

WU07

Notice of progress report in a winding-up by the court



Companies House

TUESDAY



A24

A7I4J5RK
06/11/2018
COMPANIES HOUSE

#135

1 Company details

Company number

Company name in full

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

2 Liquidator's name

Full forename(s)

Surname

3 Liquidator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

4 Liquidator's name

Full forename(s)

Surname

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

5 Liquidator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

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

WU07

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6 Period of progress report

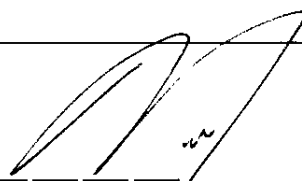
From date	^d 2	^d 7	^m 0	^m 7	^y 2	^y 0	^y 1	^y 7
To date	^d 2	^d 6	^m 0	^m 7	^y 2	^y 0	^y 1	^y 8

7 Progress report☒ The progress report is attached**8** Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 0	^d 5	^m 1	^m 1	^y 2	^y 0	^y 1	^y 8
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WU07

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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	Bharat Shah
Company name	Begbies Traynor (Central) LLP
Address	24 Conduit Place
	London
Post town	W2 1EP
County/Region	
Postcode	
Country	
DX	
Telephone	020 7262 1199



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

Carroll Fletcher LLP
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 27/07/2017 To 26/07/2018 £	From 27/07/2017 To 26/07/2018 £
	HIRE PURCHASE		
NIL	Lease at 56-57 Eastcastle St, London	NIL	NIL
72,000.00	Rent Deposit	NIL	NIL
(160,055.00)	Landlord	NIL	NIL
NIL	Lease at 4 Francis Works	NIL	NIL
5,000.00	Rent Deposit	NIL	NIL
(14,177.65)	Finance Company	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
6,000.00	Fixtures, Fittings & Equipment	NIL	NIL
Uncertain	Stock/Artwork	NIL	NIL
	VAT Refund	307.59	307.59
	Cash at Bank	34,039.68	34,039.68
	DTI Gross Interest	22.32	22.32
		34,369.59	34,369.59
	COST OF REALISATIONS		
	DBIS Cheque Fees	4.40	4.40
	Liquidators' Fees	15,000.00	15,000.00
	O.R. Debit Balance	9,400.00	9,400.00
	Accountancy Fees	1,250.00	1,250.00
	Tax Deducted at Source	4.47	4.47
	Insurance of Assets	5,309.84	5,309.84
	Bank Charges	88.00	88.00
		(31,056.71)	(31,056.71)
	PREFERENTIAL CREDITORS		
(6,121.48)	RPO re Arrears/Holiday Pay	NIL	NIL
(2,625.37)	Employees re Arrears/Hol Pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(141,444.85)	Trade Creditors	NIL	NIL
(8,721.27)	Employees	NIL	NIL
(21,691.11)	RPO	NIL	NIL
(51,309.00)	Directors' Loans	NIL	NIL
(29,645.00)	HMRC (non VAT)	NIL	NIL
(100,000.00)	Associated Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(1,052,780.00)	Members' Interest	NIL	NIL
		NIL	NIL
(1,505,570.73)		3,312.88	3,312.88
	REPRESENTED BY		
	Vat Receivable		3,557.59
	ISA (Interest Bearing)		294.02
	Acc Cred - AUA Insolvency Risk Serv		(538.73)
			3,312.88


Ian Franes
Joint Liquidator

Carroll Fletcher LLP (In Compulsory Liquidation)

High Court of Justice No. 004349 of 2017

Progress report

Period: 27 July 2017 to 26 July 2018

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.

Contents

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- ☐ Company information
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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Carroll Fletcher LLP (In Compulsory Liquidation)
"the liquidation"	The appointment of liquidators by the Secretary of State pursuant to Section 137 of the Act on 27 July 2017.
"the liquidators", "we", "our" and "us"	Ian Franes and Jeremy Karr of Begbies Traynor (Central) LLP, 24 Conduit Place, London, W2 1EP
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"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(s):	N/A
Company registered number:	OC347494
Company registered office:	24 Conduit Place, London, W2 1EP
Former trading address:	56-57 Eastcastle Street, London, W1W 8QE

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date of winding up order:	24 July 2017
Date of liquidators' appointment:	27 July 2017
Changes in liquidator (if any):	None

4. PROGRESS DURING THE PERIOD COVERED BY THIS REPORT

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 27 July 2017 to 26 July 2018.

