

# AM10

## Notice of administrator's progress report



Companies House

WEDNESDAY



A09

\*A8H060ND\*

06/11/2019

#338

COMPANIES HOUSE

### 1 Company details

Company number 0 6 7 6 6 5 6 1

Company name in full MADE BY BOB LIMITED

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

### 2 Administrator's name

Full forename(s) Liam Alexander

Surname Short

### 3 Administrator's address

Building name/number 3 Waterhouse Square

Street 138 Holborn

Post town London

County/Region

Postcode E C 1 N 2 S W

Country

### 4 Administrator's name ①

Full forename(s) Graham Stuart

Surname Wolloff

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

### 5 Administrator's address ②

Building name/number 2 Axon

Street Commerce Road

Post town Peterborough

County/Region

Postcode P E 2 6 L R

Country

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

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 0	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9
To date	<sup>d</sup> 0	<sup>d</sup> 2	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

*GM*

X

Signature date

<sup>d</sup> 0	<sup>d</sup> 4	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9
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# AM10

## Notice of administrator's progress report



### 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 **Liam Alexander Short**

Company name **Elwell Watchorn & Saxton LLP**

Address **2 Axon**

**Commerce Road**

Post town **Peterborough**

County/Region

Postcode **P E 2 6 L R**

Country

DX

Telephone **01733 235253**



### 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)**



## ELWELLWATCHCHORN SAXTON

**Private and Confidential**

**TO ALL KNOWN NON-PREFERENTIAL  
CREDITORS**

Our ref    MAD02.LAS.GSW.AF.07

Date       25 October 2019

Dear Sirs

**MADE BY BOB LIMITED - IN ADMINISTRATION ("THE COMPANY")  
IN THE HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY COURTS OF ENGLAND & WALES,  
INSOLVENCY AND COMPANIES LIST (CHD) NO. 002680 OF 2018**

I refer to our appointment as Joint Administrators of the Company on 3 April 2018. Attached is our further statutory progress report, which covers the six month period from 3 April 2019 to 2 October 2019.

This current report largely includes updated information from that reported up to and including 2 April 2019 and should be read in conjunction with the Joint Administrators' proposals to creditors dated 9 April 2018, together with our progress reports dated 6 November 2018, 18 February 2019 and 1 May 2019.

The following documents are enclosed with this report:

- Receipts and payments account
- Schedule of remuneration, disbursements and case expenses

Elwell Watchorn & Saxton LLP uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation. You can obtain more information on how Elwell Watchorn & Saxton LLP uses your personal information on request.

If creditors have any questions regarding the conduct of the Administration, or if they want hard copies of any of the documents made available on-line, they should contact Alastair Fish on 01509 815150, or by email at [a.fish@ewslip.co.uk](mailto:a.fish@ewslip.co.uk).

Finally, please note that the affairs, business and property of the Company are being managed by the Joint Administrators, Liam Alexander Short and Graham Stuart Wolloff. The Joint Administrators act as agents of the Company and contract without personal liability.

Yours faithfully  
For and on behalf of  
MADE BY BOB LIMITED

Liam Alexander Short  
Joint Administrator  
Licensed in the United Kingdom to act as an insolvency practitioner  
by the Association of Chartered Certified Accountants

Tel 02074 863048 / Fax 02074 863074 / Email [london@ewslip.co.uk](mailto:london@ewslip.co.uk) / Web [ewslip.co.uk](http://ewslip.co.uk)  
Elwell Watchorn & Saxton LLP, 3 Waterhouse Square, 138 Holborn, London EC1N 2SW

Elwell Watchorn & Saxton LLP is a limited liability partnership registered in England number OC311000  
VAT registration number: 655 0983 15

Registered office: 109 Swan Street, Sileby Loughborough, Leicestershire LE12 7NN

Members: David Watchorn Limited, Graham Wolloff Limited, Joe Sadler Limited, Nigel Price Limited, Liam Short Limited, Mark Taitly Limited



