

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

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refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 6 7 3 5 1 0 0

Company name in full APSE Consulting Ltd

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Scott Christian

Surname Bevan

### 3 Liquidator's address

Building name/number c/o Mazars LLP

Street 1st Floor

Post town Two Chamberlain Square

County/Region Birmingham

Postcode B 3 3 A X

Country

### 4 Liquidator's name ①

Full forename(s) Simon David

Surname Chandler

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number c/o Mazars LLP

Street 1st Floor

Post town Two Chamberlain Square

County/Region Birmingham

Postcode B 3 3 A X

Country

#### ② Other liquidator

Use this section to tell us about  
another liquidator.

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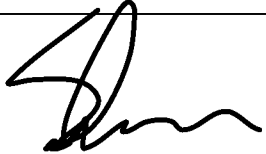
### 6 Period of progress report

From date	<sup>d</sup> 0	<sup>d</sup> 1	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1	
To date	<sup>d</sup> 3	<sup>d</sup> 1	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2	

### 7 Progress report

<input checked="" type="checkbox"/> The progress report is attached	
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### 8 Sign and date

Liquidator's signature	Signature X 	X							
Signature date	<sup>d</sup> 2	<sup>d</sup> 3	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2	

# 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

Company name **Mazars LLP**

Address **1st Floor**

**Two Chamberlain Square**

Post town **Birmingham**

County/Region

Postcode

**B 3 3 A X**

Country

DX

Telephone

**+44 (0)121 232 9500**



### 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)**



## APSE Consulting Ltd - In Liquidation

The Liquidators' Progress Report for the period 01/11/2021 – 31/10/2022

23 December 2022

# Contents and abbreviations

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B.	Liquidators' Receipts & Payments Account
C.	Estimated Outcome Statement
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D3.	Detailed Revised Fee Estimate
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D5.	Narrative summary of Liquidators' work in the Period
D6.	Charge out rates and expenses policy
E.	Statement of expenses incurred in the Period

## The following abbreviations are used in this report

Mazars	Mazars LLP
The Company	APSE Consulting Ltd - In Liquidation
The Liquidators	Scott Christian Bevan and Simon David Chandler of Mazars LLP
The Period	The reporting period 1 November 2021 - 31 October 2022
CVL	Creditors Voluntary Liquidation
SIP	Statement of Insolvency Practice
HMRC	HM Revenue & Customs
QFCH	Qualifying Floating Charge Holder
R&P Account	Receipts & Payments Account

# 1. Introduction

## Purpose of the report

This report has been prepared in accordance with Rule 18.8 of the Insolvency (England and Wales) Rules 2016, to provide creditors with details of the progress made during the Period.

Identification details relating to the Company and the Liquidators are attached at Appendix A.

## Further guidance

General information regarding a creditor's role during the liquidation process can be found at [www.creditorinsolvencyguide.co.uk](http://www.creditorinsolvencyguide.co.uk).

For specific enquiries relating to this matter, please do contact Callum Kiernan on 0121 232 9557.

## 2. Executive summary

### Outstanding matters

As outlined in section 3 of this report, the main matters preventing the conclusion of this case include:

- Advertising for and adjudicating on unsecured claims and subsequently issuing payment of a dividend to unsecured creditors.
- Reporting and statutory and compliance functions.
- TAX and VAT compliance, including preparing tax computations and returns in respect of the liquidation and seeking final clearance prior to closure.

### Matters pending approval

As outlined in this report, the Liquidators are seeking creditors' approval on the following matters:

- The Liquidators' Revised Fees Estimate of £83,061.88, calculated on a time-cost basis.

### Liquidators' remuneration

The basis of the Liquidators' remuneration was approved by the creditors in accordance with the Insolvency Rules on 24 February 2020. Full details can be found in section 5 of this report.

Details of the Liquidators' revised fee estimate is provided within this report.

### Dividend Prospects

An overview of the dividend prospects, based on current information, for the separate classes of creditors who have submitted claims is given below:

	Claims received (£)	Paid to date (£)	Future payments (£)
Unsecured creditors	34,782,514	Nil	538,753

\*Current forecast as at the date of this report

### Estimated time frame for closure

Based on the outstanding matters still to be concluded, providing we receive final claims from creditors within the first quarter of the year, it is estimated that the Liquidation will be closed within one year.

### 3. Progress in the Period

#### R&P Account

An R&P Account covering the Period is attached at Appendix B. The R&P also covers the cumulative period from the date of appointment to the end of the Period. Currently there is a balance in hand of £59,290 and a ring fenced funds balance of £742,213.

An explanation of the assets realised during this period is provided below. Full details of the expenses incurred are provided in Appendix E.

