

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

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

### 1 Company details

Company number 0 8 7 0 0 7 2 6

Company name in full ESRG Group Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Gavin

Surname Savage

### 3 Liquidator's address

Building name/number First Floor

Street 16/17 Boundary Road

Post town Hove

County/Region East Sussex

Postcode B N 3 4 A N

Country

### 4 Liquidator's name ①

Full forename(s) Kevin

Surname Murphy

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number 31st Floor

Street 40 Bank Street

Post town London

County/Region

Postcode E 1 4 5 N R

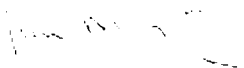
Country

#### ② Other liquidator

Use this section to tell us about  
another liquidator.

# LIQ03

## Notice of progress report in voluntary winding up

<b>6</b>	<b>Period of progress report</b>											
From date	<sup>d</sup> 0	<sup>d</sup> 2	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2				
To date	<sup>d</sup> 0	<sup>d</sup> 1	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 3				
<b>7</b>	<b>Progress report</b>											
<input checked="" type="checkbox"/> The progress report is attached												
<b>8</b>	<b>Sign and date</b>											
Liquidator's signature	<div>Signature</div> <div>X </div>								X			
Signature date	<sup>d</sup> 2	<sup>d</sup> 9	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 3				

**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 **Joshua Cook**

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

Address **3rd Floor Castlemead**

**Lower Castle Street**

Post town **Bristol**

County/Region

Postcode **B S 1 3 A G**

Country

DX

Telephone **0117 937 7130**

**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)**

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# **ESRG Group Limited (In Creditors' Voluntary Liquidation) ("the Company")**

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## **Joint Liquidators' Report for the purposes of approval of their remuneration and expenses**

**Period: 2 October 2022 to 1 October 2023**

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### **Contents**

- ❑ Interpretation
- ❑ Company and liquidators' details
- ❑ Progress during the period covered by this report
- ❑ Creditor claims and estimated outcome for creditors
- ❑ Remuneration and expenses
- ❑ Liquidators' expenses
- ❑ Assets that remain to be realised and work that remains to be done
- ❑ Other relevant information
- ❑ Creditors' rights
- ❑ Conclusion
- ❑ Appendices
  - 1. Joint liquidators' account of receipts and payments
  - 2. Joint liquidators' time costs and expenses
  - 3. Fees estimate

## 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	ESRG Group Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 2 October 2019.
"the liquidators", "we", "our" and "us"	Gavin Savage of Begbies Traynor (Central) LLP, 2-3, Pavilion Buildings, 2-3 Pavilion Parade, East Sussex, Brighton BN1 1EE  and  Kevin Murphy of Begbies Traynor (London) LLP, 31st Floor, 40 Bank Street, London, E14 5NR
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England & Wales) Rules 2016
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and  (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

## 2. COMPANY AND LIQUIDATORS' DETAILS

Company registered number:	08700726
Nature of business:	Consultancy
Former trading address:	Regus House, Herons Way, Chester Business Park, Chester, CH4 9QR
Date winding up commenced:	30 September 2019
Names of joint liquidators:	Gavin Savage and Kevin Murphy
Date of liquidators' appointment:	2 October 2019
Changes in office holder (if any):	Gavin Savage replaced Stephen Ramsbottom as Liquidator on 2 November 2020 by way of Court Order.  Ian Defty of Begbies Traynor (London) LLP was replaced by Kevin Murphy as Joint Liquidator pursuant to a block transfer on 17 August 2023.
Registered office address:	c/o Begbies Traynor, 3rd Floor Castlemead, Lower Castle Street, Bristol, BS1 3AG

### 3. PROGRESS DURING THE PERIOD COVERED BY THIS REPORT

#### Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 2 October 2022 to 1 October 2023.

#### Bank Interest Gross

Interest of £0.27 accrued on the balance of funds held by the liquidators.

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

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

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

The details below relate to the work undertaken in the period of the report only. Our previous reports contain details of the work undertaken since our appointment.

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

- Filing.
- Dealing with general telephone calls and emails.
- Dealing with routine correspondence.
- Maintaining electronic records.
- Maintaining the liquidators' estate bank account.
- Undertaking regular case reviews.
- Monitoring the statutory bond.