**MADE BY BOB LIMITED ("THE COMPANY")  
IN ADMINISTRATION**

**ADMINISTRATORS' STATUTORY PROGRESS REPORT TO CREDITORS**

**FOR THE PERIOD 4 APRIL 2019 TO 3 OCTOBER 2019**

**STATUTORY INFORMATION**

Company name:	MADE BY BOB LIMITED
Formerly known as:	Not applicable
Court name and reference:	High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (Chd) No. 002680 of 2018
Registered office:	109 Swan Street, Sileby, Leicestershire, LE12 7NN
Former registered office:	J P Fletcher & Co Solicitors, Warnford Court, 29 Throgmorton Street, London, EC2N 2AT
Registered number:	06766561
Joint Administrators' names:	Liam Alexander Short and Graham Stuart Wolloff
Joint Administrators' address:	3 Waterhouse Square, 138 Holborn, London, EC1N 2SW
Joint Administrators' date of appointment:	3 April 2018
Actions of Administrators	Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators acting jointly or alone.

**SALE OF ASSETS (PRE-PACKAGED SALES)**

Our previous reports set out the circumstances, purpose and conduct of the pre-packaged sale of the Company's assets and business.

Our report dated 6 November 2018 sets out in detail the sale of the business and certain assets of the Company's restaurant business (as a going concern) to MBB Brasseries Limited ("MBBBL"). And also details of the sale of the business and certain assets relating to the food bottling and food manufacturing business operated by the Company, to Made By Bob Holdings Limited ("MBBHL").

In summary, the sales were as follows:

- to MBB Brasseries Limited ("MBBBL"), certain assets of the restaurant business as a going concern in the form of adopting the liabilities of creditors of the restaurant business; those liabilities amounting to an estimated £230,000
- to Made By Bob Holdings Limited ("MBBHL"), the business and certain assets relating to the food bottling and food manufacturing business; the total consideration being £20,000

In our Proposals, we advised that both MBBHL and MBBBL were connected parties by virtue of the fact that the individual directors of each of these companies, were also directors of the Company. Further information in relation to these sales was incorporated into our Proposals in accordance with Statement of Insolvency Practice 13 and 16.

## RECEIPTS AND PAYMENTS ACCOUNT

Our Receipts and Payments Account for the period from 18 February to 2 April is enclosed. During this period, we have paid document hosting fees amounting to £14 and received bank interest (gross) totalling £1.

## OTHER ASSETS (INCLUDING POTENTIAL THIRD PARTY CLAIMS)

Details of the refunds received totalling £4,224 are provided in our previous reports.

We continue to investigate potential claims against third parties for the benefit of creditors. In order not to prejudice those investigations and potential actions, as previously, we are not in a position to provide any details of those matters at this time. We will however where possible, provide such details in future progress reports.

## LIABILITIES

### Secured Creditors

Documents filed at Companies House show that the Company created a debenture dated 1 December 2011, in favour of one of the directors, Mark Booth. As previously reported, the directors have confirmed that any debt has been satisfied but that the Memorandum of Satisfaction has yet to be filed. To date, no secured claim has been received and none is expected.

### Preferential Creditors

Under the sales of the business and assets, employees transferred to the purchasers under the Transfer of Undertakings (Protection of Employment) Regulations 2006. Consequently, there are no preferential claims.

### Crown Creditors

The statement of affairs included £109,103 owed to HM Revenue & Customs ("HMRC"). A claim of £109,356 has been received.

### Non-preferential unsecured Creditors

The estimated statement of affairs included 51 non-preferential unsecured creditors (excluding HMRC) with an estimated total liability of £317,828. To date, we have received claims from 31 creditors amounting to £17,190.

## DIVIDEND PROSPECTS

A distribution to non-preferential creditors is dependent on the potential claims against third parties producing a recovery. However, this does not affect the payments due to creditors of the restaurant business that were assumed by the purchaser.

## INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

Our investigations are continuing in order to ascertain whether any claims can be brought against third parties for the benefit of non-preferential creditors.

