

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 1 5 5 8 0 3 7

Company name in full 4 Corners Projects Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Andrew

Surname Mackenzie

3 Liquidator's address

Building name/number Unit 8B, Marina Court

Street Castle Street

Post town Hull

County/Region

Postcode H U 1 1 T J

Country

4 Liquidator's name ①

Full forename(s) Laura

Surname Baxter

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number Unit 8B, Marina Court

Street Castle Street

Post town Hull

County/Region

Postcode H U 1 1 T J

Country

② Other liquidator

Use this section to tell us about
another liquidator.

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6 Period of progress report

From date	^d 1	^d 2	^m 0	^m 7	^y 2	^y 0	^y 2	^y 2	
To date	^d 1	^d 1	^m 0	^m 7	^y 2	^y 0	^y 2	^y 3	

7 Progress report

<input checked="" type="checkbox"/> The progress report is attached	
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8 Sign and date

Liquidator's signature	Signature X 	X							
Signature date	^d 0	^d 7	^m 0	^m 9	^y 2	^y 0	^y 2	^y 3	

**Presenter information**

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

Contact name **Laura Baxter**

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

Address **Unit 8B, Marina Court**

Castle Street

Post town **Hull**

County/Region

Postcode **H U 1 1 T J**

Country

DX

Telephone **01482 483060**

**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

4 Corners Projects Ltd **(In Creditors' Voluntary Liquidation)**

Progress report

Period: 12 July 2022 to 11 July 2023

Important Notice

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

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	4 Corners Projects Ltd (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 12 July 2022.
"the liquidators", "we", "our" and "us"	Andrew Mackenzie of Begbies Traynor (Central) LLP, Unit 8B, Marina Court, Castle Street, Hull, HU1 1TJ and Laura Baxter of Begbies Traynor (Central) LLP, Unit 8B, Marina Court, Castle Street, Hull, HU1 1TJ
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name:	4 Corners Projects Ltd
Company registered number:	11558037
Company registered office:	Unit 8B, Marina Court, Castle Street, Hull, HU1 1TJ
Former trading address:	Unit 10, Spencer Industrial Estate, Copenhagen Road, Hull, HU7 0XQ

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	12 July 2022
Date of liquidators' appointment:	12 July 2022
Changes in liquidator (if any):	None

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 12 July 2022 to 11 July 2023.

Receipts

Plant & Machinery

The Company's latest set of accounts as at 30 September 2020 reported plant and machinery with a book value of £845.

The Director was to confirm the remaining chattel assets and therefore the estimated realisable value for the purpose of the statement of affairs was uncertain.

Upon appointment the joint liquidators became aware that these assets had been transferred to a connected company and have therefore been repaid as per the repayment of asset transfer as detailed below.

Office Furniture & Equipment

The Company's latest set of accounts as at 30 September 2020 reported office furniture and equipment with a book value of £3,738.

As above the Director was to confirm the remaining chattel assets once the liquidators were appointed and therefore the estimated realisable value for the purpose of the statement of affairs was uncertain.

Upon appointment the joint liquidators became aware that these assets had been transferred to a connected company and have therefore been repaid as per the repayment of asset transfer as detailed below.

WIP

The Company had outstanding WIP totalling £54,000 which, for the purpose of the statement of affairs, was estimated to be realised in full.

The joint liquidators have had extensive correspondence with the debtor regarding the outstanding WIP owed to the Company and have instructed solicitors, Gunnercooke LLP, to assist with the collection of the debt and correspond with the debtor.

A settlement has now been agreed with the debtor outside of this reporting period for a total sum of £32,500 to be paid within 21 days for the WIP and book debts owed as below.

Book Debts

The Company's outstanding debtor ledger totalled £162,724 and due to a bad debt of £12,000 it was estimated that £150,724 was to be realised for the purpose of the statement of affairs.

One debtor settled in full for a sum of £48,826 which has been received for the benefit of the liquidation.

As above we have had extensive correspondence with the other debtor regarding the outstanding debts owed to the Company which resulted in the joint liquidators instructing solicitors, Gunnercooke LLP, to assist with the collection of the debt and correspond with the debtor.

