

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 1 0 4 5 7 5 2 0

Company name in full PNO Group Ltd

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

2 Liquidator's name

Full forename(s) Edward M

Surname Avery-Gee

3 Liquidator's address

Building name/number 27 Byrom Street

Street

Post town Castlefield

County/Region Manchester

Postcode M 3 4 P F

Country

4 Liquidator's name ①

Full forename(s) Daniel

Surname Richardson

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

5 Liquidator's address ②

Building name/number 27 Byrom Street

Street

Post town Castlefield

County/Region Manchester

Postcode M 3 4 P F

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	9	m	0	m	1	y	2	y	0	y	2	y	3
To date	d	0	d	8	m	0	m	1	y	2	y	0	y	2	y	4

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

d

3

d

1

m

0

m

1

y

2

y

0

y

2

y

4

LIQ03

Notice of progress report in voluntary winding up

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Claire Usher**Company name **CG&Co**Address **27 Byrom Street**Post town **Manchester**

County/Region

Postcode **M 3 4 P F**

Country

DX

Telephone **0161 358 0210****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

PNO Group Ltd
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 09/01/2023 To 08/01/2024 £	From 09/01/2020 To 08/01/2024 £
	ASSET REALISATIONS	
49,804.00	Bank Interest Gross	1,625.22
	Cash at Bank	2,473.96
	Preference payment	262,275.84
		350,000.00
		614,749.80
	COST OF REALISATIONS	
	Accounting Assistance	200.00
	Counsels Fee	200.00
	Joint Liquidators' Post-App Fees	13,315.00
	Joint Liquidators' Pre-app Fees	130,000.00
	Legal Fees	10,000.00
	Professional Fees	8,850.00
	Specific Bond	153,200.00
	Stationery & Postage	2,520.00
	Statutory Advertising	600.00
	Travel Expenses	663.06
		302.00
		557.94
		(89,050.00)
		(311,358.00)
	PREFERENTIAL CREDITORS	
	Pension Schemes	NIL
		1,922.98
		(1,922.98)
	UNSECURED CREDITORS	
	HM Revenue & Customs (CT)	NIL
	HM Revenue & Customs (PAYE)	504.39
(150,000.00)	HM Revenue & Customs (VAT)	10,977.80
(9,286.00)	Trade & Expense Creditors	136,622.99
		1,894.82
		(150,000.00)
	DISTRIBUTIONS	
(1.00)	Ordinary Shareholders	NIL
		NIL
		NIL
(109,483.00)		(87,424.78)
		151,468.82
	REPRESENTED BY	
	Bank 1 Current	124,725.82
	Vat Receivable	26,743.00
		151,468.82

Note:

1. A first and final dividend was paid to the preferential creditors in the sum of 100p in the £ on 10May2022.
2. A first interim dividend in the total sum of £150,000, which works out at a rate of 20.26p in the £, was paid to unsecured creditors on 8 September 2021.



Joint Liquidators' Annual Progress Report to Creditors & Members

PNO Group Ltd - In Creditors' Voluntary Liquidation

Reporting period from 09 January 2023 to 08 January 2024

31 January 2024

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- E** Additional information in relation to Joint Liquidators' Fees, Expenses & the use of Subcontractors

1 Introduction and Statutory Information

- 1.1 I, Edward M Avery-Gee, together with my partner Daniel Richardson, of CG&Co, 27 Byrom Street, Manchester, M3 4PF was appointed as Joint Liquidator of PNO Group Ltd (the **Company**) on 9 January 2020. We are authorised to act as insolvency practitioners in the UK by the ICAEW and are bound by the Insolvency Code of Ethics when carrying out all professional work in relation to an insolvency appointment. In the event of case related queries, the Liquidators can be contacted on telephone number 0161 358 0210 or by email via info@cg-recovery.com.
- 1.2 This progress report provides an update on the conduct of the Liquidation for the period from 09 January 2023 to 08 January 2024 (**the Period**) and should be read in conjunction with any previous progress reports which have been issued, together with the Director's Statement of Affairs and SIP6 Report.
- 1.3 Information about the way that this firm will use, and store personal data on insolvency appointments can be found at <https://cg-recovery.com/privacy-policy-2/>. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.4 The principal trading address of the Company was 7 Cinnamon Close, Earley, Reading, RG6 5GP.
- 1.5 The registered office of the Company was originally changed to c/o CG&Co, Greg's Building, 1 Booth Street, Manchester, M2 4DU and its registered number is 10457520.
- 1.6 Due to a recent office move, the registered office has since been changed to c/o CG&Co, 27 Byrom Street, Manchester, M3 4PF.

