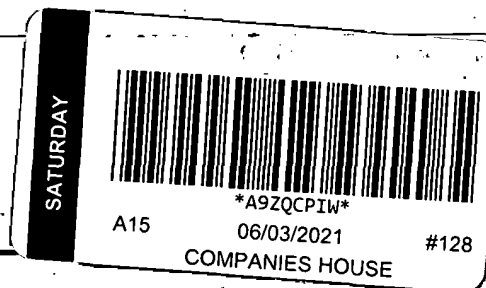


# LIQ03

## Notice of progress report in voluntary winding up



Companies House



### 1 Company details

Company number 0 5 3 6 2 1 7 8

Company name in full Food & Drink Guides Ltd

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

### 2 Liquidator's name

Full forename(s) Timothy Colin Hamilton

Surname Ball

### 3 Liquidator's address

Building name/number Mazars LLP

Street 90 Victoria Street

Post town Bristol

County/Region

Postcode B S 1 6 D P

Country

### 4 Liquidator's name

Full forename(s)

Surname

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

### 5 Liquidator's address

Building name/number

Street

Post town

County/Region


Postcode

Country

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

# LIQ03

## Notice of progress report in voluntary winding up

<b>6</b>	<b>Period of progress report</b>												
From date	<sup>d</sup> 3	<sup>d</sup> 0	<sup>m</sup> 0	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0					
To date	<sup>d</sup> 2	<sup>d</sup> 9	<sup>m</sup> 0	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1					
<b>7</b>	<b>Progress report</b>												
<input checked="" type="checkbox"/> The progress report is attached													
<b>8</b>	<b>Sign and date</b>												
Liquidator's signature	<div>Signature</div> <div>X </div> <div>Tim Ball (Mar 4, 2021 14:01 GMT)</div>											X	
Signature date	<sup>d</sup> 0	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1					

# LIQ03

## Notice of progress report in voluntary winding up



### 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 **Timothy Colin Hamilton Ball**

Company name **Mazars LLP**

Address **90 Victoria Street**

**Bristol**

Post town **BS1 6DP**

County/Region

Postcode

Country

DX

Telephone **0117 928 1700**



### 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

## **Food & Drink Guides Ltd - In Liquidation**

**Liquidator's progress report covering the period from 30 January  
2020 to 29 January 2021**

### **Contents**

#### **Liquidator's Progress Report**

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4	Assets still to be realised
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## Food & Drink Guides Ltd - In Liquidation ("the Company")

### Progress Report to Creditors & Members

#### 1. Introduction

- 1.1. This report is prepared pursuant to Rules 18.3 and 18.7 of the Insolvency (England and Wales) Rules 2016, the purpose of which is to provide creditors with details of the progress of the liquidation during the 12 months to 29 January 2021.
- 1.2. I was appointed as Liquidator of the Company by a deemed consent decision of the creditors on 30 January 2020. I am authorised to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales.
- 1.3. Identification details relating to the Company and the Liquidator are attached at **Appendix A**.

#### 2. Liquidator's Receipts and Payments

- 2.1. A summary of my receipts and payments covering the period from 30 January 2020 to 29 January 2021 is attached at **Appendix B**.
- 2.2. The receipts and payments account confirms that there is currently a cash balance in hand of £10,934, plus net VAT to be recovered from HM Revenue & Customs in the sum of £1,027.
- 2.3. An explanation of the assets realised and the expenses paid to date is provided below.

#### 3. Asset Realisations and Details of Progress

##### Connected Party Transactions:

- 3.1. In accordance with Statement of Insolvency Practice 13, I would advise you that the following assets were sold to a connected party following my appointment. Further details are provided below:
- 3.2. **Chattel Assets**
  - 3.2.1. A Director of the Company sold the franking machine and a number of desks prior to my appointment as Liquidator. The proceeds of these sales have been transferred to my liquidation bank account since my appointment.