Receipts

Furniture, Fixtures & Equipment

The Company's furniture, fixtures & equipment include desks, chairs and computer equipment, LCD projectors etc., have been professionally valued and sold by a professional agent, Eddisons Commercial Limited, to a third party for £8,000 plus VAT.

Stock

The Company had stock of various pieces of artworks. The appointed agent marketed the stock via art galleries and potential interested parties. However, it has been difficult to find a buyer for the stock as majority of them would require the artists' agreement to sell them and some of the works required further works to be carried out. The agent is continuing marketing the stock with a view to find a buyer.

VAT Refund

A VAT refund of £307.59 has been recovered from HMRC.

Cash at Bank

The amounts totalling £34,039.68 has been recovered from the Company's bankers, Barclays Bank Plc. This includes a VAT refund of £29,053.01 paid into the Company's account shortly after the liquidation.

Lease at 56-57 Eastcastle Street, London W1W 8QE

The Company was granted a lease at 56-57 Eastcastle Street, London W1W 8QE for 10 years from 11 August 2011 at an annual rent of £120,000 subject to a rent review on or after 10 August 2016. No premium was paid for the lease. The lease had no premium value as valued by the appointed agent. Thus, the lease was disclaimed.

The Company paid a rent deposit of £72,000 in respect of the above lease for which a charge was granted to the landlord, Mound Eden Land Limited, on 11 August 2011. No recovery of the rent deposit was anticipated as it was offset against the rent arrears of £160,055.

Other Receipts

DTI gross interest of £22.32 received on the funds held in the Insolvency Service Account.

Payments

£9,400 – the amount paid to the Official Receiver ("the OR") represents the costs incurred by the OR prior to our appointment.

£4.40 – The Insolvency Service cheque fees.

£1,250 – Accountancy fees paid to Pink Accounting Resourcing Limited for the works carried out to reclaim VAT.

£4.47 – Tax on DTI interest was deducted at source.

£5,309.84 – Insurance premium for the Company's assets payable to AUA Insolvency Risk Services.
£88.00 – Quarterly banking fees charged by The Insolvency Service.

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.

General case administration and planning

- Case admin set up and update;
- Updating case strategy plan;
- Update of case compliance checklists;
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories;
- General case updates to include internal meetings on case strategy and effecting instruction;
- Ongoing maintenance of up to date information on the electronic case information;
- Periodic reviews of the case generally;
- Overseeing and controlling the work undertaken on this engagement by junior staff;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9;

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

Compliance with the Insolvency Act, Rules and best practice

- The preparation, drafting and issue of initial report to creditors and members;
- Statutory filing with Registrar of Companies.
- Advertisement of Liquidators' appointment and winding up resolution.
- Liaising with the Official Receiver.
- Reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;

Banking:

- Maintaining and managing the insolvent estate bank account and cash book.
- Undertaking regular bank reconciliations of the estate bank account.
- Complying with risk management procedures;
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices;
- Preparing and processing remittance advises for incoming funds;
- Processing of BACS/electronic payments where applicable;

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

Investigations

- Review of the Company's books and records, bank statements and financial records.
- Liaising with bank/director/accountants for financial information and records.

Realisation of assets:

- Liaising with the professional agent in relation to the valuation and disposal of the Company's assets.
- Liaising with the Company's bankers.
- Liaising with directors in relation to the sale of the stock/artworks.

On this assignment, the work detailed above resulted in realisation of assets for the insolvent estate. The office holders are duty bound to realise and get in the Company's property and maximise asset realisations. In the event that recoveries are made, there will be a direct financial benefit to creditors.

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

Creditors:

- The issue of this report and associated required documents;
- Updating schedule of unsecured creditor claims;
- Dealing with the claims of the Company's former employees.
- Submission of necessary forms to the Redundancy Payments Office which would enable the employees' claims to be processed by RPO.
- Receipt of creditor claims and input on internal case management software;
- Taking and dealing with phone calls from creditors;
- Acknowledgment of creditor claims correspondence and/or dealing with further queries on claims;
- Receipt of, consideration of and response to creditor correspondence;
- Agree preferential claims.

On this engagement, the work detailed above resulted may result in a direct financial benefit to creditors as a dividend may be paid to preferential creditors. The work will also have been undertaken to comply with the Insolvency Act and Rules together with best practice and enabling creditors to have evidence of their loss for tax and VAT purposes.