Type of asset	Realisations during current period (£)	Cumulative realisations (£)	Anticipated future receipts (£)
1. Settlement from Directors	12,000	69,109	Uncertain

#### Work undertaken during the Period

No active work has been undertaken in the Period in relation to asset realisations, and we do not anticipate any further realisations in the Liquidation. In contrary to the aforementioned, the R&P Account shows realisations during the period which are further explained below:

##### 1. Settlement from Directors

Creditors will note from prior progress reports that the Joint Liquidators of the Company were appointed following the conversion from a Members Voluntary

Liquidation pursuant to Section 95 of the Insolvency Act 1986. The Liquidators have been appointed over five other associated companies by HM Revenue & Customs ("HMRC") Counter-Avoidance Insolvency team who raised significant concerns regarding the Company and its associated entities.

The Joint Liquidators previously instructed Womble Bond Dickinson ("WBD") to provide legal advice and to assist with investigations into the Company and where necessary assist in lines of inquiry with other third parties.

A letter before action was sent to both the Directors on 6 August 2020 detailing legal claims which included misfeasance and acting to the detriment of the Companies.

Following advice received from WBD, Counsel and consulting with the major creditor in the Estates, HMRC, we accepted a settlement of £1.25m across all six companies from the Directors on 15 October 2020.

The funds received have been held in a separately, on a ring-fenced basis by this Company, of which £221,596 has then been released to the six estates (including this one) of the associated companies in order to discharge a portion of the Liquidators' fees and costs. Realisations during the period for this associated company amount to £12,000 drawn down from the ring-fenced balance, with the cumulative realisations being £69,109.

Further monies will be paid to discharge each associated companies' costs and to also pay a dividend to unsecured creditors in proportion to the percentage of claims held per associated company.



### 3. Progress in the Period

#### Connected Party Transactions

In accordance with Statement of Insolvency Practice 13, I confirm that there have been no transactions with connected parties during the period of this report.

#### Investigations

An initial investigation into the Company's affairs has been undertaken by the Liquidators 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.

Creditors will recall from a previous report in 2020, high level investigatory work was conducted during that period and resulted in a settlement of £1.25m to be shared across this Estate and the other five associated estates.

Should creditors have any information which they consider may assist the Liquidators in carrying out their investigations, or be aware of any matters which they believe should be brought to the attention of the Liquidators, 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.

In accordance with the Company Directors Disqualification Act 1986, the Liquidators are required to investigate the affairs of the Company and the conduct of the directors during the three years prior to the Liquidation. The Liquidators can confirm that this obligation has been complied with and a confidential on-line report was submitted to the Insolvency Service on 25 February 2019.

#### Outstanding matters

The main matters preventing the conclusion of this case include:

- Advertising for and adjudicating on unsecured claims and subsequently issuing payment of a dividend to unsecured creditors.
- Reporting and statutory and compliance functions.
- Tax and VAT compliance, including preparing tax computations and returns in respect of the Liquidation period and seeking final tax clearance prior to closure.

## 4. Estimated outcome for creditors

### Estimated Outcome Statement (“EOS”)

An EOS is attached at Appendix C. It should be noted that this document is for illustrative purposes only and is subject to change.

#### Secured creditors

There are no secured creditors in this case.

#### Preferential creditors

There are no preferential creditors in this case.

#### Secondary preferential creditors

There are no secondary preferential creditors in this case.

#### Unsecured creditors

According to the Directors' Statement of Affairs, the Company had two unsecured creditors with debts totalling £33,712,273. Claims received to date total £34,782,514 from two creditors.

Assuming that realisations and expenses are as anticipated, it is expected that there will be sufficient funds to enable a return to creditors, the forecasted figure of which can be found in the EOS.

#### Prescribed part

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 £800,000, where the first ranking floating charge was created on or after 6 April 2020 (£600,000 if created before then). 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.

As there is no floating charge, the Prescribed Part does not apply in this instance.

## 5. Liquidators' remuneration and expenses

### Basis of Remuneration

In accordance with Rule 18.16 of the Insolvency (England & Wales) Rules 2016, the basis of the Liquidators' remuneration may be fixed;

- a. As a percentage of the value of the assets which are realised or distributed, or of the one value and the other in combination; or
- b. By reference to the time properly given by the Liquidators and their staff in attending to matters arising in the winding-up; or
- c. As a set amount; or
- d. As a combination of any one or more of the above

In accordance with the resolution passed by the creditors on 24 February 2020, the Liquidators remuneration was fixed by reference to the time properly given by the Liquidators and their staff in attending to matters arising in the winding up. Details of the Liquidators' charge out rates are provided at Appendix D6.

I have drawn remuneration in the sum of £10,000 during the period covered by this report. Total remuneration drawn since my appointment is £55,000.

Further information about remuneration, (including approval of the basis of remuneration and details of the work done and to be undertaken), together with further detailed information regarding creditors rights in this regard, is provided in Appendix D4.

### Work anticipated to be undertaken

A Revised Fees Estimate, which provides further details in respect of the work the Liquidators have undertaken and propose to undertake, is attached at Appendix D2.

The Revised Fees Estimate totals £83,061.76, plus VAT. This represents 334.6 hours at a blended rate of £248.24.

The Revised Fees Estimate acts as a cap for the Liquidators' fees and the Liquidators will be unable to take any additional fees without the approval of the general body of the creditors (unless a committee is appointed).