## PRE-ADMINISTRATION COSTS

As previously reported, pre-administration costs have been approved by creditors via the correspondence decision procedure, as follows:

- Pre-administration fees charged by John Pye & Sons Limited: £1,750 (plus VAT);
- Pre-administration fees charged by Trainer Shepherd Phillips Melin Haynes: £2,587.50 (plus VAT);
- Pre-administration fees charged by Elwell Watchorn & Saxton LLP: £12,500 (plus VAT); of which £6,000 (plus VAT) has effectively been allocated to settle the costs incurred by J P Fletcher & Co;
- Pre-administration disbursement (Court Fee on filing the Notice of Intention to Appoint: £50 (plus VAT).

## JOINT ADMINISTRATORS' REMUNERATION

The Joint Administrators' Proposals set out our proposed remuneration, which was approved on a time cost basis with a fees estimate of £35,000. The fees estimate acts as a cap and we cannot draw remuneration in excess of that estimate without first seeking approval from creditors. Our total time costs to 2 October 2019 amount to £43,234.50 representing 201.80 of hours work at a blended charge out rate of £214.24 per hour.

The actual blended charge out rate of £214.24 (from appointment to 2 October 2019) incurred is greater than the estimated blended charge out rate of £139.55 in my fees estimate. This difference in the blended rate charged, compared with the estimated blended rate is the result of more senior staff being utilised to investigate potential recoveries against third parties and other asset realisations. In the period 3 April 2019 to 2 October 2019, time costs totalling £8,349.00 were incurred (consisting of 34.70 hours) at a blended charge out rate of £240.61 per hour. The total time costs incurred exceed my original fees estimate by £8,234.50.

At this point in time, asset realisations are not sufficient to allow our time costs to be drawn up to the fees estimate. In the event that further monies are received (as a result of on-going investigations resulting in successful claims against third parties), any request for a fee increase will be sought when asset realisations are known and a better estimate of total time costs can be provided to creditors.

No remuneration has been paid in the current reporting period. Elements of our approved post appointment costs remain outstanding.

There is certain work that we are required by the insolvency legislation to undertake in connection with the Administration, that provides no financial benefit for the creditors. A description of the routine work undertaken since our last six month progress report is contained within the section "Schedule of remunerations, disbursements and case expenses".

At this stage, we cannot provide an estimate of potential realisations over and above those contained within the Receipts and Payments Account as investigations are on-going. The level of additional asset realisations may be sufficient to allow a distribution to non-preferential creditors although this is uncertain at this stage.

Further work remains to be done and we estimate that total costs will broadly be in-line with the estimate provided in the Proposals. We do not anticipate needing to seek approval to draw fees in excess of the estimate provided as our remuneration will effectively be capped by the level of asset realisations.

Further information about creditors' rights and office holders fees can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Administrators' Fees' also published by R3, is available at: <https://www.r3.org.uk/what-we-do/publications/professional/fees>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the April 2017 version. A hard copy of both documents can be obtained on request from the address below.

#### **JOINT ADMINISTRATORS' EXPENSES**

We have recovered total expenses of c£391 since our appointment as Joint Administrators and, to date, we have paid expenses totalling c£260.

No expenses have been incurred since our last progress report dated 1 May 2019. We have not incurred any category 2 disbursements.

#### **PROFESSIONAL ADVISERS**

We have used the following professional advisors during the course of the Administration:

<b>Professional Advisor</b>	<b>Nature of Work</b>	<b>Basis of Fees</b>
John Pye & Sons Limited	Valuer/Auctioneer	Time costs
J P Fletcher & Co	Solicitors	Time costs
Trainer Shepherd	Solicitors	Time costs

The choice of professional advisers used was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them. We have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of this case.

To date, legal fees incurred post-appointment by Trainer Shepherd total £6,412.50 although further advice will be required in relation to potential claims against third parties.

#### **FURTHER INFORMATION**

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

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

To comply with the Provision of Services Regulations, some general information about Elwell Watchorn & Saxton LLP can be found in the attached "Schedule of remuneration, disbursements and case expenses".

