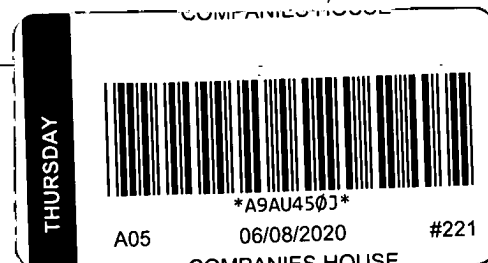


WU07

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



Companies House



1	Company details	
Company number	0 2 5 2 6 0 2 8	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	Changtel Solutions UK Limited	
2	Liquidator's name	
Full forename(s)	Nicholas Edward	
Surname	Reed	
3	Liquidator's address	
Building name/number	Fourth Floor	
Street	Toronto Square	
Post town	Toronto Street	
County/Region	Leeds	
Postcode	L S 1 2 H J	
Country		
4	Liquidator's name ①	
Full forename(s)	Julie	① Other liquidator Use this section to tell us about another liquidator.
Surname	Palmer	
5	Liquidator's address ②	
Building name/number	65 St. Edmund's Church Street	② Other liquidator Use this section to tell us about another liquidator.
Street	Salisbury	
Post town	Wiltshire	
County/Region		
Postcode	S P 1 1 E F	
Country		

WU07

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


6 Period of progress report

From date	^d 0	^d 5	^m 0	^m 6	^y 2	^y 0	^y 1	^y 9	
To date	^d 0	^d 4	^m 0	^m 6	^y 2	^y 0	^y 2	^y 0	

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature	<div>Signature</div> <div>X </div> <div>X</div>								
Signature date	^d 3	^d 0	^m 0	^m 7	^y 2	^y 0	^y 2	^y 0	

WU07

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



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 **Jonathan Bird**

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

Address **Fourth Floor**

Toronto Square

Post town **Toronto Street**

County/Region **Leeds**

Postcode **L S 1 2 H J**

Country

DX

Telephone **0113 244 0044**



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



Changtel Solutions UK Limited (In Compulsory Liquidation)

High Court of Justice No. 2013-4093

Progress report

Period: 5 June 2019 to 4 June 2020

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.

This report has been produced during the COVID-19 HM Government restrictions. As a result, our access to information within our physical case files has been limited as our firm has implemented remote working wherever possible in line with HM Government guidance in order to protect its employees and to limit the spread of the virus. Consequently, this report has been prepared from information we are able to access remotely. We have taken every reasonable step to ensure that the information is accurate.

Contents

- ☐ Interpretation
- ☐ Company information
- ☐ Details of appointment of liquidators
- ☐ Progress during the period
- ☐ Estimated outcome for creditors
- ☐ Remuneration and disbursements
- ☐ Liquidators' expenses
- ☐ Assets that remain to be realised and work that remains to be done
- ☐ Other relevant information
- ☐ Creditors' rights
- ☐ Conclusion
- ☐ Appendices
 - 1. Account of receipts and payments
 - 2. Time costs and disbursements, including an estimate of our costs for 5 June 2020 to 4 June 2021
 - 3. Statement of Liquidators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Changtel Solutions UK Limited (In Compulsory Liquidation)
"the liquidation"	The appointment of liquidators by the Secretary of State pursuant to Section 137 of the Act on 5 June 2015.
"the liquidators", "we", "our" and "us"	Nicholas Edward Reed of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ and Julie Anne Palmer of Begbies Traynor (Central) LLP 65 St. Edmund's Church Street, Salisbury, Wiltshire, SP1 1EF
"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):	ENTA Technologies
Company registered number:	02526028
Company registered office:	Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ
Former trading address:	Stafford Park 6, Telford, Shropshire, TF3 3AT

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date of winding up order:	28 January 2015
Date of liquidators' appointment:	5 June 2015

4. PROGRESS DURING THE PERIOD COVERED BY THIS REPORT

General

Winding-up Summary of Appointment of Liquidators

As noted in our previous reports, the Company was wound-up on 29 January 2015 by the Court of Appeal, following the presentation of a petition by HM Revenue & Customs ("HMRC") on 7 June 2013 ("the Petition Date") in respect of the Company's VAT liabilities. The Liquidation followed a protracted period of assessments in relation to the Company's trade in electronic and computer components and associated Missing Trader Intra-Community ("MTIC") VAT fraud.

Julie Palmer and I subsequently were appointed Joint Liquidators on 5 June 2015 by the Secretary of State.

This Liquidation is a complex matter involving actions across multiple jurisdictions. We have been able to make additional progress on this case in the period beyond that which was envisaged in last year's progress report and associated cost forecast. Accordingly, our costs associated with the actions undertaken have therefore increased proportionately, leading to a costs overrun of approximately 9% compared to the costs forecast in certain specific cost categories. Further details in this respect are set out in detail below.

