

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 6 5 9 0 1 3 2

Company name in full Darkchild Solutions Ltd

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Joanne Louise

Surname Hammond

### 3 Liquidator's address

Building name/number 3rd Floor

Street Westfield House

Post town 60 Charter Row

County/Region Sheffield

Postcode S 1 3 F Z

Country

### 4 Liquidator's name ①

Full forename(s) Claire Elizabeth

Surname Dowson

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number 3rd Floor

Street Westfield House

Post town 60 Charter Row

County/Region Sheffield

Postcode S 1 3 F Z


Country

#### ② 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>	1	<sup>m</sup>	0	<sup>m</sup>	8	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	0
To date	<sup>d</sup>	3	<sup>d</sup>	0	<sup>m</sup>	0	<sup>m</sup>	8	<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>  </div>															
Signature date	<sup>d</sup>	1	<sup>d</sup>	3	<sup>m</sup>	1	<sup>m</sup>	0	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	1

**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 **Kerry Norton**

Company name **Begbies Traynor (SY) LLP**

Address  
**3rd Floor, Westfield House**  
**60 Charter Row**

Post town **Sheffield**

County/Region

Postcode **S 1 3 F Z**

Country

DX

Telephone  
**0114 2755033**

**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)**

**Darkchild Solutions Ltd**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £	From 31/08/2020 To 30/08/2021 £	From 31/08/2018 To 30/08/2021 £
ASSET REALISATIONS		
Bank Interest Gross	NIL	0.02
Directors Contribution	NIL	6,403.32
Illegal Dividends	1,900.00	2,050.00
	<u>1,900.00</u>	<u>8,453.34</u>
COST OF REALISATIONS		
Bank Charges	4.25	9.75
Disbursements		
Postage	NIL	7.80
Irrecoverable VAT	243.96	1,310.16
Legal Fees (1)	NIL	1,107.00
Liquidators' Fees	1,200.00	1,200.00
Specific Bond	NIL	20.00
Statement of Affairs Fee	19.78	4,000.00
Statutory Advertising		
Advertising	NIL	216.00
	<u>(1,467.99)</u>	<u>(7,870.71)</u>
UNSECURED CREDITORS		
(0.01) Director - Mr T Chibaya	NIL	NIL
(48,944.00) HMRC (Corp Tax)	NIL	NIL
(4,808.51) HMRC (PAYE/NIC)	NIL	NIL
(11,478.77) HMRC (VAT)	NIL	NIL
(2,932.50) HSBC Bank plc	NIL	NIL
(3,000.00) Trade Creditors	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
DISTRIBUTIONS		
(2.00) Ordinary Shareholders	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
<b>(71,165.79)</b>	<b>432.01</b>	<b>582.63</b>
REPRESENTED BY		
Bank 1 Current		582.63
		<u><b>582.63</b></u>

Note:

*Joanne Louise Hammond*

Joanne Louise Hammond  
Joint Liquidator

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## Darkchild Solutions Ltd **(In Creditors'** Voluntary Liquidation)

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Progress report

Period: 31 August 2020 to 30 August 2021

### Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Darkchild Solutions Ltd (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 31 August 2018.
"the liquidators", "we", "our" and "us"	Joanne Louise Hammond of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ and Claire Elizabeth Dowson of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

# 2. COMPANY INFORMATION

Trading name(s):	Darkchild Solutions Ltd
Company registered number:	06590132
Company registered office:	3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ
Former trading address:	30 Henley Way, Rotherham, South Yorkshire, S61 1TL

# 3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	31 August 2018
Date of liquidators' appointment:	31 August 2018
Changes in liquidator (if any):	None

## 4. PROGRESS DURING THE PERIOD

### Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 31 August 2020 to 30 August 2021. Detailed below is an explanation of the transactions which have occurred during the period covered by this report.

### Receipts

#### Illegal Dividends

As reported previously, an agreement was reached with the director for the repayment of the illegal dividends. The director complied with the initial payment terms with all payments due to be paid being received. The position was then reviewed further with regard to future payments which resulted in a settlement agreement being entered into with the director and the joint liquidators. The settlement agreement was for the full and final settlement of all claims in the sum of £5,000.00 which was to be discharged by way of 25 instalments of £200.00 commencing in July 2021. To date, all payments which have fallen due have been discharged.

As a result, overall funds in respect of the illegal dividends received in the period covered by this report total £1,900.00.