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

- The completion of VAT forms in order to reclaim VAT;
- The Completion of Corporation Tax returns;

Some of the above have no direct financial benefit to creditors but have to be done in order to comply with the Insolvency Rules such as creditors and members meetings, as well as a legal requirement, such as completion of corporation tax returns. Others do have a direct financial benefit to creditors. These include the provision of VAT returns after the liquidation as the majority of VAT will be recoverable and therefore an asset of the insolvent estate.

5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (based upon the information detailed in the statement of affairs submitted by the directors to the Official Receiver) and on the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors are as follows:

Secured creditors

A charge over rent deposit deed was created in favour of Mount Eden Land Limited on 11 August 2011 and registered on 27 August 2011. The rent deposit of £72,000 was offset against the rent arrears and other claims estimated to be in excess of £160,000. The shortfall of about £94,000 will be an unsecured claim in the liquidation.

Preferential creditors

Preferential claims of employees for arrears of wages, salary and holiday pay were estimated at £8,746 and we have admitted claims in the total sum of £7,368.31. We consider that there will likely to be sufficient funds for a dividend to be paid to preferential creditors.

Unsecured creditors

Unsecured creditors were estimated at £527,043 and we have received claims totalling £433,680. 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.

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 £600,000

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.

6. REMUNERATION & DISBURSEMENTS

Remuneration

Our remuneration has been fixed by creditors by way of a resolution by correspondence by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the winding up as set out in our fees estimate dated 23 August 2017 in the sum of £33,205.

Our time costs for the period from 27 July 2017 to 26 July 2018 amount to £23,824.50 which represents 87 hours at an average rate of £273.84 per hour.

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

- ☐ Time Costs Analysis for the period 27 July 2017 to 26 July 2018
- ☐ Begbies Traynor (Central) LLP's charging policy

To 26 July 2018, we have drawn the total sum of £15,000 on account of our remuneration, against total time costs of £23,824.50 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, our estimate has not been exceeded. We do not anticipate that it is likely to be exceeded if matters progress to conclusion as envisaged. For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved.

Disbursements

To 26 July 2018, we have also drawn disbursements in the sum of £16,056.71 as detailed in the receipts & payments account.

Why have subcontractors been used?

No subcontractors have been used in this matter.

Category 2 Disbursements

In accordance with the approval obtained from creditors by way of a resolution by correspondence, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since the date of our appointment in accordance with our firm's policy, a copy of which is at Appendix 2.

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Document Storage	£1.20
TOTAL	£1.20

Disbursements treated as Category 2 disbursements

Amounts paid to any party in which we or our firm or any associate has an interest:	
Type and purpose	Amount £
Eddisons Commercial Limited, which is a member of the Begbies Traynor group, has provided valuation and disposal of assets services. The purpose of obtaining such services was to realise the chattel assets and stock at the best possible price.	£1,550 for the valuation and realisations of chattel assets which includes site visit and removal of assets to storage. It is anticipated that a further fee of 10% plus VAT may be payable on the sale of stock/artwork.
TOTAL	£1,550

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2017' 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 £17,866. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged. However, the following further expenses were necessarily incurred which were not included in the original estimate:

£5,309.84 – Insurance of assets payable to AUA Insolvency Risk Services. This was necessarily incurred to insure the Company's stock of artwork pending marketing and sale of these items.

£1,250 – Accountancy Fees was necessarily incurred to complete pre-liquidation VAT return to calculate a refund which was paid into the Company's account.

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

As detailed above, we are continuing with our efforts to realise the Company's stock/artworks with the help of our agent, Eddisons.

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

We are continuing our efforts to recover the amounts due from the Company's debtors. We are looking to agree preferential claims and make distribution. If appropriate, agree unsecured creditors' claims and declare a dividend.

General case administration and planning

- Updating case strategy plan;
- Update of case compliance checklists;
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories;
- General case updates to include internal meetings on case strategy and effecting instruction;
- Ongoing maintenance of up to date information on the electronic case information;
- Periodic reviews of the case generally;
- Overseeing and controlling the work undertaken on this engagement by junior staff;
- Completion of six monthly compliance and progression checklists;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9;

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

Compliance with the Insolvency Act, Rules and best practice

- Reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;
- Statutory filing with Registrar of Companies;
- Maintain accurate account of receipts and payments;
- Issuing annual progress reports to all known creditors & members.

