

## Liquidator's Progress Report

# S.192

Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

09180654

Name of Company

CGL Contracting Ltd

I / *MB*

Mark Jonathan Botwood, Regent House, Bath Avenue, Wolverhampton, WV1 4EG

the liquidator(s) of the company attach a copy of my/our Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 02/12/2015 to 01/12/2016

Signed

*MB*

Date

30/1/17

Muras Baker Jones Ltd  
Regent House  
Bath Avenue  
Wolverhampton  
WV1 4EG

Ref C1750/MJB/AS

THURSDAY



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02/02/2017

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COMPANIES HOUSE


**CGL Contracting Ltd**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

Statement of Affairs		From 02/12/2015 To 01/12/2016
	<b>ASSET REALISATIONS</b>	
50 00	Office Equipment	125 00
50 00	Plant & Machinery	125 00
250 00	Furniture & Equipment	NIL
4,000 00	Motor Vehicles	4,000 00
Uncertain	Office Picture	NIL
14,000 00	Debtors	1,296 13
	Bank Interest Gross	2 81
	BT Refund	10 06
		<u>5,559 00</u>
	<b>COST OF REALISATIONS</b>	
	Agents Fees/Commission	<u>750 00</u>
		(750 00)
	<b>PREFERENTIAL CREDITORS</b>	
(3,444 20)	Employees Wage & Holiday Arrears	<u>NIL</u>
		NIL
	<b>UNSECURED CREDITORS</b>	
(37,431 00)	Trade & Expense Creditors - ESTIMAT	NIL
(2,866 00)	Employees	NIL
(21,423 00)	Director Loan Account	NIL
(841 23)	Bank Overdraft	NIL
(47,376 00)	HMRC - PAYE & NI - ESTIMATED	NIL
(80,394 00)	HMRC - CIS TAX Deductions - ESTIM	NIL
(117,897 00)	HMRC - VAT - ESTIMATED	NIL
(4,108 00)	Related Party-CDJ Home Installations	<u>NIL</u>
		NIL
	<b>DISTRIBUTIONS</b>	
(100 00)	Ordinary Shareholders	<u>NIL</u>
		NIL
<u>(297,530 43)</u>		<u><u>4,809.00</u></u>
	<b>REPRESENTED BY</b>	
	Interest Bearing Current Account	<u>4,809 00</u>
		<u><u>4,809.00</u></u>

Note

**1. VAT**

VAT is recoverable The above figures are shown net of VAT



Mark Jonathan Botwood  
Liquidator

**CGL CONTRACTING LIMITED**  
**(In Creditors' Voluntary Liquidation)**

**LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS**

**For the year ending 1<sup>st</sup> December 2016**

**EXECUTIVE SUMMARY**

The company ceased to trade prior to the appointment of a Liquidator. The strategy on appointment was to ensure maximum asset realisations and investigate transactions to any possible recovery claims.

Company assets were sold shortly after appointment to a company with the same shareholder and director based upon the recommendation from an independent RICS qualified valuer.

Attempts to recover assets retained by a former employee have been unsuccessful to date. These consisted of computer equipment, a painting and financial records in respect of outstanding debtor balances. The failure to recover the company records has hindered the recoverability of trade debtors to date.

Detailed investigations have been undertaken, legal advice sought, and a range of potential legal actions are under consideration given the merits of a successful recovery and the associated costs and risks involved.

**STATUTORY INFORMATION**

Company name	CGL Contracting Ltd
Registered office	Muras Baker Jones Ltd, 3 <sup>rd</sup> Floor Regent House, Bath Avenue, Wolverhampton, West Midlands, WV1 4EG
Former Registered Office & Principal Trading Address	Suite 2-5 Adamson House, Horsehay Estate, Horsehay, Telford Shropshire, WF4 3PY
Registered number	09180654
Liquidator's name	Mark J Botwood
Liquidator's address	Muras Baker Jones, 3 <sup>rd</sup> Floor, Regent House, Bath Avenue, Wolverhampton, WV1 4EG
Date of appointment	2 December 2015

**LIQUIDATORS' ACTIONS SINCE APPOINTMENT**

The company ceased to trade prior to the appointment of a Liquidator on the 2 December 2015. The strategy on appointment was to ensure maximum asset realisations and investigate transactions to any possible recovery claims.