A settlement has been agreed with the debtor outside of this reporting period for a total sum of £32,500 to be paid within 21 days for the WIP and book debts owed.

Repayment of Asset Transfer

Upon appointment the joint liquidators corresponded with the connected company over the transfer of the plant and machinery and office furniture and equipment as above.

The value of the invoice of the assets in the sum of £5,280 has now been recovered by the liquidators in full.

Payments

Statement of Affairs Fee

£7,000 has been paid to Begbies Traynor (Central) LLP for assisting with the preparation of the statement of affairs and in seeking the decisions of creditors on the nomination of liquidators.

Liquidators' Fees

£10,000 has been paid to Begbies Traynor (Central) LLP for dealing with the liquidation, as approved by the Company's creditors on 11 August 2022.

Liquidators' Expenses – Storage

£7 has been paid to Begbies Traynor (Central) LLP in respect of the storage of the Company's books and records with Restore Plc.

Liquidators' Expenses – Postage

£363 has been paid to Begbies Traynor (Central) LLP in respect of the postage of the Company's correspondence with Postworks Limited.

Liquidators' Expenses – Bonding

£190 has been paid to Begbies Traynor (Central) LLP in respect of the liquidators' bond held with Marsh Limited.

Legal Fees

£2,750 has been paid to solicitors, Gunnercooke LLP, in respect of their legal fees for assisting in the recovery of the Company's WIP and book debts and the extensive correspondence in this regard.

They have also assisted in the preference claim against a connected party of which settlement has now been agreed of £9,000 to be paid over 12 monthly instalments of £750 starting on 31 July 2023.

Statutory Advertising

£207 has been paid to Courts Advertising Ltd in respect of the advertisement of the liquidators' appointment within the London Gazette.

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

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

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

The details below relate to the work undertaken in the period since our appointment.

General case administration and planning

The liquidators are required to maintain records that demonstrate how the case has been administered and to document any reasons for decisions that have been made. This includes case planning and full case compliance reviews of the assets realised in the case and still to be realised and the costs and expenses being incurred and document strategy decisions. This is to ensure that the case is being administered both properly, efficiently and cost effectively. Time spent also includes complying with internal filing and information recording practices, including sending general correspondence, completing checklists, collecting and completing an inventory of the Company's books and records, filing and updating the diary.

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

Compliance with the Insolvency Act, Rules and best practice

We have prepared appointment notices and correspondence, bank reconciliations and completed other cashiering functions, and the Insolvency Act requires Insolvency Practitioners to produce a progress report, ensure that the case is adequately bonded and file information with the Registrar of Companies.

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

Investigations

In a creditors' voluntary liquidation we are required to report to the Secretary of State on the conduct of the director. This means that we are obliged to carry out investigations into how the director operated the Company prior to the insolvency. The liquidators have complied with their duties in this regard.

We have undertaken investigations to determine whether there are claims that can be pursued in relation to transactions which have had the effect of diminishing the Company's assets. We also consider other claims that the Company might have which, if pursued, would result in a recovery for the estate.

We have also undertaken in depth analysis of the Company's bank statements and accounting software which has led to a preference claim against a connected party.

There has been extensive correspondence with the connected party in this regard which has led to solicitors, Gunnercooke LLP, being instructed to progress the claim of which settlement has now been agreed of £9,000 to be paid over 12 monthly instalments of £750 starting on 31 July 2023.

The joint liquidators have also pursued a connected party for the repayment of an asset transfer at undervalue which has now been repaid in full as detailed.

All work carried out in respect of the above investigations is for the purpose of realising potential recoveries for the benefit of the creditors generally.

Realisation of assets

Corresponding with the connected company regarding the asset transfer at undervalue and recovering the value of the invoice in this regard which has now been realised in full.

Sending extensive correspondence and chaser emails to debtors regarding the outstanding WIP and book debts and instructing solicitors, Gunnercooke LLP, to recover the debt, and as stated above a settlement has now been agreed outside of this reporting period.

