

LIQ03

Notice of progress report in voluntary winding up



Companies House

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

1 Company details

Company number	0	9	9	0	3	4	6	4
Company name in full	Ecotec Design & Build Kendal Ltd							

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

2 Liquidator's name

Full forename(s)	Craig
Surname	Johns

3 Liquidator's address

Building name/number	Regency House							
Street								
Post town	45-53 Chorley New Road							
County/Region	Bolton							
Postcode	B	L	1		4	Q	R	
Country								

4 Liquidator's name ①

Full forename(s)	Jason Mark
Surname	Elliott

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

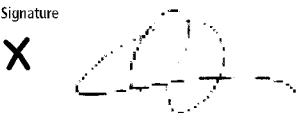
5 Liquidator's address ②

Building name/number	Regency House							
Street								
Post town	45-53 Chorley New Road							
County/Region	Bolton							
Postcode	B	L	1		4	Q	R	
Country								

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

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report											
From date	^d 0	^d 5	^m 0	^m 9	^y 2	^y 0	^y 1	^y 9				
To date	^d 0	^d 4	^m 0	^m 9	^y 2	^y 0	^y 2	^y 0				
7	Progress report											
	<input checked="" type="checkbox"/> The progress report is attached											
8	Sign and date											
Liquidator's signature	<div>Signature</div> <div>  </div>											
Signature date	^d 1	^d 5	^m 1	^m 0	^y 2	^y 0	^y 2	^y 0				

**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	Lucy Duckworth
Company name	Cowgill Holloway Business Recovery LLP
Address	Regency House 45-53 Chorley New Road
Post town	Bolton
County/Region	
Postcode	B L 1 4 Q R
Country	
DX	
Telephone	0161 827 1200

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. ❶
Attach this to the relevant form.
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☐ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☒ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)

Nick

Surname

Brierley

3 Insolvency practitioner's address

Building name/number

Regency House

Street

45-53 Chorley New Road

Post town

Bolton

County/Region

Postcode

B L 1 4 Q R

Country

Ecotec Design & Build Kendal Ltd
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 05/09/2019 To 04/09/2020 £	From 05/09/2019 To 04/09/2020 £
470,000.00	FIXED CHARGE RECEIPTS		
	Freehold Land & Property	NIL	NIL
		NIL	NIL
(51,350.00)	SECURED CREDITORS		
(352,000.00)	Costs of Sale	NIL	NIL
(120,000.00)	Mr David Gardner	NIL	NIL
	Mrs B Ellwood	NIL	NIL
		NIL	NIL
5,000.00	HIRE PURCHASE		
(10,144.00)	Encumbered Motor Vehicles	NIL	NIL
	Borderway Finance Limited	NIL	NIL
		NIL	NIL
NIL	FLOATING CHARGE RECEIPTS		
	Book Debts	NIL	NIL
	Deposit on Creditors petition	1,774.00	1,774.00
Uncertain	Electricity Bond	19,468.92	19,468.92
NIL	Furniture & Equipment	NIL	NIL
NIL	Plant & Machinery	NIL	NIL
Uncertain	Retentions	NIL	NIL
NIL	Stock	NIL	NIL
		21,242.92	21,242.92
	FLOATING CHARGE PAYMENTS		
	Bank Charges	15.00	15.00
	Joint Liquidators' Fees	9,000.00	9,000.00
	Joint Liquidators' Pre-Appointment Fees	6,000.00	6,000.00
	Legal Disbursements	75.00	75.00
	Petitioning Costs	1,774.00	1,774.00
	Specific Bond	48.00	48.00
	Statutory Advertising	174.96	174.96
		(17,086.96)	(17,086.96)
(25,000.00)	UNSECURED CREDITORS		
(20,963.33)	Barclays Bank PLC	NIL	NIL
(93,000.00)	Director's Loan Account	NIL	NIL
(1,267.98)	HMRC - Integrated Claim	NIL	NIL
	Landlord	NIL	NIL
(188,808.90)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
(1,004.00)	DISTRIBUTIONS		
	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(388,538.21)		4,155.96	4,155.96
	REPRESENTED BY		
	HB Bank 1 Current – Non Interest Bearing		1,105.96
	VAT Receivable		3,050.00
			4,155.96



Craig Johns
Joint Liquidator

**Joint Liquidators' Annual
Progress Report to
Creditors & Members**

**Ecotec Design & Build Kendal Ltd
- In Liquidation**

16 October 2020

cowgills

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- 6** Creditors' Rights
- 7** Next Report