The majority of the above work derived no financial benefit for creditors. However, the Insolvency Profession is a highly regulated industry and we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case. All of the above work is required under the Insolvency Act and Rules.

#### Investigations

Creditors will recall that HM Revenue and Customs ("HMRC") has previously raised concerns about certain transactions between the Company and its director. Our investigations remain ongoing and creditors will be updated further in due course.

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

- Dealing with creditor correspondence, emails and telephone conversations.
- Maintaining creditor claims and updating electronic records.

This work was required as we have a statutory duty to maintain Company information and distribute surplus funds by way of a distribution.

## 4. CREDITOR CLAIMS AND ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors along with dividend prospects were provided in our progress report for the period 2 October 2019 to 1 October 2020. Due to insufficient realisations since this date, we have been unable to pay a dividend to any class of creditor.

During the reporting period the liquidators were made aware by the Insolvency Service, that one of the Company's debtors, ESRG Developments Limited ("ESRGD"), was the beneficiary of a dividend for £209,439.51 from one of its debtors, Developments One (Birmingham) Ltd ("D1").

By way of background, ESRGD entered into compulsory liquidation on 20 May 2019 and was dissolved on 20 December 2021. The director of the Company listed ESRGD as a debtor for £4,373,372.23.

D1 entered into administration on 21 May 2018 and was dissolved on 24 May 2023. ESRGD was a creditor of D1 for £1,404,008 and a claim was submitted in the administration which was adjudicated and agreed by the Joint Administrators.

As ESRGD was dissolved at the time the dividend became payable, the funds were transferred to the Insolvency Service under 'Bona Vacantia.' The joint Liquidators of the Company are in the process of restoring ESRGD to the register to enable it to receive the dividend. The liquidator of ESRGD would then adjudicate creditor claims and the Company would receive part of that dividend. The Company was the biggest creditor of ESRGD and therefore would expect to receive the majority of the dividend.

## 5. REMUNERATION & EXPENSES

We have not at this time drawn any funds on account of our remuneration, nor on account of certain expenses as creditor approval has not previously been sought. Best practice guidance provides that payments to an office holder should be fair and reasonable and reflect the work that has been, and will be, properly carried out. The following proposal represents what we believe is a fair and reasonable fee basis, based on the work which has been carried out to date and the work which is yet to be undertaken.

Accordingly, we are seeking approval that our remuneration be fixed on a mixture of the bases allowed under the Rules. We are also seeking approval 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.

Best practice guidance directs the office holder to provide details of any 'direct costs' which are included within the fee proposal. I can confirm that there are no direct costs included. All expenses are listed separately for transparency purposes, and approval is sought where necessary prior to discharging those expenses, (which will be properly incurred and directly attributable to the case). You can find a schedule of anticipated expenses within Appendix 2.

To assist creditors in determining whether to approve this basis of remuneration as well as our expenses, the following further information is set out at Appendix 2:

- ☐ Begbies Traynor (Central) LLP's charging policy which includes details of our charge-out rates;

In addition, Appendix 3 contains the following:

- ☐ Details of how the proposed liquidators are seeking to be remunerated;
- ☐ Estimate of expenses;

Expenses

No expenses have been drawn during the period.

If you wish to know more about how creditors should determine the liquidators' fees, 'A Creditors Guide to Liquidators' Fees (E&W) 2021' which provides guidance on creditors' rights can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides). Alternatively, if you require a hard copy of the Guide, please contact my office and we will arrange to send you a copy.

In addition, the Association 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: <http://www.creditorinsolvencyguide.co.uk/>

## 6. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 2.

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

As detailed above in Section 3 and 4 the outstanding matters comprise:

- Investigations into transactions between the director and the Company; and
- Restoration of a debtor in order to receive a dividend into the Company.
- Agreeing creditor claims and advertising a notice of intended dividend
- Paying a dividend to preferential and unsecured creditors

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

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

Time recorded under this category will include:

- Filing.
- Dealing with general calls.
- Dealing with routine correspondence and emails.
- Maintaining electronic case files.
- Updating case strategy and monitoring the same.
- Completing case reviews.
- Maintaining creditor portal and uploading statutory documents.
- Conducting bond reviews.
- Maintaining the liquidators' bank account.
- Preparing all statutory reports and returns.
- Undertaking periodic case reviews.
- Dealing with receipts and payments through the liquidation estate.

