

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 7 2 3 6 4 8 9

Company name in full MHP Installation & Maintenance Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Gary Paul

Surname Shankland

3 Liquidator's address

Building name/number 31st Floor

Street 40 Bank Street

Post town London

County/Region

Postcode E 1 4 5 N R

Country

4 Liquidator's name ①

Full forename(s) Joanne Louise

Surname Hammond

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 3rd Floor, Westfield House

Street 60 Charter Row

Post town Sheffield

County/Region

Postcode S 1 3 F Z

Country

② Other liquidator


Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report															
From date	^d	1	^d	2	^m	0	^m	4	^y	2	^y	0	^y	2	^y	1
To date	^d	1	^d	1	^m	0	^m	4	^y	2	^y	0	^y	2	^y	2

7	Progress report											
<input checked="" type="checkbox"/> The progress report is attached												

8	Sign and date															
Liquidator's signature	<div>Signature</div> <div>  </div>															
Signature date	^d	0	^d	6	^m	0	^m	6	^y	2	^y	0	^y	2	^y	2

LIQ03

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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 **Chloe Henshaw**

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

Address **31st Floor**

40 Bank Street

Post town **London**

County/Region

Postcode **E 1 4 5 N R**

Country

DX

Telephone **020 7516 1500**



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

MHP Installation & Maintenance Limited Trading As: Magna IM
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 12/04/2021 To 11/04/2022 £	From 12/04/2021 To 11/04/2022 £
18,300.00	HIRE PURCHASE Motor Vehicles - Hire Purchase	NIL NIL	NIL NIL
148,790.00	ASSET REALISATIONS Bank Interest Gross Book Debts Cash at Bank Motor Vehicles	0.51 6,392.07 458.47 48,200.00	0.51 6,392.07 458.47 48,200.00
38,400.00	Surplus from Finance Vehicle Sales	1,982.50	1,982.50
		57,033.55	57,033.55
	COST OF REALISATIONS Agents Fees Employment Agent's Fees Liquidators' Expenses Liquidators' Fees Statement of Affairs Fee Statutory Advertising	6,282.18 1,440.00 358.50 36,200.00 10,940.00 298.35 (55,519.03)	6,282.18 1,440.00 358.50 36,200.00 10,940.00 298.35 (55,519.03)
205,490.00		1,514.52	1,514.52
	REPRESENTED BY Barclays FL Current Account Vat Control Account Vat Payable Vat Receivable		50.71 2,535.67 (9,640.00) 8,568.14
			1,514.52

Gary Paul Shankland
Joint Liquidator

MHP Installation & Maintenance **(In Creditors' Voluntary Liquidation)**

Progress report

Period: 12 April 2021 to 11 April 2022

Important Notice

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

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2. Company information
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1. Account of receipts and payments
2. Time costs and expenses
3. Statement of Liquidators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	MHP Installation & Maintenance Limited (In Creditors' Voluntary Liquidation)
"the Liquidation"	The appointment of liquidators on 12 April 2021
"the Liquidators", "we", "our" and "us"	Gary Paul Shankland of Begbies Traynor (London) LLP, 31st Floor, 40 Bank Street, London, E14 5NR and Joanne Louise Hammond of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ
"Begbies"	Begbies Traynor (London) LLP and Begbies Traynor (SY) LLP
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act
"HMRC"	Her Majesty's Revenue and Customs

2. COMPANY INFORMATION

Trading name(s):	Magna IM
Company registered number:	07236489
Company registered office:	c/o Begbies Traynor (London) LLP, 31st Floor, 40 Bank Street, Canary Wharf, London, E14 5NR
Former trading address:	Unit F8 a/b, Holly Farm Business Park, Honiley, Kenilworth, Warwickshire, CV8 1NP

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	12 April 2021
Date of Liquidators' appointment:	12 April 2021
Changes in Liquidator (if any):	None

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period ("the Account") from 12 April 2021 to 11 April 2022 ("the Period"). Our comments on the principal items of income and expenditure incurred to date are set out below. All amounts are stated net of VAT where applicable. The Company is registered for VAT purposes and, therefore, VAT incurred on the costs and expenses of the Liquidation is understood to be recoverable in the Liquidation estate ("the Estate").

RECEIPTS

Bank Interest Gross

An amount of £0.51 has been received in respect of interest earned on funds held in the Liquidation estate bank account.