The time spent in progressing the Liquidation has yielded cash realisations of approximately £1.2million in the period covered by this report. However, the most substantial advancement relates to the claims brought jointly by the Liquidators and the Joint Trustees of Ji-Chuen Jason Tsai (in Bankruptcy), which have been issued during the period covered by this report ("the Issued Claims"). Additionally, in the period immediately following that covered by this report, the Liquidators and Trustees filed a detailed joint witness statement and amended points of claim, which ran to several hundred pages (plus exhibits), in support of an application in respect of serving the Issued Claims on the various defendants across multiple jurisdictions. Further detail in this respect may be found below.

Further, the Liquidators have taken care to keep the major creditor fully apprised of our strategic decisions and progress achieved in respect of the various ongoing aspects of the Liquidation. Further details as regards our costs and the associated realisations may be found below.

This is our fifth progress report and should be read in conjunction with our previous progress reports.

Update on Matters Falling Outside the Period

Set out below are details of the considerable actions undertaken during the period covered by this report. As noted above, the Liquidators and Trustees issued consolidated claims against various defendants in respect of substantial claims pertaining to assets in the UK and overseas ("the Issued Claims").

However, in addition to this, further substantial work has been performed in respect of the Issued Claims after the period covered by this report, specifically to deal with service requirements in respect of overseas defendants ("the Service Out Application").

We have specifically reported this as a significant amount of the work undertaken during the period has been in respect of the Service Out Application and Issued Claims after the period covered by this report.

We will provide further updates as the litigation progresses.

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 5 June 2019 to 4 June 2020.

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. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only. Our previous reports contain details of the work undertaken since our appointment.

General case administration and planning

As set out in our previous report, the Liquidation continues to require the analysis of a very significant number of transactions which occurred in the lead up to the appointment of the Liquidators. These transactions include significant dispositions of the Company's property which are void under Section 127 of the Act ("s.127 dispositions") and funds that were misappropriated from the Company.

The work undertaken in the above respects has continued to include the analysis of approximately 130 bank accounts, which we have identified as being relevant to our investigations, the review of physical and digital records and correspondence, and the associated administrative tasks involved with this have been significant.

Throughout the period covered by this report, regular case and compliance reviews have been conducted in order to ensure the case is being progressed both efficiently and appropriately. We have continued to maintain our digital and physical case files and have ensured any key decisions which may materially affect the case have been fully documented.

Various internal meetings have been held between our insolvency staff to ensure matters are being progressed in line with the overall agreed strategy. Additionally, we have liaised regularly with our appointed solicitors, Walker Morris LLP, and members of our forensics department to plan and progress the various ongoing workstreams, further details of which are set out below.

Whilst costs in this category do not directly generate realisations into the estate, they are critical to the overall strategy of maximising recoveries in the most efficient manner possible. During the period, time costs of approximately £98,421 have been incurred in association with the above actions.

Legal and Counsel Costs

A full schedule of our legal costs is set out at Appendix 3 of this report, however a brief note is set out below.

Walker Morris LLP, who have provided professional assistance in all areas of the Liquidation have incurred costs in the sum of £651,859 during the period. Legal costs updates have been provided to the major creditor on a regular basis, in addition to a detailed analysis of the work undertaken. Walker Morris have been paid £669,467 during the period. An element of the payment made relates to costs incurred in prior periods.

TSMP Law and Tanner De Witt have incurred costs of £18,508 and £4,863 for their assistance in Singapore and Hong Kong, in conjunction with our wider actions, further details in respect of which are set out below. TSMP Law and Tanner De Witt have been paid £16,559 and £900 respectively.

Sequor Law are our appointed solicitors in the United States. The actions undertaken by them are set out below. We have incurred costs in the sum of £46,754 in this respect and have paid these costs in full.

Details of other legal costs, such as disbursements, court fees, travel expenses and search costs may be found in the receipts and payments account at Appendix 2 and our schedule of expenses at Appendix 3.

Counsel fees in the sum of £77,292 have been paid during the period, against costs incurred in the sum of £105,892. These costs cover a wide range of ongoing matters in the Liquidation, however the majority of these relate to the Issued Claims and Service Out Application.

Compliance with the Insolvency Act, Rules and best practice

As discussed in our previous reports, and in order to comply with our statutory duties, during the period covered by this report, we prepared and sent our previous annual progress report to creditors and members and filed a copy of that report with the Registrar of Companies.