Banking:

- Maintaining and managing the insolvent estate bank account.
- Maintaining and managing the officer holders' cash book on this assignment.
- Undertaking regular bank reconciliations of the estate bank account.
- Complying with risk management procedures;
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices;
- Preparing and processing remittance advises for incoming funds;
- Processing of BACS/electronic payments where applicable;

Closure

- Preparing, reviewing and issuing final report to members and creditors;
- Filing of final receipts and payments and account of the liquidation with Registrar of Companies, Court and Secretary of State;
- Update physical and electronic case records following closure;

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

Realisation of assets

- Continuing liaising with the agent to realise the stock/artworks.
- Continuing review of current and new information and formulating an asset realisation strategy;

The office holders are duty bound to realise and get in the Company's property and maximise asset realisations. In the event that recoveries are made, it is considered likely that there will be a direct financial benefit to creditors.

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

Creditors:

- The issue of reports and associated required documents;
- Updating schedule of unsecured creditor claims;
- Receipt of creditor claims and input on internal case management software;
- Review of creditor claim supporting information;
- Taking and dealing with phone calls from creditors;
- Acknowledgment of creditor claims correspondence and/or dealing with further queries on claims;
- Receipt of, consideration of and response to creditor correspondence;
- Where necessary, consideration of issues to reject claims and issue of appropriate letter to creditor(s) affected in accordance with statutory requirements concerning rejection of all or part claims;
- Potential review of and adjudication on held and un-agreed claims preceding dividend;
- Potential calculation and subsequent payment of dividend to preferential creditors;

On this engagement, the work detailed above may result in a direct financial benefit to creditors should a dividend become payable. The work will also have been undertaken to comply with the Insolvency Act

and Rules together with best practice and enabling creditors to have evidence of their loss for tax and VAT purposes.

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

- Deregistration of VAT and completion of forms in order to reclaim VAT;
- The Completion of Corporation Tax returns;
- Seeking closure clearance from HMRC;

Some of the above have no direct financial benefit to creditors but have to be done in order to comply with the Insolvency Rules such as creditors and members meetings, as well as a legal requirement, such as completion of corporation tax returns. Others do have a direct financial benefit to creditors. These include the provision of VAT returns after the liquidation as the majority of VAT will be recoverable and therefore an asset of the insolvent estate.

How much will this further work cost?

The estimated costs of the works to be carried out as detailed above have been included in the fee estimate dated 23 August 2017 approved by the creditors.

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 23 August 2017.

9. OTHER RELEVANT INFORMATION

Investigations

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. We can confirm that we have discharged our duties in these respects.

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties.

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 4.49E 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.

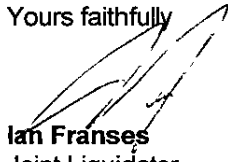
Right to make an application to court

Pursuant to Rule 4.131 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, in relation to the basis fixed for our remuneration, inappropriate.

11. CONCLUSION

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

Yours faithfully



Ian Fransen
Joint Liquidator

Dated: 24 September 2018

APPENDIX 1

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 27 July 2017 to 26 July 2018

Carroll Fletcher LLP
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From To	27/07/2017 26/07/2018 £	From To	27/07/2017 26/07/2018 £
HIRE PURCHASE				
NIL	Lease at 56-57 Eastcastle St, London	NIL		NIL
72,000.00	Rent Deposit	NIL		NIL
(160,055.00)	Landlords	NIL		NIL
NIL	Lease at 4 Francis Works	NIL		
5,000.00	Rent Deposit	NIL		
(14,177.65)	Landlords	NIL		
		NIL		NIL
ASSET REALISATIONS				
6,000.00	Fixtures, Fittings & Equipment	8,000.00		8,000.00
Uncertain	Stock/Artwork	NIL		NIL
	VAT Refund	307.59		307.59
	Cash at Bank	34,039.68		34,039.68
	DTI Gross Interest	22.32		22.32
		42,369.59		42,369.59
COST OF REALISATIONS				
	DBIS Cheque Fees	4.40		4.40
	Liquidators' Fees	15,000.00		15,000.00
	O.R. Debit Balance	9,400.00		9,400.00
	Accountancy Fees	1,250.00		1,250.00
	Tax Deducted at Source	4.47		4.47
	Insurance of Assets	5,309.84		5,309.84
	Bank Charges	88.00		88.00
		(31,056.71)		(31,056.71)
PREFERENTIAL CREDITORS				
(6,121.48)	RPO re Arrears/Holiday Pay	NIL		NIL
(2,625.37)	Employees re Arrears/Hol Pay	NIL		NIL
		NIL		NIL
UNSECURED CREDITORS				
(141,444.85)	Trade Creditors	NIL		NIL
(8,721.27)	Employees	NIL		NIL
(21,691.11)	RPO	NIL		NIL
(51,309.00)	Directors' Loans	NIL		NIL
(29,645.00)	HMRC (non VAT)	NIL		NIL
(100,000.00)	Associated Creditors	NIL		NIL
		NIL		NIL
DISTRIBUTIONS				
(1,052,780.00)	Ordinary Shareholders	NIL		NIL
		NIL		NIL
(1,505,570.73)		11,312.88		11,312.88
REPRESENTED BY				
	VAT Receivables			1,957.59
	ISA (Interest Bearing)			294.02
	Cash with Agent			9,600.00
	Acc Cred - AUA Insolvency Risk			(538.73)
				11,312.88