Book Debts

An amount of £6,392.07 has been received in respect of book debt collections. Further information is provided below.

Cash at Bank

An amount of £458.47 has been received from the Company in respect of funds held in the Company's pre-appointment bank account held with Barclays Banks Plc ("Barclays").

Motor Vehicles

An amount of £48,200.00 plus VAT was received from our agents, Hilco Global Limited (which trades as Hilco Valuation Services) ("Hilco"), in respect of the sale proceeds from the Company's vehicles. Further details in respect of the sales are provided below.

Surplus from Financed Vehicle Sales

An amount of £1,982.50 was received from MotoNovo Finance in respect of the surplus of funds available following the sale, after taking into consideration the outstanding finance, of one of the Company's financed motor vehicles.

PAYMENTS

Agents' Fees

An amount of £6,282.18 has been paid to Hilco in respect of their costs incurred in dealing with vehicle collections, storage and marketing for the online vehicle auction. Further details are provided below.

Employment Agent's Fees

An amount of £1,440.00 has been paid to ERA Solutions Limited ("ERA") for assistance provided by ERA in dealing with matters pertaining to the claims of the Company's former employees.

Liquidators' Fees and Expenses

Amounts of £36,200.00 and £358.50 have been paid to Begbies on account of our fees and out-of-pocket expenses, respectively, for acting as Liquidators. Our fees and expenses are dealt with in more detail in Section 6 and Section 7 of this report.

Statement of Affairs Fee

An amount of £10,940.00 has been paid to James Cowper Kreston ("JCK") in respect of their fees for assisting the Company and the Directors with the formalities of placing the Company into Liquidation, as agreed by the Company's creditors.

Statutory Advertising

An amount of £298.35 has been paid to Courts Advertising Limited in respect of statutory advertising charges incurred during the Period.

The work that has been done in the Period, why this work was necessary and the financial benefit (if any) to creditors

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

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2.

General case administration and planning & Compliance with the Insolvency Act, Rules and best practice

We are obliged to populate and maintain a virtual electronic case file, together with a hard copy (paper) Permanent File, to ensure we have a contemporaneous, accurate and complete record of how the case has been administered, including fully documenting any matters that materially affect the case.

Additionally, we have been obliged, where proportionate and economic to do so, to carry out regular compliance reviews of the case together with progress reviews, in order to ensure that any statutory requirements are being complied with and that the case is being efficiently and effectively progressed. We have also been obliged by best practice to carry out bonding reviews to ensure the Company's assets are adequately bonded.

Following our appointment as Liquidators, we have been obliged to produce (and circulate where appropriate) various notices and reports and to complete a number of checks. The time recorded in this regard in this case has been charged under Administration and Appointment Activity.

This work is not generally of any direct financial benefit to creditors; however, the work is necessary in accordance with the Act, Rules and best practice guidance.

Investigations

We have a statutory duty to enquire into the affairs of an insolvent company to determine its assets and liabilities and to identify any actions which could lead to the recovery of funds. We have undertaken an initial assessment of the manner in which the business was conducted prior to the Liquidation of the Company and potential recoveries for the Estate in this respect.

To assist with our ongoing investigations, we have instructed solicitors, namely Freeths LLP ("Freeths"), to provide legal advice on various matters which we consider may give rise to a recovery for creditors.

We cannot provide any material further information on the specific details of these investigations at this stage as it may be prejudicial to the outcome and, consequently, the position of creditors.

We refer creditors to the director's report and the connected party balance due to the Company referred to therein totalling approximately £965,000.00. We are obliged to bring this transaction to your attention because it relates to transactions with a third party company connected with the Company by way of common directorship. We are also obliged to undertake reasonable enquiries in respect of such transactions to determine whether any rights of action might exist which could give rise to recoveries for the benefit of the Estate. These investigations are ongoing.

In addition to the above, the Liquidators are also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Energy and Industrial Strategy ("DBEIS"). We have submitted our confidential report in this regard.

The investigations which remain ongoing are being undertaken for the purposes of recovering monies for the benefit of the Company's creditors. Further information will be provided to creditors of the Company at the appropriate time.

Realisation of assets

Motor Vehicles & Finance Vehicles

Prior to our appointment as Liquidators, the Company engaged a firm of valuation agents, Hilco, to carry out a valuation of the Company's motor vehicles. It was concluded that the unencumbered vehicles had a value of £38,000.00 ex situ, and the motor vehicles subject to hire purchase had a value of £18,000.00 ex situ with an estimate of £3,000.00 of equity.