Additionally, all monies received into the Liquidation have been paid into the Insolvency Services Account ("ISA"), in line with statutory requirements. Payments recorded in the attached Receipts and Payments account that are relevant to this area of costs are as follows:

Cost Narrative	Amount	Notes
DBIS Audit Fees	£88	Quarterly banking fees for the ISA
DBIS Cheque Fees	£47	Costs associated with payment made from the ISA

Our statutory bond remains at the highest possible level, by virtue of the level of asset realisations achieved. The bond continues to be held at the maximum level available and so is not restricted by an upper limit, and is maintained in order to protect creditors' interests in the Liquidation estate.

During the period covered by this report, approximately £18,753 has been expended dealing with matters arising under this heading. Whilst these actions may not necessarily directly lead to realisations, these actions are required by statute and are therefore unavoidable tasks which require to be undertaken.

Investigations and Asset Realisations

As set out in our previous reports, this matter is highly complex and upon appointment, we had limited records made available to us.

As such, as has been done in previous periods, we have dealt with vast quantities of financial and other records which we consider are relevant to our ongoing investigations and asset recovery strategy. Work has also continued to better understand the Company's ownership, trading history and in assessing the actions available to us as Liquidators.

The considerable investigative actions required in order to progress the case remain ongoing and we continue to consider these crucial to the litigation actions commenced to date. During the period covered by this report, this work has included investigations into s.127 dispositions and work to advance proprietary claims to assets which can be traced to the Company.

As provided in our previous report, an update as regards the outcome of certain of these actions, in addition to a commentary of those presently underway, is summarised below. This is only provided where we are able to do so without prejudicing ongoing matters.

Creditors will note our estimated costs for dealing with matters under this heading were expected to total £300,000, which has been exceeded as total time charged during the period has totalled £324,037. The cost estimate has been exceeded because we have been required to deal with a substantial number of assets, including many s.127 settlements and claims against third parties, not all of which were envisaged in our fees estimate.

Further, substantial investigative forensic bank analysis work has been undertaken during the period, in association with the Issued Claims. The exact timing of this work was unknown previously and therefore not fully incorporated in our previous fees estimate.

We have set out below a full update in respect of the investigative and asset recovery actions undertaken during the period.

Disposals of the Company's property – s.127 Matters

As creditors may recall from our previous reports, the Company continued to trade after the Petition Date. In accordance with Section 127 of the Act, any disposition of the Company's property between the Petition Date and the making of the winding-up Order is void, unless validated by the Court.

In our last report, we confirmed that the Liquidators had reached 11 settlements with recipients of s.127 dispositions. During the period covered by this report, a further seven settlements have been reached with third party suppliers. The terms of these settlements are confidential.

As creditors may note from the Receipts and Payments accounts at Appendix 2, the total receipts during the period in respect of void disposition settlements was £895,910. We have, in certain instances, been required to use process servers in respect of international s.127 claims.

We are continuing to pursue the recovery of s.127 dispositions and are presently engaged in dialogue with a number of the Company's former suppliers. We will provide further information to creditors as this matter progresses.

As noted previously, a proportion of the travel costs and legal fees reported in this document are associated with our actions in this regard.

Ongoing Analysis of Company Records

As in previous reporting periods, substantial time has been spent reviewing and cross referencing the records available to the Liquidators, which comprise both physical and electronic records, which relate to, amongst other matters, the Company's trading history, transactions entered into and account records. Time allocated under this heading also includes the forensic analysis time, summarised below. The input of my forensic colleagues has been required in association with the Issued Claims and the Service Out Application.

This forensic analysis work has been crucial in progressing our recovery actions pursuant to s.127 of the Act, other property assets (details as set out below), matters in respect of the director Ji-Chuen Jason Tsai and has contributed substantially to the detail provided in the Service Out Application.

As in previous years, this work has extended to full Optical Character Recognition ("OCR") analysis of a substantial number of bank statements, across an extended time period. Such costs are allocated to the Investigations subheading.

Payments recorded in the Receipts and Payments that are relevant to this area of costs are as follows:

Cost Narrative	Amount	Notes
Data analysis and hosting costs	£9,120	Analysis and hosting of electronic data with MD5 Limited, a third party supplier.

Due to the nature of the case and the constantly evolving picture as to the legal proceedings, we have continued to review the physical and digital records available to us to ensure all matters are progressed fully, efficiently and with a view to realising the best return for the Company's creditors.

As detailed above, we are continuing to progress the Company's claims to recover void dispositions of the Company's property pursuant to s.127 of the Act. A full review of the Company's digital and physical records to identify these dispositions is key to this exercise and then either reaching consensual settlements with recipients or, where necessary, bringing legal action to seek recovery.

Storage costs of £491 have been paid during the period covered by this report to Restore plc. These relate to the storage of the Company's physical records.