The majority of the above work will derive no financial benefit for creditors. However, the Insolvency Profession is a highly regulated industry and we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case. All of the work in the category is required under the Insolvency Act and Rules.

### Investigations

Time will be spent in reviewing records and raising queries with the director provided.



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

Time recorded under this category will include:

- Writing to creditors to request they submit their claims
- Reviewing, adjudicating and admitting claims received by creditors
- Raising queries as necessary
- Advertising our notice of intended dividend
- Paying a dividend to preferential creditors (if applicable)
- Paying a dividend to unsecured creditors

We are required to respond to creditors in a timely manner and provide information relating to the administration of the estate in accordance with the Act.

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

Time recorded under this category will include:

- Obtaining approval from creditors of our fee basis in order for us to proceed with the matters outstanding
- Restoration of ESRGD to the register for the purposes of receiving a dividend.

How much will this further work cost?

All future costs of running the case are included within our fee estimate.

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

In the event ESRGD is restored to the register there will be costs associated adjudicating claims in that liquidation (as well as the costs of restoring it to the register) which will need settling prior to any distribution to creditors.

As a result it is difficult to estimate the anticipated payment that would be receivable by Begbies Traynor for administering the liquidation. However to assist creditors with considering the level of our fee an estimated outcome is provided for below:

Dividend held by Insolvency Services	£ 209,439.51
Restoration costs of ESRGD	-£ 10,000.00
Liquidators costs of ESRGD	-£ 30,000.00
Balance distributable from ESRGD	£ 169,439.51
Dividend receivable by the Company (95% of overall distribution)	£ 160,967.53
Fixed fee	-£ 35,000.00
35% of realisations fee	-£ 56,338.64
Distributable Balance	£ 69,628.90
10% of Distribution's fee	-£ 6,962.89
Residual balance (to distribute)	£ 62,666.01

These estimated costs relate to legal fees and insolvency practitioners fees incurred in the restoration of ESRGD and the administration of a straightforward liquidation only.

It is also assumed that the claim of the Company in the future liquidation of ESRGD represents 95%. This is based upon information received from the Official Receiver. Should there be other creditor claims not provisioned for then the Company will receive a lesser dividend.

This estimated distribution relates to the receipt of the dividend from ESRGD only. In the event recoveries are made from claims against connected parties then creditors may receive a further dividend.

## 8. OTHER RELEVANT INFORMATION

### 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.

## 9. 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.

## 10. CONCLUSION

Accompanying this report is a notice providing further information about the decisions being sought by correspondence together with a Voting Form. Please complete and return this form to our office by no later than 15 December 2023 together with proof of your debt (unless a proof has already been submitted) or your vote will be disregarded as will any Voting Forms returned after this date.

Should any creditor require further explanation of matters contained within the report, they should contact our office and speak in the first instance to the case manager who will be pleased to assist.

Our next report will follow the anniversary of the liquidation or at the conclusion of the winding up, whichever is the sooner.



K Murphy  
Joint Liquidator

Dated: 28 November 2023

Statement of Affairs		From 02/10/2022 To 01/10/2023	From 02/10/2019 To 01/10/2023
£		£	£
	ASSET REALISATIONS		
	Bank Interest Gross	0.27	0.48
	Funds Held on Trust	NIL	1,574.00
NIL	Intercompany debts	<u>NIL</u>	<u>NIL</u>
		0.27	1,574.48
	UNSECURED CREDITORS		
(7,853.67)	Banks/Institutions	NIL	NIL
(14,260.61)	Employees	NIL	NIL
(1,104,588.52)	Trade & Expense Creditors	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	DISTRIBUTIONS		
(10,000.00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(1,136,702.80)</u>		<u>0.27</u>	<u>1,574.48</u>
	REPRESENTED BY	<u><u>          </u></u>	<u><u>          </u></u>
	Interest Bearing Bank Account		1,574.48
			<u>1,574.48</u>

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## JOINT LIQUIDATORS' COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy;

## 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 either of the bases allowed under The Insolvency (England and Wales) Rules 2016. These are either:

- As a percentage of the value of the assets realised and/or distributed
- On a time costs basis or
- As a set amount.