## Unconnected Party Transactions:

**3.3.** Asset realisations made during the period covered by this report are detailed below.

**3.4. Leasehold Property**

3.4.1. PHD Property Advisory ("PHD") valued the Company's lease and concluded that the lease had no premium value. Accordingly, I proceeded to seek to informally surrender the lease back to the landlord. I can confirm that this was completed during the period.

**3.5. Furniture & Equipment**

3.5.1. The Company's Furniture and Equipment was valued by my agents, Gordon Brothers International LLC ("Gordon Bros"), specialist insolvency valuers, prior to my appointment, as having no value based on a sale to a third party removing assets from the premises. I was advised that the costs of collection, wiping hard drives and disposal would have far exceeded any realisations that may have been possible.

**3.6. Intangible Assets**

3.6.1. We engaged Gordon Bros to assist with the marketing and potential sale of the Company's intangible assets, including the Company's name, website, brand and intellectual property. A number of interest parties were identified. After some further negotiations a sale to a third party was achieved for £5,000 plus VAT.

**3.7. Cash in hands of third party**

3.7.1. Cash at bank of £16,968 had been transferred to and held by my firm in a designated client account since the Company ceased to trade on 20 December 2019. Upon my appointment, it had been expected that the liquidation bank account would receive £7,368, after pre-appointment fees of £9,600 (including VAT) had been paid. However, pre-appointment fees were not paid prior to liquidation, and, therefore, cash of £16,968 has been transferred to the liquidation bank account.

**3.8. Book Debts**

3.8.1. As at 30 January 2020, the value of outstanding book debts was estimated to be £98,102. However, the Company's directors in their Statement of Affairs, had anticipated that recoveries in respect of these debts would amount to £nil, as most or all of the debts related to Food & Drink guides which had not yet been published. Even if recoveries were made, the value to the Company of these debts is still estimated to be £nil due to an Invoice Financing agreement entered into between the Company and Castle Business Finance ("Castle"), which gave Castle proprietary rights over the Company's debtors ledger. Castle was owed approximately £100,000 at the date of liquidation, meaning that there would be no surplus from debtors available to the Company, even if the outstanding debtors' ledger was recovered in full. Accordingly, the Liquidator has not incurred any costs in seeking to recover outstanding debtors and this exercise has been left with Castle to undertake.

## **4. Estimated Outcome**

- 4.1. Based on expected asset realisations and the costs of the liquidation, regrettably, it is expected that there will be insufficient funds available to enable a dividend distribution to be made to the Company's preferential and unsecured creditors.
- 4.2. Further details on the expected outcome for each class of creditor is provided below.

## **5. Liabilities**

### **5.1. Secured Creditors**

- 5.1.1. A fixed and floating charge debenture over the Company's assets was granted in favour of Castle Business Finance Limited ("Castle"). It was created on 8 November 2017 and was registered at Companies House on 8 November 2017. As at 30 January 2020, the indebtedness to Castle totalled approximately £100,000. Castle also has an Invoice Financing agreement with the Company in respect of its debtors (see Paragraph 3.8.1 above), which effectively means that Castle owns the Company's book debts, which it is actively seeking to recover without my involvement.
- 5.1.2. Furthermore, a 'Mortgage of a life policy to secure own liabilities of a company or a limited liability partnership over the Company's assets was granted in favour of Lloyds Bank Plc ("Lloyds"). It was created on 24 January 2014 and was registered at Companies House on 29 January 2014. As at 30 January 2020, the indebtedness to Lloyds totalled approximately £61,345.
- 5.1.3. Both Castle and Lloyds are expected to suffer significant shortfalls with regard to their respective indebtedness and are expected to make no recoveries from the liquidation.