International Actions - The United States of America ("the US")

As noted in previous reports, and in order to fully advance various matters identified as requiring further review, we have been required to undertake significant actions outside the United Kingdom. Such action has been taken during the period covered by this report, which is detailed below.

After consulting with the major creditor, it was agreed that a joint application would be pursued under Chapter 15 of the US Bankruptcy Code to seek local jurisdictional recognition of the Liquidation and Bankruptcy estates.

Legal firm Sequor Law were engaged in Florida and, subsequently, the US Court granted the Order sought to recognise both sets of insolvency proceedings, to enable the Liquidators and the Trustees of Ji-Chuen Jason Tsai to pursue matters in the US.

Following the granting of the above Order, the Liquidators have liaised with various parties to obtain information relevant to their ongoing investigations. Further updates will be provided in due course, as matters progress.

International Actions - Other Jurisdictions

In addition to the above, we have been required to pursue actions in various other jurisdictions, as set out in our previous reports. These matters remain ongoing, however significant information has come to light as a result of the same, certain of which has been included in the Issued Claims and Service Out Application.

We have continued to monitor the legal costs incurred so that they remain proportionate with the actions pursued. Further information in this respect may be found at section 7 of this report.

During the period we have continued to progress our various investigations pertaining to the director, certain international assets and various bank accounts.

Service and investigation agent fees of £2,128 have been paid during the period. These relate to our ongoing s.127 claims, service of documents and wider investigations. Search costs of £24 have also been paid during the period.

Property Matters

Apartment 338 Canal Wharf, 14 Waterfront Walk, Birmingham, B1 1SR ("Apartment 338")

As set out in our previous report, our investigative actions uncovered evidence which confirmed the purchase of Apartment 338 could be traced to the Company and, subsequently, an application for possession and sale was applied for and subsequently granted by the Court on 16 January 2019. The Court also ordered that a small element of the value of the property (less than 10%) be set aside following realisation and held subject to further determination by the Court.

It was identified that Apartment 338 was unoccupied and therefore appropriate insurance cover was immediately arranged in this respect.

Eddisons Commercial Limited ("Eddisons") were engaged to provide valuation and sale advice in respect of Apartment 338, by way of an options report. It was advised that the optimal realisation strategy was a private treaty sale and, as such, Apartment 338 was subsequently marketed with the benefit of a local agent,

Countrywide Estate Agents ("Countrywide"). Several offers were received and, ultimately, a preferred bidder was identified.

Accordingly, we worked with Eddisons and Walker Morris to exchange and subsequently complete a sale of Apartment 338 to the preferred bidder.

On 9 September 2019 the sale of Apartment 338 completed and the sale proceeds in the sum of £168,000 were received in this respect. The further sum of £109 was received in respect of Rent Apportionment. In order to complete this sale, Ground Rent and Service Charge arrears of £6,385 were paid.

Eddisons and Countrywide were paid the respective sums of £2,630 and £2,500 for their professional assistance in respect of the valuation and sale of Apartment 338.

Creditors will note from the receipts and payments account at Appendix 2, the sum of £12,237 has been set aside, in line with the Court's directions, and held in a specific client account of Walker Morris. We will provide further information in due course in respect of this balance.

Apartment 44 Temple House, Temple Street, Birmingham B2 5BG ("Apartment 44")

As noted in our previous report, a settlement was reached with the registered proprietor of Apartment 44 to apportion the proceeds of the sale of the same.

Following agreeing the above, we immediately instructed Eddisons to attend the property, perform the usual insurance compliance checks and begin to prepare it for marketing. Appropriate insurance cover was also immediately taken out.

The Liquidators had been informed that Apartment 44 was unoccupied, however upon attendance Eddisons (acting under the trading style RemoteZone) found two individuals in occupation. These occupants did not speak English and were unable to confirm who they believed their landlord to be. Eddisons sought to maintain contact with the occupants, however the occupants abruptly vacated the property and confirmed the same to Walker Morris by email several days after vacating.

Accordingly, we took steps to immediately secure the property by changing the locks. However, upon further attendance of Eddisons, they found two different individuals in occupation. These occupants confirmed the contact provided for their landlord was named Jason and produced documentation which bore a signature in the name of Jason Tsai.

Eddisons subsequently took steps to secure the property by changing the locks once again and the Liquidators liaised with the occupants to better understand how they came to occupy Apartment 44.

After a protracted period of correspondence, it was confirmed to the Liquidators that the occupants had vacated the property and Eddisons successfully obtained vacant possession. Eddisons have prepared an options report for the Liquidators, although delays have arisen as a result of the COVID-19 pandemic. We will provide a further update in due course.