In this case we are seeking to be remunerated on a combination basis. Different rates can be used for individual assets or types of assets. Where we would like to realise assets on variable bases we will provide further information explaining why we think that this is appropriate and ask creditors to approve the variables.

Within our fee estimate creditors can see how we propose to be remunerated.

In addition, this policy applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. 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 £100 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):

It may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, 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

General Office Overheads.

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

- ☐ Telephone and facsimile
- ☐ Printing and photocopying
- ☐ Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

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

Grade of staff	Charge-out rate range (£ per hour) 10 <sup>th</sup> July 2023 until further notice
Appointment taker/partner	560-640
Managers/directors	415-540
Other professional	215-300
Junior professional/support	170

Prior to 10<sup>th</sup> July 2023, the following rates applied:

Grade of staff	Charge-out rate (£ per hour)
Partner	545
Director	490
Senior Manager	435
Manager	380
Assistant Manager	275
Senior Administrator	240
Administrator	195
Junior Administrator	155
Cashier	155
Secretarial	155

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.

The office holder may use the services of BTG's Contentious Insolvency Division (CID) during the course of the case. The CID is a department of the office holder's firm which specialises in asset recovery and complex investigative matters. The current charge-out rates applying to work carried out by the CID are as follows and subject to increase from time to time:

Grade of staff	Charge-out rate (£ per hour)
Partner	690
Director	580
Senior Investigator	475
Investigator	410
Trainee Investigator	260

## PROPOSAL FOR JOINT LIQUIDATORS' REMUNERATION

- a. Details of the work that we anticipate that we will undertake.
- b. Details of the expenses that we consider will be or are likely to be incurred.
- c. Statement of Expenses



## DETAILS OF HOW THE LIQUIDATORS ARE SEEKING TO BE REMUNERATED

Further to our appointment, we are seeking creditors approval to be remunerated on one, or a mixture of the bases allowed under the Insolvency (England and Wales) Rules 2016. These are (a) as a set amount, the 'Fixed Fee', (b) as a percentage of the value of the assets realised and funds distributed, (c) on a time costs basis.

In this case, we are seeking that our remuneration be agreed on the on the following bases:

### (a) Fixed Fee

The Joint Liquidators propose to draw a fixed fee of £35,000 for undertaking the following categories of work, during their time in office. A description of the type of work which falls under these categories and that will be carried out in this case specifically, is detailed below.

1. General case administration and planning
2. Compliance with the Insolvency Act, Rules and best practice
3. Other matters which include eg seeking decisions from creditors via Deemed Consent Procedures or Decision Procedures.

### (b) Percentage Basis

We are also seeking to be remunerated on a percentage basis of asset realisations as well as a percentage of distributions made to creditors as follows: -

Nature of asset	Percentage being sought (%)	Estimated fee based upon the percentage being sought
Intercompany debts	35%	56,338.64
Realisations resulting from our investigations	35%	Uncertain as no claims have been advanced.

Nature of distributions	Percentage being sought (%)	Estimated fee based upon the percentage being sought
Unsecured distribution	10%	6,962.89

What is the anticipated payment for administering the case?

In relation to our proposed basis of remuneration, we are aware that there are limited assets to realise and so the fee that we will be able to draw will be limited to the amount that is realised for the assets. This is expected to be in the region of £98,301.53.

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

Arriving at our fee estimates

Our fee proposal (as set out above) is intended to provide a degree of certainty to creditors whilst at the same time representing fair and reasonable remuneration for the work performed, taking account of the time costs involved, the complexity of the case and the risks we have taken on.

### Fixed Fee

It should be noted that up to 19 July 2023, the date we became aware that there may be realisations from the ESRGD debt, we had incurred time costs of £41,137 in our administration and investigation work.. From 20 July 2023 to the date of the preparation of this report, being 28 November 2023, further time costs of £5,066.50 have been incurred in relation to General case administration, planning and Compliance with the Insolvency Act, Rules and best practice. Clearly, our work on case administration will continue, regardless of whether or not we achieve realisations from the ESRGD debt. I estimate that the future administration costs to the end of the case will be in the region of £10,000 – so our total costs on case administration (and excluding future investigation work) will be in the region of £53,703.50.