Following our appointment, Hilco arranged the collection, storage and marketing of the vehicles. The vehicles were marketed, and the sales were achieved through both private treaty and online auction sales. The vehicle sales totalled £48,200.00 plus VAT and the breakdown of the sales, net of VAT, are detailed below:

Receipts	£
Vehicles sold by Private Treaty	7,550.00
Vehicles sold by Online Sales	40,650.00
Total	48,200.00

As above, the funds have been received into the Liquidation estate account and we have discharged the costs of Hilco, in the sum of £6,282.18 plus VAT, in respect of their work carried out.

In respect of the financed vehicles, these were either returned to the finance provider or sold to settle the agreement. Time was incurred in facilitating the returns of the respective vehicles. As above, we received a surplus from a vehicle sale totalling £1,982.50 after taking into consideration the outstanding finance agreement.

No further funds are expected to be realised in respect of the Company's vehicles.

Book Debts

Creditors will recall from the director's report, that JCK issued to creditors on 17 March 2021 ("the Report"), that the debtor ledger, after taking into consideration possible bad debts, had an estimated realisable value of £148,790.00.

Following our appointment, we instructed Inksmoor Credit Management Limited (trading as Inksmoor recoveries) ("Inksmoor") to assist with the collection of the monies due to the Company.

To date, Inksmoor have recovered monies totalling £6,392.07 for the benefit of the Estate. However, it should be noted that Inksmoor was sold to Acuity Commercial Finance Limited (trading as Acuity Finance) ("Acuity Finance") in November 2021.

We are seeking an update from Acuity Finance in relation to the current position. However, it should be noted that debt collection has proven difficult, and this forms part of our investigations. For the reasons mentioned earlier in this report, it would not be appropriate to comment on the position further at this time.

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

During the Period we have dealt with the initial post appointment notifications to creditors and other parties. We have populated our Insolvency Practitioners System ("IPS") with all claims data received and have dealt with general enquiries.

Prior to our appointment, the Company made all of the Company's employees redundant. Following our appointment, we engaged ERA, a firm of specialist employment consultants, to process the claims of the former employees in respect of their statutory redundancy entitlements. Additionally, to assist employees in assessing their various contractual entitlements arising on termination of employment and answering any questions the Employees may have in relation to the same.

ERA continue to provide their services in the Liquidation and have submitted all relevant information to the Redundancy Payments Service ("RPS") to allow the employee claims to be processed. Further information about these claims is set out in Section 5.

ERA will address any questions former employees of the Company may have in relation to their statutory redundancy entitlements and can be contacted by telephone on 01827 383531 or by email to claims@era-solutions.co.uk.

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

Seeking decisions from creditors

The following decisions in relation to out fees and expenses were sought by way of a Decision-Making Procedure ("DMP") by correspondence:

- (i) That the Joint Liquidators' remuneration be fixed by reference to the time properly given by them (as Liquidators) and the various grades of their staff calculated at the prevailing charge out rates of Begbies in attending matters arising in the winding up as set out in the fees estimate dated 25 January 2022 in the sum of £147,705.50;
- (ii) That the Joint Liquidators be authorised to draw expenses for services provided by their firm and/or entities within Begbies Traynor group, in accordance with their firm's policy, details of which are contained in the Joint Liquidators' report for the purposes of approval of their remuneration and expenses dated 25 January 2022; and
- (iii) Whether a creditors' committee should be established if sufficient creditors are willing to be members of a committee and, if so, who creditors wish to nominate for membership of the committee.

On 11 February 2022, we received the requisite approval of creditors in relation to resolutions i and ii. As part of the DMP process, we invited creditors to form a creditors' committee ("Committee"). No creditors expressed a willingness to act on the Committee and thus none was formed.

We are obliged in accordance with prevailing tax legislation, and as and when appropriate to do so, to submit VAT returns to HMRC to reclaim VAT charged on costs and expenses incurred in the course of the Liquidation.

5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of our appointment were detailed in the director's statement of affairs ("SofA").

Secured creditor

The Company granted the following security:

- (i) A Debenture with Barclays Security Trustee Limited and Barclays Bank Plc ("Barclays") created on 12 May 2020, and registered with Companies House on 16 May 2020, holding a fixed and floating charge over the whole of the Company's assets.