Other Property Matters

1 and 2 the Coppice, Telford comprise two large private dwellings that are "connected" by way of a link/walkway and were formerly inhabited by the director and his family. These properties are currently being marketed for sale by Eddisons and Nock Deighton, with the consent of the registered proprietors. The entitlement to the net sale proceeds is in dispute and is a subject of the Issued Claims and is therefore subject to future clarification.

As reported previously, certain property assets in the UK are subject to claims in favour of the Liquidators and the Trustees. Such claims have been articulated in the Issued Claims.

Insurance costs of £453 have been paid to Eddisons Insurance Services during the period.

A full update will be provided in due course.

Settlement with Andrew and Pui-Lai Tsai ("A&PLT")

Creditors will note the sum of £17,500 has been received during the period in connection with a settlement entered into between the Liquidators and A&PLT, during the period covered by this report, in respect of certain property assets.

In conjunction with this settlement, A&PLT agreed to transfer Apartment 332 Canal Wharf and pay a further element of deferred consideration. This deferred consideration is due within one calendar year from entering into the settlement agreement and we will provide further details in this respect in due course.

Eddisons have been instructed to provide an options report and professional sales and valuation advice in respect of Apartment 332.

Dealing with the Trustees of Jason Tsai

As noted above and in previous reports, Jason Tsai ("Mr Tsai") is the director of the Company and caused the Company to engage in MTIC VAT fraud.

As previously noted, in our capacity as Liquidators, we commenced various actions against Mr Tsai, which culminated in the Court granting a worldwide Freezing Order ("the Freezing Order") over Mr Tsai's assets. Any party found to be dealing with Mr Tsai's assets after the date of the Freezing Order may be found to be in contempt of Court.

Subsequently an Interim judgement Order for Costs against Mr Tsai was obtained, which was not defrayed. Consequently, on 20 March 2018 we presented a petition for the Bankruptcy of Mr Tsai and a Bankruptcy Order was made by the Court on 8 May 2018. Nicholas Edward Reed and Joanne Sara Wright were appointed as Mr Tsai's Joint Trustees in Bankruptcy on 29 May 2018. Joanne Sara Wright left Begbies Traynor at the beginning of this calendar year and she was replaced as Joint Trustee by Paul Barber (also of Begbies Traynor) under the terms of a block transfer Order dated 16 January 2020.

During the period covered by this report we have undertaken further investigations into assets which, *prima facie*, fall into the Bankruptcy and whether any proprietary claims arise where assets may be traceable to funds extracted from the Company. Such transactions are relevant to the Issued Claims, however our actions remain ongoing in this respect to uncover further claims and assets. Any further identified claims will be progressed and we will provide an update in this respect in due course.

Funding agreement with the Jason Tsai Bankruptcy Estate

The Company is the significant majority creditor in the Jason Tsai Bankruptcy and, as a result, dividends available from the Bankruptcy will be substantially received into the Liquidation estate.

As reported previously, in order to facilitate the progress of the Bankruptcy and enable initial applications to be issued by the Trustees to recover assets into the Bankruptcy estate, a confidential funding agreement was entered into between the Liquidation and Bankruptcy estates. Funding of £40,320 was made available in accordance with that agreement in the previous period and a further £13,409 during this period.

We are pleased to confirm that this funding has been repaid, in full, during the period covered by this report and no further drawdowns are expected to be made under the funding agreement.

Other Investigative Matters and Actions Against Associates

We have previously reported the extensive use of 'nominee names' by the Company's director, Mr Tsai.

Such nominee names were utilised to extract funds from the Company and our work continues to seek the recovery of these funds, through the use of the broad range of powers bestowed upon the Liquidators under the Act and Rules.

During the period we entered into an agreement with the liquidators of Entatech UK Limited liquidation to purchase certain claims arising in that liquidation, for the sum of £65,000. These claims supplement certain claims comprised in the Issued Claims and a further update will be provided in due course.

Whilst the time spent on our investigations does not directly result in realisations into the estate, such actions have both identified and assisted in progressing claims in the Liquidation to generate realisations for creditors.

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

We have continued to consult with creditors regarding the actions we are pursuing in the Liquidation. This has taken the form of several update meetings with HM Revenue & Customs ("HMRC"), in advance of which detailed update packs were prepared.

These updates were wholly indicative, should not be relied upon for dividend purposes and were provided to HMRC expressly for discussion purposes only.

Other Creditor Claims

During the period covered by this report, time has been incurred reviewing claims received into the Liquidation estate. This review remains ongoing and an update will be provided in due course.

Other matters which includes seeking decisions of creditors via the deemed consent procedure and/or decision procedures, meetings, tax, litigation, pensions and travel

Meetings and Travel

During the period, we have been required to attend various meeting with both our advisors, creditors and third parties in order to progress our case strategy to ensure maximum realisations are achieved for the benefit of creditors.