All work carried out in respect of the asset realisation is for the purpose of realising property and assets for the benefit of the creditors generally.

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

Dealing with creditor correspondence, emails and telephone conversations with creditors regarding their claims. Maintaining up to date creditor information and adding claims to IPS.

Reviewing retention of title questionnaires' provided by a number of creditors, liaising with creditors and agents in this regard and seeking legal advice where necessary.

This work does not benefit creditors financially but it does ensure the creditors are kept up to date with the progress of the liquidation and that all claims are accounted for correctly therefore it is necessary in accordance with the Insolvency Act, Rules and best practice.

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

Liaising with HM Revenue and Customs and the Company's accountants in respect of tax matters, the completion of VAT and corporation tax returns.

Corresponding with creditors regarding a decision procedure in respect of the joint liquidators' fees.

Carrying out pension searches to determine if there is any outstanding pension scheme and submitted s120 and s22 notices to the Pension Protection Fund, The Pensions Regulator and the trustees of the scheme.

Submitting a RP15 to the Redundancy Payments Office in relation to unpaid pension contributions.

Once again, there may not be any obvious financial benefit to creditors, but all work carried out would likely be considered necessary for the liquidation and progression of the case. Creditors will be notified of all of our actions in the progress and/or final reports issued.

5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the director's statement of affairs) are as follows:

Secured creditors

There are no secured creditors.

Preferential creditors

There are no known preferential claims.

Secondary preferential creditors

Further to the changes to the Finance Act 2020, HM Revenue & Customs are now able to claim secondary preferential status for certain liabilities. Taxes owed by the business to HMRC comprising of VAT, PAYE Income

Tax, Employee National Insurance Contributions, Student loan deductions and Construction Industry Scheme deductions fall under the secondary preferential status.

The secondary preferential claim of HM Revenue & Customs is estimated at £1,090,676.

Unsecured creditors

Unsecured creditors were estimated at £659,280 and we have received claims in the total sum of £324,422.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

Secured creditors

There are no secured creditors.

Preferential creditors

There are no known preferential claims.

Secondary preferential creditors

Based upon realisations to date and estimated future realisations, there may be sufficient funds available to enable a dividend to be paid to HM Revenue & Customs as secondary preferential creditor.

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

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

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

A liquidator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

Unsecured creditors

Based upon realisations to date and estimated future realisations it is anticipated there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors due to the level of the secondary preferential claim.

6. REMUNERATION & EXPENSES

Remuneration

Our remuneration has been fixed by a decision of the creditors on 11 August 2022 obtained via a Decision Procedure by way of correspondence as a set amount in the sum of £20,000.

We are also authorised to draw expenses for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, which is attached at Appendix 2 of this report.

Our time costs for the period from 12 July 2022 to 11 July 2023 amount to £55,413 which represents 171.8 hours at an average rate of £323 per hour.

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

- ❑ Begbies Traynor (Central) LLP's charging policy
- ❑ Time Costs Analysis for the period 12 July 2022 to 11 July 2023

To 11 July 2023, we have drawn the total sum of £10,000 on account of our remuneration, against total time costs of £55,413 incurred since the date of our appointment.

Time Costs Analysis

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

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

As can be seen from the information above, we have exceeded the limit of our approved remuneration. For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved. The reasons why the approved level of remuneration has been exceeded are as follows:

- Extensive correspondence and investigations into a preference claim against a connected party, reviewing the Company's accounts and bank statements in relation to the claim and pursuing the connected party on numerous occasions, instructing solicitors in order to reach a settlement;
- Corresponding with the debtors in regards to the outstanding WIP and book debts on numerous occasions and instructing solicitors to provide evidence of the outstanding debts and liaise with the debtor to come to a settlement agreement; and
- In addition, the costs of the general case administration, compliance and reporting were higher than anticipated.

In light of the above, we are obliged to provide creditors with details of the additional work that we propose to undertake along with details of the estimated costs of that additional work. This information appears at Appendix 2. We do not anticipate that we will need to seek further approval following the proposed increase to our remuneration.