The charge referenced above was purportedly granted in respect of a CBILs loan to the Company and, therefore, Barclays may be entitled to recover part of the indebtedness from the Government under this scheme.

Preferential creditors

Preferential creditors primarily consist of employees in respect of their claims for arrears of wages (up to a maximum of £800 per employee), accrued holiday pay, unpaid contributions to occupational pension schemes and state scheme premiums, all subject to certain statutory limits. To the extent that an employee's preferential claim is not met in full by the RPS, the individual employee may have balancing preferential claims against the Company in this regard.

The RPS processes employee payments for arrears of wages, holiday pay, statutory redundancy pay, and statutory notice pay. Where the RPS has advanced funds in respect of employee preferential claims, it will have a subrogated claim for these sums in the Liquidation.

It is not envisaged that there will be any return to preferential creditors unless there is a notable realisation in respect of our investigations and the debt collection process.

Secondary preferential creditors

Further to the changes to the Finance Act 2020, HMRC are now able to claim secondary preferential status for certain liabilities. Taxes owed by the business to HMRC comprising of VAT, PAYE Income Tax, Employee National Insurance Contributions, Student loan deductions and Construction Industry Scheme deductions fall under the secondary preferential status.

The secondary preferential claim of HMRC was estimated at £277,184.10 in the SofA. A claim has since been received totalling £433,244.37.

It is not envisaged that there will be any return to preferential creditors unless there is a notable realisation in respect of our investigations and the debt collection process.

Unsecured creditors

Unsecured creditors (including employee related unsecured claims) were estimated at £776,055.47 in the SofA. To date, claims have been received totalling £1,186,391.26.

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

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e., after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- 50% of the first £10,000 of net property;
- 20% of net property thereafter; and
- Up to a maximum amount to be made available of £800,000.

At this stage, it is unlikely that there will be any net property as assets appear to be insufficient in level to meet the claims of preferential and secondary preferential creditors. However, this may change in the event that significant realisations are made in respect of matters arising as a result of our investigations.

6. REMUNERATION & EXPENSES

Remuneration

Our remuneration has been fixed by a decision of the creditors on 11 February 2022 obtained via a DMP by way of correspondence, by reference to the time properly given by us (as Liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies in attending to matters arising in the winding up. This was set out in the fees estimate dated 25 January 2022 in the sum of £147,705.50. We are also authorised to draw expenses, including expenses for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, which is attached at Appendix 2 of this report.

Our time costs for the Period amount to £107,793.00 which represents 392.30 hours at an average rate of £274.77 per hour.

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

- Time Costs Analysis for the Period; and
- Begbies' charging policy

To 11 April 2022, we have drawn the total sum of £36,200.00 on account of our remuneration.

Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case and gives the total costs and average hourly rate charged for each work type.

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

Expenses

To 11 April 2022, we have also drawn expenses in the sum of £358.50.

Category 2 Expenses

Category 2 expenses, or expenses which should be treated as Category 2 expenses, incurred to date relate to insurance services and cover arranged by Eddisons Insurance Services Limited ("EIS"). EIS is a member of the Begbies Traynor group.

Use of subcontractors

No subcontractors have been used to carry out work which the Liquidators or their staff could have otherwise efficiently undertaken. Agents and solicitors have been selected based on their experience in dealing with the specialist areas in which they have been engaged to assist in this matter.

If you wish to know more about how creditors should determine the Liquidators' fees, 'A Creditors' Guide to Liquidators Fees (E&W) 2021' ("the Guide") which provides guidance on creditors' rights can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy. In addition, the Associate of Business Recovery Professionals (R3) has set up a website that contains a step-by-step guide designed to help creditors navigate their way through an insolvency process. You can access the website at the following address: www.creditorinsolvencyguide.co.uk.

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the Period is attached at Appendix 3.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the Liquidation would total £29,234.00. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

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

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

General case administration and planning

As mentioned above, we must ensure that our case files are maintained so as to have an accurate, contemporaneous and complete record to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case. We are also obliged to carry out periodic compliance reviews of the case in order to ensure that matters are being progressed in an efficient and timely manner.