The Revised Fees Estimate assumes the following:

- That there are no further assets to realise;
- That the liquidation will remain open for less than one year.

### Work already undertaken

Provided below are the Liquidators' time costs incurred to date of £66,844.50:

Function	Hours	Costs	Av. Rate
Admin & Planning	57.9	18,912.50	326.64
Taxation	38.0	8,230.50	216.59
Investigations	48.7	12,653.50	259.83
Employees	6.6	1,374.00	208.18

## 5. Liquidators' remuneration and expenses

Creditors	5.8	1,730.50	298.36
Reporting	40.9	8,350.00	204.16
Cashiering	42.9	8,623.00	201.00
Statutory & Compliance	29.6	6,789.00	229.36
Total	270.4	66,669.00	246.56

### Narrative summary

Attached at Appendix D5 is a narrative summary of the work undertaken during the Period. The summary provides details on why the work was or is necessary and whether the work has provided, or it is anticipated to provide a financial benefit to the creditors.

### Expenses

Expenses are any payments from the estate which are neither remuneration nor a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the liquidator, and then reimbursed to the liquidator from the estate.

Expenses are divided into category 1 and category 2 expenses. Category 1 expenses are payments to non-associates of Liquidators and can be paid without prior approval.

Category 2 expenses are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in

the same manner as remuneration. Approval for these expenses was provided by the creditors on 24 February 2020.

Details of cumulative expenses, the original expense estimate and a revised expense estimate is attached at Appendix E.

It is currently expected that the expenses incurred or anticipated to be incurred are likely to exceed the details provided prior to the determination of the basis of our remuneration.

The Liquidators have reviewed the expenses incurred to date and are satisfied that they are fair and reasonable and proportionate in the circumstances of the case.

### Professional advisors

Where specialist advice or services have been required, the liquidators are obliged to ensure that the work provided reflects the best value and service. The Liquidators are also required to ensure that such professional advisors are fit and proper. The specialists chosen by the liquidators are subject to continuous review and are usually selected due to their insolvency or sector knowledge.

Further details regarding the advisors selected were provided in the initial expenses estimate, a copy of which can be accessed on the Portal.

## 5. Liquidators' remuneration and expenses

### Important information regarding creditors' rights

The following creditors can ask the Liquidators for further information about the remuneration and expenses set out in this progress report:

- 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

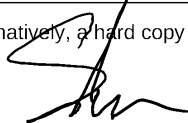
All requests for such further information must be made within 21 days following the receipt of this report.

Creditors can also apply to Court on the basis that the Liquidators' remuneration, the basis of the remuneration or the expenses incurred in the Period are excessive or inappropriate. The concurrence required is at least 10% in value of the unsecured creditors.

In accordance with SIP9, creditors can find additional information on their rights relating to Liquidators' remuneration 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/>

Alternatively, a hard copy of the relevant guide will be sent to you on request.



S C Bevan  
Joint Liquidator

Dated 23 December 2022

Authorised to act as an insolvency practitioner in the UK by the Insolvency Practitioners Association and 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).

## Appendix A – Identification Details

### Details relating to the Company:

Company name	APSE Consulting Ltd
Previous names	N/A
Trading name	N/A
Company number	06735100
Registered office	c/o Mazars LLP, 1st Floor, Two Chamberlain Square, Birmingham, B3 3AX
Trading address	Suite 72 Cariocca Business Park, 2 Sawley Road, Manchester, M40 8BB

### Details relating to the Liquidators:

Names	Scott Christian Bevan and Simon David Chandler
Date of appointment	30 November 2018
Method of appointment	Decision of the creditors/Secretary of State Scott Christian Bevan is authorised by the IPA and their authorisation number is 009614.
Authorising body	Simon David Chandler is authorised by the IPA and their authorisation number is 008822.
Previous liquidator	Ian Kings of KRE (North East) Ltd, The Axis Building Maingate, Team Valley Trading Estate, Gateshead, NE11 0NQ
Liquidators' Address	Mazars LLP, 1st Floor, Two Chamberlain Square, Birmingham, B3 3AX
Liquidators' Contact telephone number	+44 (0)121 232 9500

# Appendix B – Receipts & Payments Account

Statement of Affairs £	From 01/11/2021 To 30/10/2022 £	From 01/11/2016 To 30/10/2022 £
ASSET REALISATIONS		
Foreign Exchange rate repayment	NIL	459.73
Ring Fenced funds	NIL	1,250,000.00
Settlement from Directors	12,000.04	69,109.11
	12,000.04	1,319,568.84
COST OF REALISATIONS		
Bank Charges	0.09	0.09
Legal Fees (1)	NIL	241,418.92
Liquidator's Fees	10,000.00	55,000.00
Release of Ring Fenced funds	50,400.04	221,595.73
Storage Costs	23.35	51.60
	(60,423.48)	(518,066.34)
UNSECURED CREDITORS		
(33,710,460.00) HMRC	NIL	NIL
(1,813.00) Trade & Expense Creditors	NIL	NIL
	NIL	NIL
(33,712,273.00)	(48,423.44)	801,502.50
REPRESENTED BY		
APSE RING FENCED FUNDS NIB		742,212.65
Floating Charge Current		59,289.85
		801,502.50