APPENDICES

- A** Joint Liquidators' Receipts and Payments Account for the Period from 05 September 2019 to 04 September 2020;
- B** Joint Liquidators' Time Analysis for the Period from 05 September 2019 to 04 September 2020;
- C** Additional information in relation to Joint Liquidators' Fees, Expenses & Disbursements

1 Introduction and Statutory Information

- 1.1 Jason Mark Elliott, Craig Johns and Nick Brierley of Cowgill Holloway Business Recovery LLP, Regency House, 45-53 Chorley New Road, Bolton, BL1 4QR, were appointed as Joint Liquidators of Ecotec Design & Build Kendal Ltd ('the **Company**') on 05 September 2019.
- 1.2 This progress report covers the period from 05 September 2019 to 04 September 2020 ('the **Period**') and should be read in conjunction with the Director's SIP6 report which was issued to creditors on 02 September 2019.
- 1.3 Information about the way that we will use, and store personal data in relation to Insolvency appointments can be found at <https://www.cowgills.co.uk/services/business-recovery/privacy-notice/>. If you are unable to download this, please contact our office and a hard copy will be provided to you.
- 1.4 The principal trading address of the Company was 86 Highgate, Kendal, LA9 5HE.
- 1.5 The registered office of the Company has been changed to Regency House, 45-53 Chorley New Road, Bolton, BL1 4QR and its registered number is 09903464.

2 Receipts and Payments

- 2.1 At Appendix A is our Receipts and Payments Account covering the Period of this report.
- 2.2 In Section 3 below, you will find an update on the progress made during the Period in realising the Company's assets and dealing with its affairs.

3 Progress of the Liquidation

- 3.1 This section of the report provides creditors with an update on the progress made in the Liquidation during the Period and an explanation of the work done by the Joint Liquidators and their staff.

Administration (including statutory compliance & reporting)

- 3.2 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work we anticipated would need to be done in this area was outlined to creditors in our initial fees estimate/information.
- 3.3 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Joint Liquidators.
- 3.4 As noted in our initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors but is required on every case by statute.

Realisation of Assets

Deposit on Creditors' petition

- 3.5 The sum of £1,774 was received from the Director of the Company, as a contribution towards the costs of an outstanding creditors' petition. This amount has been paid to the petitioning creditor and the petition was dismissed.

Freehold Land & Property

- 3.6 As detailed in the Director's Statement of Affairs ("**SoA**"), the Company owns the Property and Land located at Roseacre Barn, Roseacre Lane, Yealands Conyers, Carnforth LA5 9TY ("**the Property**"). Prior to our appointment, Lindsey J Cooper and Christopher Ratten of RSM Restructuring Advisory LLP ("**RSM**") were appointed Joint Fixed Charge Receivers over the Property. RSM placed the property on the market for sale requesting offers in the region of £500,000.
- 3.7 The Property is subject to a secured charge in the favour of Mr Gardener in the sum of £352,000 and a second charge in the favour of Mrs Ellwood in the sum of £120,000. Further details in respect of these charges is provided in section 4 of this report.
- 3.8 It was understood that the Property had been recently renovated; however, the renovation works were incomplete and the property did not have electricity mains connection and this deterred any suitable offers from being received from potential purchasers.
- 3.9 As a result of the lack of suitable offers the secured lender repossessed the property and is now undertaking the electricity works in order for the property to re-marketed for sale. The agent acting on behalf of the secured creditor has advised that the works are due to be completed over the next few months.
- 3.10 We are currently awaiting confirmation of the costs involved in the electrical works to determine if it is likely that there will be a return to the Liquidation estate.
- 3.11 An update will be provided to creditors in our next progress report.

Encumbered Motor Vehicles

- 3.12 No realisations were made in respect of the hire purchase vehicles. The vehicles were in negative equity and were therefore returned to Borderway Finance Limited.

Plant & Machinery

- 3.13 At the date of our appointment, the Company owned a storage container and JPS Chartered Surveyors ("**JPS**"), who provided their advice on the value of the container, confirmed that its likely value was in the region of £700. Due to the costs involved in the uplift and sale of the container, it was considered that no return would be possible and the asset was abandoned in situ. No realisations have been made in this respect.

Furniture, Fixtures and Fittings

- 3.14 Similarly, no realisations have been made in respect of the office equipment that consisted of desks and chairs and office cabinets. JPS estimated that the office equipment held a nominal value and that it was not cost effective to uplift and sell the items. The assets were therefore abandoned in situ.