Creditors should note that time incurred in attending internal settlement meetings regarding s.127 dispositions, as discussed above, is charged under this heading.

Also allocated under this heading is time spent travelling to various meetings and engagements with our advisors and third parties in association with the actions set out in this report.

Litigation

Time allocated under this heading relates to active pursuit of claims to recover assets into the Liquidation estate and concerns actions taken following the issue of proceedings only. For clarity, work done prior to the issue of proceedings is allocated to *Investigations*.

Further to our comments above in respect of the Issued Claims and the Service Out Application, substantial time has been incurred under this heading. This is directly as a result of the need to prepare a comprehensive Witness Statement in support of our claims, as directed by the Court. As noted above, these claims have been issued and we will provide a further update in this respect in due course.

Tax

We have continued to liaise with our accountants, Sagars Accountants Limited, in order to obtain specialist advice and to deal with the Company's tax position arising from our actions regarding the s.127 dispositions, associated transactions, historic misappropriations from the Company and the sale of Apartment 338 Canal Wharf. The sum of £5,600 has been paid to Sagars during the period covered by this report for their professional services.

Corporation Tax in the sum of £12,185 has been paid during the period covered by this report.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our progress report for the period 5 June 2015 to 4 June 2016.

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 creditor

As previously reported, filing at the Registrar of Companies indicate the Company granted security to the Royal Bank of Scotland ("RBS") and RBS Invoice Finance ("RBSIF") in November 2006 and February 2010 respectively. However, both RBS and RBSIF have confirmed to us that these charges have been released.

As such, we consider there are no secured creditors.

Preferential creditors

There are no known preferential claims.

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

Further to the above, and 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

In our previous reports, we noted that we considered the ultimate outcome of the Liquidation is contingent upon our ongoing investigations in relation to the s.127 void dispositions and ongoing legal proceedings to recover funds into the Liquidation. As a result of the progress made to date, and subject to the outcome of the Issued Claims, the Liquidators anticipate that a dividend is likely to be available to creditors. However, it remains the case that the quantum and timing is contingent on the final outcome in respect of the Issued Claims, as outlined above.

6. REMUNERATION & DISBURSEMENTS

Approved 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. For the period covered by this report, our remuneration was agreed by reference to our fees estimate dated 30 July 2020 in the sum of £764,000, representing an estimated 2,210 hours at an average rate of £345 per hour.

Our actual time costs for the period from 5 June 2019 to 4 June 2020 amount to £834,978 which represents 2,406 hours at an average rate of £347 per hour.

As may be seen from the above information, our time costs for the period have therefore exceeded the limit of our annual fees estimate by £70,978, which is approximately 9%. For clarity and the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved.

To 4 June 2020, we have drawn the total sum of £2,747,331 on account of our remuneration, against total time costs of £3,072,929 incurred since the date of our appointment.

To date, creditors have approved our fees in the total sum of £3,001,839.

Why the 2019 – 2020 Fees Estimate was exceeded

Further to the overview of the actions and steps taken during the period covered by this report set out in section 4 of this report, we have further clarified the reasons why we consider the annual fees estimate has been exceeded below:

- Work has been undertaken during the period in excess to that which was expected in our previous report, in connection with extended negotiations and settlement in respect of s.127 void dispositions. This work has generated substantial realisations in the Liquidation;
- Specific asset recovery actions have been progressed during the period, following settlements reached, that were not originally projected to take place during this period. This work has included considerable levels of strategic discussions and correspondence with various professional third parties; and
- Considerable work has also taken place in connection with the Service Out Application. The amount of work involved in the Service Out Application was greater than anticipated following an Order from the Court requiring the Liquidators to file an extensive witness statement, part way through the period. Substantial additional costs have been incurred by our forensics department in producing evidence in support of the Issued Claims and Service Out Application.

In light of the above, we are seeking creditors' approval for additional costs incurred in excess of our previous annual fees estimate by way of a Decision Procedure. The documentation which we require creditors to complete and return has been sent separately, which confirms that we are not seeking to recover certain costs that have been recorded on this code that we have identified as relating to internal administrative tasks and not specific work on the Liquidation.

On review of our time records, we have identified time charged in the sum of £247.50 which does not relate to case-specific work but rather our firm's internal processes. We are therefore not seeking to recover this amount, and this is reflected in the resolutions sought in respect of the costs overrun we are seeking approval for.

Time Costs Analysis

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

- ☐ Time Costs Analysis for the period 5 June 2019 to 4 June 2020
- ☐ Time Costs Analysis for the period 5 June 2015 to 4 June 2020
- ☐ Begbies Traynor (Central) LLP's charging policy

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. An additional analysis is also attached which details the time costs for the entire period for which we have administered the liquidation.