### Payments

#### Bank Charges

Santander have been paid £4.25 in relation to the maintenance charges incurred on the estate bank account, during the period covered by this report.

#### Irrecoverable VAT

Irrecoverable VAT in the sum of £243.96 has been incurred and relates to the fees and expenses incurred during the period covered by this report.

#### Liquidators Fees

The joint liquidators have drawn the sum of £1,200.00 in relation to their remuneration, in accordance with the necessary approval obtained from the Company's creditors in this regard.

#### Statement of Affairs Fee

The joint liquidators have drawn the sum of £19.78 in relation to the costs of preparing the Company's statement of affairs, in accordance with the necessary approval obtained in this regard.

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

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



The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only. Our previous report contains details of the work undertaken since our appointment.

#### General case administration and planning

Time has been spent on general case planning and administration where a partner, director and different levels of administration staff have undertaken periodic reviews of the case to ensure that the same is progressing effectively. The case specific diary has also been regularly updated to ensure that all statutory due dates are being met as required. In addition, future realisations have been reviewed, alongside the preparation of billing forms.

This work has not resulted in a financial benefit to the Company's creditors however, it has ensured that the liquidation is administered effectively, and all statutory deadlines have been adhered to.

#### Compliance with the Insolvency Act, Rules and best practice

Regular bond reviews and subsequent increases have also been undertaken to ensure that the joint liquidators statutory bond has remained at an appropriate level to cover all realisations, throughout the liquidation.

The estate bank account has been monitored on a regular basis to ensure that all receipts and payments have been accounted for.

The above work has not resulted in a financial benefit to the Company's creditors however, the same is of a statutory nature and cannot be avoided.

#### Investigations

The joint liquidators have spent a nominal amount of time liaising with Freeths LLP in relation to the directors illegal dividends, with conference calls and updates taking place, with a view to progressing the matter further, together with the options available to the joint liquidators.

This work has not resulted in a financial benefit to the Company's creditors due to the amount which is anticipated to be received from the above however, the joint liquidators are required by the Insolvency Act and Rules to undertake the same therefore, the associated costs cannot be avoided.

#### Realisation of assets

As previously reported, the joint liquidators have spent time liaising with the Company's director in relation to the repayment of the illegal dividends. Time has also been spent updating the directors payment schedule for the same.

In addition, communication has been entered into with Freeths discussing the options available to the joint liquidators with regard to pursuing the illegal dividends further. Such work has resulted in a settlement agreement being agreed and payments commencing from the director.

Whilst the above work will result in funds being received into the liquidation estate, these will be insufficient to provide a financial benefit to the Company's creditors. However, the same is required by statute and therefore cannot be avoided.

#### Trading

The Company has not traded whilst in liquidation therefore no time has been incurred in this regard.

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

A nominal amount of time has been spent reviewing creditor proof of debt forms and inputting the claims onto our internal system and communicating via verbal communications with regard to the completion of forms required within the liquidation proceedings.

The above work has not provided any financial benefit to the Company's creditors however, it has ensured that creditor claims have been dealt with accordingly and any necessary information which may be required by the creditors, has been provided.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedures, tax, litigation, pensions and travel)

Time has been spent preparing the VAT 426 claim form for HM Revenue and Customs ("HMRC").

As previously mentioned, time has been spent dealing with the illegal dividends due from the director. This has involved regularly emailing Freeths LLP to chase director payments and discussing the settlement agreement.

This work has not provided a better financial return to the Company's creditors however, the same is of a statutory nature therefore these costs cannot be avoided.

## 5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the director's statement of affairs and in our progress report for the period 31 August 2019 to 30 August 2020.

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

### Secured creditors

There are no known secured creditors.

### Preferential creditors

There are no known preferential claims.

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

Details of how the prescribed part for unsecured creditors is calculated were provided in our progress report for the period 31 August 2018 to 30 August 2019.

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

### Unsecured creditors

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

## 6. REMUNERATION & EXPENSES

### Remuneration

Our remuneration has been fixed by a decision of the creditors on 11 October 2018 obtained via a Decision Procedure by way of correspondence by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (SY) LLP in attending to matters arising in the winding up as set out in the fees estimate dated 21 September 2018 in the sum of £12,631.00.

We are also authorised to draw expenses for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, which is attached at Appendix 2 of this report.

Our time costs for the period from 31 August 2020 to 30 August 2021 amount to £5,877.00 which represents 23.5 hours at an average rate of £250.09 per hour.