# Appendix C – Estimated Outcome Statement

	<b>N</b>	<b>To Date</b>	<b>Future</b>	<b>Total</b>
Settlement from Directors	1	1,250,000	Nil	1,250,000
Less:				
<i>Legal Fees</i>	2	(195,468)	Nil	(195,468)
<i>Counsel's Fee</i>	2	(45,067)	Nil	(45,067)
<i>IOM Legal Fee</i>	2	(884)	Nil	(884)
<i>Release of ring-fenced funds</i>	3	(221,596)	(786,985)	(1,008,581)
		<b>786,985</b>	<b>(786,985)</b>	<b>-</b>
<b>ASSET REALISATIONS</b>				
Settlement (Apportioned)	4	69,109	552,706	621,815
Foreign Exchange Rate Repayment		460	Nil	460
		69,569	552,706	622,275
<b>COST OF REALISATIONS</b>				
Liquidators' Remuneration		(55,000)	(28,062)	(83,062)
Liquidators' Disbursements		Nil	(315)	(315)
Corporation tax		Nil	Uncertain	Uncertain
Storage Costs		(52)	(548)	(600)
Surplus available to Preferential Creditors				538,298
<b>PREFERENTIAL CREDITORS</b>				
Employees				Nil
Surplus available to Unsecured Creditors				538,298
<b>UNSECURED CREDITORS' CLAIMS</b>				
Trade & Expense Creditors				Nil
Now Pensions				(1,813)
HMRC re VAT and PAYE/NI				(34,780,701)
				(34,782,514)
Deficit to Unsecured Creditors				(34,244,216)
Return to Unsecured Creditors (p in the £)				1.5

## Note

1. Total settlement received and held in a ring-fenced account for the purposes of all six Estates.
2. Costs associated with realising the Settlement, shared by all six Estates.
3. Total amount to be sent to all six Estates by reference to total creditor claims across all six.
4. Apportionment of settlement by reference to total creditor claims across all six Estates.



# Appendix D1 – Original Fee Estimate

My total Fees Estimate as at 29 January 2020 to conclude this matter is £65,712.96. I have provided below a breakdown of how these costs will be split between the different functions my staff and I are likely to perform on this case.

Description of Work	Total Time (hours)	Total Costs (£)	Blended Hourly Rate (£)
Administration & Planning	30.00	6,263.00	208.77
Taxation	8.00	1,380.16	172.52
Investigations	135.00	35,251.60	261.12
Realisation of Assets	Nil	Nil	Nil
Employees	6.60	1,374.00	208.18
Creditors	7.00	1,642.60	234.66
Reporting	62.00	13,406.00	216.23
Distributions	Nil	Nil	Nil
Cashiering	5.00	862.60	172.52
Statutory & Compliance	28.00	5,533.00	197.61
Total	281.60	65,712.96	233.36

Attached to this Fees Estimate is a detailed summary of the work anticipated, together with an explanation as to why the various tasks are required.

Creditors will note that a blended hourly charge-out rate has been provided. 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 anticipated to work on this case can be found on 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.

Not all of the work which I am required to perform will provide a direct financial benefit to creditors. Some of the work to be undertaken is required because statute dictates that I must perform this task, or because guidance issued by the Insolvency Service or my regulatory body requires such. However, a large proportion of the work will be carrying out our investigations as detailed in section 8 of the report, with a view to maximising the funds available to creditors.

The above is unlikely to provide any benefit to any class of creditor, assuming realisations are as forecast in the attached Estimated Outcome Statement. Even though there is no likely benefit to creditors, the work must be undertaken as it is required by statute or guidance issued by the Insolvency Service or my regulatory body.

# Appendix D1 – Original Fee Estimate

## Exceeding the Fees Estimate

The Fees Estimate has been based on previous examples of cases of a similar size and complexity to this case, together with our current knowledge of the case and the work which we anticipate will be necessary.

The above estimate also assumes that this case will remain open for five years. This assumption has been made due to our ongoing investigations and the time we anticipate it will take to finalise these matters. In the event that further work is required in respect of the above and/or the case extends beyond the estimated timeframe, it is likely that the Fees Estimate will be exceeded, at which point it will be necessary to seek further approval for an increase.

## Appendix D2 – The Revised Fee Estimate

The Revised Fees Estimate as at 22 December 2022 to conclude this matter is £83,061.76 which exceeds the original Fees Estimate by an amount of £17,348.80. I have provided below a breakdown of how these costs will be split between the different functions my staff and I are likely to perform on this case.