Clearly the fixed fee element of our proposed remuneration structure (i.e. £35,000) is considerably below the level of our past and future costs on case administration alone.

### Intercompany Debts

In addition to the routine case administration, we have more recently been spending time taking steps to realise the ESRGD debt. This involves liaising with the relevant authorities and instructing solicitors to restore ESRGD to the Companies House register. (Please note the solicitors are working on a contingent basis).

Whilst we currently have no reason to suppose that we will be unsuccessful in restoring ESRGD, and whilst we currently believe that the Company will be entitled to a dividend of around £160,000 in respect of our debt, there is clearly a risk that unknown factors may mean the Company will not receive this sum (in which case our costs would be unrecoverable).

To give creditors and indication of the intensive nature of the work required in the restoration of ESRGD, the Joint Liquidators and their staff have spent £9,893.50 in time costs since 19 July 2023 on this element of work alone. As estimating the costs of this work is difficult due to the unpredictability of issues that may arise and the costs in resolving any issues, the Joint Liquidators believe that creditors fixing their remuneration as a percentage of the amount realised is the most appropriate method. This places the cost risk on the Joint Liquidators and not on the creditors.

### Realisations resulting from our investigations

Throughout the liquidation claims have been asserted towards connected parties to the liquidation. In the event claims are established then the costs of pursuing these claims and any risks associated may be for the Joint Liquidators to bear. Similarly to the above, a percentage of realisations presents creditors with an opportunity to receive a dividend in the event recoveries are made.

### Unsecured Distribution

In the event of an unsecured distribution work will be required that, up to that stage, had not been carried out. This work includes reviewing creditors claims, adjudicating and subsequently approving or rejecting claims. In the event claims are complex then considerable time may be spent in considering their validity or referring to a third party to assist as necessary.

Time is also spent in advertising a notice of intended dividend and preparing payments to creditors with valid claims. As these costs can vary on a case by case basis the liquidators deem it appropriate to charge on a percentage basis as this ensures the bulk of any distribution goes to the creditors.

We consider that the percentage element of our proposed fee structure, combined with the fixed fee element, is fair and reasonable in the circumstances, and takes into account the risks we have taken and the risks we continue to take. It also enables us to continue our investigations into the

affairs of the Company on a 'contingent' basis, where we will be remunerated only if these investigations produce returns for creditors. (This contrasts with a scenario where ongoing investigations are funded out of realisations from the ESRGD debt).

#### Summary of the work to be undertaken in the Liquidation

The following work category descriptions are provided in order for creditors to understand the statutory and general duties involved during the course of the liquidation.

##### General case administration and planning

Insolvency Practitioners are required to maintain records to demonstrate how the case is administered, and to document any decisions that materially affect the case.

At the onset of the case we will form a strategy for how the case will be managed. This will take into consideration the level of assets to be realised, how those assets will be realised, and whether there will be sufficient realisations to make a distribution to the Company's creditors.

The case will be subject to regular reviews to ensure case progression and the files will be kept up to date.

Time recorded under this category to date has included:

- Preparing documents and dealing with the formalities of our appointment.
- Filing and maintaining documents electronically.
- Dealing with general calls.
- Dealing with routine correspondence and emails.
- Opening and maintaining the liquidators' bank account.
- Case planning and devising a case strategy.
- Requesting information from the Company's bank.

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliant progressing of the liquidation, which ensures that the joint liquidators and their staff carry out their work to high professional standards.

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

The Insolvency Practitioners are governed by the Insolvency Act and Rules, together with following best practice guidelines known as Statements of Insolvency Practice. We have certain statutory obligations and duties to fulfil whilst in office which include the regular filing of progress reports with Companies House and the filing of a final report at the end of the period. We are also required to notify various bodies of our appointment, including creditors, Companies House, and advertise our appointment in the London Gazette.

We are also duty bound to correspond with creditors and issue notice of the insolvency event to the likes of the pensions departments, banks and other parties who would have an interest in the proceedings. There is also the duty to investigate the directors' conduct, bond the case appropriately and instruct professionals such as property agents and solicitors to assist where necessary.

Time recorded under this category to date has included:

- Calculating and arranging for the statutory bond.
- Advertising notification of appointment in the London Gazette.
- Notifying creditors and relevant parties of the liquidation.
- Notifying Companies House and filing relevant Companies House forms.
- Opening electronic case files and maintaining electronic records.