### **5.2. Preferential Creditors**

- 5.2.1. Preferential claims arise from arrears of wages and accrued, unpaid holiday pay due to the former employees of the Company who did not receive their full entitlements on redundancy, prior to the liquidation.
- 5.2.2. The Company employed 21 employees and preferential claims are estimated to be in the region of £1,716. All employees have claimed for their arrears under the Employment Rights Act 1996 through the Redundancy Payments Service ("RPS"). The value of preferential claims will include any amount due to the RPS in respect of preferential payments it has made to the Company's former employees and additional amounts due to former employees in excess of the statutory limits paid by the RPS.
- 5.2.3. We are currently unaware of any outstanding pension scheme contributions.
- 5.2.4. Regrettably, assuming that realisations and expenses in the liquidation are as anticipated, it is not expected that preferential creditors will receive a dividend.

### **5.3. Unsecured Creditors**

- 5.3.1. According to the directors' Statement of Affairs, the Company had 37 unsecured creditors with debts estimated to total £747,235. Claims received to date total £116,962 from 9 creditors.

# mazars

- 5.3.2. Assuming that realisations and expenses are as anticipated, regrettably, it is not expected that there will be sufficient funds to allow a return to the unsecured creditors.

## **6. Prescribed Part**

- 6.1. In accordance with Section 176A of the Insolvency Act 1986, a proportion of the Company's net assets are to be set aside for the benefit of the Company's unsecured creditors where the Company has granted a floating charge after 15 September 2003. This is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter, subject to a maximum fund of £600,000. Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential creditors' claims.
- 6.2. As the net property is £nil the prescribed part does not apply in this case.

## **7. Investigations**

- 7.1. In accordance with the Company Directors Disqualification Act 1986, the Liquidator is required to investigate the affairs of the Company and the conduct of the directors during the three years prior to the liquidation. The Liquidator can confirm that this obligation has been complied with and a confidential report was submitted to the Insolvency Service on 29 April 2020.
- 7.2. An initial investigation into the Company's affairs has also been undertaken by the Liquidator in accordance with Statement of Insolvency Practice 2. The purpose of these investigations is to establish whether there are any potential asset recoveries or conduct which requires further investigation. A more detailed investigation then followed and a significant amount of work was undertaken with regard to possible outstanding directors' loan account balances and also a possible preference to a connected company. The conclusion of these investigations was, regrettably, however, that there were not claims which could be successfully pursued in terms of achieving additional realisations for the benefit of the liquidation estate and the Company's creditors.
- 7.3. Should creditors have any information which they consider may assist the Liquidator investigations, or be aware of any matters which they believe should be brought to the attention of the Liquidator, please provide details in writing to this office. This request for information forms part of our usual investigation procedures and does not imply that there may be any cause of action lying against any person concerned in the Company's affairs.

## **8. Liquidator's Remuneration**

- 8.1. On 6 April 2020, a decision was made by the Company's creditors, following a decision procedure by a decision by correspondence, enabling the Liquidator to draw remuneration by reference to the time properly spent by the Liquidator and his staff in dealing with the matters arising during the liquidation, subject to the Fees Estimate of £41,517, issued to creditors on 25 February 2020.