#### **OTHER MATTERS**

On 18 February 2019, we advised creditors of the need for an extension to the Administration procedure in order to continue our investigations into the company's affairs, in respect of matters identified as giving rise to potential claims against third parties. Our non-statutory progress report supporting the proposed extension dated 18 February 2019, is attached and forms part of this statutory progress report.

We sought creditors' consent to the extension under the deemed consent procedure available under the legislation for a 12 month extension, and provided formal notice at that time, with a decision date of 11 March 2019. No objections were received and we advised creditors of that by letter dated 20 March 2019 and filed Form AM19 at Companies House. The Administration is therefore extended to 2 April 2020.

#### **SUMMARY**

At this stage, based on the asset realisations to date, no further payment to creditors is possible. Our strategy is for the Administration to continue until investigations into potential asset recoveries, together with any negotiations or actions that may be required, have been completed. Whilst the extension obtained cannot be repeated, we will have the option of placing the Company in liquidation, to continue to pursue potential asset recovery matters, if a potential recovery has not been concluded and it is considered reasonable to do so.

If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available on-line, they should contact Alastair Fish by email at: [a.fish@ewslp.co.uk](mailto:a.fish@ewslp.co.uk), or by phone on 01509 815 150.

Yours faithfully



Liam Alexander Short  
Joint Administrator  
Licensed in the United Kingdom to act as an insolvency practitioner  
by the Association of Chartered Certified Accountants

The affairs, business and property of the Company are being managed by the Joint Administrators, Liam Alexander Short and Graham Stuart Wolloff. The Joint Administrators act as agents of the Company and contract without personal liability.



**MADE BY BOB LIMITED**  
**IN ADMINISTRATION**  
**Administrators' Receipts and Payments Account**  
**For the period 3 April 2018 to 2 October 2019**

Statement of Affairs £	Period 3 April 2019 to 2 October 2019		Period 3 April 2018 to 2 October 2019	
	£	£	£	£
<b>ASSETS SUBJECT TO FIXED CHARGE</b>				
3,223.00	Ford Transit 260	0.00	2,964.00	
(1,964.00)	Less Amounts Due to Lloyds Bank CF	0	(1,964.00)	
1,259.00		0.00		1,000.00
<b>ASSETS SUBJECT TO FLOATING CHARGE</b>				
1,259.00	Surplus on 2011 Ford Transit 260 b/d	0.00	0.00	
0.00	Bank Interest Gross	1.04	16.11	
2,500.00	Goodwill	0.00	2,500.00	
2,500.00	Trade Mark	0.00	2,500.00	
26,800.00	Furniture & Equipment	0.00	14,000.00	
2,800.00 *	Stock	0.00	0.00	
8,688.00 *	Cash at Bank and with third party	0.00	0.00	
0.00	Other Refunds	0.00	4,223.74	
		1.04		23,239.85
<b>COST OF REALISATIONS</b>				
	Document Hosting	14.00	38.00	
	Agents/Valuers Fees - pre Appointment	0.00	1,750.00	
	Agents/Valuers Fees - post Appointment	0.00	225.00	
	Legal Fees - pre Appointment	0.00	2,587.50	
	Legal Fees - post Appointment	0.00	6,412.50	
	Office Holders' Fees - pre Appointment	0.00	6,500.00	
	Office Holders' Fees - post Appointment	0.00	3,500.00	
	Statutory Advertising	0.00	76.95	
	Court Fee	0.00	50.00	
	Sundry Expenses	0.00	160.00	
		(14.00)		(21,299.95)
<b>PREFERENTIAL CREDITORS</b>				
	None	0.00	0.00	
		0.00		0.00
<b>UNSECURED CREDITORS</b>				
(76,003.00)	Loan	0.00	0.00	
(87,059.00)	Landlord	0.00	0.00	
(109,103.00)	HM Revenue & Customs	0.00	0.00	
(154,766.00)	Trade and Expense Creditors	0.00	0.00	
		0.00		0.00
<b>EQUITY</b>				
(100.00)	Ordinary	0.00	0.00	
		0.00		0.00
(382,484.00)		(12.96)		2,939.90
<b>REPRESENTED BY</b>				
	Current Account		2,939.90	
	VAT Receivable (Payable)		0.00	2,939.90