- Undertaking Section 120 pension searches and submissions.
- Case planning and devising relevant strategy.
- Annual progress reports to creditors and Companies House

This work does not benefit creditors financially but is necessary in accordance with the Insolvency Act, Rules and best practice.

#### Investigations

Within three months of our appointment, we are required to submit an online conduct report in accordance with the Company Directors Disqualification Act. In order to fulfil this duty, we will seek to recover the Company books and records, both hard copy and electronic, from the directors in order to carry out our initial investigations. An initial investigation is carried out in all cases to determine whether there are potential recovery actions for the benefit of creditors. Such investigations include analysis of the Company's bank statements, reviewing information provided by third parties and an analysis of the Company's management accounting records/systems. Any person who is or has been a director, or is considered as a de facto or shadow director of the Company in the three years prior to the insolvency event are also asked to complete a questionnaire to assist with our investigations.

Where appropriate creditors or other parties may be asked to come forward with information.

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

Time will be spent dealing with creditor queries as and when required. This can include queries by telephone, email or within letters received in the post. The work carried out will only lead to a financial benefit where there are sufficient funds to facilitate a distribution to creditors.

If there is likely to be a distribution, creditors will be made aware of this at the earliest possibility, whether it be detailed in our initial correspondence, a progress report or by notice of intended dividend issued during the course of administering the case.

Creditors' claims will be dealt with in accordance with the order of priority, and therefore only if there is a prospect of a dividend in the insolvency proceedings, will those specific claims be adjudicated on. However, all claims received will be noted and registered.

Where the Company has employees who have claims in the Liquidation, it will be the role of appointed Liquidator to liaise with the Redundancy Payments Service ("RPS") and collate employment records in order to submit information concerning sums potentially due in respect of outstanding salaries, holiday pay, pay in lieu of notice and redundancy.

The government will initially review and make payment of the claims of the employees, (up to their maximum allowances), and any shortfall on those claims will be a claim in the insolvency proceedings.

Time recorded under this category to date has included:

- Dealing with creditor correspondence.
- Maintaining creditor claims and updating electronic records.

Time will be spent dealing with all creditor queries as and when required.

#### Distribution of funds

In cases where sufficient realisations are made to enable a dividend to creditors, I have to undertake certain statutory formalities. This includes writing to all creditors who have not yet lodged a proof of debt. I also must review the claims and supporting documents received by creditors and formally adjudicate

on the claims. This may involve seeking additional supporting documents from creditors who's claims require further review.

This will only occur should sufficient proceeds remain in the Liquidators' estate after the costs of the Liquidation have been met in full.

Other matters which include, seeking decisions from creditors (via DCP and/or via Decision Procedures), tax, litigation, pensions and travel

During the course of administering the case, the Insolvency Practitioner may be required to carry out additional work which doesn't necessarily fall under any of the other categories above.

We may also be required to submit VAT and Tax returns when appropriate in order to reclaim monies for the estate and pay over any taxes due to HMRC. As detailed above, we are also duty bound to provide notifications and further assistance to pensions departments where applicable.

We may be required to travel to the Company's premises, or to a meeting external to our office if it assists with our realisation of assets, investigations or another aspect of the case.

There are certain other matters which we may have to deal with which are not evident or foreseeable at the outset of the Liquidation. I am unable to seek approval to fix remuneration for any work unless and until the nature of any such work has been identified and the work involved can be quantified. If this scenario should occur, I will revert to creditors, providing full details of the circumstances at the time, to seek creditor approval of a further fees estimate.

Instances and explanations of the such work that might fall under this category are provided on our website at <http://www.begbies-traynorgroup.com/work-details>.

## 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				
Storage	Total Data	12.00	Nil	15.00
Insurance	Risk Insurance Solutions	6.50	Nil	6.50

## CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Statutory Advertising	Court Advertising	160.40
Bonding	Marsh	20.00
ATE Insurance	JLT	56.00
Storage	Total Data	363.25
Document Repository	Insolpoint	12.00
Postage	CVR Global LLP	23.75
Travel	CVR Global LLP	16.40
TOTAL		651.80