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

As required in accordance with best practice and statutory guidelines, we have provided regular updates to creditors, in respect of this matter while also consulting with creditors in respect of our proposed actions including the Issued Claims and the s.127 dispositions.

Annual Fees Estimate for 2020 - 2021

As provided in our previous annual reports, we have included with this report a forecast of the fees expected to be incurred in the next 12 months of the Liquidation, namely 5 June 2020 to 4 June 2021. Accordingly, included at Appendix 2 is our fees estimate which amounts to £797,000, which is complimented by the narrative provided at section eight below.

Accordingly, and in addition to the above Decision, we are also seeking creditors' approval of this annual fees estimate via a Decision Procedure. Further details in this respect are set out at section 11 of this report and as provided for in the documentation circulated with this report.

We will continue to provide, and obtain creditors' approval of, annual fee estimates as the Liquidation progresses.

Disbursements

To 4 June 2020, we have also drawn disbursements in the sum of £15,318.

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 our last report to creditors in accordance with our firm's policy, a copy of which is at Appendix 2.

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 £
<p>Eddisons Commercial Limited, which is a member of the Begbies Traynor group, has provided professional valuation advice in respect of 338 Canal Wharf and was engaged to realise the property.</p> <p>Further, Eddisons Commercial Limited have been engaged to provide strategic options reviews, rent collection services and ongoing valuation and sales advice in respect of 44 Temple House, 332 Canal Wharf and the Coppice properties.</p> <p>The purpose for engaging Eddisons Commercial Limited was to ensure maximum realisations are achieved in this respect.</p>	<p>338 Canal Wharf - £2,630</p> <p>44 Temple House Options Report - £950 Ongoing valuation and sales advice based on a percentage of realisations at 1.5%.</p> <p>332 Canal Wharf Options Report - £250 Ongoing valuation and sales advice based on a percentage of realisations at 1.5%.</p> <p>1 and 2 The Coppice Options Report - £1,750 Ongoing valuation and sales advice based on a percentage of realisations at 1.5%.</p> <p>Please note that in view of the uncertainty and operational issues caused by the COVID-19 pandemic, certain costs may be increased and this position will be fully reviewed and reported in due course.</p>

RemoteZone, which is a trading style of Eddisons Commercial Limited, a member of the Begbies Traynor group, has provided security and insurance compliance services in relation to 44 Temple House, 332 Canal Wharf and 1 & 2 the Coppice.	£3,031.10 Please note that not all of these costs have been defrayed at the date of this report and are being incurred on an ongoing basis due to the nature of the security and insurance compliance services provided.
<p>Eddisons Insurance Services Limited ("EIS"), which is a member of the Begbies Traynor group, has provided insurance brokerage services, having arranged open cover insurance in relation to the Company's assets.</p> <p>The manner in which EIS receives payment of its commission from the insurer has changed.</p> <p>The commission was previously paid to EIS by the insurer. However, as a result of a change of invoicing process, EIS now raises invoices for the premium(s) payable on the insurer's behalf and receives payment from the insolvent estate. EIS in turn, accounts to the insurer for the premium(s) payable after deducting any commission payable by the insurer.</p> <p>EIS may apply administration charges to the account if considered necessary or appropriate. Where administration fees have been charged on this case, they are detailed here.</p>	£4,828.95

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2015' 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. A cumulative statement showing the total expenses incurred since the date of our appointment also appears at Appendix 3.

Expenses actually incurred compared to those that were anticipated

In our previous progress report we provided details of the expenses incurred up to 4 June 2019, which amounted to a total of £2,958,814.

Additionally, an estimate of the expenses anticipated to be incurred in the period covered by this report was also provided in the range of £773,510 to £1,356,269. The actual expenses incurred during the period covered by this report amount to £960,394 plus the Eddisons Commercial costs set out above, which are ongoing and subject to final review. It is therefore expected that the actual expenses will fall comfortably within the range provided with last year's report.

Included at Appendix 3 is an estimate of the expenses expected to be incurred in the next 12 months of the Liquidation, having consideration to the various complex matters which remain to be dealt with, as summarised in this report. This forecast represents our best estimate at this time and is subject to change in line with the progression of the matters to which the costs pertain.

Our estimate accounts for expenses in the range £923,598 - £1,466,357 will be incurred in the next 12 months.

A further update will be provided in our next annual report, in line with our statutory obligations.

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

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

Due to the nature and size of this Liquidation we will be required to continually examine and review our case files in order to ensure all key decision are correctly documented. We will carry out periodic case reviews which will also highlight areas where the Liquidation can be progressed further.