Description of Work	Total Time (hours)	Total Costs (£)	Blended Hourly Rate (£)
Administration & Planning	62.5	20,283.22	324.53
Taxation	43.0	9,343.58	217.29
Investigations	48.7	12,345.07	253.49
Realisation of Assets	0.8	222.00	277.50
Employees	6.6	1,374.00	208.18
Creditors	12.0	3,448.93	287.41
Reporting	67.0	14,619.30	218.20
Distributions	7.0	1,889.36	269.91
Cashiering	52.0	11,116.44	213.78
Statutory & Compliance	35.0	8,419.86	240.57
Total	334.60	83,061.76	248.24

A detailed breakdown of the anticipated future work to be undertaken and the associated costs in excess of the original Fee Estimate is provided on the following page, together with an explanation as to why the estimate has been or is likely to be exceeded.

Creditors will note that in respect of the Revised Fee Estimate, a blended hourly charge-out rate has been provided. 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 anticipated to work on this case can be found on 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.

Not all of the work which I am required to perform will provide a direct financial benefit to creditors. Some of the work to be undertaken is required because statute dictates that I must perform this task, or because guidance issued by the Insolvency Service or my regulatory body requires such. However, a large proportion of the work has been dealing with securing and realising assets, with a view to maximising the funds available to creditors.

### Further revision of the Fees Estimate

The Revised Fees Estimate has been based on previous example of cases of a similar size and complexity to this case, together with our current knowledge of the case and the work which we anticipate will be necessary.

As at 29 January 2020, when we issued the Original Fee Estimate, we were in the process of investigating the tax affairs of the Company and its associated entities. As such, and as further detailed in the below table, the

## Appendix D2 – The Revised Fee Estimate

Original Fees Estimate was insufficient to cover the complex intercompany and cross jurisdictional requirements of the investigation and realisation process. To achieve a successful recovery for the Company and the associated companies further work has been incurred which is reflected in the Strategy and planning section and the investigation. An element of the investigatory work is within the Strategy & Planning milestones as it represents meetings, discussions and work undertaken to drive forward the recoveries.

As detailed in prior reports and Section 3, a settlement was reached with the Directors on 15 October 2020, c.10 months after the original fee estimate was issued. As creditors are aware, the settlement has been held in a ring-fenced current account under APSE Consulting Limited. As commented above the Original Fee Estimate estimated a high level of investigatory work but did not split out the strategy element for the legal claims, discussions with stakeholders, settlement and distributing process between the other Estates, these additional time costs have been predominantly attributed to APSE Consulting.

# Appendix D3 – Detailed Revised Fee Estimate

Below is a detailed table with the proposed increase, how it differs from the Original fees estimate and reasons for the additional work.

Description of work	Total Time (hours)	Total Cost (£)	Blended Hourly Rate (£)
<p><u>Administration and Planning</u></p> <p>The Original fee estimate anticipated that 30.0 hrs would be spent on this category with a total cost being forecast of £6,263.</p> <p>Work undertaken in this regard includes:</p> <ul style="list-style-type: none"> <li>• Case acceptance and ethical reviews.</li> <li>• Completing case strategy notes.</li> <li>• Holding internal strategy meetings.</li> <li>• Liaising with our Solicitors with email and telephone in respect of avenues of investigation and settlement from the Directors.</li> <li>• Holding strategy meetings with Solicitors with respect of driving investigations forward in connection with achieving a financial return for creditors.</li> <li>• Liaising with HMRC regarding our findings and discussions over the settlement offered.</li> <li>• Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system.</li> <li>• Case filing.</li> </ul> <p>Future work to be undertaken includes:</p> <ul style="list-style-type: none"> <li>• Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system.</li> <li>• Case filing.</li> <li>• Archiving Liquidators' working papers.</li> </ul> <p>After revising the fee estimate it was concluded that the Original fee estimate forecasted less time being spent on this category than was needed. This was predominately due to the level of time spent liaising with Solicitors and HMRC in respect of our investigations and the settlement obtained.</p> <p>Creditors will note that investigatory time has heavily reduced by 86.3 hours, the work completed as regards to holding strategy meetings with Solicitors and HMRC is similar to investigatory work, however, the category of "Administration &amp; Planning" directly deals with case progression and strategic decisions. A total of 21.4 hours</p>	32.5	14,020.22	431.39