\* Included in sale of restaurant business

- Pre-administration fees charged by Elwell Watchorn & Saxton LLP: £12,500 (plus VAT);
- Pre-administration fees charged by John Pye & Sons Limited: £1,750 (plus VAT);
- Pre-administration fees charged by Trainer Shepherd Phillips Melin Haynes: £2,587.50 (plus VAT);
- Pre-administration disbursement (Court Fee on filing the Notice of Intention to Appoint: £50 (plus VAT).

**MADE BY BOB LIMITED - IN ADMINISTRATION  
SCHEDULE OF REMUNERATION, DISBURSEMENTS AND CASE EXPENSES;  
WITH FURTHER INFORMATION**

***Firm's charging policy for appointments taken after 1 October 2015***

It is the firm's policy that all staff involved on an assignment will record all time spent on dealing with matters arising on that client and that the time will be categorised to show the type of activity carried out. The charge out rates of licensed insolvency practitioners, directors and managers do not therefore include provisions for time spent by secretaries, cashiers and support staff.

Irrespective of any basis of remuneration agreed, the legislation requires that time spent by all staff on a case is recorded. The recorded time cost is calculated by multiplying the time spent by the individual by their charge-out rate. Time is recorded in units of 6 minutes, with 10 units making up each hour of time spent. Charge-out rates are reviewed annually and are subject to change without prior notice. Full details of the rates applied to a specific case are available on application.

Although for most appointments, the legislation allows the office holder to seek to be remunerated on a combination of any or all of the following bases;

- a. A time cost basis
- b. A percentage of the value of the property dealt with by the office holder (realisations and / or distributions)
- c. A fixed fee

It is the Firm's current policy to seek remuneration on (a) a time cost basis for insolvent appointments.

The arrangements regarding office holder remuneration do not however apply to Members Voluntary Liquidations (MVL's), Company Voluntary Arrangements (CVA's) or Individual Voluntary Arrangements (IVA's). In MVL's, the company members agree the fee basis, usually as a fixed fee. In VA's, the fee basis is incorporated in the arrangement proposal which creditors agree when they approve the arrangement.

Office holders' remuneration is subject to VAT with the exception of VA's which are VAT exempt.

The Firm has five grades of staff (including the office holder) as detailed below. The office holder ensures that case assignments have been carried out by appropriate grades of staff. The charge-out rates of the persons involved in this case from commencement to the current time are as follows:

	<b><i>Charge-out rate at commencement (up to £ per hour)</i></b>	<b><i>*Increase In April 2019 (up to £ per hour)</i></b>
Licensed Insolvency Practitioner	295.00	395.00
Director / Senior Manager	200.00	295.00
Manager	150.00	225.00
Other professionals	135.00	150.00
Administrative staff	65.00	100.00

\* In April 2019, the Firm increased the charge out rates of certain grades of staff as detailed in the above table. In addition, specific individual staff members who may have duties associated with this case, moved charging grade.

Each staff member involved in the case records actual time spent in a computerised time recording system together with a narrative describing the actual work undertaken. Work is analysed by prescribed task descriptors which are recorded under the following standardised categories;

- Administration (including statutory reporting)
- Investigations
- Realisation of assets
- Trading
- Creditors (claims and distribution)

In seeking approval to be remunerated on a time costs basis, the office holder must provide a fee estimate to the creditors; which then acts as a cap to ensure that the fees subsequently drawn cannot exceed the fee estimate without the office holder seeking further approval. The office holder must also provide details of the work intended to be undertaken together with details of the hourly rates proposed to be charged and an estimate of the time envisaged being taken to complete the required work. The office holder will also state whether it is envisaged at this stage whether there may be a future need to seek approval to exceed the original estimate and any reasons for which this could become necessary. To simplify matters, the estimated charges may be presented using a 'blended' (an average time cost) rate for the work carried out detailed in the fee estimate.

