

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number	0	6	9	0	5	9	8	9
Company name in full	SP & AJ BUILDING & DEVELOPMENT LIMITED							

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

2 Liquidator's name

Full forename(s)	Mark Grahame
Surname	Tailby

3 Liquidator's address

Building name/number	8 Warren Park Way
Street	Enderby
Post town	Leicester
County/Region	
Postcode	L E 1 9 4 S A
Country	

4 Liquidator's name ①

Full forename(s)	Graham Stuart
Surname	Wolloff

① **Other liquidator**
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number	8 Warren Park Way
Street	Enderby
Post town	Leicester
County/Region	
Postcode	L E 1 9 4 S A
Country	

② **Other liquidator**
Use this section to tell us about
another liquidator.

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Period of progress report

From date	^d 1	^d 9	^m 0	^m 2	^y 2	^y 0	^y 2	^y 0
To date	^d 1	^d 8	^m 0	^m 2	^y 2	^y 0	^y 2	^y 1

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 1	^d 3	^m 0	^m 4	^y 2	^y 0	^y 2	^y 1
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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 **Craig Andrew Ridgley**

Company name **Elwell Watchorn & Saxton LLP**

Address **8 Warren Park Way**

Enderby

Post town **Leicester**

County/Region

Postcode **L E 1 9 4 S A**

Country

DX

Telephone **03300 889038**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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

ELWELLWATCHORNSAXTON

Private and Confidential

Our ref MGT.CAR.SP&02

Your ref

Date 12 April 2021

TO ALL KNOWN MEMBERS & CREDITORS

Dear Sirs

SP & AJ BUILDING & DEVELOPMENT LIMITED ("the Company") IN CREDITORS VOLUNTARY LIQUIDATION

This is my report to members and creditors following the 2nd anniversary of my appointment as Joint Liquidator. My appointment as Joint Liquidator following my initial appointment as Joint Administrator on 08 March 2018. This report should be read in conjunction with our previous progress reports that were issued during the course of both the administration and liquidation as well as the Joint Administrators' proposals.

I attach the following additional information:

- a) Receipts and payments account.
- b) Additional details of work undertaken in this reporting period.

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, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how Elwell Watchorn & Saxton LLP uses your personal information on our website at www.ewslip.co.uk/privacy/stakeholders or, if a shareholder, at www.ewslip.co.uk/privacy/directors-shareholders-owners.

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Craig Andrew Ridgley by email at c.ridgley@ewslip.co.uk, or by phone on 01509 815150.

Disclaimer

This report has been circulated for the sole purpose of providing creditors with an update for information purposes only to fulfil the necessary statutory requirement. The contents are private and confidential and may not be relied upon, referred to, reproduced in whole or in part or otherwise used by creditors for any purpose other than providing an update for them for information purposes, or by any other person for any purpose whatsoever.

Yours faithfully



Mark Grahame Tailby
Joint Liquidator
Licensed in the United Kingdom to act as an insolvency practitioner
by the Insolvency Practitioners Association

Tel 03300 889038 / Fax 03300 889028 / Email leicester@ewslip.co.uk / Web ewslip.co.uk
Elwell Watchorn & Saxton LLP, 8 Warren Park Way, Enderby, Leicester LE19 4SA

Elwell Watchorn & Saxton LLP is a limited liability partnership registered in England number OC311000
VAT registration number: 655 0983 15
Registered office: 8 Warren Park Way, Enderby, Leicester LE19 4SA
Members: Graham Wolloff Limited Joe Sadler Limited
Liam Short Limited Mark Tailby Limited