In December 2015 the sale of company assets was completed to CDJ Home Installations Limited, a company with the same sole shareholder and director Mr Chris Jordan. The offer was accepted based on the recommendation from agents given no other purchasers had been identified, the offer was equal or in excess of what could be realised net of costs by the agents, and the swift receipt of funds would result in a reduction of storage and professional time costs.

I issued a report to creditors on the 21<sup>st</sup> December 2015 providing an update on the liquidation to date and calling a meeting of creditors set for the 29<sup>th</sup> January 2016. At the meeting, the basis on which my remuneration was to be drawn was established, the recovery of category 2 disbursements, and the costs of £550 plus VAT to be incurred by the payroll department in completion of outstanding P45's was agreed by creditors.

Detailed investigations have been undertaken during the year regarding the trading activities of the company as detailed below. Mr Jordan continued to allege that a former Employee of the company also acted as a Director of the company throughout the whole of trading.

The employee was also known to have retained assets belonging to the company, computer equipment, a painting and financial records in relation to outstanding debtor balances. Efforts have been made throughout the year to recover the assets and receive an explanation to the allegations made by Mr Jordan that he acted as a Director of the company. Only a partial response has been received from the employee to date.

Investigations identified the poor accounting records maintained by the company that had resulted in virtually no information being submitted to HM Revenue & Customs throughout the course of trading.

During January 2016 the Payroll department of Muras Baker Jones Limited registered the company for real time information and submitted outstanding reports on behalf of the company, producing P45's and P60's for all the former employees.

During February 2016 I submitted on behalf of the company all six outstanding VAT quarterly returns to HM Revenue & Customs.

Following the submission of the above outstanding information a revised claim in the liquidation was received from HM Revenue & Customs. The revised claim however does not account for any CIS tax liabilities as anticipated on the company's statement of affairs. The company appeared to deduct CIS tax from sub contractor payments however never maintained a record of deductions or paid them across to HM Revenue & Customs.

I have sought initial legal advice during the year, to which solicitors have identified a range of potential legal actions to be taken. However investigations remain on going to identify evidence and devise an appropriate strategy that provides the best recovery of funds in to the liquidation.

There is certain work that I am required by the insolvency legislation to undertake work in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my appointment as Liquidator contained in Appendix 1.

## **RECEIPTS AND PAYMENTS**

My Receipts & Payments Account for the period from 2<sup>nd</sup> December 2015 to 1<sup>st</sup> December 2016 is attached at Appendix 1.

The balances of funds are held in an interest bearing estate bank account.

## **ASSETS**

On 1 December 2015, a valuation of the assets of the Company was prepared by Mr Mathew Parker from Cerberus Asset Management a RICS registered valuer from an independent firm of valuers who have confirmed that they hold Professional Indemnity Insurance.

On 11 December 2015, I subsequently sold the assets of the Company to CDJ Home Installations Limited a company to which Mr Chris Jordan is also a Director and shareholder

The offer on the van which had done 160,000 miles and other items was equal or in excess of what could be realised net of costs by the agents. The agents had not identified any other alternate purchasers at the time and the immediate sale of items would result in a reduction of storage and professional time costs that an auction sale would have incurred

The assets were sold for a combined total of £4,250 00. An outline of the different types of asset sold and the amount for which they were sold, together with a comparison against the valuation realised

Asset category	Valuation basis & amount (£)		Sale Consideration
	Going Concern	Forced Sale	£
Plant & Machinery	100	50	125
Furniture & Equipment	250	250	Abandoned
Office Equipment	100	50	125
Motor Vehicles	4,000	4,000	4,000
Painting	2,500	Unknown	NA
<b>Total</b>	<b>6,950</b>	<b>4,350</b>	<b>4,250</b>

Plant and Machinery included a pedestrian forklift truck which was expected to realise £50. Furniture and Fittings included an external storage container expected to realise £250. Office equipment was expected to realise £50 and a Mercedes Sprinter Van registration VX58 URR was valued at £4,000.