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

- ❑ Time Costs Analysis for the period 31 August 2020 to 30 August 2021
- ❑ Begbies Traynor (SY) LLP's charging policy

To 30 August 2021, we have drawn the total sum of £1,200.00 on account of our remuneration, against total time costs of £25,798.50 incurred since the date of our appointment.

### Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type. An additional analysis is also attached which details the time costs for the entire period for which we have administered the liquidation.

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

As can be seen from the information above, we have exceeded the limit of our approved remuneration. For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved. The reasons why the approved level of remuneration has been exceeded are as follows:

- Pursuing the director for payment of the indemnity provided previously. This has involved various verbal and written communications with the director, agreeing revised repayment terms and monitoring the payments;
- As a result of the director not complying with the repayment terms of the indemnity which were agreed previously, steps were taken to instruct Freeths to pursue the director on the joint liquidators behalf to which a further repayment plan was agreed; and
- A thorough review of the Company's accounts which identified illegal dividends has been carried out. Therefore, steps were taken to pursue the director. As a satisfactory response was not received, this matter was also sent to Freeths to pursue. Subsequently repayment terms were agreed and this matter will be reviewed in six months time and continue to be monitored.

In light of the above, we are obliged to provide creditors with details of the additional work that we propose to undertake and has been undertaken along with details of the estimated costs of that additional work. This information appears at Appendix 2. The joint liquidators, within their previous reports, sought an increased fee estimate in the sum of £14,283.00 dated 4 September 2019. Such increased fee estimate was never

approved. As a result, we have attached this to our report for approval by the Company's creditors. We do not anticipate that we will need to seek further approval following the proposed increase to our remuneration, as a result of the anticipated realisations due to be received into the liquidation estate.

We are therefore seeking creditors' approval to increase our remuneration by way of a Decision Procedure via correspondence and a Notice providing further information about the decisions being sought by correspondence together with a Voting Form have been provided separately.

#### Expenses

To 30 August 2021, we have also drawn expenses in the sum of £253.55. Such payment includes funds in relation to statutory bond payments. Whilst such funds have been paid to a third party, such funds were first paid by Begbies Traynor and subsequently recovered.

#### Why have subcontractors been used?

Freeths were instructed to provide assistance with the collection of the outstanding indemnity funds as well as pursuing the director in relation to the illegal dividends which were drawn by the director, prior to the joint liquidators appointment. Freeths have entered into written correspondence with the director and have agreed a repayment plan in this regard. Freeths were chosen based on their known ability to pursue similar matters successfully and in a timely manner, as well as taking their fee basis into consideration.

#### Category 2 Expenses

In accordance with the resolution obtained in relation to expenses, the following Category 2 expenses have been charged to the case since our last report to creditors.

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Postage	5.40
TOTAL	5.40

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides). Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

## 7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. A cumulative statement showing the total expenses incurred since the date of our appointment also appears at Appendix 3, together with a table of future expenses to be incurred.

#### Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the liquidation would total £1,758.72. Unfortunately, the expenses which we have incurred so far have exceeded that estimate and there will be further expenses to pay before the case concludes. The reasons why the estimate is likely to be exceeded are as follows:

- Increase in postage charges;
- higher than anticipated bank charges; and

- irrecoverable VAT not being detailed within our previous estimates.

## 8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

At this stage in the liquidation, we have the following assets left to realise:

### Illegal Dividends

As detailed in Section 4 of this report, the joint liquidators agreed, with the assistance of Freeths, a settlement agreement with the director for the repayment of the illegal dividends. Full details are stated in Section 4.

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

### General case administration and planning

The joint liquidators will continue to complete works required to maintain the liquidation including periodically reviewing the case by way of six monthly case reviews to ascertain which works remain outstanding and progressing the case to ensure all statutory requirements have been completed during the course of the liquidation, and in readiness for closure.

The case specific diary and statutory checklists will also continue to be regularly monitored and updated to ensure that all deadlines have been adhered to.

There will be no financial benefit to the Company's creditors from our work in this area however, we have a duty to undertake the same therefore these costs cannot be avoided.

### Compliance with the Insolvency Act, Rules and best practice

The joint liquidators will continue to prepare and issue the statutory annual progress reports and receipts and payments account to the Company's creditors and to the Registrar of Companies, pursuant to the Insolvency Act 1986.