Stock

- 3.15 The Director confirmed that following the completion of the renovation works on the Property and Land that there was a small amount of stock remaining. JPS attributed a market value of £200 in respect of the stock. However, due to the costs of uplift and sale, the assets were also abandoned in situ.

Book Debts

- 3.16 The sum of £800 was scheduled on the Director's SoA in respect of an unpaid invoice. This was estimated to realise nil. Following a discussion with the Director, it is understood that the customer strongly disputes the invoice and no recoveries are possible in this respect. This debt has therefore been written off.

Retentions

- 3.17 The sum of £2,000 is outstanding in respect of a retention; however, this is connected to the unpaid invoice listed above. The Director has confirmed that the costs of the correction works that are required to be completed far outweigh the retention amount. No recoveries will be made in the respect.

Electricity Bond

- 3.18 As detailed in the SoA, the Company made an advance payment to Electricity North West in respect of the mains electricity supply that was required to be installed to the Property. The sum of £19,468.92 was held in the bond and this has now been received for the benefit of the Liquidation estate.
- 3.19 No further recoveries are anticipated in this respect.
- 3.20 It is considered that the work the Joint Liquidators and their staff have undertaken to date will bring a financial benefit to creditors. This may be a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations and the extent of any 3rd party security, result in a distribution to the preferential and unsecured creditors of the Company.

Creditors (claims and distributions)

- 3.21 Further information on the anticipated outcome for creditors in this case can be found at Section 4 of this report. The Joint Liquidators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 3.22 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 3.23 The above work will not necessarily bring any financial benefit to creditors generally, however the Joint Liquidators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any

class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Joint Liquidators in dealing with those claims.

3.24 We consider the following matters worth noting in our report to creditors at this stage:

- There are approximately 60 unsecured creditor claims in this case with a value per the director(s) statement of affairs of £387,534.21.
- The Company granted a fixed charge over the Land and Property in favour of Mr Gardner. The charge was created and delivered to the Registrar of Companies on 06 April 2018 and 09 April 2018 respectively and was registered at HM Land Registry on 13 April 2018 upon the purchase of the Property and Land. It is understood that the amount outstanding is in the sum of £352,000 including interest.
- A second charge was also registered against the Property in favour of Barbara Ellwood. The charge was registered at HM Land Registry on 09 July 2019 and the amount outstanding is understood to be in the sum of £120,000. This charge has not been registered with the Registrar of Companies.
- Dealing with the claims of one employee. A claim has not yet been received from the Insolvency Service in this respect.

Investigations

3.25 Some of the work the Joint Liquidators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**'CDDA 1986'**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Joint Liquidators can pursue for the benefit of creditors.

3.26 We can confirm that we have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, we are unable to disclose the contents.

Matters still to be dealt with

3.27 As detailed above, the Property is due to be connected to mains electrics in the coming months, following which, the Property will be placed on the market for sale by the secured lender. An update will be provided to creditors in our next progress report as to whether a return to the Liquidation estate is likely.

4 Creditors

Secured Creditors

4.1 The Company granted a fixed charge over the Land and Property in favour of Mr Gardner. The charge was created and delivered to the Registrar of Companies on 06 April 2018 and 09 April 2018 respectively and was registered at HM Land Registry on 13 April 2018 upon the purchase of the Property and Land. It is understood that the amount outstanding is in the sum of £352,000 including interest.

- 4.2 A second charge was also registered against the Land and Property in favour of Barbara Ellwood. The charge was registered at HM Land Registry on 09 July 2019 and the amount outstanding is understood to be in the sum of £120,000. This charge has not been registered with the Registrar of Companies.
- 4.1 It is understood that the first charge will be discharged from the proceeds of the sale of the property and due to the uncertainty over the costs of the electricity, it is not certain whether Mr Gardner will suffer a shortfall.
- 4.2 Following our enquiries, we obtained legal advice from Freeths Solicitors LLP concerning the registration of the second charge against the Property. This charge appears not to be valid and we will therefore take steps to have this charge removed. An update will be provided to creditors in our next progress report as to whether this has been completed.

Preferential Creditors

- 4.3 A summary of preferential claims is detailed below.