The external storage container proved unrecoverable and was abandoned on site.

### Painting

The company purchased a painting for £2,500 that remains with a former employee of the Company. The employee has disputed the ownership of the painting alleging he personally owns it himself, however no supporting documentation of ownership has ever been provided. The realisation and recovery of the painting therefore remains uncertain. Investigations remain on going to recover the asset for the benefit of the Liquidation.

### Book Debts

Estimated to Realise	£14,000	Realised	£1,296 13
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Per the company accounting records 4 trade debtors totalled £17,744 and related to retentions owed to the Company. A specific provision of £3,744 had been made for possible bad debts with the statement of affairs, such that book debts in relation to outstanding retentions due expected to realise approximately £14,000.

During the year one debtor has fully repaid a balance of £1,296 13.

The 3 remaining debtors, the largest debtor of £12,177 69 and two additional debtors totalling £3,299, have both disputed the balances outstanding. All three continue to dispute the retention balances outstanding and allege to have counter claims in respect of set defect periods. I have requested and still await supporting evidence in respect of the counter claims.

A former employee is known to have retained contract files and supporting documentation in respect of sale contracts, that after numerous requests have never been received by office. This continues to significantly hinder the collection of the remaining disputed debtor balances.

### **Cash at Bank**

The company's bank account held with Nat West Bank Plc was overdrawn at the date of Liquidation with a balance of £841.23 outstanding and therefore no funds have been received upon closure.

### **Other Assets**

Bank interest is received gross and totals £2.81 for the year ended 1 December 2016.

In addition a BT refund of £10.06 has been recovered during the year in respect of a remaining credit balance held on the company's former account.

## **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 £3,444.20 in preferential creditors. Claims totalling £2,111.03 have been received. The claim has not been agreed.

### **Crown Creditors**

The statement of affairs included an estimated £245,667 owed to HMRC. HMRC's final integrated claim of £164,174.52 has been received which does not include a claim in respect of CIS Tax deductions estimated at £80,394 per the statement of affairs. The claim has not yet been agreed.

### **Non-preferential unsecured Creditors**

The statement of affairs included 7 non-preferential unsecured creditors with an estimated total liability of £66,669.23. I have received claims from 9 creditors at a total of £128,672.75. I have not received claims from 2 original creditors with original estimated claims in the statement of affairs of £5,341.23. A claim has been received from a former employee who is believed to hold the company records in respect of the outstanding debtor's balances, and a painting, of £84,876.36 in comparison to a balance of £20,292 stated within the company's statement of affairs. Claims have not yet been agreed.

## **DIVIDEND PROSPECTS**

### **Preferential creditors and Non-preferential unsecured creditors**

A dividend distribution to any type of creditor is unlikely and dependent upon on going investigations and the successful outcome from any legal action

## **INVESTIGATION INTO THE AFFAIRS OF THE COMPANY**

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, and the funds likely to be available to fund an investigation, and the costs involved

Specifically, I recovered, listed and reviewed the Company's accounting records, obtained and reviewed copy bank statements for the 6 months prior to the Company ceasing to trade from the Company's bankers, and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and made enquiries about the reasons for the changes

Mr Jordan from initial contact maintained the allegation that a former employee had set up the company jointly with himself. Mr Jordan however remained the sole registered Director, Shareholder and Bank signatory of CGL Contracting Limited. Investigations into the company records appeared to suggest that a former employee may have managed the business of the company along with Mr Jordan, each tendered for their own work, managed their individual contracts, ordered materials and managed staff, whilst both authorised payments to be made. In addition both individuals invested significant funds to support the company's initial period of trading as well as providing additional advances when cash flow was poor.

Several letters, emails and telephone calls were made to the former employee requesting a response to the allegations.

In addition the correspondence also requested the delivery up of company assets known to be retained by himself, consisting of a computer and monitor with an estimated value of £600, a painting estimated at £2,500 and accounting records in relation to the major debtor of the company with an outstanding balance of £12,178.

The employee failed to deliver up any of the retained information or provide a response to allegations. Investigations also identified that the employee at the time the company was trading was subject to an 8 year Directors disqualification undertaking.