Nigel Price Limited



**SP & AJ BUILDING & DEVELOPMENT LIMITED
IN CREDITORS' VOLUNTARY LIQUIDATION**

LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS

For the period ending 19 February 2021

STATUTORY INFORMATION

Company name:	SP & AJ BUILDING & DEVELOPMENT LIMITED
Registered office:	8 Warren Park Way Enderby Leicester LE19 4SA
Former registered office:	Unit 12 Whitwick Business Centre Stenson Road Coalville LE67 4JP
Registered number:	06905989
Liquidators' names:	Mark Grahame Tailby and Graham Stuart Wolloff
Liquidators' address:	8 Warren Park Way, Enderby, Leicester LE19 4SA
Liquidators' date of appointment:	19 February 2019
Actions of Joint Liquidators:	Any act required or authorised under any enactment to be done by a Liquidator may be done by either or both of the Liquidators acting jointly or alone

LIQUIDATORS' ACTIONS SINCE PREVIOUS REPORT

As detailed in our previous progress report, the principal remaining matter in the liquidation was to seek to realise the remaining debts due to the company and to distribute the remaining funds appropriately. Further details in relation to both of these matters are provided below.

Additionally, there is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the creditors. These activities specifically include returns required by the Crown and statutory reporting requirements dictated by the insolvency legislation, this report being one such example. A description of the routine work undertaken since my appointment as Joint Liquidator is contained in the Schedule of further information attached.

RECEIPTS AND PAYMENTS

My Receipts & Payments Account for the period from 19 February 2020 to 18 February 2021 is attached. The balance of funds are held in an interest bearing estate bank account.

ASSETS

Physical Assets

As previously advised

VAT Refund

As previously advised

Book Debts / Retentions / Work in Progress

We instructed Leslie Keats, specialist quantity surveyors, to pursue the contract debts due to the company and at the date of our last report there potentially remained sums due from 6 debtors; with a gross value outstanding (including VAT) of £981,835. Each of the debtors had claimed that they were intending to submit counter claims against these sums in relation to damages under the construction contracts. None of the debtors had provided substantiation in relation to the counter claims they were seeking to make, and therefore, Howes Percival Solicitors who engaged to send a final "Letter Before Action" (LBA), drafted pursuant to the Practice Direction for Pre-Action Conduct. This letter set out the claims with a request for information, including documents supporting any defence, with a view to eliciting a substantive response with supporting documents under the threat of costs consequences.

It was latterly determined that Howes Percival in fact had a conflict of interest in relation to 4 of the accounts as they had previously provided advice to the debtor companies. Therefore, in September 2020 we engaged Pythagoras Capital to pursue those four debts on our behalf. They recently provided an update in relation to the four accounts confirming that they are actively pursuing applications under Section 236 Insolvency Act against three of the debtor companies to compel them to provide the required information and subsequently a formal adjudication process has been initiated against one of the debtors (the outcome of which is anticipated in May 2021). We do not propose to provide any specific details of the ongoing actions at this stage as this may be prejudicial to any recoveries being made. Updates will be provided to creditors in subsequent reports as and when it is appropriate to do so.

In relation to the two debts that continue to be pursued by Howes Percival, a response to the LBAs was received from a solicitor engaged by the debtor companies disputing that any sums were due and payable. Howes Percival continue to progress matters with the appointed solicitors with a view to seeking to finalise the position.

Further realisations are dependent on the outcome of these actions and the overall costs of the actions and are therefore uncertain at this stage.

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no current charges over its assets.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case, there were no creditors secured by a floating charge such that the prescribed part provisions do not apply.

Preferential Creditors

The Statement of Affairs anticipated that there would be no preferential claims against the company. However, we have received a preferential claim of £923.32 from the Redundancy Payments Office and have calculated employee balancing claims of £367.64.

Preferential claims therefore total £1,290.96 and we intend to pay a 100p in £ dividend to the preferential creditors imminently.

Crown Creditors

The statement of affairs indicated that there was the sum of £28,600 due to HMRC in respect of PAYE/NICs but that it was anticipated that this would be offset against the VAT refund. As referred to above, a disputed claim has been received of £190,221.95 in respect of PAYE/NIC and CIS Tax principally comprised of assessments for the two periods prior to the company ceasing to trade. We had initially looked into the submission of the relevant returns in order to supersede the assessments but as referred to above this proved difficult based on the records on our possession. Once we have a better understanding over the quantum of the dividend that is to be paid to the non-preferential creditors we will then assess the viability of incurring further costs in order to seek to reduce the value of the claim.