Once all matters have been completed, a closure review will be compiled to ensure that all works have been finalised. A final report will then be prepared and issued to all relevant parties with the necessary notices attached.

The joint liquidators will also continue to review their statutory bond on a regular basis to ensure that this remains at an appropriate level throughout the liquidation.

The estate bank account will also continue to be regularly monitored and reconciled against our internal system to ensure that all income and expenditure is accounted for.

There will be no financial benefit to the Company's creditors from the work carried out in this area however, the joint liquidators have a duty to undertake the same therefore, this work cannot be avoided.

### Investigations

It is not anticipated that any further investigations will be undertaken during the liquidation. However, should any matters arise in this regard, the joint liquidators will review the works to be done and proceed as necessary.

### Realisation of assets

The joint liquidators will continue to monitor collection of the monthly payments due from the director with regard to the illegal dividends.

Whilst the above work will result in realisations being achieved within the liquidation estate, these will be insufficient to provide any financial benefit to the creditors in this regard.

### Trading

As the Company has not traded whilst in liquidation, no time will be incurred on this particular matter.

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

The joint liquidators will continue to correspond with the Company's creditors by way of verbal and written communications with regard to their claims within the liquidation proceedings and any queries which may arise

These works will not result in a financial benefit to the Company's creditors however, the same will ensure that creditors remain up to date with the liquidation proceedings.

### Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedure, tax, litigation, pensions and travel)

The joint liquidators will continue to prepare and submit the necessary returns to HMRC as and when these fall due.

This work will not provide a financial benefit to the Company's creditors however, such work is a statutory requirement which must be adhered to by the joint liquidators and therefore the associated costs cannot be avoided.

How much will this further work cost?

The 'further work' detailed above has always been anticipated, but at this point in the proceedings, it has not yet been carried out and completed. As you know, this work is necessary in order that I may complete the liquidation as envisaged. The cost of completing this work will not exceed any amounts approved by creditors previously.

### Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the revised estimate of anticipated expenses which includes all of the expenses that we anticipate that we will incur throughout the liquidation provided in Appendix 3.

What is the anticipated payment for administering the case in full?

We estimated that the cost of administering the case would be in the region of £12,631.00, and subsequently you have provided approval for us to draw our remuneration up to that level. However, as you are aware, due to the fact that there are limited assets, the remuneration that we can draw is limited to the amount that is realised for the assets, (less any costs incurred in realising those assets). At this stage in the liquidation, I can estimate that total remuneration drawn will be in the region of £6,000.00.

However, please note that should there be additional or unexpected asset realisations, we will look to draw our remuneration from those too, capped at the level that the creditors approve.

## 9. OTHER RELEVANT INFORMATION

### Connected party transactions

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

### Use of personal information

Please note that in the course of discharging our statutory duties as liquidators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

## 10. CREDITORS' RIGHTS

### Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

### Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

## 11. CONCLUSION

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



Joanne Louise Hammond  
Joint Liquidator

Dated: 13 October 2021

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 31 August 2020 to 30 August 2021



**Darkchild Solutions Ltd**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £	From 31/08/2020 To 30/08/2021 £	From 31/08/2018 To 30/08/2021 £
ASSET REALISATIONS		
Bank Interest Gross	NIL	0.02
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	<u>1,900.00</u>	<u>8,453.34</u>
COST OF REALISATIONS		
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Legal Fees (1)	NIL	1,107.00
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UNSECURED CREDITORS		
(0.01) Director - Mr T Chibaya	NIL	NIL
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(4,808.51) HMRC (PAYE/NIC)	NIL	NIL
(11,478.77) HMRC (VAT)	NIL	NIL
(2,932.50) HSBC Bank plc	NIL	NIL
(3,000.00) Trade Creditors	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
DISTRIBUTIONS		
(2.00) Ordinary Shareholders	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
<b>(71,165.79)</b>	<b>432.01</b>	<b>582.63</b>
REPRESENTED BY		
Bank 1 Current		582.63
		<u><b>582.63</b></u>

Note:

## COSTS AND EXPENSES

- a. Begbies Traynor (SY) LLP's charging policy;
- b. Time Costs Analysis for the period from 31 August 2020 to 30 August 2021; and
- c. Cumulative Time Costs Analysis for the period from 31 August 2018 to 30 August 2021;
- d. Estimated increase to our approved fees estimate

## BEGBIES TRAYNOR CHARGING POLICY

### INTRODUCTION

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 the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the creditors' decision being made for the office holder to be remunerated on a time cost basis. Best practice guidance\* requires that such information should be disclosed to those who are responsible for approving the basis of an office holder's remuneration. Within our fee estimate creditors can see how we propose to be remunerated.