2 Receipts and Payments

- 2.1 At Appendix A is my Receipts and Payments Account covering the Period of this report, together with a Cumulative Receipts and Payments Account for the period from the date of my appointment as Liquidator to the end of the Period covered by 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 Liquidator and his 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 I anticipated would need to be done in this area was outlined in my initial fees estimate/information which was previously agreed by creditors.
- 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 Liquidators.

- 3.4 As noted in my 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***Bank Interest Gross***

- 3.5 Gross bank interest in the sum of £1,625.22 has been received in respect of funds held in the Liquidation bank account during the Period.

Investigations

- 3.6 During the Period, the Joint Liquidators' investigations have highlighted a number of areas for additional investigation.
- 3.7 These investigations have identified claims that may result in further realisations into the Liquidation. Jeremy Reilly of Ocassio Legal has been engaged by the Liquidators and we have recently been in correspondence with the director to request further information to assist with our investigations.
- 3.8 This matter is ongoing and a further update will be provided in our next Progress Report.

Loan Book Debtors

- 3.9 As previously advised, the Liquidators had obtained copies of the loan agreements and a summary of the purported outstanding balances owed by the individual employees. The documents indicate that there were 771 former employees who owe the Company loans totalling £10,717,237.61. The Liquidators had initially instructed solicitors to assist with the loan book collection, but in view of the COVID-19 pandemic, this matter was held in abeyance.
- 3.10 During the Period we have received legal advice to state that due to various ways in which these funds were advanced to the individuals concerned the loans would not be enforceable.
- 3.11 As such, no further action will be taken in this respect.
- 3.12 The work the Joint Liquidators and their staff have undertaken to date will bring a financial benefit to creditors because a dividend has been issued to both the preferential and unsecured creditors of the Company. Further details in respect to these payments can be found in Section 4 of this report.

Creditors (claims and distributions)

- 3.13 The 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.
- 3.14 Since 1 December 2020, claims from preferential creditors now fall into one of two categories, either ordinary (typically involving employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal, which rank equally among themselves), or secondary (which are claims by HMRC for VAT or other relevant tax deductions such as PAYE and employee NIC deductions, together with student loans and CIS deductions, which also rank equally among themselves). Ordinary preferential claims rank ahead of secondary

preferential claims and all preferential creditors must be paid in full before any distribution can be made to the unsecured creditors of a company.

- 3.15 Work undertaken by the Liquidators in dealing with a company's creditors may only therefore bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however the 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 Liquidators in dealing with those claims.
- 3.16 More information on the anticipated outcome for all classes of creditor in this case can be found in Section 4 below.
- 3.17 At this stage, I consider the following matters worth bringing to the attention of creditors:
- The Company has no secured creditors.
 - The Director's Statement of Affairs did not indicate that the Company had any preferential creditors, however, since our appointment a claim has been received in the sum of £1,922.98 in respect to outstanding pension arrears.
 - There are approximately two unsecured creditor claims in this case with a value per the director(s) statement of affairs of £159,286.

Investigations

- 3.18 You may recall from my first progress report to creditors that some of the work 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 Liquidators can pursue for the benefit of creditors.
- 3.19 My report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the first year of the liquidation and is confidential.
- 3.20 Since my last progress report I would advise that the Joint Liquidators' investigations have highlighted a number of areas for additional investigation.
- 3.21 These investigations have identified claims that may result in further realisations into the Liquidation. Jeremy Reilly of Ocassio Legal has been engaged by the Liquidators and we have recently been in correspondence with the director to request further information to assist with our investigations.
- 3.22 This matter is ongoing and a further update will be provided in our next Progress Report.

Matters still to be dealt with

- 3.23 As detailed above, our investigations have identified claims that may result in further realisations into the Liquidation.
- 3.24 The Joint Liquidators will continue to pursue these claims, should legal advice confirm there is merit, and an update will be provided in future reports.