We are therefore seeking creditors' approval to increase our remuneration by way of a Decision Procedure via correspondence and a Notice providing further information about the decisions being sought by correspondence together with a Voting Form have been provided separately.

Work undertaken prior to appointment

In addition to the post appointment remuneration, the costs relating to work undertaken prior to our appointment in assisting with the preparation of the statement of affairs and seeking the decisions of creditors on the nomination of liquidators were approved by the creditors on 12 July 2022.

Expenses

To 11 July 2023, we have also drawn expenses in the sum of £560.

Category 2 Expenses

There have been no Category 2 expenses charged to the case since the date of our appointment.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the liquidation would total £11,848. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

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

Assets that remain to be realised

WIP & Book Debts

Dealing with the payment of the settlement agreement detailed above which was agreed outside of this reporting period for a total sum of £32,500 to be paid within 21 days and liaising with solicitors to chase the payment if required.

Settlement of Preference Claim

Monitoring the monthly payments of the settlement with the connected party of the preference claim which has been agreed of £9,000 to be paid over 12 monthly instalments of £750 starting on 31 July 2023.

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

General case administration and planning

Case planning, full case compliance reviews and documenting strategy decisions. Complying with internal filing and information recording practices, including sending general correspondence, completing checklists, filing and updating the diary.

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

Compliance with the Insolvency Act, Rules and best practice

Bank reconciliations and completing other cashiering functions, and the Insolvency Act requires Insolvency Practitioners to produce a final report, ensure that the case is adequately bonded and file information with the Registrar of Companies.

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

Realisation of assets

Dealing with the payment of the settlement agreement detailed above which was agreed outside of this reporting period for a total sum of £32,500 to be paid within 21 days and liaising with solicitors to chase the payment if required.

Monitoring the monthly payments of the settlement with the connected party of the preference claim which has been agreed of £9,000 to be paid over 12 monthly instalments of £750 starting on 31 July 2023.

All work carried out in respect of the asset realisation is for the purpose of realising property and assets for the benefit of the creditors generally.

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

Dealing with creditor queries and correspondence throughout the period of the liquidation, providing further information on request and maintaining up to date information on our database.

This work does not benefit creditors financially but it does ensure the creditors are kept up to date with the progress of the liquidation and that all claims are accounted for correctly therefore it is necessary in accordance with the Insolvency Act, Rules and best practice.

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

Liaising with HM Revenue and Customs regarding the completion of VAT and corporation tax returns and reviewing any final tax matters.

Sending notice of the closure of the case to the Pension Protection Fund, The Pensions Regulator and the Trustees of the scheme.

We are also seeking further fee approval from creditors, details of which are in appendix 2 of this report.

Once again, there may not be any obvious financial benefit to creditors, but all work carried out would likely be considered necessary for the liquidation and progression of the case. Creditors will be notified of all of our actions in the progress and/or final reports issued.

How much will this further work cost?

As can be seen above, there are additional elements of work which were not envisaged at the onset of my appointment, and which need to be carried out in order to complete my duties. The cost of the additional work is estimated to be £45,000 which is in addition to the original remuneration approval we have received. As previously advised, we will need to seek creditor approval for the fair and reasonable increase in our remuneration. We do not anticipate that we will need to approach creditors for a further increase following this request, unless circumstances greatly change again.

Expenses

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

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

We estimated that the cost of administering the case would be in the region of £20,000, and subsequently you have provided approval for us to draw our remuneration up to that level. However, we are seeking a further fee resolution in the sum of £45,000 and anticipate a further payment of up to £45,000 which is wholly dependant upon further asset realisations and as you are aware, due to the fact that there are limited assets, the remuneration that we can draw is limited to the amount that is realised for the assets, (less any costs incurred in realising those assets). We will require an increase in the level of our approved remuneration and this will be sought due to the work involved in the recovery of the Company's book debts and settlement of the preference claim. At this stage in the liquidation, I can estimate that total remuneration drawn will be in the region of £65,000.