Preferential claim	Statement of Affairs Claim £	Dividend paid p in the £1
Employee claims (Total number of claims = 1)	800	N/A
Department for Business, Energy & Industrial Strategy (BEIS)	uncertain	N/A

- 4.4 A formal claim has yet to be received from The Insolvency Service.

Unsecured Creditors

- 4.5 We have received claims totalling £363,326 from 30 unsecured creditors. We have yet to receive claims from 30 unsecured creditors whose debts total £533,948.81 as per the Company's Statement of Affairs. This amount is likely to increase by £120,000 upon removal of the second secured charge over the Property.
- 4.6 The Company has not granted any floating charges over its assets, accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors (known as the **Prescribed Part**), which only applies to charges created after 15 September 2003.
- 4.7 We would confirm that it is anticipated there will be insufficient funds realised after defraying the expenses of the Liquidation to pay a dividend to unsecured creditors. However, an update will be provided to creditors following the sale of the Property.

5 Joint Liquidators' Remuneration

- 5.1 Creditors approved by way of a decision by correspondence on 05 September 2019 that we could draw the sum of £3,000 plus VAT in respect to assisting in the preparation of the Statement of Affairs and seeking a decision of creditors on the nomination of a Liquidator and the sum of £3,000 plus VAT in respect to assistance given by Cowgill Holloway Business Recovery LLP to the Director in seeking a decision of the Company's creditors over the nomination of a Liquidator which includes assistance with the preparation of the report to creditors on the Company's financial position. These fees have been drawn in full.

- 5.2 The Creditors approved that the basis of the Joint Liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the Liquidation by way of a decision by correspondence on 12 December 2019.
- 5.3 Our fees estimate/information was originally provided to creditors when the basis of our remuneration was approved and was based on information available to us at that time.
- 5.4 A copy of our approved fee estimate is reproduced below:

	Partner	Director	Manager	Senior Administrator	Administrator	Junior Administrator	Cashier	Total hours	Total Cost £	Average Cost £
Administration (inc statutory compliance & reporting)	5.00	6.00	8.00	25.00	-	10.00	6.10	60.10	11,907.00	198.12
Realisation of assets	2.00	3.00	5.00	10.00	-	7.00	-	27.00	5,400.00	200.00
Creditors (claims & distributions)	-	-	-	-	-	-	-	-	0.00	0.00
Investigations	3.00	4.00	5.00	18.00	-	10.00	-	40.00	7,815.00	195.38
Trading (where applicable)	-	-	-	-	-	-	-	-	-	-
Case specific matters (where applicable)	-	-	-	-	-	-	-	-	-	-
Total Hours	10.00	13.00	18.00	53.00	-	27.00	6.10	127.10	25,122.00	197.66
Current Chargeout Rates	375.00	300.00	250.00	180.00	150.00	100.00	120.00			

- 5.5 Our time costs for the Period are £12,515. This represents 66 hours at an average rate of £191 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by us in managing the Liquidation. To date, the sum of £9,000 plus VAT has been drawn on account of these costs.
- 5.6 At the date of this report, we would confirm that our fees estimate for the Liquidation remains unchanged.
- 5.7 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <http://www.cowgills.co.uk/wp-content/uploads/2016/01/Creditors-Guide-to-Liquidators-Fees.pdf>.
- 5.8 Attached as Appendix C is additional information in relation to the Joint Liquidators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

6 Creditors' Rights

- 6.1 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) may request in writing that the Joint Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report.
- 6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Joint Liquidators' remuneration is

inappropriate and/or the remuneration charged or the expenses incurred by the Joint Liquidators, as set out in this progress report, are excessive.

7 Next Report

- 7.1 We are required to provide a further report on the progress of the Liquidation within two months of the next anniversary of the Liquidation, unless we have concluded matters prior to this, in which case we will write to all creditors with our final account.
- 7.2 If you have any queries in relation to the contents of this report, we can be contacted by telephone on 0161 827 1200 or by email at lucy.duckworth@cowgills.co.uk.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Craig Johns', with a horizontal line extending to the right.