4 Creditors

Secured Creditors

- 4.1 The Company has no secured creditors.

Preferential Creditors

- 4.2 As the date of the Joint Liquidators' appointment is prior to 1 December 2020, the Company has no secondary preferential creditors.
- 4.3 The Director's Statement of Affairs did not indicate that the Company had any ordinary preferential creditors, however, since our appointment a claim has been received in the sum of £1,922.98 in respect to outstanding pension arrears.
- 4.4 A first and final dividend was paid to the preferential creditors in the sum of 100p in the £ on 10 May 2022.

Unsecured Creditors

- 4.5 The Company's statement of affairs indicated there were two unsecured creditors whose debts totalled £159,286. We initially received claims totalling £740,175.76 from two unsecured creditors. A first interim dividend in the total sum of £150,000, which works out at a rate of 20.26p in the £, was paid to unsecured creditors in respect to these claims on 8 September 2021.
- 4.6 Since the date of our initial distribution an updated unsecured claim has been received from HM Revenue & Customs ("HMRC") which has increased in value from £730,825.76 to £4,881,166.84 (an increase of £4,150,341.08).
- 4.7 It is noted that the original claim received from HMRC was stated to be a final claim.
- 4.8 Following the conclusion of the investigations detailed earlier in this report, the Joint Liquidators believe that a second and final dividend will be available to unsecured creditors.
- 4.9 As per Rules 14.10 and 14.40 of the Insolvency Rules 2016, the Joint Liquidators' will adjudicate upon the increased claim from HMRC at this time. Should the claim be admitted, an equalising dividend will be paid to HMRC (in so far as the funds available allow) prior to any further distribution to the unsecured creditors as a whole.
- 4.10 An update will be provided in our next report to creditors.

5 Joint Liquidators' Remuneration

- 5.1 Creditors approved that the basis of the Liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the Liquidation. 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.
- 5.2 A copy of my fees estimate originally approved for the liquidation is reproduced below:

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Administration (inc statutory compliance & reporting)	37.00	302.59	11,196
Realisation of assets	159.00	159.92	31,151
Creditors (claims & distributions)	9.50	285.53	2,713
Investigations	35.00	299.29	10,475
Case specific matters (where applicable)	17.00	304.41	5,175
Total estimated fees			£60,710

- 5.3 My time costs for the Period are £59,330. This represents 149.70 hours at an average rate of £396.33 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 in managing the liquidation. To date, £130,000 plus VAT plus expenses shown in the enclosed Receipts and Payments Account has been drawn on account.
- 5.4 Also attached as Appendix C is a cumulative Time Analysis for the period from 9 January 2020 to 08 January 2024 which provides details of the time costs incurred since my appointment. The cumulative time costs incurred to date are £183,727.25. This represents 527.25 hours at an average rate of £348.46 per hour.
- 5.5 Since our original fees estimate was approved, it has been necessary for the Joint Liquidators to revise our fees on two further occasions. On 21 March 2022, creditors approved a revised fees increase to the sum of £113,753.50 and on 27 March 2023 creditors approved a revised fee increase to the sum of £189,233.
- 5.6 We now consider that the previous revised fees estimate we provided for the liquidation is insufficient to complete our duties. As a result, our revised fees estimate is attached at Appendix D to this report and includes details of the work we consider is additional to that set out in our previous fees estimate. The total of our revised fees estimate is £212,801 and we are seeking approval to this increase by correspondence from creditors. Further details about the decision by correspondence can be found on the letter which accompanies this report.
- 5.6 We anticipate that it may be necessary to seek further approval to this revised estimate in due course and we will notify creditors accordingly should this happen.
- 5.7 We will also update creditors on the anticipated total amount that will be paid to our firm in respect of the revised fees estimate in our next progress report. Given the current revision of our anticipated costs and the ongoing work in the liquidation, it is difficult at this time to accurately report the anticipated payment to our firm, other than it will not exceed the cap of our revised estimate at Appendix D without further approval from creditors.
- 5.8 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/liquidation-a-guide-for-creditors-on-insolvency-practitioner-fees/>
- 5.9 Attached as Appendix E is additional information in relation to the Liquidators' fees and expenses 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 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 Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidators, as set out in this progress report, are excessive.