Non-preferential unsecured Creditors

The Statement of Affairs included 169 non-preferential unsecured creditors with an estimated total liability of £1,650,069.70. We have received claims from 111 creditors at a total of £2,241,501.19. A number of claims have been received from subcontractors that include sums relating to damages under their contracts. It may become necessary to adjudicate on such claims but due to the costs involved in

doing so, we only propose to do so once we have a clearer picture of the quantum of the dividend paid and therefore the benefits associated with attempting to dispute these claims. It is anticipated however that the overall position with the customers will be determined as part of the negotiations over the settlement of the debts and that the quantum of any counter claims that they may have will be determined as a result of the adjudications at which point we intend to declare a dividend to the non-preferential creditors.

DIVIDEND PROSPECTS

Preferential creditors

The preferential creditors will be paid in full.

Non-preferential unsecured creditors

The return to the non-preferential creditors is ultimately dependent on whether there are any further realisations in respect of the debtors and the final value of the non-preferential claims agreed. Whilst it is still anticipated that there will be a dividend, it is still difficult to provide any accurate estimate of the quantum or the timing.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

As referred to in our previous report, the only 2 matters that remained to be investigated related to

- The director capital accounts and the levels of remuneration of the directors and the payment of dividends to the shareholders
- The work undertaken by the prior firm of accountants and the fees that were charged in relation to this work.

During the period, further correspondence has been sent on behalf of the directors confirming that the Directors overdrawn loan account per SAGE was due to the internal accounting on SAGE not having been credited for the Dividends received by the three Directors in the last couple of years. They further confirmed that the annual accounts showed that these were substantially in excess of the apparent overdrawn loan accounts, hence the Directors Loan Account should in fact be in credit. They also made us aware there were concerns in the accountancy services from the previous accountants and the internal SAGE accounts were not being processed sufficiently to give an accurate position. Having reviewed this matter it appears that any further net realisations would be unlikely, but we reserve the right to revisit this matter should further information become available.

In relation to the second matter we continue to investigate this matter and will report to creditors in due course.

LIQUIDATORS' REMUNERATION

In accordance with Rule 18.20 (4) of the Insolvency Rules 2106, where an administrator becomes liquidator the basis of remuneration fixed under rule 18.18 for the administrator is treated as having been fixed for the liquidator.

My remuneration was approved by the creditors committee on a time cost basis based on a fees estimate of £60,000.00. It was further agreed that only £20,000 of remuneration would be drawn without further recourse to the committee. The fees estimate acts as a cap, and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors Committee. As disclosed in the final administration progress report, my total time costs incurred during the course of the administration amounted to £30,281.50, representing 196.1 of hours work at a blended charge out rate of £154.10 per hour.

During the course of the liquidation, total time costs have been incurred of £10,326.00, representing 70.0 hours work at a blended charge out rate of £147.51 per hour of which £4,917.50, representing 32.3 of hours work, was incurred in the reporting period at a blended charge out rate of £152.24 per hour. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £136.50 in my fees estimate.

I have drawn £20,000.00 to 12 February 2020, all of which has been drawn in the period of the liquidation.

Further information about creditors' rights 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 Liquidators' Fees' also published by R3 can be found at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the April 2017 version. Details of the firm's charging policy are included in the enclosed Schedule of remuneration and case expenses, with further information.