9. OTHER RELEVANT INFORMATION

Connected party transactions

In accordance with Statement of Insolvency Practice 13, we are obliged to inform creditors of any sale of the Company's business or assets which involves a party connected to the Company. We confirm that the following assets were sold:

Date of sale	Asset sold and nature of transaction	Consideration paid and date	Name of Purchaser	Relationship with the Company
09 June 2022	Plant and Machinery Computer & Office Equipment	£5,280	3 Crowns Property & Maintenance Ltd	Connected directors and shareholders

The Company's latest set of accounts as at 30 September 2020 reported the plant and machinery, computer and office equipment with a book value of £845 (PM) and £3,738 (C&OE) respectively.

Upon appointment, the joint liquidators became aware that the assets were transferred to a connected party and it was established during their investigations that the sum of £5,280 had been paid for the assets and this has been recovered for the benefit of the liquidation.

Use of personal information

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

10. CREDITORS' RIGHTS

Right to request further information

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

Right to make an application to court

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

11. CONCLUSION

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



Laura Baxter
Joint Liquidator

Dated: 07 September 2023

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 12 July 2022 to 11 July 2023

4 Corners Projects Ltd
(In Liquidation)
Joint Liquidators' Summary of Receipts and Payments

12 July 2022 to 11 July 2023

RECEIPTS	Statement of affairs (£)	Total (£)
Plant & Machinery	Uncertain	-
Office Furniture & Equipment	Uncertain	-
WIP	54,000.00	-
Book Debts	150,724.23	48,825.72
Repayment of Asset Transfer	-	5,280.00
		<u>54,105.72</u>
PAYMENTS		
Statement of Affairs Fee		7,000.00
Liquidators' Fees		10,000.00
Liquidators' Expenses - Storage		6.94
Liquidators' Expenses - Postage		362.66
Liquidators' Expenses - Bonding		190.00
Legal Fees		2,750.00
Statutory Advertising		207.00
		<u>20,516.60</u>
Net Receipts/(Payments)		<u><u>33,589.12</u></u>

COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 12 July 2022 to 11 July 2023; and
- c. Estimated increase to our approved fees estimate.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

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

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

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

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

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

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

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

Best practice guidance classifies expenses into two broad categories:

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

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

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

* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an estate

- ❑ Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- ❑ Car mileage which is charged at the rate of 45 pence per mile.

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

Services provided by other entities within the Begbies Traynor group

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

It may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

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

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The forecasted cost of insurance for the 3 month period immediately following appointment is £[insert] inclusive of Insurance Premium Tax. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Where relevant, administration fees may be charged. These costs are taken into consideration and included within the forecasted cost of insurance, above.

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

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

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

Services provided by an entity in which the office holder an associate of the office holder has an interest

The following items of expenditure which relate to services provided by an entities that the office holder or a licensed insolvency practitioner within the firm has an interest in, are also to be charged to the case (subject to approval):

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

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by

* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an estate

way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

General Office Overheads.

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

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

Professional Advisors

In a number of cases, we have the need to employ outside professional advisors, which may include Solicitors, Valuers and Agents or in some cases, Specialist Tax Advisors.

Name of Professional Advisor	Basis of Fee Arrangement
Gunnercooke LLP	Time Costs
Yorkshire Accountancy Limited	Fixed Fee

Our choice of advisor is based on our knowledge of their experience and their ability to perform the type of work on which they have been instructed.

BEGBIES TRAYNOR CHARGE-OUT RATES

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

Grade of staff	Charge-out rate (£ per hour) 01 January 2022 – 09 July 2023 until further notice
Partner	545
Director	490
Senior Manager	430
Manager	380
Assistant Manager	275
Senior Administrator	240
Administrator	195
Junior Administrator	155
Support	155

* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an estate

Grade of staff	Charge-out rate (£ per hour) 10 July 2023 until further notice
Partner	600
Director	560
Senior Manager	500
Manager	415
Assistant Manager	300
Senior Administrator	265
Administrator	215
Junior Administrator	170
Support	170