## Appendix D3 – Detailed Revised Fee Estimate

<p>was utilised in liaising with our solicitors and HMRC in relation to strategic decisions, whether that be; meetings, calls and/or emails.</p> <p>Accordingly, approval is being sought for an additional 32.5 hrs in excess of the fee estimated approved on 24 February 2020 of which 57.1 hrs of the revised 62.5 hrs have already been incurred.</p>			
<p><u>Taxation</u></p> <p>The Original fee estimate anticipated that 8 hrs would be spent on this category with a total cost being forecast of £1,380.16.</p> <p>Work undertaken in this regard includes:</p> <ul style="list-style-type: none"> <li>• Notifying HM Revenue &amp; Customs (“HMRC”) of my appointment and establishing whether they have any outstanding claims or ongoing investigations. Such enquires assist with my own investigations.</li> <li>• Reviewing the Company’s VAT position.</li> <li>• Preparing post-appointment Corporation Tax, as required by statute.</li> <li>• Preparing VAT forms in order to recover VAT.</li> <li>• Our in-house VAT Team, reviewing the Case and VAT implications in relation to the Settlement.</li> </ul> <p>Future work to be undertaken includes:</p> <ul style="list-style-type: none"> <li>• Preparing post-appointment Corporation Tax, as required by statute.</li> <li>• Preparing VAT forms in order to recover VAT.</li> <li>• Obtaining clearance from HM Revenue &amp; Customs.</li> </ul> <p>After revising the fee estimate it was concluded that the Original fee estimate forecasted less time being spent on this category than was needed. Each year requires a Corporation Tax Return to be prepared and filed along with Form VAT 426 to be submitted where necessary. The Original fee estimate vastly underestimated the level of time required for this category of work given the five years the case is due to be open for. This oversight has therefore been addressed in the revised fee increase and on the basis the case is open for five years equates to an average of 8.6 hours a year spent of statutory tax matters.</p> <p>Accordingly, approval is being sought for an additional 35.0 hrs in excess of the fee estimated approved on 24 February 2020 of which 38.0 hrs of the revised 43.0 hrs have already been incurred.</p>	35.0	7,963.42	227.53

## Appendix D3 – Detailed Revised Fee Estimate

<p><u>Investigations</u></p> <p>The Original fee estimate anticipated that 135.0 hrs would be spent on this category with a total cost being forecast of £35,251.60.</p> <p>After revising the fee estimate it was concluded that the Original fee estimate overestimated the level of time being spent on this category than was needed.</p> <p>As detailed in prior reports and Section 3, a settlement was reached with the Directors on 15 October 2020, c.10 months after the original fee estimate was issued. As a result of the swift turnaround and result for creditors, considerably less time was utilised on this category of work than was initially anticipated.</p> <p>Accordingly, we have reduced this category by 86.3 hrs. No further work is expected as regards to this investigations.</p>	(86.3)	(22,906.53)	(265.43)
<p><u>Creditors</u></p> <p>The Original fee estimate anticipated that 7.0 hrs would be spent on this category with a total cost being forecast of £1,642.60.</p> <p>Work undertaken in this regard includes:</p> <ul style="list-style-type: none"> <li>• Responding to enquiries from HMRC and dealing with any correspondence.</li> <li>• Logging creditors' claims.</li> <li>• Seeking approval from creditors in respect of a decision procedure.</li> </ul> <p>Future work to be undertaken includes:</p> <ul style="list-style-type: none"> <li>• Responding to enquiries from HMRC and dealing with any correspondence.</li> <li>• Seeking approval from creditors in respect of a decision procedure.</li> </ul> <p>After revising the fee estimate it was concluded that the Original fee estimate marginally forecasted less time being spent on this category than was needed.</p> <p>Accordingly, approval is being sought for an additional 5.0 hrs in excess of the fee estimated approved on 24 February 2020 of which 5.8 hrs of the revised 12.0 hrs have already been incurred.</p>	5.0	1,806.33	361.27

## Appendix D3 – Detailed Revised Fee Estimate

<p><u>Reporting</u></p> <p>The Original fee estimate anticipated that 62.0 hrs would be spent on this category with a total cost being forecast of £13,406.</p> <p>Work undertaken in this regard includes:</p> <ul style="list-style-type: none"> <li>• Preparing and issuing three annual progress reports as required in accordance with The Insolvency Act and Rules to provide creditors with an update on the progress of the Liquidation.</li> <li>• Drafting ancillary documents associated with the Reports, including letters and Companies House Forms.</li> </ul> <p>Future work to be undertaken includes:</p> <ul style="list-style-type: none"> <li>• Preparing and issuing one annual progress reports as required in accordance with The Insolvency Act and Rules to provide creditors with an update on the progress of the Liquidation.</li> <li>• Closure report is required to be issued in accordance with The Insolvency Act and Rules to provide creditors with an account of the Liquidation.</li> <li>• Issuing final account to Companies House.</li> <li>• Drafting ancillary documents associated with the Reports, including letters and Companies House Forms.</li> </ul> <p>After revising the fee estimate it was concluded that the Original fee estimate marginally forecasted less time being spent on this category than was needed.</p> <p>Accordingly, approval is being sought for an additional 5.0 hrs in excess of the fee estimated approved on 24 February 2020 of which 40.9 hrs of the revised 67.0 hrs have already been incurred.</p>	5.0	1,213.30	242.66
<p><u>Distributions</u></p> <p>The Original fee estimate did not anticipate any time being spent on this category. As a settlement has now been reached a distribution will be available in this case.</p> <p>Future work to be undertaken includes:</p> <ul style="list-style-type: none"> <li>• Adjudication of creditor claims, requesting further information where necessary or dealing with rejected claims.</li> <li>• Preparing dividend calculations.</li> <li>• Processing and payment of distributions.</li> </ul>	7.0	1,889.36	269.91