LIQUIDATORS' EXPENSES

As referred to in the final administration progress report, there were certain costs outstanding that had yet to be drawn and therefore the following have now been drawn from the funds held in the liquidation;

Type of expense	Amount Paid (£)
Specific penalty bond	360.00
Statutory advertising	156.20
Periodic report internet hosting	24.00
Travelling Costs	220.20
Accountancy Fees – Nixon Mee	250.00
Howes Percival – Pre Administration Costs	7,784.00
Storage and Destruction of Company Records	1,613.12
Total	£10,407.52

Additionally, I have incurred expenses during the liquidation to 12 February 2021 as follows;

Type of expense	Incurred During Reporting Period (£)	Total Incurred to 12/02/21 (£)
Statutory advertising	-	79.25
Periodic report internet hosting	12.00	36.00
Howes Percival – Legal fees re advice on Crown Set Off	-	998.00
Business Consultancy – VAT Refund	17,054.13	17,054.13
Total	17,066.13	18,167.38

Professional advisors engaged

I have used professional advisors to assist with the administration and progression of the case.

The choice of professionals was based on our perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and are satisfied that they are reasonable in the circumstances of this case. Professional advisors' fees are recharged at cost.

Actual costs incurred in this reporting period are detailed as follows:-

Advisor/Organisation	Service provided	Reason selected	Basis of fees	Fees paid this reporting period
Howes Percival	Debt recovery services	Relevant knowledge and experience	20 % realisations	£0.00
Pythagoras Capital	Debt recovery services	Sector knowledge and experience	Upfront costs + 50% of net realisation achieved by the estate	£0.00
Business Consultancy	Accountancy work in relation to claiming the VAT refund	Sector knowledge and experience	15% of realisations relating to VAT reclaim	£17,045.13

- During the period Howes Percival continued to provide assistance in pursuing the debts due to the company. It was agreed that they undertake the work pre-action as a percentage of recoveries pursuant to a damages-based agreement. Given the difficulties outlined above, and the level of work in dealing with construction disputes, it was agreed that the pre-action work be paid the basis of 20% plus VAT of recoveries below £100,000 and 15% plus of any recoveries above £100,000. As there have yet to be any recoveries there are yet to be any sums due to them in respect of this work.
- As referred to above, there were certain debts that Howes Percival were unable to pursue further due to a conflict of interest. Pythagoras Capital were engaged to pursue these debts on behalf of the company. In return, it was agreed that they would pay all of the upfront costs associated with the debt collection exercise but would be entitled to be reimbursed for these costs from any realisations achieved. For taking the risks associated with funding the initial costs it was further agreed that they would be entitled to be remunerated on the basis of 50% of the net realisations (after allowing for the aforementioned costs) they are able to achieve on behalf of the company. To date they have incurred upfront costs in relation to seeking to realise the debts but such sums only become recoverable in the event that realisations are achieved.
- Business Consultancy were engaged to recreate the company accounts to be able to accurately quantify the VAT refund due and to submit the necessary returns to HMRC. The basis of their fee was agreed at 15% of the sums realised in respect of the refund. Their invoice in the sum of £17,045.13 has been received and paid during the reporting period.

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 Liquidators' remuneration and expenses within 21 days of their 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 of remuneration charged by the Joint Liquidator as being excessive, and/or the basis of the Liquidators' remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

Further details are included in the attached Schedule of remuneration and case expenses; with further information.

To comply with the Provision of Services Regulations, some general information about Elwell Watchorn & Saxton LLP can be found at <https://ewslp.co.uk/downloads>.

SUMMARY

Known outstanding matters – work remaining to be completed

In summary, the following key matters remain outstanding:-

- to realise any sums possible in relation to the debts due to the company
- to declare a dividend to the preferential creditors.
- to agree the claims of the non-preferential creditors and subsequently declare a first and final dividend to the non-preferential creditors.

The Liquidation will remain open until these matters have been fully resolved. I estimate that this will take at least 12 months and once resolved the Liquidation will be finalised and our files will be closed.

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Craig Andrew Ridgley on 01509 815150, or by email at c.ridgley@ewslp.co.uk.