Should the office holder subsequently need to seek authority to draw fees in excess of the original fees estimate, details will be provided which include reasons why the original estimate has been or is likely to be exceeded, details of any additional work required to be undertaken, the hourly rates proposed and an estimate of the additional time envisaged being taken to complete the identified work. The office holder will again state whether it is envisaged at this stage whether there may be a future need to seek approval to exceed the estimate and any reasons for which this could become necessary.

Sufficient information will be provided about the appointment to demonstrate how the fee estimate reflects the requirements of the case. This will include any responsibility of an exceptional nature on the office holder, the effectiveness with which functions are carried out and the value and nature of the property dealt with by the office holder.

A guide to help creditors understand the law and their rights in relation to an insolvency process can be found at: <http://www.creditorinsolvencyguide.co.uk>

Additional information regarding how the Insolvency Practitioner will be paid can be downloaded under "Fees" at: <https://www.r3.org.uk/what-we-do/publications/professional/fees>

Alternatively, a creditor may obtain a printed copy by contacting this office directly.

### ***Disbursements***

Disbursements incurred by the office holder in connection with the case must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 - disbursements not requiring approval represent a re-charge to the estate for direct costs, payable to independent third parties, specifically incurred in the administration of the estate. In certain instances these costs were initially met from the firm's resources due to the lack of funds available at the time that payment was due.

Category 2 - disbursements requiring approval, represent a charge to the estate for the costs incurred by the firm specifically in relation to the estate. The basis of payment of category 2 disbursements must be approved by creditors prior to any payment being drawn. It is proposed that payment shall be made in respect of Category 2 disbursements as follows:

- Mileage will be charged at 45p per mile.
- Other disbursements where the firm makes payment to an external party for an expense incurred wholly, exclusively and necessarily in relation to the insolvent estate, will be recharged at cost.

### ***Professional advisors engaged***

We may appoint professional advisors to assist with the administration and progression of the case. The choice of advisor will be based on their relevant experience and ability to perform the required type of work, the nature and complexity of the specific assignment and the basis of the fee arrangement negotiated. Professional advisors' fees are charged at cost. We will provide details of fees to be incurred or likely to be incurred when seeking fee approval. Actual costs incurred, together with a comparison to the original estimate, will be detailed in routine periodic reporting of the case.

### ***Remuneration proposal and fees estimate summary***

For this case, creditors have approved the Joint Administrators' remuneration on a time cost basis. Our unchanged fees estimate summary below sets out the work that will be undertaken, the time it is anticipated that the work will take and the cost associated with that work. We will ensure throughout that case assignments are carried out by appropriate grades of staff.

Work anticipated to be required on this case including that completed to date, is detailed below. We are required by the legislation to indicate which of these activities are likely to provide a financial benefit to creditors of the case (shown in *italics*) as opposed to those that are required by statute (shown in normal type).

**Administration (including statutory reporting)**

- Dealing with initial appointment matters as required by the legislation
- Liaising with all relevant stakeholders (including, but not exhaustively, directors, creditors, employees) regarding appointment matters as necessary
- Sending out statutory appointment paperwork including the initial report to creditors, advertising the appointment
- Obtaining the specific penalty bond – a mandatory insurance to protect the case assets after realisation – and review level on a monthly basis
- Agreeing the outline strategy for progressing the case and briefing the relevant staff
- Management, organisation and coordination of staff involved in the case
- Entering of base data into the in-house insolvency management database
- Setting up of case related files and the ongoing filing of paperwork
- Liaising with company officers and former staff, regarding general administration matters
- Dealing with general enquiries and all correspondence regarding the case and routine updating of data in our case management system
- Periodic review of case progress, asset realisations and other statutory case matters.
- Planning and management of strategies for subsequent case progression
- Opening and maintaining the case bank account
- Recording of all receipts and payments made during the course of the administration
- Bank reconciliations and production of statements for review purposes
- Initial compliance requirements regarding appointment, identity checks of directors and shareholders
- Sorting records in store at EWS
- Production of VAT returns, PAYE year-end returns and Corporation Tax returns as required
- Production and submission of periodic reports to appropriate stakeholders
- Filing of mandatory returns at Companies House
- Drafting of SIP16 statement
- Drafting of Joint Administrators' proposals and subsequent progress reports