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

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

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

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded in 6 minute units at the individual's hourly rate in force at that time which is detailed below.

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

Expenses are 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.

\* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an estate

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 £100 (London £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 to the Sheffield office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour)
	1 December 2018 until further notice
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

Prior to 1 December 2018, the following rates applied:

Grade of staff	Charge-out rate (£ per hour)
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	60-110

\* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an estate

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.

SIP9 Darkchild Solutions Ltd - Creditors Voluntary Liquidation - 91DA633.CVL : Time Costs Analysis From 31/08/2020 To 30/08/2021

Staff Grade		Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	0.2	0.8				2.8				3.8	1,085.00	285.53
	Administration	1.0	0.8				0.2	0.1			2.1	913.50	435.00
	Total for General Case Administration and Planning:	1.2	1.6				3.0	0.1			5.9	1,998.50	338.73
Compliance with the Insolvency Act, Rules and best practice	Appointment:												0.00
	Banking and Bonding		0.2				1.3			4.0	5.5	941.50	171.18
	Case Closure												0.00
	Statutory reporting and statement of affairs						2.0	4.0			6.0	1,150.00	191.67
	Total for Compliance with the Insolvency Act, Rules and best practice:		0.2				3.3	4.0		4.0	11.5	2,091.50	181.87
Investigations	CDDA and investigations		0.5								0.5	222.50	445.00
	Total for Investigations:		0.5								0.5	222.50	445.00
Realisation of assets	Debt collection		1.7				1.3				3.0	1,049.00	349.67
	Property, business and asset sales												0.00
	Retention of Title/Third party assets												0.00
	Total for Realisation of assets:		1.7				1.3				3.0	1,049.00	349.67
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured												0.00
	Others						0.3				0.3	67.50	225.00
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:						0.3				0.3	67.50	225.00
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors												0.00
	Meetings							0.2			0.2	35.00	175.00
	Other												0.00
	Tax									0.7	0.7	98.00	140.00
	Litigation						1.4				1.4	315.00	225.00
	Total for Other matters:						1.4	0.2		0.7	2.3	448.00	194.78
	Total hours by staff grade:	1.2	4.0				9.3	4.3		4.7	23.5		
	Total time cost by staff grade £:	594.00	1,780.00				2,092.50	752.50		658.00		5,877.00	
	Average hourly rate £:	495.00	445.00	0.00	0.00	0.00	225.00	175.00	0.00	140.00			250.09
	Total fees drawn to date £:											0.00	

SIP9 Darkchild Solutions Ltd - Creditors Voluntary Liquidation - 91DA633.CVL : Time Costs Analysis From 31/08/2018 To 30/08/2021

Staff Grade		Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	1.3	2.2		0.1		10.5				14.1	3,914.50	277.62
	Administration	1.5	4.5		0.3		5.8	0.3	3.2	1.2	16.8	4,363.00	259.70
	Total for General Case Administration and Planning:	2.8	6.7		0.4		16.3	0.3	3.2	1.2	30.9	8,277.50	267.88
Compliance with the Insolvency Act, Rules and best practice	Appointment						4.9				4.9	857.50	175.00
	Banking and Bonding	0.3	0.5		0.2		5.4		0.5	14.6	21.5	3,649.00	169.72
	Case Closure						0.2		3.5		4.4	846.50	192.39
	Statutory reporting and statement of affairs		1.1				11.4	4.0		0.7	17.2	3,714.50	215.96
	Total for Compliance with the Insolvency Act, Rules and best practice:	0.3	2.3		0.2		21.9	4.0	4.0	15.3	48.0	9,067.50	188.91
Investigations	CDDA and investigations		6.5				9.3		0.3	0.1	16.2	4,442.00	274.20
	Total for Investigations:		6.5				9.3		0.3	0.1	16.2	4,442.00	274.20
Realisation of assets	Debt collection		1.9				3.1				5.0	1,543.00	308.60
	Property, business and asset sales												0.00
	Retention of Title/Third party assets												0.00
	Total for Realisation of assets:		1.9				3.1				5.0	1,543.00	308.60
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured												0.00
	Others						0.9				0.9	172.50	191.67
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:						0.9				0.9	172.50	191.67
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors												0.00
	Meetings							0.2			0.2	35.00	175.00
	Other						0.1				0.1	17.50	175.00
	Tax						0.5		0.1	1.3	1.9	308.50	162.37
	Litigation						8.6				8.6	1,935.00	225.00
	Total for Other matters:						9.2	0.2	0.1	1.3	10.8	2,296.00	212.59
	Total hours by staff grade:	3.1	17.4		0.6		60.7	4.5	7.6	17.9	111.8		
	Total time cost by staff grade £:	1,494.50	7,223.00		167.00		12,767.50	779.50	989.00	2,378.00		25,798.50	
	Average hourly rate £:	482.10	415.11	0.00	278.33	0.00	210.34	173.22	130.13	132.85			230.76
	Total fees drawn to date £:											0.00	