# mazars

- 8.2. Attached at **Appendix D1** is an analysis of the Liquidator's time costs for the period from 30 January 2020 to 29 January 2021, which total £88,126, representing 414.3 hours at an average hourly rate of £213.
- 8.3. Attached at **Appendix D2** is a narrative summary of the Liquidator's time costs, which provides further information on the work undertaken during the current reporting period, why the work was necessary and whether the work has provided a financial benefit to creditors.
- 8.4. Mazars LLP's pre-appointment costs of £8,000, in relation to the preparation of the directors' Statement of Affairs, the report to creditors and assisting the directors with convening the necessary decision procedures to place the Company into liquidation, were approved by the Board in advance of the work being conducted and were also authorised as an expense of the liquidation by a decision of the Company's creditors by correspondence on 6 April 2020. This sum has since been drawn as an expense of the liquidation. In addition, pre-appointment disbursements of £5 in relation to Company searches have also been drawn, as authorised by the Board and the Company's creditors.
- 8.5. Details of the future work anticipated to be carried out by the Liquidator includes:
- Tax compliance, including preparing Corporation Tax computations and returns and VAT Returns in respect of the liquidation period, de-registering for VAT and seeking final tax clearance prior to closure.
  - Preparation and issuing of the Liquidator's final account, prior to seeking his release from office.
- 8.6. Routine administration of the liquidation has been dealt with by junior staff wherever possible in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the Liquidator. Any matter of particular complexity or significance has also been dealt with by senior staff or the Liquidator.
- 8.7. My firm's charge out rates are reviewed annually on 1 September and, in common with other professional firms, may increase over the period of the administration of the case. The rates are appropriate to the skills and experience of the team members and the work that they perform. All staff that work on the case, including cashiers, support and any secretarial staff charge their time directly to the assignment. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.
- 8.8. The charge out rates of the team members employed on the assignment during the period covered by this report are provided below. Specialist departments within our Firm (such as, Tax and VAT) have charged time to this case when their expert advice has been required. The rate ranges provided incorporate these different rates. My firm's Rates and Disbursements Policy is also attached at **Appendix D3**.
- 8.9. Further information on the work undertaken during the current reporting period in respect of the realisation of assets is provided in Section 3 and 4 of the report and also within the narrative summary attached at **Appendix D2**.

# mazars

## 9. Liquidator's Disbursements

- 9.1. Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. There are two categories of disbursements, including Category 1 (payments directly to independent third parties) and Category 2 (costs incurred by the Liquidator or his firm that can be allocated to the case on a proper and reasonable basis).
- 9.2. Category 2 disbursements require approval in the same manner as remuneration and creditors will recall that a resolution was passed on 6 April 2020 by creditors in agreement of the anticipated Category 2 disbursements of the Liquidator.
- 9.3. Further details of the rates agreed are provided within the Rates and Disbursements policy attached at **Appendix D3**.
- 9.4. Details of the disbursements incurred in the period and whether they constitute Category 1 or Category 2 disbursements, are provided below. Details of the disbursements paid during the period are provided within the attached receipts and payments account.

Type of Disbursement	Description	Amount incurred in period (£)
<b>Category 1</b> Specific bond	It is a legal requirement that I take out a specific bond in respect of the value of the assets. On the basis that the assets recovered were likely to total £18,368 the bond paid to JLT Specialty Limited was £25	25
<b>Total</b>		<b>25</b>

## 10. Expenses

- 10.1. Details of all expenses incurred during the period of the report and likely future expenses are provided in the Expenses Statement attached at **Appendix D**. This also includes a comparison to the original Expenses Estimate.
- 10.2. Further details of expenses paid during the period covered by this report are shown in the receipts and payments account attached at **Appendix B**.
- 10.3. I have reviewed the expenses incurred to date and I am satisfied that they are reasonable in the circumstances of the case.

## 11. Matters outstanding

- 11.1. As there are no further assets to pursue at this time, I will be seeking to conclude my administration of the liquidation estate and then seek my release as Liquidator as soon as VAT deregistration and H M Revenue & Customs' Tax Clearance has been received.

# mazars

## 12. Creditors' Rights

### 12.1. Further information

- 12.1.1. I would advise you that, pursuant to Rule 18.9 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors, or an unsecured creditor with permission of the Court, may, within 21 days of receipt of this progress report, ask the Liquidator for further information about the remuneration and expenses set out in this progress report.

### 12.2. Apply to Court


- 12.2.1. Additionally, pursuant to Rule 18.34 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 10% in value of the unsecured creditors, or an unsecured creditor with the permission of the Court may, within 8 weeks of the receipt of this progress report, apply to the Court on one or more of the following grounds:-

- a. that the remuneration charged by the Liquidator, or
- b. that the basis fixed for the Liquidator's remuneration, or
- c. that the expenses incurred by the Liquidator,

is or are, in all of the circumstances, excessive or inappropriate.