Mark Grahame Tailby
Joint Liquidator

Licensed in the United Kingdom to act as an insolvency practitioner
by the Insolvency Practitioners Association

SP & AJ BUILDING & DEVELOPMENT LIMITED
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 19/02/20 To 18/02/21 £	From 19/02/19 To 18/02/21 £
ASSET REALISATIONS		
Bank Interest	75.07	234.26
Rates Refund	180.28	180.28
155,400.00 VAT Refund Pre Appointment	0.00	113,697.17
Balance from Administrator	0.00	9,280.21
180,000.00 Book Debts / WIP	0.00	0.00
	<u>255.35</u>	<u>123,391.92</u>
COST OF REALISATIONS		
Legal Fees - Pre Administration	0.00	7,784.00
Office Holders Disbursements - Administration	0.00	220.20
Storage and destruction of records	0.00	1,613.12
Office Holders Fees - Administration	0.00	20,000.00
Advertising	0.00	235.45
Bordereau Premium	0.00	360.00
Document Hosting	12.00	60.00
Legal Fees	0.00	998.00
Professional Fees	17,054.13	17,304.13
	<u>-17,066.13</u>	<u>-48,574.90</u>
PREFERENTIAL CREDITORS		
0.00 Employee Arrears/Hol Pay	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
UNSECURED CREDITORS		
-16,343.00 Deficiency Regarding Financed Assets	0.00	0.00
-1,650,070.00 Trade & Expense Creditors	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
	<u>-16,810.78</u>	<u>74,817.02</u>
REPRESENTED BY		
Bank 1 Current		74,814.62
Vat Control Account		2.40
		<u>74,817.02</u>

**SP & AJ BUILDING & DEVELOPMENT LIMITED
IN CREDITORS' VOLUNTARY LIQUIDATION
Formerly**

Additional details of work undertaken in this reporting period

Administration

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder and their managers. It does not give direct financial benefit to the creditors but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up physical/electronic case files.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to required parties on appointment as office holder, including gazetting the office holder's appointment.
- Supervising the work of sub-contractors instructed on the case to assist in dealing with pension schemes; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

Creditors

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

Dividends - the office holder has to undertake certain statutory formalities in order to enable him to pay a dividend to creditors. This include writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.)

Investigations

- Continuing to review issues highlighted by the creditors committee with a view to seeking a resolution.

Realisation of assets

- Liaising with agents /solicitors
- Liaison with solicitors over legal matters associated with the assets in the case
- *Dealing with debtor ledger matters and liaising with agents over queries as appropriate*

**SP & AJ BUILDING & DEVELOPMENT LIMITED
IN CREDITORS VOLUNTARY LIQUIDATION**

**SCHEDULE OF REMUNERATION AND CASE EXPENSES;
WITH FURTHER INFORMATION**

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. From 1 October 2015, additional categories of staff activity have been introduced to facilitate more detailed reporting where it is appropriate to do so.

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
- a. A percentage of the value of the property dealt with by the office holder (realisations and / or distributions)
- b. 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:-

	<i>Charge-out rate at commencement (up to £ per hour)</i>
Licensed Insolvency Practitioner	225.00
Director / Senior Manager	175.00
Manager	150.00
Other professionals	135.00
Administrative staff	65.00

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/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-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 - These 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 an office holder's remuneration. The term associate is defined in the insolvency legislation. Additionally SIP 9 directs that where a reasonable and informed third party might consider there would be an association, payments should be treated as if they are being made to an associate, notwithstanding the nature of the association may not meet the definition in the legislation. It is not anticipated that any disbursements that fall into this category will be incurred or charged in connection with this matter.

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 charges will be drawn upon case closure in accordance with the resolution already approved by creditors.

Fees estimate approved by the creditors committee

The table below is the estimate previously provided (and approved) 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. It was agreed with the committee however that we would only draw remuneration of £20,000.00 without further recourse to the committee.