7 Next Report

- 7.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account.
- 7.2 If you have any queries in relation to the contents of this report, I can be contacted by telephone on 0161 358 0210 or by email at claire.usher@cg-recovery.com.

Yours faithfully



Edward M Avery-Gee
Joint Liquidator

Appendix A**Receipts and Payments Account for the Period from 09 January 2023 to 08 January 2024
together with a Cumulative Receipts and Payments Account since the Joint Liquidators'
Appointment**

PNO Group Ltd
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 09/01/2023 To 08/01/2024 £	From 09/01/2020 To 08/01/2024 £
	ASSET REALISATIONS		
49,804.00	Bank Interest Gross	1,625.22	2,473.96
	Cash at Bank	NIL	262,275.84
	Preference payment	NIL	350,000.00
		1,625.22	614,749.80
	COST OF REALISATIONS		
	Accounting Assistance	200.00	200.00
	Counsels Fee	NIL	13,315.00
	Joint Liquidators' Post-App Fees	80,000.00	130,000.00
	Joint Liquidators' Pre-app Fees	NIL	10,000.00
	Legal Fees	8,850.00	153,200.00
	Professional Fees	NIL	2,520.00
	Specific Bond	NIL	600.00
	Stationery & Postage	NIL	663.06
	Statutory Advertising	NIL	302.00
	Travel Expenses	NIL	557.94
		(89,050.00)	(311,358.00)
	PREFERENTIAL CREDITORS		
	Pension Schemes	NIL	1,922.98
		NIL	(1,922.98)
	UNSECURED CREDITORS		
	HM Revenue & Customs (CT)	NIL	504.39
	HM Revenue & Customs (PAYE)	NIL	10,977.80
(150,000.00)	HM Revenue & Customs (VAT)	NIL	136,622.99
(9,286.00)	Trade & Expense Creditors	NIL	1,894.82
		NIL	(150,000.00)
	DISTRIBUTIONS		
(1.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(109,483.00)		(87,424.78)	151,468.82
	REPRESENTED BY		
	Bank 1 Current		124,725.82
	Vat Receivable		26,743.00
			151,468.82

Note:

1. A first and final dividend was paid to the preferential creditors in the sum of 100p in the £ on 10 May 2022.

2. A first interim dividend in the total sum of £150,000, which works out at a rate of 20.26p in the £, was paid to unsecured creditors on 8 September 2021.

Time Analysis for the Period from the 9 January 2023 to 8 January 2024

Time Entry - Detailed SIP9 Time & Cost Summary

P0049 - PNO Group Ltd
From: 09/01/2023 To: 08/01/2024
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Assistant Manager	Total Hours	Time Cost (£)	Average Hourly Rate (£)
700 : Formalities	6.30	3.00	0.00	5.60	0.00	14.90	4,759.00	319.40
Admin & Planning	6.30	3.00	0.00	5.60	0.00	14.90	4,759.00	319.40
600 : Case Specific	1.50	0.00	0.00	6.20	0.00	7.70	1,581.50	205.39
601 : Case Specific 1	0.00	0.00	0.00	0.10	0.00	0.10	14.50	145.00
Case Specific Matters	1.50	0.00	0.00	6.30	0.00	7.80	1,596.00	204.62
500 : Preferential Creditors	8.50	0.00	0.00	0.00	0.00	8.50	3,953.00	465.06
504 : Statutory Reporting to Creditors	0.00	4.80	0.00	0.00	0.00	4.80	1,632.00	340.00
Creditors	8.50	4.80	0.00	0.00	0.00	13.30	5,585.00	419.92
201 : CDDA Reports	10.00	0.00	0.00	0.00	0.00	10.00	4,550.00	455.00
Investigations	10.00	0.00	0.00	0.00	0.00	10.00	4,550.00	455.00
202 : Pursuing Antecedent Transactions	58.90	11.90	0.00	10.10	0.00	80.90	32,556.00	402.42
303 : Book Debts	21.30	1.50	0.00	0.00	0.00	22.80	10,284.00	451.05
Realisation of Assets	80.20	13.40	0.00	10.10	0.00	103.70	42,840.00	413.11
Total Hours	106.50	21.20	0.00	22.00	0.00	149.70	59,330.00	396.33
Total Fees Claimed							0.00	