The company had only traded for 13 months however it was evident that the company failed to maintain adequate accounting records. Initially a computer was recovered from site however only a limited mix of information was available for extraction. It also became apparent that the company accountants were only approached in October 2015 to bring financial records from December 2014 up to date by Mr Jordan. Therefore the company appeared to trade for 10 months without any accurate financial information to rely upon.

The company had never maintained any records in respect of any Crown departments. In addition it had never registered for real time information (RTI). All information identified from investigations was submitted to HMRC on behalf of the company. My staff submitted outstanding VAT returns while the Payroll department at Muras Baker Jones registered the company for RTI and submitted outstanding returns and issued P45's/P60's. However it proved impossible to reconstruct the CIS tax liability position of the company. The company had deducted CIS tax from sub contractor payments but then failed to maintain a record of the deductions.

Following the conclusion of initial investigations I held a detailed telephone interview with Mr Jordan to clarify and address the issues identified. It became evident from investigations that the Liquidator may be able to take action against the director and former employee given their conduct in the trading of the company.

I have sought initial legal advice, and solicitors have identified a range of potential actions inclusive of wrongful trading and preferential payments, while also identifying an alleged claim for misfeasance for breach of duty.

Investigations remain on going to identify evidence and devise an appropriate strategy that provides the most benefit to the liquidation. A further report may be made to creditors to seek funding to advance investigations and instigate proceedings.

However during the year I have also been made aware that the former employee was made Bankrupt on the 10<sup>th</sup> May 2016. This makes any recovery of funds following successful legal action against him very unlikely.

Within six months of my appointment as Liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

#### **PRE-APPOINTMENT REMUNERATION**

The creditors previously authorised the payment of a fee of £5,000 plus VAT for my assistance with preparing the statement of affairs and convening and holding the meeting of creditors at a meeting held on 2 December 2016.

In addition the creditors also previously authorised the payment of £1,500 plus VAT to be paid to Astbury Accountants for their assistance in updating the Company's accounting records to produce the draft statement of affairs.

The fees for preparing the statement of affairs and convening and holding the meeting of creditors along with the fee payable to Astbury Accountants for their assistance is as yet unpaid as insufficient realisations have been made to date.

#### **LIQUIDATORS' REMUNERATION**

My remuneration was previously authorised by the creditors by a written resolution dated 29<sup>th</sup> January 2016. My remuneration was authorised on a mixture of a time cost basis and as a fixed fee.

I was authorised to draw time costs for my work in respect of Creditors, Investigations and the Realisation of Assets. This approval was based on my fees estimate of £19,280.00. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors. My total time costs for such work to 1<sup>st</sup> December 2016 amount to £14,305.10, representing 91.40 of hours work at an average charge out rate of £156.51 per hour. The actual average charge out rate incurred compares with the estimated average charge out rate of £166.21 in my fees estimate.

I have not been able to draw any remuneration in respect of work done for which my fees were approved on a time cost basis.

I was also authorised to draw a fixed fee of £10,000 for my work in respect of administration work.

I have not been able to draw any remuneration in respect of work done for which my fees were approved as a fixed fee.



A detailed schedule of my time costs incurred to date compared with my original fees estimate is attached as Appendix 4

As at 1 December 2016 then, as you can see from the information provided in this report, the total time costs I have incurred in this matter, in respect of the investigation category of work for which I am being remunerated on a time cost basis, have exceeded the total estimated remuneration I set out in my fees estimate when my remuneration was authorised by the creditors. This is because of significant amount of investigation work undertaken to date and the lack of response from the company's former employee who appears to have retained vital debtor information along with company assets. Investigations have also proved more difficult due to the poor accounting records maintained by the company.

Currently I do not intend to draw remuneration in excess of the fees estimate and so will not be seeking a resolution from the creditors to increase my fees estimate at this stage in respect of the investigation category.

I only anticipate needing to seek approval to draw fees in excess of the original estimate if my additional work leads to potential further asset recoveries, or any associated action, such as arbitration or legal proceedings.

I have arranged for the payroll department of Muras Baker Jones Limited to undertake some of the work that I am required to undertake as Liquidator, namely for registering the companies payroll at HMRC and production and distribution of employees P45's. I am satisfied that taking this approach ensured that the best value and service was provided to creditors because specific expertise was required and rates charged are comparable with the market rate for such services.