Ian Franes
Joint Liquidator

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy; and
- b. Time Costs Analysis for the period from 27 July 2017 to 26 July 2018;

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note 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 passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note 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 guidance² indicates that such charges should be disclosed to those who are responsible for approving 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 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 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

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (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 disbursements (approval required)* - items of expenditure that are directly related to the case which 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.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;

in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by an entity 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):

In addition to the services detailed above, 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

(B) 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

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 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.

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 Paddington office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour) 1 May 2011 – until further notice
Partner	395
Director	345

Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	60 - 110

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

Time is recorded in 6 minute units.

SIP9 Carroll Fletcher LLP - Winding Up Compulsory - 01CA589.WUC : Time Costs Analysis From 27/07/2017 To 26/07/2018

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	11.9			2.1						14.0	5,257.00	375.50
Administration			9.7	13.0				2.4	0.1	25.2	6,727.00	266.94
Total for General Case	11.9		9.7	15.1				2.4	0.1	39.2	11,984.00	305.71
Compliance with the Insolvency Act, Rules and best practice				1.4						1.4	371.00	265.00
Appointment				0.6				4.2		5.8	796.00	137.24
Banking and Bonding						1.0						
Case Closure												0.00
Statutory reporting and statement of affairs				1.5				1.3		2.8	540.50	193.04
Total for Compliance with the Insolvency Act, Rules and best practice:				3.5		1.0		5.5		10.0	1,707.50	170.75
Investigations				1.5						1.5	397.50	265.00
CDDA and investigations				1.5						1.5	397.50	265.00
Total for Investigations:				1.5						1.5	397.50	265.00
Realisation of assets												0.00
Debt collection												0.00
Property, business and asset sales		0.6	0.8	15.8						17.2	4,642.00	269.88
Retention of Title/Third party assets												0.00
Total for Realisation of assets:		0.6	0.8	15.8						17.2	4,642.00	269.88
Trading												0.00
Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions												0.00
Secured												0.00
Others		0.4		15.5						15.9	4,245.50	267.01
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions:		0.4		15.5						15.9	4,245.50	267.01
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel												0.00
Seeking decisions of creditors												0.00
Meetings												0.00
Other				1.5						1.5	397.50	265.00
Tax				1.7						1.7	450.50	265.00
Litigation												0.00
Total for Other matters:				3.2						3.2	848.00	265.00
Total hours by staff grade:	11.9	1.0	10.5	54.6		1.0		7.9	0.1	87.0		
Total time cost by staff grade:	4,700.50	345.00	3,255.00	14,469.00		175.00		869.00	11.00		23,824.50	
Average hourly rate £:	395.00	345.00	310.00	265.00	0.00	175.00	0.00	110.00	110.00			273.84
Total fees drawn to date £:											15,000.00	

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				
DBIS Cheque Fees	The Insolvency Service	4.40	4.40	0.00
Official Receiver's Fees	The Insolvency Service	9,400.00	9,400.00	0.00
Accountancy Fees	Pink Accounting Resources	1,250.00	1,250.00	0.00
Tax Deducted at Source	The Insolvency Service	4.47	4.47	0.00
Insurance of Assets	AUA Insolvency Risk Services	5,309.84	4,771.11	538.73
Bank Charges	The Insolvency Service	88.00	88.00	0.00
Bond Premium	AUA Insolvency Risk Services	252.00	0.00	252.00
Statutory Advertising	TMP UK Limited	140.00	0.00	140.00
Land Registry Fees	Land Registry	9.00	0.00	9.00
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Char Policy</i>)				
Agent's fees paid to Eddisons	Eddisons Commercial Ltd	1,550.00	0.00	1,550.00
Storage Charges	Begbies Traynor	1.20	0.00	1.20