**Investigations**

- Uplift of books and records of the company and preparation of inventory
- Review of the company's records including the initial assessment required by Statement of Insolvency Practice 2.
- Establishing any secondary information requirements
- Liaison with former company officers and former company advisors
- Creating necessary correspondence and reviewing responses received
- Compilation of necessary records and minutes
- Undertaking the necessary investigational work to establish the legitimacy or otherwise of any potential issues identified in the initial SIP2 review including any necessary follow up
- Discussions, planning and advice in respect of any potential outcomes
- Investigation and reporting of any matters identified by creditors
- Seeking appropriate legal advice in respect of any investigational matters identified and acting accordingly
- Preparation of content and submission of the confidential report to The Insolvency Service regarding the conduct of the directors
- Liaison with Insolvency Service over report, records and meetings
- *Consideration of the possible actions necessary to take as liquidator*
- Progressing any identified issues to close-out

**Realisation of assets**

- Liaison with solicitors over legal matters associated with the assets in the case
- Identifying, securing and insuring assets

**Creditors (claims and distribution)**

Contextual Information:

- a) Number of known creditors in this case: 52
- b) Number of former employees in this case: 0

#### Non-preferential creditors

- Dealing with calls and queries from creditors
- Taking, relaying and dealing with messages
- Management of correspondence to non-preferential creditors, including e-mail queries and claim forms
- *Providing summary updates to creditors as required*

#### Adjudication and distribution

- Entry to our case management system of all non-preferential claims

#### ***Fees estimate summary***

The table below provides an unchanged estimate of the total time and associated time costs anticipated for the input required for all grades of staff to manage this case to full completion.

<b><i>Work category</i></b>	<b><i>Estimated total hours</i></b>	<b><i>Estimated time cost £</i></b>	<b><i>Blended rate £</i></b>
Administration (including statutory reporting)	117.00	15,750.00	
Investigations	44.00	8,750.00	
Realisation of assets	18.00	3,500.00	
Creditors (claims and distribution)	72.00	7,000.00	
Anticipated total for all categories of work	<b>251.00</b>	<b>35,000.00</b>	<b>139.44</b>

The estimate was based on information available at the time. Whilst every care has been taken to ensure the accuracy of the data presented, it is based on the information presented to us and our experience in dealing with cases of a similar level of complexity. It is not anticipated at this stage that we will need to seek further approval in respect of our fees as asset realisations will effectively act as a cap in this regard. If circumstances are such that it becomes apparent that total time costs incurred are likely to exceed the above estimate, we will provide full details in a subsequent periodic report to creditors.

#### ***Professional Advisors summary***

Anticipated post appointment costs associated with the use of professional advisors are as follows:

<b><i>Professional Advisors</i></b>	<b><i>Service provided</i></b>	<b><i>Basis of fees</i></b>	<b><i>Estimated total £</i></b>
John Pye & Sons Ltd	Auctioneer and Valuer fees	Fixed Fee	225.00
Trainer Shepherd Phillips Melin Haynes	General Legal Advice	Time Costs	9,500.00
<b>TOTAL</b>			<b>9,775.00</b>

**Time costs to date****Pre-appointment time costs**

A schedule of our pre-appointment time costs was not provided with our proposals as they were unable to be calculated due to the constraints of our time recording system. However, we can now summarise them below:

<i>Work category</i>	<i>Licensed Insolvency Practitioner hours</i>	<i>Director/ Senior Manager hours</i>	<i>Manager hours</i>	<i>Professional staff hours</i>	<i>Admin staff hours</i>	<i>Total hours</i>	<i>Time cost £</i>	<i>Average hourly rate £</i>
Pre-appointment	40.10	0.00	8.80	0.00	2.40	51.30	12,963.50	252.70