Cumulative Time Analysis for the Period from the 9 January 2020 to 8 January 2024

Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

P0049 - PNO Group Ltd
From: 09/01/2020 To: 08/01/2024
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Assistant Manager	Total Hours	Time Cost (£)	Avg Hourly Rate (£)	Hours Cum (POST Only)	Time Costs Cum (POST Only)
700 : Formalities	12.00	34.10	0.00	5.60	0.50	52.20	16,680.50	319.55	52.20	16,680.50
Admin & Planning	12.00	34.10	0.00	5.60	0.50	52.20	16,680.50	319.55	52.20	16,680.50
600 : Case Specific	1.50	9.80	0.00	6.20	0.00	17.60	4,472.50	255.57	17.50	4,472.50
601 : Case Specific 1	0.00	0.00	0.00	0.10	0.00	0.10	14.50	145.00	0.10	14.50
Case Specific Matters	1.50	9.80	0.00	6.30	0.00	17.60	4,487.00	254.84	17.60	4,487.00
500 : Preferential Creditors	8.50	0.80	0.00	0.00	0.00	9.30	4,225.00	454.30	8.30	4,225.00
501 : Unsecured Creditors	1.20	12.70	0.00	0.00	0.00	13.90	4,558.00	327.91	13.90	4,558.00
502 : Employee Matters	0.00	11.40	0.00	0.00	0.00	11.40	3,466.50	304.06	11.40	3,466.50
504 : Statutory Reporting to Creditors	7.20	25.50	0.00	0.00	0.00	32.70	10,900.50	333.35	32.70	10,900.50
Creditors	16.90	50.40	0.00	0.00	0.00	67.30	23,150.00	343.98	67.30	23,150.00
201 : CDDA Reports	13.70	51.60	0.00	0.00	0.00	65.30	23,141.50	354.39	65.30	23,141.50
Investigations	13.70	51.60	0.00	0.00	0.00	65.30	23,141.50	354.39	65.30	23,141.50
202 : Pursuing Antecedent Transactions	69.55	66.45	0.00	10.10	0.00	146.10	53,545.00	366.50	146.10	53,545.00
303 : Book Debts	55.85	111.40	0.00	0.00	0.00	167.25	59,330.75	354.74	167.25	59,330.75
306 : Other Assets	0.00	11.50	0.00	0.00	0.00	11.50	3,392.50	295.00	11.50	3,392.50
Realisation of Assets	125.40	189.35	0.00	10.10	0.00	324.85	116,268.25	357.91	324.85	116,268.25
Total Hours	169.50	335.25	0.00	22.00	0.50	527.25	183,727.25	348.46	527.25	183,727.25
Total Fees Claimed							0.00			

** - Denotes codes included in cumulative data that are not present in the period.

Appendix D

Joint Liquidators' Revised Fees Estimate

The Liquidators' previous fees estimate has been (or is likely to be) exceeded and further approval is therefore required for a revision to this estimate as set out in the table below. This table indicates the anticipated revised cost against the Liquidators' previous estimate and this appendix contains further information about the reasons why the previous estimate has been exceeded (or is likely to be exceeded) and what additional work has been undertaken or is proposed to be undertaken.

Category of work	Estimated total cost per previous fees estimate £	Additional number of hours	Average blended charge out rate for additional work (not included in the previous fees estimate) £	Estimated total revised cost £
Administration (inc statutory compliance & reporting)	48,085	18.10	353.65	55,486
Realisation of assets	101,743	-	309.25	101,743
Creditors (claims & distributions)	13,800	-	300.00	13,800
Investigations	17,850	21.50	330.58	26,943
Case specific matters (where applicable – specify)	7,785	17.00	360.65	14,830
Totals	189,233	56.60	315.68	212,801

The reasons why the Liquidators have exceeded (or is likely to exceed) the original fees estimate is as follows:

The Liquidators' investigations into the Company's affairs disclosed that the Director had made withdrawals totalling £450,000 from the Company's bank account. The necessity to commence Court Proceedings to obtain repayment from the Director required additional work in respect of the Company's insolvency, which resulted in a recovery of £350,000.