## Appendix D3 – Detailed Revised Fee Estimate

Accordingly, approval is being sought for an additional 7.0 hrs in excess of the fee estimated approved on 24 February 2020 of which no time has been incurred.			
<p><u>Cashiering</u></p> <p>The Original fee estimate anticipated that 5.0 hrs would be spent on this category with a total cost being forecast of £862.60.</p> <p>Work undertaken in this regard includes:</p> <ul style="list-style-type: none"> <li>• Establishing set up of case details on our insolvency software system.</li> <li>• Setting up a bank account.</li> <li>• Setting up a ring-fenced bank account for the use of all six estates.</li> <li>• Bank account maintenance, including periodic reconciliations.</li> <li>• Issuing payments and banking receipts and preparing the appropriate paperwork for such transactions.</li> </ul> <p>Future work to be undertaken includes:</p> <ul style="list-style-type: none"> <li>• Bank account maintenance, including periodic reconciliations.</li> <li>• Issuing payments and banking receipts and preparing the appropriate paperwork for such transactions.</li> </ul> <p>After revising the fee estimate it was concluded that the Original fee estimate forecasted less time being spent on this category than was needed.</p> <p>As per Appendix D2, it was not anticipated that we would have reached a settlement so we did not envisage having to deal with Bank accounts and payments to the level of cashiering we currently have incurred.</p> <p>In addition to this, as the Company is operating the ring-fenced account on behalf of the other associated Estates, we did not anticipate the work required in handling the settlement monies and distributing them between the other Estates.</p> <p>Accordingly, approval is being sought for an additional 47.0 hrs in excess of the fee estimated approved on 24 February 2020 of which 42.9 hrs of the revised 52.0 hrs have already been incurred.</p>	47.0	10,253.84	218.17
<u>Statutory and Compliance</u>			

## Appendix D3 – Detailed Revised Fee Estimate

<p>The Original fee estimate anticipated that 28.0 hrs would be spent on this category with a total cost being forecast of £5,533.</p> <p>Work undertaken in this regard includes:</p> <ul style="list-style-type: none"> <li>• Preparation and lodgement of statutory appointment documents.</li> <li>• Initial notices and advertisements following appointment.</li> <li>• Case monitoring and statutory compliance, including internal case reviews</li> <li>• Case bordereau.</li> </ul> <p>Future work to be undertaken includes:</p> <ul style="list-style-type: none"> <li>• Case monitoring and statutory compliance, including internal case reviews.</li> </ul> <p>After revising the fee estimate it was concluded that the Original fee estimate marginally forecasted less time being spent on this category than was needed.</p> <p>Accordingly, approval is being sought for an additional 7.0 hrs in excess of the fee estimated approved on 24 February 2020 of which 29.6 hrs of the revised 35.0 hrs have already been incurred.</p>	7.0	2,886.86	412.41
Overall	53.0	17,348.80	327.34

# Appendix D4 – Analysis of the Liquidators' time costs and comparison to the Fee Estimates

## REMUNERATION – TIME COST BASIS

### Basis

A decision was made by the creditors by correspondence on 24 February 2020 enabling the Liquidators to draw remuneration by reference to the time properly spent by the Liquidators and their staff in dealing with the matters arising during the Liquidation, subject to the Fees Estimate of £65,713.

### Comparison to Fees Estimate

A table below shows the comparison of the Liquidators' Fee Estimates to the cumulative time costs.

Based on time costs incurred to date and expected future work for the completion of the Liquidation, it is expected that the Liquidators' total time costs will be £83,062 which exceeds the original Fees Estimate by an amount of £17,349. Remuneration taken must not exceed the Fee Estimate unless approval for a revised fee estimate is obtained.

Details of the original Fee Estimate is included in the below table. The Revised Fees Estimate is available at Appendix D2, which includes information on the additional work to be undertaken and the anticipated cost of that work. The following table provides a summary of the Liquidators' time costs incurred in the Period, together with cumulative time costs, and a comparison to the Original and Revised Fee Estimates.

## Appendix D4 – Analysis of the Liquidators' time costs and comparison to the Fee Estimates

The following table provides a summary of the Liquidators' time costs incurred in the Period and a comparison to the Original and Revised Fees Estimates.