## THE LIQUIDATORS' ESTIMATE OF THE INCREASED FEES THAT THEY WILL INCUR

Further to the information set out in the report, the Liquidators anticipate that in addition to their fees estimate dated 21 September 2018 in the sum of £12,631.00 the following further fees will be incurred to conclusion of the liquidation. Please note that blended hourly rates have been used as they were for the original estimate which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column. Details of the hourly rates that will be charged for each level of staff working on the case form part of this appendix.

Details of the work that the liquidators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	20.80	4,672.00	224.62
Compliance with the Insolvency Act, Rules and best practice	21.30	4,556.50	213.92
Investigations	0.00	0.00	
Realisation of assets	7.10	1,938.00	272.96
Trading	0.00	0.00	
Dealing with all creditors' claims (including employees), correspondence and distributions	6.80	1,594.00	234.11
Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure or via Decision Procedures), tax, litigation, pensions and travel	6.20	1,424.50	229.76
Total hours	62.20		
Total time costs		14,283.00	
Overall average hourly rate £			229.63

Please refer back to the body of the report at Sections 6 and 8 for a more detailed explanation of the future work to be carried out and why this addition to our remuneration is being sought. As can be seen, the above fee estimate has been issued previously to creditors and is dated 4 September 2019. As this has never been approved and that any future remuneration to be drawn will not exceed our original estimate, we have included this within this report for approval.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>.

We have arrived at this increase by considering the nature and complexity of the work that is necessary to conclude the case, and we also believe that this increase is a fair and reasonable reflection of the same.

Dated: 04 September 2019



## STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Bank Charges	Santander	4.25	4.25	0.00
Irrecoverable VAT	Various parties	243.96	243.96	0.00
Postage charges	Postworks	5.40	0.00	5.40

## CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Bank Charges	Santander	9.75
Postage	Royal Mail / Postworks	16.86
Irrecoverable VAT	Various parties	1,310.16
Legal Fees	Freeths	1,107.00
Specific Bond	AON UK	20.00
Statutory Advertising	EPE Reynell Advertising Limited	216.00

Please note that contained within postage charges above is the sum of £9.06 which has been incurred but not yet discharged from the case, such funds will be discharged within due course.

## ADDITIONAL EXPENSES ANTICIPATED FOR FUTURE WORK

Expenses anticipated to be incurred prior to closure of the case	Name of party with whom expense anticipated to be incurred	Amount estimated to cost £
Postage charges	Postworks	18.14
Bank charges	Santander	5.25
Irrecoverable VAT	Various parties	Uncertain

## DARKCHILD SOLUTIONS LTD

## DETAILS OF THE EXPENSES THAT THE LIQUIDATORS CONSIDER WILL BE, OR ARE LIKELY TO BE INCURRED

No.	Type of expense	Description	Estimate £
1.	Advertisements	Of appointment, meetings, dividends etc.	216.00 + VAT
2.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds	20.00 + VAT
3.	Storage costs	An Insolvency Practitioner is required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	6.80 + VAT
4.	Postage charges	Charges incurred in circulating documentation tot the Company's creditors during the liquidation process.	35.00 + VAT
5.	Bank charges	An Insolvency Practitioner is required to operate a separate bank account in relation to the insolvent entity's estate	15.00
6.	Legal fees	The fees of any solicitors and/or barristers instructed to assist the Insolvency Practitioner and their anticipated disbursements	1,500.00 + VAT
7.	Irrecoverable VAT	VAT incurred on expenses within the liquidation proceedings.	£1,310.16 + Uncertain