The documentation obtained from the Director in respect of the Loan Book Debtors was substantial and has required numerous reviews to ensure that it accurately reflects the monies owing by the individual former employees. In addition, further information has been provided to the instructed solicitors to ensure that they have everything necessary should the Liquidators commence legal action for the recovery of the debts. There has been the requirements to liaise with both Solicitors and Counsel on the position of the Loan Book Debtors and the most suitable way forward to pursue these debts. It is anticipated that the Loan Book Debtors will dispute the debts which will require further time to be incurred in dealing with such disputes.

The Liquidators concurred with HM Revenue & Customs that the Company had operated a tax avoidance payroll scheme. As a result, HM Revenue & Customs requested that we send appropriate letters to all the former employees, after having completed a declaration regarding the payroll scheme. It was necessary to instruct accountants to advise on the payroll scheme and the request for letters to be issued to the former employees.

During the Period, the Joint Liquidators' investigations have highlighted a number of areas for additional investigation that weren't previously known to them.

These investigations have identified claims that may result in further realisations into the Liquidation, however, due to the sensitive nature of the same we do not intend to disclose any further detail until the matter has been concluded. Jeremy Reilly of Ocassio Legal has been engaged by the Liquidators and we have recently been in correspondence with the director to request further information to assist with progressing the matter.

Following the conclusion of these investigations, payment of a final unsecured dividend will also be required.

The above had not been anticipated at the time the original fees estimate was issued and as such, the time to deal with these matters had not been included in the estimate.

Additional Information in Relation to the Joint Liquidators' Fees, Expenses & the use of Subcontractors

Staff Allocation and the use of Subcontractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

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.

We have not utilised the services of any subcontractors on this case.

Professional Advisors

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
ASW Solicitors (legal advice)	Damages Based Agreement
Ocassio Legal (legal advice)	Hourly rate and disbursements
Pinsent Mason (legal advice)	Hourly rate and disbursements
Alexander & Co (payroll advice)	Hourly rate and disbursements
Arrow Professional Services (legal advice)	Hourly rate and disbursements

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.

Joint Liquidators' Expenses

The estimate of expenses which were anticipated at the outset of the liquidation was provided to creditors when the basis of my fees was approved. The table below compares the anticipated costs against those incurred to date.

Category 1 expenses

These expenses do not require prior approval by creditors. The type of expenses that may be charged to a case as a Category 1 expense generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, external room hire and external storage costs. Also chargeable, will be any properly reimbursed expenses incurred by personnel in connection with the case. These expenses may include disbursements which are payments first met by an office holder and then reimbursed from the estate.

Expense	Estimated overall cost £	Paid In Prior Period £	Paid in the period covered by this report £	Incurred but not paid to date £
Legal fees & expenses	180,000.00	157,665.00	8,850.00	5,000.00
Statutory advertising	302.00	302.00	Nil	Nil
Specific Penalty Bond	600.00	600.00	Nil	Nil
Case related travel & subsistence	557.94	557.94	Nil	Nil
Accountancy Fees	2,520.00	2,520.00	Nil	Nil
Bank Statement Review Software	200	-	200	Nil
Stationery & postage	663.06	663.06	Nil	Nil

The Liquidators have incurred additional costs regarding the legal fees and expenses in respect of the recovery of the Preference Payment, full details of which are in our previous reports to creditors.

Also, further costs have been incurred in respect of the operation by the Company of its payroll scheme following correspondence from HM Revenue & Customs. The Liquidators obtained professional advice regarding the payroll prior to issuing the requested letters to the former employees, which incurred additional costs.

Finally, the Joint Liquidators have used the services of specialist bank statement review software which has been essential in highlighting further matters for investigation which we are currently pursuing.

Category 2 expenses

These expenses 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 therefore include payments to associates of the office holder or shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. We confirm that this firm does not seek to charge Category 2 expenses in this case.

Charge-Out Rates

CG&Co's charge-out rates effective from 1 August 2021 to 31 October 2023 are detailed below.

	(Per hour) £
Partner	455
Director	395
Senior Managing Associate	375
Managing Associate 1	340
Managing Associate 2	255
Senior Associate	175
Associate	145
Support Staff	85

As of 1 November 2023, our charge-out rates increased and are now as follows:

	(Per hour) €
Partner	500
Director	435
Senior Managing Associate	415
Managing Associate 1	375
Managing Associate 2	280
Senior Associate	190
Associate	160
Support Staff	95

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