Craig Johns
Joint Liquidator

Appendix A

Joint Liquidators' Receipts and Payments Account for the Period from 05 September 2019 to 04 September 2020

S of A £	£	£
470,000.00	FIXED CHARGE RECEIPTS Freehold Land & Property	N L
		N L
(51,350.00)	SECURED CREDITORS Costs of Sale	N L
(352,000.00)	Mr David Gardner	N L
(120,000.00)	Mrs B E Wood	N L
		N L
5,000.00	HIRE PURCHASE Encumbered Motor Vehicles	N L
(10,144.00)	Borderway Finance Limited	N L
		N L
N L	FLOATING CHARGE RECEIPTS Plant & Machinery	N L
N L	Furniture & Equipment	N L
N L	Stock	N L
N L	Book Debts	N L
Uncertain	Retentions	N L
Uncertain	Deposit on Creditors petition	1,774.00
	Electricity Bond	19,468.92
		21,242.92
	FLOATING CHARGE PAYMENTS Petitioning Costs	1,774.00
	Specific Bond	48.00
	Joint Liquidators' Pre-Appointment Fees	6,000.00
	Joint Liquidators' Fees	9,000.00
	Legal Disbursements	75.00
	Statutory Advertising	174.96
	Bank Charges	15.00
		(17,086.96)
(188,808.90)	UNSECURED CREDITORS Trade & Expense Creditors	N L
(1,267.98)	Landlord	N L
(20,968.88)	Director's Loan Account	N L
(25,000.00)	Barclays Bank PLC	N L
(98,000.00)	HMRC - Integrated Claim	N L
		N L
(1,004.00)	DISTRIBUTIONS Ordinary Shareholders	N L
		N L
(388,538.21)		4,155.96
	REPRESENTED BY VAT Receivable	3,050.00
	HB Bank 1 Current – Non Interest Bearing	1,105.96
		4,155.96

Appendix B

Joint Liquidators' Time Analysis for the Period from 05 September 2019 to 04 September 2020

				Senior		Junior			Total	Total Cost	Average
	Partner	Director	Manager	Administrator	Administrator	Administrator	Trainee	Cashier	hours	£	Cost
											£
Ecotec Design & Build Kendal Ltd											
Administration (inc statutory compliance & reporting)	1.30	-	1.40	28.00	-	8.80	-	1.90	41.40	6,985.50	168.73
Case specific matters (where applicable)	-	-	-	-	-	-	-	-	-	-	-
Creditors (claims & distributions)	-	-	-	-	-	-	-	-	-	-	-
Investigations	0.80	-	1.60	12.50	-	-	-	-	14.90	2,950.00	197.99
Pre Appointment General Admin	0.60	-	1.60	3.50	-	-	-	0.10	5.80	1,267.00	218.45
Realisation of assets	3.50	-	-	-	-	-	-	-	3.50	1,312.50	-
Trading (where applicable)	-	-	-	-	-	-	-	-	-	-	-
Total Hours	6.20	-	4.60	44.00	-	8.80	-	2.00	65.60	12,515.00	190.78
Current Chargeout Rates	375.00	300.00	250.00	180.00	150.00	100.00	30.00	120.00			

Additional Information in Relation to the Joint Liquidators' Fees, Expenses & Disbursements

1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 We are not proposing to utilise the services of any sub-contractors in this case.

2 Professional Advisors

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Freeths Solicitors LLP (legal advice in connection to the registration of the second charge)	Hourly rate and disbursements
JPS Chartered Surveyors LLP (valuation and disposal advice)	Hourly rate and disbursements

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

3 Joint Liquidators' Expenses & Disbursements

- 3.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the Liquidation was provided to creditors when the basis of our fees were approved, a copy of which is set out below:

Statutory advertising	254 plus VAT
Specific penalty bond	12
Agent's Fees	1,000 plus VAT
External storage of Company's books and records	28 plus VAT

Current position of Joint Liquidators' Expenses

- 3.2 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Legal Fees	-	2,209 plus VAT	3,500 plus VAT
Legal disbursements	75 plus VAT	-	75 plus VAT
Statutory advertising	174.96 plus VAT	-	174.96 plus VAT
Specific penalty bond	48	-	48
External storage of books & records	-	29.50 plus VAT	29.50 plus VAT
Bank charges	15	-	15
Petitioning costs	1,774	-	1,774

- 3.3 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.
- 3.4 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Joint Liquidators' fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above. We are not proposing to charge any category 2 disbursements in this matter.

4 Charge-Out Rates

- 4.1 Cowgill Holloway Business Recovery LLP's current charge-out rates effective from 01 March 2012 are detailed below.

Staff Grade	Rate per Hour
Partner	£375
Consultant	£300
Director	£300
Manager	£250
Senior Administrator	£180
Administrator	£150
Cashier/Support	£120
Junior Administrator	£100

- 4.2 Please note this firm records its time in minimum units of 6 minutes.