In accordance with the resolution passed by the creditors on 29<sup>th</sup> January 2016 approving the basis of their fees, £550 plus VAT has been charged for undertaking the work, which has not yet been paid.

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/>

Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://www.icaew.com/en/technical/insolvency/creditors-guides>

A copy of 'A Creditors Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals is available at the link <http://www.icaew.com/en/technical/insolvency/creditors-guides>

Please note that there are different versions for cases this case you should refer to the 1 October 2015 version. An explanatory note showing Muras Baker Jones's fee policy is provided within this report.

Director, Senior Staff and other staff hourly rates changed to £290, £160 and £49 respectively on 1 July 2016. An up to date Muras Baker Jones fee policy schedule is attached, showing the change in rates as at 1 July 2016.

## **LIQUIDATORS' EXPENSES**

I have incurred expenses to 1<sup>st</sup> December 2016 of £3,249.80. I have not been able to draw any expenses in this matter.

I have incurred the following expenses in the period since my appointment as Liquidator:

<b>Expense</b>	<b>Provider</b>	<b>Incurred/Accrued in period</b>
Data Recovery	First Choice Computers	£40.00
Insolvency Bonding	Alexander Forbes	£70.00
Statutory Advertising	The London Gazette	£174.63
Photocopying	Muras Baker Jones	£15.00
Postage	Muras Baker Jones	£204.11

Corporation Tax	HM Revenue & Customs	£0 56
Asset Valuer Costs	Cerberus Asset Management	£750 00
Legal Advice	FBC Manby Bowdler LLP	£1,445 50
Payroll Costs	Muras Baker Jones Limited	£550 00

I have incurred the following category 2 disbursements in the period since my appointment as Liquidator

Type of category 2 disbursement	Amount incurred/ accrued in the reporting period
Photocopying	£15 00

I have used the following agents or professional advisors in the reporting period

	Nature of Work	Basis of Fees
<b>Professional Advisor</b>		
Cerberus Asset Management	Valuer/Auctioneer	Time costs
FBC Manby Bowdler	Solicitors	Time costs

The choice of professionals was based on my 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.

Cerberus Asset Management liaised with myself in determining an appropriate asset sales strategy, invited an offer from the Director Mr Jordon, considered and provided the Liquidation with a written recommendation and obtained receipt of funds.

FBC Manby Bowdler Solicitors LLP have provided legal advice following the outcome of investigations into the company's trading activities.

As at 1<sup>st</sup> December 2016 I do not anticipate that the expenses I will incur in this matter will exceed the total expenses I estimated I would incur when my remuneration was authorised by the creditors.

## 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 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 creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Joint Liquidators' fees and the amount of any proposed expenses or expenses already incurred within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Muras Baker Jones Ltd including about our complaints policy and Professional Indemnity Insurance, can be found at <http://www.muras.co.uk/wp-content/uploads/2016/01/Information-requirement-of-the-Provision-of-Services-Regulations-2009-1.pdf>

## **SUMMARY**

The Liquidation will remain open until investigations have been completed and legal action concluded into the recovery of funds for the benefit of the liquidation estate. I estimate that this will take approximately 2 years 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 Mr Adrian Simcox on the above telephone number, or by email at [enquires@muras.co.uk](mailto:enquires@muras.co.uk)

A handwritten signature in black ink, appearing to read 'M. J. Botwood', with a stylized flourish at the end.

**Mark Jonathan Botwood**  
**Liquidator**

Mark Botwood is licenced to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England & Wales

## Appendix 1

### 1 Administration

- 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 case files
- Setting up the case on the practice's electronic case management system and entering data
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment
- Obtaining a specific penalty bond
- Convening and holding general meetings of creditors and members (as applicable)
- 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
- Preparing, reviewing and issuing annual progress reports to creditors and members
- Filing returns at Companies House
- Preparing and filing VAT returns
- Preparing and filing Corporation Tax returns