**Post-appointment time costs**

The time costs incurred during the course of our administration for the period covered by this report, being 3 April 2019 to 2 October 2019, are summarised below:

<i>Work category</i>	<i>Licensed Insolvency Practitioner hours</i>	<i>Director/ Senior Manager hours</i>	<i>Manager hours</i>	<i>Professional staff hours</i>	<i>Admin staff hours</i>	<i>Total hours</i>	<i>Time cost £</i>	<i>Average hourly rate £</i>
Administration (inc statutory reporting)	11.40	12.40	0.10	1.40	5.90	31.20	7,520.50	241.04
Investigations	11.60	1.10	0.40	-	-	13.10	4,724.50	360.65
Realisation of assets	-	-	-	0.40	-	0.40	54.00	135.00
Creditors (claims and distribution)	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>23.00</b>	<b>13.50</b>	<b>0.50</b>	<b>1.80</b>	<b>5.90</b>	<b>44.70</b>	<b>12,299.00</b>	<b>275.15</b>

The total time costs incurred during the course of our administration to 2 October 2019 are summarised below:

<i>Work category</i>	<i>Licensed Insolvency Practitioner hours</i>	<i>Director/ Senior Manager hours</i>	<i>Manager hours</i>	<i>Professional staff hours</i>	<i>Admin staff hours</i>	<i>Total hours</i>	<i>Time cost £</i>	<i>Average hourly rate £</i>
Administration (inc statutory reporting)	49.70	44.50	24.10	11.80	17.80	147.90	29,608.00	200.19
Investigations	19.60	5.20	0.60	0.60	-	26.00	7,913.00	304.35
Realisation of assets	15.50	1.10	0.50	0.40	-	17.50	4,894.00	279.66
Creditors (claims and distribution)	11.40	3.70	4.70	0.30	0.30	20.40	4,769.50	233.80
<b>Totals</b>	<b>96.20</b>	<b>54.50</b>	<b>29.90</b>	<b>13.10</b>	<b>18.10</b>	<b>211.80</b>	<b>47,184.50</b>	<b>222.78</b>

**Declaration regarding treatment of VAT and accruals**

In accordance with Statement of Insolvency Practice 7, all entries are shown net of VAT, with VAT recorded on a separate line. The receipts and payments account discloses all receipts and payments in the reporting period. However, there may be additional accrued expenditure due in respect of storage of company records and postage, stationery, telephone, mileage and external disbursements. These changes will be drawn upon case closure in accordance with the resolution already approved by creditors.

***Statement of creditors' rights to receive further information and statement of creditors' rights to challenge remuneration and/or expenses***

Please note, however, that decisions in respect of appointee remuneration and disbursements have not been approved at this stage.

*Relevant extracts of Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016*

**Rule 18.9**

- (1) The following may make a written request to the office holder for further information about remuneration or expenses set out in a final report under Rule 18.4:
- a secured creditor;
  - an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question); or
  - any unsecured creditor with the permission of the court.
- (2) A request or an application to the court for permission by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one creditor.

**Rule 18.34**

- (1) This rule applies to an application in a winding-up made by a person mentioned in paragraph (2) on the grounds that:
- the remuneration charged by the office holder is in all the circumstances excessive;
  - the basis fixed for the office-holder's remuneration under Rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
  - the expenses incurred by the office holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in Rule 18.36 or 18.37 as applicable:
- a secured creditor; or
  - an unsecured creditor with either
    - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
    - (ii) the permission of the court.
- (3) The application by a creditor must be made no later than eight weeks after receipt by the applicant of the progress report or account under Rule 18.3 which first reports the charging of the remuneration or the incurring of the expenses in question.

A copy of our Standard Terms of Business may be downloaded from: <http://www.ewslip.co.uk/downloads>

Alternatively, a Creditor may obtain a printed copy by contacting this office directly.