<i>Work category</i>	<i>Estimated total hours</i>	<i>Estimated time cost £</i>	<i>Blended rate £</i>
Administration (inc statutory reporting)	139.0	18,000.00	
Creditors (claims and distribution)	95.0	12,000.00	
Investigations	76.0	12,000.00	
Realisation of assets	129.0	18,000.00	
<i>Totals</i>	<i>440.0</i>	<i>60,000.00</i>	<i>136.40</i>

This estimate was based on the information available at the time to the office holder. Whilst every care was taken to ensure the accuracy of the data presented, it was based on the information presented to the office holder and the experience of the office holder in dealing with cases of a similar level of complexity.

Time costs

The time costs during the course of our administration for the period covered by this report 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>
<i>Administration (inc statutory reporting)</i>								
Case Completion	-	-	-	0.1	-	0.1	9.50	95.00
Cashiering function	-	-	-	4.5	-	4.5	427.50	95.00
Committee matters	-	-	-	-	0.4	0.4	18.00	45.00
Case Review	2.0	0.2	-	-	0.1	2.3	489.50	212.83
General administration	1.4	0.3	-	0.3	4.2	6.2	585.00	94.35
Non insolvency statutory returns	-	-	-	1.7	-	1.7	217.50	127.94
Statutory compliance – returns / reports	0.3	4.0	-	1.4	-	5.7	900.50	157.98
<i>Realisation of assets</i>								
Book debt realisations	4.7	2.3	-	-	-	7.0	1,460.00	208.57
Liaising with Agents (Assets)	1.6	-	-	-	-	1.6	360.00	225.00
Other asset realisations	-	0.5	1.6	-	-	2.1	327.50	155.95
<i>Creditors (claims and distribution)</i>								
Dividends & Distributions	-	0.3	-	-	-	0.3	52.50	175.00
Non preferential creditors	-	0.4	-	-	-	0.4	70.00	175.00
<i>Totals</i>	<i>10.0</i>	<i>8.0</i>	<i>1.6</i>	<i>8.0</i>	<i>4.7</i>	<i>32.3</i>	<i>4,917.50</i>	<i>152.24</i>

The total time costs incurred during the course of the liquidation are summarised below:-.

Work category	Licensed Insolvency Practitioner hours	Director/ Senior Manager hours	Manager hours	Professional staff hours	Admin staff hours	Total hours	Time cost £	Average hourly rate £
Administration (inc statutory reporting)								
Appointment formalities	-	-	1.6	-	-	1.6	240.00	150.00
Case Completion	-	-	-	0.1	-	0.1	9.50	95.00
Cashiering function	-	-	-	9.9	2.6	12.5	1,057.50	84.60
Committee matters	1.1	-	4.3	-	0.4	5.8	910.50	156.98
Case Review	2.0	0.2	0.4	-	0.1	2.7	549.50	203.52
General administration	3.1	0.5	1.9	1.3	4.7	11.5	1,405.00	122.17
Non insolvency statutory returns	-	-	0.6	2.0	-	2.6	336.00	129.23
Statutory compliance – returns / reports	0.3	4.0	1.4	-	-	5.7	900.50	157.98
Investigations								
Review books & records	0.6	-	-	-	-	0.6	135.00	225.00
Post CDDA Report Work	0.5	-	-	-	-	0.5	112.50	225.00
Investigating Antecedent Transactions	1.1	-	2.8	-	-	3.9	667.50	171.15
Realisation of assets								
Book debt realisations	5.6	2.3	0.8	-	-	8.7	1,782.50	204.89
Liaising with Agents (Assets)	1.6	-	-	-	-	1.6	360.00	225.00
Other asset realisations	-	0.5	3.0	-	-	3.5	537.50	153.57
Creditors (claims and distribution)								
Dividends & Distributions	-	0.3	0.5	-	-	0.8	127.50	159.38
Non preferential creditors	-	0.4	7.5	-	-	7.9	1,195.00	151.27
Totals	15.9	8.2	23.4	14.7	7.8	70.0	10,326.00	147.51

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

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 progress 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 and 18.20 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
 - (i) 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.