Compliance with the Insolvency Act, Rules and best practice

Pursuant to the requirements of the Act, the Rules and best practice, we are required to carry out the following work under this heading:

- Prepare this annual progress report of the Liquidation to apprise creditors of the progress of the Liquidation including asset realisations, costs and expenses incurred and the prospects of a return, if any, to each class of creditors; and
- Once we are satisfied that all outstanding matters have been dealt with in the Liquidation, we will prepare our final report of the Liquidation before concluding the Liquidation and ceasing to act as Liquidators of the Company.

As mentioned above, we are obliged by best practice to carry out compliance reviews of the conduct of the Liquidation, bank reconciliations and bordereau reviews. Whilst these items are of no direct financial benefit to creditors, they are nevertheless a statutory and/or regulatory compliance requirement.

Banking matters, including reconciliations and the processing of receipts and payments, will also be recorded under this heading.

Investigations

We will continue our ongoing investigations in respect of the Company and continue to liaise with Freeths in order to determine whether further actions may lead to the recovery of funds into the Estate. We will provide an update to creditors in respect of these matters at the appropriate time.

Should creditors have any information they feel is relevant to our investigations, we encourage you to notify us in writing.

Realisation of assets

Book Debts

As detailed above in Section 4, creditors will recall from the Report that there is an intercompany debt with an associated company, namely KMACK Property Services ("KMACK"). KMACK is believed to owe approximately £965,000.00 to the Company and the Company owes approximately £19,000.00 to KMACK. At this stage it is uncertain whether we will be able to realise the surplus of funds once set-off has been applied; however, we are seeking legal advice from Freeths in this regard to establish our position.

We will also continue to liaise with Acuity Finance, to establish the likelihood of collecting any further monies.

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

At this stage, it appears likely that there will be insufficient asset realisations to enable payment of the claims of preferential creditors and secondary preferential creditors in full. As a result, it is presently considered unlikely that there will be a dividend payable to unsecured creditors.

In the event there is a distribution to the preferential creditors (as anticipated), we will liaise with the Company's employment agents, ERA, to assist with completing the adjudication of employee claims and the claim of the RPS. A dividend will then be paid if and when appropriate.

We will also be obliged to deal with general enquiries from all classes of creditors, as and when these arise.

In the event that asset realisations are higher than presently envisaged, it is possible that a dividend may be paid to the unsecured creditors. Further updates will be provided as and when appropriate.

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

The time incurred in dealing with the Company's Liquidation VAT and tax affairs will be recorded under this heading, specifically:

- Preparing and submitting VAT returns;
- The formalities associated with de-registering the Company for VAT purposes;
- Submitting the Liquidation period CT returns; and
- Seeking VAT and tax clearance from HMRC to close the Liquidation.

With the exception of VAT returns, which allow us to recover the VAT on costs for the benefit of the Liquidation estate, this work is generally of no direct financial benefit to creditors. However, we are required by statute to comply with the obligations falling upon us in this regard.

The cost of this further work

We anticipate that the cost of this further work will total approximately £20,000.00; however, as our investigations progress it may become apparent that the initial fees estimate will be exceeded. If this scenario occurs, we will be obliged to seek creditor approval of a further fees estimate, providing full details of the circumstance at the time.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to creditors on 25 January 2022 which included all of the expenses that we anticipate that we will incur throughout the Liquidation.

9. OTHER RELEVANT INFORMATION

Connected party transactions

As disclosed in the Report, it was expected that an offer from an associated party would be received for the Company's Intellectual Property; however, at this stage no formal offer has been received. Creditors are referred to Section 7 above which details an intercompany debt between the Company and KMACK – the current position remains uncertain at this stage.

Use of personal information

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

10. CREDITORS' RIGHTS

Right to request further information

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

Right to make an application to court

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

11. CONCLUSION

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



G P Shankland
Joint Liquidator

Dated: 6 June 2022

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 12 April 2021 to 11 April 2022

Statement of Affairs £		From 12/04/2021 To 11/04/2022 £	From 12/04/2021 To 11/04/2022 £
18,300.00	HIRE PURCHASE Motor Vehicles - Hire Purchase	NIL NIL	NIL NIL
	ASSET REALISATIONS		
	Bank Interest Gross	0.51	0.51
148,790.00	Book Debts	6,392.07	6,392.07
	Cash at Bank	458.47	458.47
	Motor Vehicles	48,200.00	48,200.00
38,400.00	Surplus from Finance Vehicle Sales	1,982.50	1,982.50
		57,033.55	57,033.55
	COST OF REALISATIONS		
	Agents Fees	6,282.18	6,282.18
	Employment Agent's Fees	1,440.00	1,440.00
	Liquidators' Expenses	358.50	358.50
	Liquidators' Fees	36,200.00	36,200.00
	Statement of Affairs Fee	10,940.00	10,940.00
	Statutory Advertising	298.35	298.35
		(55,519.03)	(55,519.03)
205,490.00		1,514.52	1,514.52
	REPRESENTED BY		
	Barclays FL Current Account		50.71
	Vat Control Account		2,535.67
	Vat Payable		(9,640.00)
	Vat Receivable		8,568.14
			1,514.52