### 2 Creditors

- Obtaining information from the case records about employee claims
- Completing documentation for submission to the Redundancy Payments Office
- Corresponding with employees regarding their claims
- Liaising with the Redundancy Payments Office regarding employee claims
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims
- Maintaining up to date creditor information on the case management system

### 3 Investigations

- Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act

**CGL Contracting Ltd**  
**(In Liquidation)**  
**Liquidator's Summary of Receipts & Payments**  
**To 01/12/2016**

S of A ALL		ALL	ALL
	<b>ASSET REALISATIONS</b>		
50 00	Office Equipment	125 00	
50 00	Plant & Machinery	125 00	
250 00	Furniture & Equipment	NIL	
4,000 00	Motor Vehicles	4,000 00	
Uncertain	Office Picture	NIL	
14,000 00	Debtors	1,296 13	
	Bank Interest Gross	2 81	
	BT Refund	10 06	
			5,559 00
	<b>COST OF REALISATIONS</b>		
	Agents Fees/Commission	750 00	(750 00)
	<b>PREFERENTIAL CREDITORS</b>		
(3,444 20)	Employees Wage & Holiday Arrears	NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(37,431 00)	Trade & Expense Creditors - ESTIMAT	NIL	
(2,866 00)	Employees	NIL	
(21,423 00)	Director Loan Account	NIL	
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(47,376 00)	HMRC - PAYE & NI - ESTIMATED	NIL	
(80,394 00)	HMRC - CIS TAX Deductions - ESTIM	NIL	
(117,897 00)	HMRC - VAT - ESTIMATED	NIL	
(4,108 00)	Related Party-CDJ Home Installations	NIL	NIL
	<b>DISTRIBUTIONS</b>		
(100 00)	Ordinary Shareholders	NIL	NIL
<b>(297,530 43)</b>			<b>4,809 00</b>
	<b>REPRESENTED BY</b>		
	Interest Bearing Current Account		4,809 00
			<b>4,809 00</b>

Note

**1 VAT**

VAT is recoverable The above figures are shown net of VAT



Mark Jonathan Botwood  
Liquidator



CGL Contracting Limited in Creditors Voluntary Liquidation Cost Analysis for the year ending				
1st December 2016				
The hourly charge out rates that will be used on this case are	£			
Partner – appointment taker	265 - 290			
Case Administrator	136 - 160			
Support staff	48 00			
REALISATION OF ASSETS				
Description of the tasks to be undertaken in this category of work	Original Estimated time to be taken to undertake the work	Original Estimated value of the time costs to undertake the work £	Actual Time taken to 1 12 16	Actual Value of Time taken to 1 12 16
Corresponding with debtors and attempting to collect outstanding book debts/ retentions	13 00	2 155 00	2 70	431 70
Instructing agents to value known assets	1 00	136 00	1 00	136 00
Liaising with agents to realise known assets	1 00	136 00	1 00	136 00
Instructing solicitors to assist in the realisation of assets	1 00	136 00	1 00	136 00
Review of Contract files	6 00	945 00	5 60	781 60
Consideration of work in progress and retentions	5 00	809 00	0 00	0 00
Office Holder review	3 00	537 00	0 70	185 50
Liaising with Landlord	2 00	401 00	0 00	0 00
Correspondence with director re asset realisations and retentions	4 00	673 00	1 30	178 80
NEW Chase Gary Link for asset information and recovery			2 00	272 00
Total	36 00	5,928 00	15 30	2 235 60
INVESTIGATIONS				
Description of the tasks to be undertaken in this category of work	Original Estimated time to be taken to undertake the work	Original Estimated value of the time costs to undertake the work £	Actual Time taken to 1 12 16	Actual Value of Time taken to 1 12 16
Recovering the books and records for the case	4 00	544 00	1 5	204 00
Listing the books and records recovered	2 00	272 00	3	408 00
Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act (delete if not applicable)	5 00	809 00	7 3	1 302 40
Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties such as the bank, accountants, solicitors etc	6 00	945 00	7 5	1 290 90
Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors	20 00	3 515 00	31 4	4 805 90
Office Holder review	3 00	795 00	2 4	636 00
Instructing solicitors for prima facie advice	3 00	537 00	3	480 00
Preparing a report for creditors for investigation funding	5 00	809 00		
Liaising with creditors for investigation funding	3 00	795 00		
NEW - DTI correspondence liaison and provision of information			14 3	2 078 80
Total	51 00	£9,021 00	70 4	11,204 00
CREDITORS				
Description of the tasks to be undertaken in this category of work	Original Estimated time to be taken to undertake the work	Original Estimated value of the time costs to undertake the work £	Actual Time taken to 1 12 16	Actual Value of Time taken to 1 12 16
Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend	3 00	408 00		
Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims	4 00	673 00		
Obtaining information from the case records about employee claims	2 00	272 00	1 1	149 60
Completing documentation for submission to the Redundancy Payments Office	2 00	272 00		
Corresponding with employees regarding their claims	3 00	408 00	1	226 30
Liaising with the Redundancy Payments Office regarding employee claims	1 00	136 00		
Dealing with creditor correspondence emails and telephone conversations regarding their claims	12 00	1 890 00	3 6	489 60
Maintaining up to date creditor information on the case management system	2 00	272 00		
Total	29 00	£4,331 00	5 70	865 50
The blended rate in this category is lower than the average blended rate				
GRAND TOTAL FOR ALL CATEGORIES OF WORK	116 00	£19,280 00	91 40	14,305 10