Original Fees Estimate as approved by creditors on 24 February 2020				Revised Fee Estimate			Actual time costs for the period 1 November 2021 to 31 October 2022			Cumulative time costs for the period 1 November 2018 to 31 October 2022		
Description of Work	Total Time (hours)	Total Costs	Blended Hourly Rate (£)	Total Time (hours)	Total Costs (£)	Blended Hourly Rate (£)	Time incurred (hours)	Total Costs (£)	Blended Hourly Rate (£)	Time incurred (hours)	Total Costs (£)	Blended Hourly Rate (£)
Admin & Planning	30.0	6,263.00	208.77	63.3	20,505.22	323.94	4.5	772.50	171.67	57.9	18,912.50	326.64
Taxation	8.0	1,380.16	172.52	43.0	9,343.58	217.29	13.4	3,083.50	230.11	38.0	8,230.50	216.59
Investigations	135.0	35,251.60	261.12	48.7	12,345.07	253.49	Nil	Nil	Nil	48.7	12,653.50	259.83
Employees	6.6	1,374.00	208.18	6.6	1,374.00	208.18	Nil	Nil	Nil	6.6	1,374.00	208.18
Creditors	7.0	1,642.60	234.66	12.0	3,448.93	287.41	0.5	118.00	236.00	5.8	1,730.50	298.36
Reporting	62.0	13,406.00	216.23	67.0	14,619.30	218.20	14.7	2,668.00	181.50	40.9	8,350.00	204.16
Distributions	Nil	Nil	Nil	7.0	1,889.36	269.91	Nil	Nil	Nil	Nil	Nil	Nil
Cashiering	5.0	862.60	172.52	52.0	11,116.44	213.78	13.5	2,545.00	188.52	42.9	8,623.00	201.00
Statutory compliance	28.0	5,533.00	197.61	35.0	8,419.86	240.57	4.3	1,018.00	236.74	29.6	6,789.00	229.36
<b>Totals</b>	<b>281.60</b>	<b>65,712.96</b>	<b>233.36</b>	<b>334.60</b>	<b>83,061.76</b>	<b>248.24</b>	<b>50.9</b>	<b>10,205.00</b>	<b>200.49</b>	<b>270.4</b>	<b>66,669.00</b>	<b>246.56</b>

# Appendix D5 – Narrative summary of Liquidators' work in the Period

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 carried out during the period, why it was done and whether the work provides a financial benefit to creditors.

There are some areas of our work that will derive no financial benefit for creditors (for example, Administration and planning, Reporting, Cashiering and Statutory and Compliance). However, the work is required in order to comply with legislative requirements and to ensure 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 aid to add value through the efficient management of the case and there are specific requirements for office holders to record decisions taken how the case has been administered in accordance with regulatory requirement.

## Administration and planning

The following work has been undertaken to ensure that the case is managed and planned efficiently:

- Ongoing strategy meetings and preparing case strategy notes.
- Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system.

## Taxation

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

- Preparing post-appointment Corporation Tax returns, as required by statute.
- Preparing and issuing a VAT 426 in order to recover receivable VAT.
- Collating invoices for VAT 426.

## Creditors

In order to ensure that creditors are dealt with appropriately, the following work has been undertaken:

- Updating HMRC's claim on IPS.
- Liaising with Isle of Man Customs & Excise Team in relation to their potential claim.

## Reporting

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

- Annual progress reports are required to be issued in accordance with insolvency legislation.

## Cashiering

Cashiering work undertaken includes:

- Bank account maintenance, including periodic reconciliations.

- Issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions.
- Issuing payments from the ring-fenced account to the other five associated Companies.

## Statutory and Compliance

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

- Case monitoring and statutory compliance, including internal case reviews.

# Appendix D6 – Charge out rates and expenses policy

Charge out rates	Range (£)	Partner	Director	Manager	Administrator	Cashier	Support Staff
<p>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 Joint Liquidators. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the Joint Liquidators.</p> <p>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 member 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.</p> <p>The charge out rates of the team members employed on the assignment during the period covered by this report and details of changes from previous periods are provided below. Specialist departments within our Firm (such as Tax and VAT) have charged time to this case when their expert advice is required. The rate ranges provided incorporate these different rates.</p>	<p>Current charge out rate per hour effective from 1 September 2022 - Range (£)</p>	<p>550 – 660</p>	<p>484 – 540</p>	<p>308 – 480</p>	<p>132 – 280</p>	<p>132 – 308</p>	<p>132 - 160</p>
	<p>Current charge out rate per hour effective from 1 September 2021 - Range (£)</p>	<p>528 - 640</p>	<p>462 - 520</p>	<p>286 - 460</p>	<p>110 - 260</p>	<p>110 - 286</p>	<p>110 - 140</p>
	<p>Current charge out rate per hour effective from 1 September 2020 - Range (£)</p>	<p>455 - 605</p>	<p>350 - 495</p>	<p>250 - 385</p>	<p>165 - 255</p>	<p>110 - 215</p>	<p>110 - 155</p>

# Appendix D6 – Charge out rates and expenses policy

Current						
charge out						
rate per hour	440 -	390 -	245 -	160 - 230	100 -	90 - 140
effective from	550	450	400		205	
1 September						
2019 - Range						
(£)						

## Appendix E – Statement of expenses incurred in the Period

Type of Expenditure	Original Expense Estimate (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses estimate (£)
Release of ring-fenced funds	-	50,400	786,985	1,008,581
Legal fees and disbursements	10,200	Nil	Nil	241,419
Storage Costs	577	23	548	600
Corporation Tax	-	Nil	Uncertain	Uncertain
Liquidators' Remuneration	65,713	£10,205 incurred with £10,000 drawn.	£16,393 to be incurred with up to £28,062 to be drawn	£83,062 to be incurred with up to £83,062 to be drawn.
Liquidators' Disbursements	68	23	Nil	315
Total	76,558	60,446	815,595	1,333,977