TIME COSTS AND EXPENSES

- A. Begbies' charging policy; and
- B. Time Costs Analysis for the Period.

A.BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This policy applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the creditors' decision being made for the office holder to be remunerated on a time cost basis. Best practice guidance* requires that such information should be disclosed to those who are responsible for approving the basis of an office holder's remuneration. Within our fees estimate creditors can see how we propose to be remunerated.

In addition, this policy applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance* indicates that such charges should be disclosed to those who are responsible for approving the basis of the office holder's remuneration, together with an explanation of how those charges are calculated.

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

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

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

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

Expenses are payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements, which are expenses that are initially paid by the office holder's own firm, but which are subsequently reimbursed from the estate when funds are available.

Best practice guidance classifies expenses into two broad categories:

- Category 1 expenses (approval not required) - Specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- Category 2 expenses (approval required) - Items of expenditure that are directly related to the case and either:
 - (i) include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party; or
 - (ii) are items of expenditure which are payable to an associate of the office holder and/or their firm.

Shared or allocated costs (pursuant to (i) above)

The following expenses include an element of shared or allocated cost and are charged to the case (subject to approval).

- ❑ Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £150 per meeting;
- ❑ Car mileage which is charged at the rate of 45 pence per mile.

Payments anticipated to be made to associates (pursuant to (ii) above)

Services provided by other entities within the Begbies Traynor group

The following expenses which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Eddisons Commercial Limited may be instructed to provide risk management services, in particular the management of insurance compliance works for vacant properties, or valuation services (in the event that any unknown assets arise for which these services may be required come to light). In such circumstances and to avoid the costs associated with seeking approval at a later date, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

For the avoidance of any doubt, at this stage we are not aware of any assets for which these services would be required.

In the event that any assets come to light for which insurance is required, instruction of EIS to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case may be appropriate. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. Where relevant, administration fees may be charged.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

Where EIS have initially been consulted on a policy, but the policy has not been taken out, EIS will charge an administration fee of £150.

For the avoidance of any doubt, at this stage we are not aware of any assets requiring insurance cover at this stage.

Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction

In addition to the charges of Eddisons Commercial Limited detailed above for providing services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser,

known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

For the avoidance of any doubt, at this stage we are not aware of any assets which would be capable of being sold at auction.

General Office Overheads

The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a Category 1 expense:

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally but vary to suit local market conditions. The rates applying to this case as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour)
Consultant/Partner	645
Director	515
Senior Manager	440
Manager	410
Assistant Manager	315
Senior Administrator	290
Administrator	220
Trainee Administrator	160
Support	160

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

As detailed above, time is recorded in 6-minute units.

B.TIME COSTS ANALYSIS FOR THE PERIOD

SIP9 Mhp Installation & Maintenance Limited - Creditors Voluntary Liquidation - 01MH787.CVL : Time Costs Analysis From 12/04/2021 To 11/04/2022

[illegible]

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Statutory Advertising	Courts Advertising Limited	298.35	298.35	NIL
Postage	Royal Mail Limited	172.08	68.55	103.53
Postage	Postworks	5.70	5.70	NIL
Bordereau	Insolvency Risk Services	74.25	74.25	NIL
Bordereau	AON UK Limited	210.00	210.00	NIL
Legal Fees	Freeths LLP	5,034.10	NIL	5,034.10
Valuation Agents Fees	Hilco Global Limited	6,282.18	NIL	6,282.18
Employment Agent Fees	ERA Solutions Limited	1,440.00	NIL	1,440.00
Debt Collection Fees	Inksmoor	639.21	NIL	639.21
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
Open Cover Insurance	Eddisons Insurance Services Limited	441.34	NIL	441.34
Total		14,597.21	656.85	13,940.36