**MURAS BAKER JONES LIMITED****CHARGEOUT RATES AND DISBURSEMENT RECOVERY POLICIES****Introduction**

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

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/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://www.icaew.com/en/technical/insolvency/creditors-guides>. Alternatively a hard copy may be requested from Muras Baker Jones Limited, Regent House, Bath Avenue, Wolverhampton, WV1 4EG. Please note that we have provided further details in this policy document.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

**Time cost basis**

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

**Chargeout Rates**

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the firms charge out rates currently applicable to this appointment exclusive of VAT, are as follows:

	Effective from 1 July 2016 £ per hour	Effective from 1 July 2015 to 30 June 2015 £ per hour
Business Recovery Director/Office Holders	290	265
Administrator	160	136
Office Admin Support	49	48

Chargeout rates are normally reviewed annually on 1 July when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance. Time costs are charged in units of 6 minutes.

Each assignment includes active partner/office holder involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case.

Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal chargeout rate for undertaking such work.

	Effective from 1 July 2016 £ per hour	Effective from 1 July 2015 to 30 June 2016 £ per hour
Tax Director	250	190
Assistant tax manager	150	98

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning
- Investigations
- Realisation of Assets
- Creditors
- Trading
- Case specific matters



In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and on new appointments we now only seek time costs for the following categories

- Investigations
- Distributions
- Trading

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate, any additional work undertaken, or proposed to be undertaken, the hourly rates proposed for each part of the work, and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

#### **Percentage basis**

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

#### **Fixed fee**

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

#### **Members' voluntary liquidations and Voluntary Arrangements**

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

## All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate

## Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided

## Disbursements

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Muras Baker Jones Limited, in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees

Category 2 expenses are incurred by the firm and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage

It is proposed that the following Category 2 disbursements are recovered

Room Hire	£50
Mileage	45p per mile
Storage	£60 per box per annum
Photocopying	7 5p per sheet

## Direct expenses ("Category 1 Disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be charged to the estate cost, with no uplift. These include but are not limited to such items as case advertising, external office, storage, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case

## Indirect expenses ("Category 2 Disbursements")

It is our normal practice to also charge the following indirect disbursements (Category 2 Disbursements as defined by SIP 9) to the case, where appropriate

## Circulars to Creditors

Photocopying	7½p per copy
Postage	Actual cost

## Room Hire

For the convenience of creditors and to save the cost of booking an outside room, meetings of creditors are occasionally held internally at our Wolverhampton office, a charge of £50 plus VAT is levied to cover the cost of booking the room

## Travel

Mileage incurred as a result of any necessary travelling is charged to the estate at the Inland Revenue approved rate, currently 45p per mile

## Internal storage

It is our normal practice to store company/business books and records required for the administration purposes in our own office. Where the cost is not separately identifiable as a category 1 disbursement a charge of £60 per annum is levied being a charge in line with the costs charged by an external provider