### 12.3. Further guidance

- 12.3.1. In accordance with Statement of Insolvency Practice 9, creditors can find additional information on their rights relating to Liquidators' fees in a copy of the publication "A creditors' guide to liquidators' fees" which is available to download from the website: <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/> or, alternatively, will be provided free of charge upon written request to this office.
- 12.3.2. For further general information regarding a creditor's role throughout an insolvency process, creditors are reminded that they can also visit <http://www.creditorinsolvencyguide.co.uk>.

  
Tim Ball (Mar 4, 2021 14:01 GMT)

**T C H Ball**  
Liquidator

**Dated 3 March 2021**

*T C H Ball is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales and is bound by the Insolvency Code of Ethics. Where personal data is required to be processed, this will be dealt with in accordance with the Mazars LLP Insolvency Services Privacy Statement which can be accessed at: [www.mazars.co.uk/Legal-and-privacy](http://www.mazars.co.uk/Legal-and-privacy).*

**Food & Drink Guides Ltd - In Liquidation****Identification Details****Details relating to the Company**

<b>Company name</b>	<b>Food &amp; Drink Guides Ltd</b>
<b>Previous names</b>	Fine Wines Direct Limited
<b>Trading name</b>	Food & Drink Guides
<b>Company number</b>	05362178
<b>Registered office</b>	c/o Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP
<b>Former trading address</b>	Canningford House, 38 Victoria Street, Bristol, BS1 6BY

**Details relating to the**

<b>Date of appointment</b>	30 January 2020
<b>Liquidator</b>	TCH Ball of Mazars LLP IP No. 008018
<b>Address</b>	Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP
<b>Contact telephone number</b>	0117 928 1700

**Food & Drink Guides Ltd – In Liquidation**

**Liquidator's summarised Receipts & Payments Account for the period from  
30 January 2020 to 29 January 2021**

	Estimated to realise per Director's Statement of Affairs £	Receipts/ Payments from 30 January 2020 to 29 January 2021 £
<b>RECEIPTS</b>		
Cash at Bank	-	400
Intangible Assets	2,000	5,000
Cash in hands of third party	7,368	16,968
Bank Interest (Gross)	-	7
	<u>9,368</u>	<u>22,375</u>
<b>PAYMENTS</b>		
Mazars LLP's pre-appointment fees in respect of the preparation of Statement of Affairs, report to creditors & dealing with decision procedures		8,000
Mazars LLP's pre-appointment Disbursements		5
Agents' Fees re sale of assets		1,000
Agents' Disbursements re sale of assets		755
Statutory Advertising		174
PHD Lease Review/Valuation Fees		200
Insurance of Assets		280
		<u>10,414</u>
<b>Balance in hand</b>		<u><b>11,961</b></u>
<b>MADE UP AS FOLLOWS:</b>		
Net Vat Receivable		1,027
Floating Charge Current Account		10,934
		<u><b>11,961</b></u>

## EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses estimate (£)
<b>Professional advisors' costs</b> The officeholder's choice of the professional advisors listed below was based on his perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.					
Agents' Valuation fees re property lease	PHD Property Advisory have been instructed to provide a valuation of the lease. PHD were chosen based on their experience in dealing with leases for insolvent companies. Their fees are agreed on a fixed fee	200	200	-	200
Agents' fees and disbursements	Gordon Brothers were instructed to provide an independent professional valuation of the assets. Gordon Brothers also provided services with the marketing and sale of the intangible assets. Gordon Brothers were instructed because of their experience in providing such valuations and services in an insolvency scenario. Their fees have been agreed on a fixed fee of £1,000 plus Disbursements	2,000	1,755	-	1,755
Solicitors' fees re disclaimer of property lease	If the landlord had not accepted an informal surrender of the lease solicitors would have been required to formally disclaim the lease on behalf of the Company. In the end the lease was informally surrendered.	500	-	-	-
<b>Other expenses</b>					
Corporation Tax	Corporation Tax will be payable in respect of the interest accrued whilst surplus funds are held on an interest-bearing deposit account. It is not thought that any Corporation tax will be payable	Nil	-	-	-

## EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses estimate (£)
Statutory Advertising	Costs are paid to Courts Advertising for statutory advertising requirements including London Gazette advertisements for notice of the appointment of the Liquidator	174	174	-	174
Bond premium	It is a legal requirement that I take out a specific insurance bond in respect of the value of the assets. On the basis that the assets recovered were likely to total £18,368 the bond paid to JLT Specialty Limited was £25. This was paid by Mazars LLP as a disbursement.	25	25	-	25
Insurance of assets	The assets of the Company were insured under the Insolvency Scheme with my insurance brokers, JLT Specialty Limited. The amount incurred in the period represents cover for the assets and public liability insurance in relation to the property until the lease was surrendered.	-	280	-	280
Mazars LLP's pre-appointment costs	This amount represents the reasonable and necessary expenses in respect of the preparation of the Statement of Affairs and in respect of the deemed consent procedure to seek a decision from the Company's creditors on the nomination of the Liquidator, which has be drawn from the estate as an expense of the liquidation. £5 was drawn in relation to disbursements.	8,000	8,005	-	8,005

## EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	<i>Original Expense Estimate</i>  (£)	Incurring in current period  (£)	Likely future expenses  (£)	<i>Revised Expenses estimate</i>  (£)
Liquidator's Remuneration	To project manage the orderly winding up of the Company's affairs, and to perform those tasks required as dictated by statute, best practice and ethical requirements. Despite total time costs being likely to exceed £94,000 and a fee estimate of £41,517 being approved by creditors, it is likely that the realisation of assets in this case will only allow remuneration of approximately £12,000 to be drawn.	41,517	88,126	6,000	94,126
Liquidator's Disbursements	Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. A further breakdown of the disbursements incurred in the period is provided within the report. The £25 of disbursements mentioned in the report is already detailed separately above as "Bond premium"	50	6	50	50
<b>Total</b>		<b>52,466</b>	<b>98,571</b>	<b>6,050</b>	<b>104,615</b>



**LIQUIDATOR'S ANALYSIS OF TIME COSTS  
AND COMPARISON TO FEES ESTIMATE**

The Liquidator's total Fees Estimate as approved by creditors on 6 April 2020 was £41,517.

As detailed in Section 8 of the report, the total costs incurred to date are £88,126.

The following table provides details of the Liquidator's actual time costs incurred in the current reporting period, from 30 January 2020 to 29 January 2021, compared to the estimated costs according to the Fees Estimate.

Further information on the work undertaken in the current reporting period, including an explanation of why the various tasks were required and whether the work provides a financial benefit to creditors is provided within the narrative summary of work undertaken by the Liquidator at **Appendix D2**.

Creditors will note that a blended hourly charge-out rate has been provided in respect of the Fees Estimate. This is calculated as the prospective average cost per hour based upon the estimated time to be expended by each grade of staff at their specific charge out rate. Details of the hourly rates of staff that have worked or are anticipated to work on this case can be found in the Rates and Disbursements policy attached to this report. Please note that where total costs do not equate to the total time at the blended hourly rate, this is due to rounding.



Food &amp; Drink Guides Ltd - In Liquidation

APPENDIX D1

LIQUIDATOR'S ANALYSIS OF TIME COSTS  
AND COMPARISON TO FEES ESTIMATE

Description of Work	Fees Estimate Approved on 06 April 2020			Actual time costs for the period from 30 January 2020 to 29 January 2021		
	Total Time (hours)	Total Costs (£)	Blended Hourly Rate (£)	Time incurred (hours)	Total Costs (£)	Blended Hourly Rate (£)
Admin & Planning	5.0	800	160	4.5	733	163
Taxation	5.0	1,000	200	13.9	3,338	240
Investigations	25.0	5,500	220	71.0	16,217	228
Realisation of Assets	50.0	10,750	215	95.2	20,653	217
Employees	27.5	5,087	185	51.7	9,530	184
Creditors	20.0	4,300	215	58.8	12,043	205
Reporting	35.0	7,000	200	45.9	10,690	233
Distributions	-	-	-	-	-	-
Cashiering	12.0	2,580	215	14.5	3,179	219
Statutory compliance	20.0	4,500	225	58.8	11,743	200
Totals	199.5	41,517	208	414.3	88,126	213

## NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE LIQUIDATOR FOR THE PERIOD FROM 30 JANUARY 2020 TO 29 JANUARY 2021

### Introduction

The summary provides a proportionate overview of the work carried out in light of the specific circumstances of the case and includes details of the work that has been undertaken during the period, why it was done and whether the work provides a financial benefit to creditors.

This summary should be read together with the Liquidator's Time Costs Analysis at **Appendix D1** and the attached report. The costs incurred in relation to each category are set out in the attached Time Cost Analysis.

### Work carried out in the current period

#### Administration and planning

The Liquidator has undertaken the following work:

- Case acceptance and ethical reviews.
- Completing case strategy notes.
- Holding strategy meetings.
- Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system.

The majority of this work derived no financial benefit for creditors. However, appropriate case administration and planning ensures that the case is managed coherently and efficiently, with minimisation of costs and avoidance of duplication of work. A clear case strategy and strong internal processes help to add value through the efficient management of the case. This work is also required in order to appropriately document and record how the case has been administered in accordance with regulatory requirements.

#### Taxation

The following activities were undertaken in order to ensure the Company is compliant with tax requirements:

- Notifying HM Revenue & Customs ("HMRC") of my appointment and establishing whether it has any outstanding claims or ongoing investigations. Such enquires will assist with my own investigations.
- Ascertaining the Company's VAT position
- Preparing post-Liquidation Corporation Tax and VAT returns, as required by statute.
- Review of potential Terminal Loss Relief Claim.
- Consider possible VAT Bad Debt Relief claim.

The majority of this work derived no financial benefit for creditors, however, it is required in accordance with tax legislation.

#### Investigations

Further details of the investigation required carried out is provided within Section 7 of the report.

A summary of the work undertaken to date is as follows:

- Investigating the Company's affairs to include a review of the Company's books and records and, in particular, the bank statements to identify any potential transactions that were outside the ordinary course of business.
- Correspondence with directors regarding the reasons for the Company's failure.
- Review of creditor questionnaires and investigation into any matters notified.
- Reporting to the Insolvency Service on the directors' conduct.
- Correspondence with directors with regard to potential directors' loan accounts outstanding
- Correspondence with directors in terms of assets disposed of pre-liquidation.
- Correspondence with directors with regard to potential preference payments to a connected company
- Correspondence with one director with regard to his alleged claim against the Company and also in respect of his Employment Rights Act claim to the RPS.

## NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE LIQUIDATOR FOR THE PERIOD FROM 30 JANUARY 2020 TO 29 JANUARY 2021

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure compliance with statutory duties.

### **Realisation of Assets**

The work undertaken in respect of the realisation of the Company's assets is detailed in Section 3 of the report. The main assets comprise of cash in the hands of a third party, intangible assets, furniture and equipment, book debts.

- Recovery and banking of cash in hands of third party.
- Consulting agents in order to ascertain whether furniture and equipment with an estimated to realise value of £1,000 in the Director's Statement of Affairs should be realised, or abandoned due to its limited value.
- Marketing and sale of intangible assets with interested parties.
- Monitor debt collection and potential outcomes. Considering VAT Bad Debt Relief claim

The work undertaken has added value for the benefit of creditors by enabling the realisation of funds in the estate. The costs associated with the recovery are considered appropriate in the circumstances.

### **Employees**

The Company employed 21 employees. Further information regarding employees' claims is included within Section 5 of the report. It is not expected that a dividend will be paid to employees.