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

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

Staff Grade		Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	0.8	2.2				0.5	4.2	6.2		13.9	3,414.00	245.61
	Administration	0.2	0.6				3.3	8.7	4.9	0.8	18.5	3,775.00	204.05
	Total for General Case Administration and Planning:	1.0	2.8				3.8	12.9	11.1	0.8	32.4	7,189.00	221.88
Compliance with the Insolvency Act, Rules and best practice	Appointment		1.5				0.1	4.7		0.2	6.5	1,706.50	262.54
	Banking and Bonding	1.2	3.8				3.7	2.3		1.9	12.9	4,150.00	321.71
	Case Closure												0.00
	Statutory reporting and statement of affairs	1.7	0.2								1.9	1,024.50	539.21
	Total for Compliance with the Insolvency Act, Rules and best practice:	2.9	5.5				3.8	7.0		2.1	21.3	6,881.00	323.05
Investigations	CDDA and investigations	8.8	5.8				7.1	18.8			40.5	13,008.00	321.19
	Total for investigations:	8.8	5.8				7.1	18.8			40.5	13,008.00	321.19
Realisation of assets	Debt collection	29.1	4.2				5.2	7.4	0.5		46.4	20,686.00	445.82
	Property, business and asset sales	0.2	0.2								0.4	207.00	517.50
	Retention of Title/Third party assets		0.6				0.2	0.9			1.7	517.50	304.41
	Total for Realisation of assets:	29.3	5.0				5.4	8.3	0.5		48.5	21,410.50	441.45
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured												0.00
	Others	1.6	2.4				0.9	5.2	7.7		17.8	4,471.50	251.21
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	1.6	2.4				0.9	5.2	7.7		17.8	4,471.50	251.21
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel	Seeking decisions of creditors		0.2					3.2			3.4	722.00	212.35
	Meetings							1.2			1.2	234.00	195.00
	Other		0.6				1.9	2.0	1.7		6.2	1,403.50	226.37
	Tax							0.4		0.1	0.5	93.50	187.00
	Litigation												0.00
	Total for Other matters:		0.8				1.9	6.8	1.7	0.1	11.3	2,453.00	217.08
	Total hours by staff grade:	43.6	22.3				22.9	59.0	21.0	3.0	171.8		
	Total time cost by staff grade:	23,762.00	10,927.00				5,496.00	11,505.00	3,255.00	468.00		55,413.00	
	Average hourly rate £:	545.00	490.00	0.00	0.00	0.00	240.00	195.00	155.00	156.00			322.54
	Total fees drawn to date £:											0.00	

THE LIQUIDATORS' ESTIMATE OF THE INCREASED FEES THAT THEY WILL INCUR

Further to the information set out in the report, the joint liquidators are seeking an increase to their previously approved remuneration. The increase is based on the additional work, the costs of dealing with were not known at the time that the original remuneration basis was sought.

The Liquidators propose an increase to their set fee of £45,000. It is anticipated that this additional sum will be sufficient to cover the additional work which is detailed within the body of the report and which falls under the following categories of work:

1. General case administration and planning
2. Compliance with the Insolvency Act, Rules and best practice
3. Realisation of assets
4. Dealing with all creditors claims (including employees), correspondence and distributions
5. Other matters which include seeking decisions from creditors via Deemed Consent Procedures or Decision Procedures, tax, litigation, pensions and travel

This increase to the fixed fee covers only the work to be undertaken in respect of the categories of work listed above. In the event that additional expenses are incurred, these will be disclosed separately.

Please refer back to the body of the report at Sections 6 and 8 for a more detailed explanation of the future work to be carried out and why this addition to our remuneration is being sought.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>.

We have arrived at this increase by considering the nature and complexity of the work that is necessary to conclude the case, and we also believe that this increase is a fair and reasonable reflection of the same.

Dated: 07 September 2023

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Storage	Restore Plc	9.42	6.94	2.48
Postage	Postworks Limited	362.66	362.66	0.00
Bond	Marsh Ltd	190.00	190.00	0.00
Legal Fees	Gunnercooke LLP	2,750.00	2,750.00	0.00
Statutory Advertising	Courts Advertising Limited	207.00	207.00	0.00
Accountancy Fees	Yorkshire Accountancy	5,000.00	Nil	5,000.00