Work undertaken in order to ensure that employee Employment Rights Act claims have been dealt with appropriately includes:

- Investigating pension matters.
- Complying with statutory obligations in relation to pension schemes.
- Submitting required information to the Redundancy Payments Service.
- Telephone discussions and email correspondence with employees.
- Correspondence with Employment Tribunal.

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors.

### **Creditors**

There are approximately 37 unsecured creditor claims. In order to ensure that creditors are dealt with appropriately, the following work has been undertaken:

- Dealing with queries received from creditors, by telephone and in correspondence.
- Collating information regarding unsecured claims from the Company.
- Logging claims on our case management systems.

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors.

### **Reporting**

Reporting requirements during the period as prescribed by statute have included the following:

- Initial report to creditors to include Fees Estimate report
- Report to the Insolvency Service with regard to the conduct of the Company's directors.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the case has been administered in line with regulatory requirements and that creditors are fully updated with regard to the progress of the case.

### **Cashiering**

Cashiering work undertaken includes:

## NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE LIQUIDATOR FOR THE PERIOD FROM 30 JANUARY 2020 TO 29 JANUARY 2021

- Establishing set up of case details on our insolvency software system.
- Setting up bank accounts, including deposit accounts as necessary.
- Bank account maintenance, including periodic reconciliations.
- Issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the estate bank account is operated in accordance with guidance issued by my regulatory body and that all transactions are fully accounted for.

### **Statutory and Compliance**

The work undertaken as required by statute and our internal procedures involves:

- Preparation and lodgement of statutory appointment documents.
- Initial notices and advertisements following appointment.
- Case monitoring and statutory compliance, including periodic internal case reviews, regular case diary reviews and completion of relevant checklists.
- Case bordereau (statutory insurance bond).

The majority of this work derived no financial benefit for creditors. However, this work is required in order to ensure that the case has been administered in accordance with regulatory requirements.

**Food & Drink Guides Ltd - In Liquidation****Rates and Disbursements Policy*****Charge-out rates***

Details of the current charge-out rates of the personnel working on this case are set out below:

Range (£)	Partner	Director	Associate Director/ Manager	Senior Executive/ Executive	Cashier	Support Staff
Current charge out rate per hour, effective from 1 September 2020	455 - 605	405 - 495	250 - 440	110 - 225	110 - 215	110 - 135
Previous charge out rate per hour, effective from 30 January 2020	440 - 550	390 - 450	245 - 400	90 - 230	100 - 205	90 - 140

My firm's charge-out rates are reviewed annually on 1 September and, in common with other professional firms, may increase over the period of the administration of a case. The rates are appropriate to the skills and experience of the team members and the work that they perform. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

Specialist departments within our Firm, (such as Tax and VAT) have charged a number of hours when their expert advice has been required. The rate ranges above incorporate these different rates.

**Disbursements**

Some of the expenses incurred on this matter are likely to be paid by this firm in the first instance and subsequently re-charged to the estate. Such disbursements fall into 2 categories as follows:

*Category 1 disbursements:* These are payments directly to independent third parties where there is specific expenditure directly referable to the case and as such can be drawn without prior approval.

*Category 2 disbursements:* These are costs that are directly referable to the case but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the liquidators of their firm, and that can be allocated to the case on a proper and reasonable basis. Such disbursements require approval in the same manner as remuneration.

The following Category 2 disbursements incurred in administering the case were authorised on 6 April 2020 by the Company's creditors by a decision by correspondence charged:

- Mileage will be charged at relevant Inland Revenue rates, currently 45p per mile.
- Photocopying bulk circulars. Photocopying is charged at 5p per page.

All other disbursements are to be reimbursed at cost.

The Liquidator reserves the right to increase the charges applicable to mileage and photocopying during the course of the liquidation in line with inflation or increases from our suppliers. Any material amendments will be advised to creditors in the next statutory report.