Also, due to the complexity of the Liquidation we will be required to hold various internal and external strategic planning meetings in order to ensure the case is progressed efficiently and all areas of enquiry and investigation are dealt with appropriately in order to generate the best result for creditors.

It remains the case that the level of material/documentation generated by our ongoing investigation and litigation actions is significant. As such, we expect considerable time will be required to properly and accurately maintain our records, in accordance with best practice.

Compliance with the Insolvency Act, Rules and best practice

As discussed in our previous reports to creditor, it will be a continuous requirement for us to produce a progress report at least once a year and one at the conclusion of the Liquidation. We are also required to seek the views of creditors as necessary and to file our progress reports with the Registrar of Companies.

The complex nature of this matter, in addition to our requirement to keep creditors apprised of the progress and costs of the Liquidation, contributes to the forecasted costs set out in the attached annual fee estimate for the period 5 June 2020 to 4 June 2021. The forecast costs are comparable with those incurred in the period covered by this report based upon our assessment of the ongoing work required in this matter.

Investigations and Asset Realisations

To date, considerable investigation time has been incurred in association with the historic trading activity of the Company, and its involvement in MTIC VAT fraud. In future periods we consider this will continue due to the level of ongoing work regarding s.127 claims, the ongoing asset tracing exercise, preparatory work regarding various proceedings and claims, the various complex financial transactions involving Mr Tsai, his associates and the nominee names used by Mr Tsai to disguise his business and financial dealings.

We continue to expect time will be incurred analysing the documents provided to the Liquidators by financial institutions, and which we consider relevant to our ongoing litigation actions. Time charged by our forensics colleagues in relation to the OCR analysis of bank statements will continue to be allocated under this heading.

Our investigations are integral to the progression of the matter generally and the final outcome in the Liquidation is entirely contingent on the result achieved in this respect. As may be seen from actions taken to date, this work has underpinned substantial s.127 realisations into the estate, the recovery of real property assets and the identification of further claims which have been articulated in the Issued Claims and Service Out Application.

We have also accrued for the costs of dealing with assets recovered into the Liquidation, in relation to obtaining possession in order that the appropriate disposal strategies can be implemented.

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

We will continue to consult with the creditors of the Company on the ongoing matters in the Liquidation. This consultation is expected to continue to take the form of regular update meetings.

Other matters which includes seeking decisions of creditors via the deemed consent procedure and/or decision procedures, meetings, tax, litigation, pensions and travel

In view of the ongoing litigation in association with the Issued Claims, the Service Out Application and the substantial wider actions underway to recover funds misappropriated from the Company, we expect we will be required to attend a number of further internal and external meetings with a number of parties, including with our solicitors and advisors, in order to progress the ongoing actions.

Additionally, any time incurred in attending possible s.127 settlement meetings and relevant travel will be allocated under this heading.

As in previous periods, we will liaise with our accountants, Sagars Accountants Limited, in order to deal with the Company's complex tax affairs generally, and also specifically in relation to matters arising from the recovery of property assets into the Liquidation estate, settlements entered into and the treatment of each of these items for tax purposes.

Finally, any time incurred in seeking the decisions of creditors in relation to any decisions proposed by the Liquidators will be recorded here.

How much will this further work cost?

As discussed in our previous reports, due to the size and complexity of the Liquidation and unpredictability in relation to any litigation, we are unable to accurately project either the total duration, or the total expected costs, of the Liquidation.

Accordingly, in line with our previously agreed format, we include with this report an estimate of our costs for the next 12 months of the Liquidation (i.e. 5 June 2020 to 4 June 2021) which we project will total £797,000 in line with the forecast included at Appendix 2 entitled Further Fees Estimate. An estimate of the next year's expenses is also provided at Appendix 3.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are set out at Appendix 3.

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. Our actions to date in this respect are set out above in this report, to the extent we are able to do so, and remain ongoing.

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

11. SEEKING DECISIONS OF CREDITORS

We are seeking the approval of creditors on the basis of our remuneration relating to our time costs incurred in excess of our previous estimate and for our anticipated time costs for the next 12 months of the Liquidation.

We intend to seek the following decision in relation to the approval of our remuneration via a Decisions Procedure by correspondence and a notice providing further information about the decisions sought has been sent to creditors. Accordingly, we intend to seek the approval of the following decisions:

- THAT the Joint Liquidators' be authorised to draw the additional sum of £70,730.50 in respect of their time costs for the period 5 June 2019 to 4 June 2020, being the additional costs incurred in excess of the fees estimate dated 30 July 2020, which was approved by creditors; and
- THAT the Joint Liquidators' remuneration for the period 5 June 2020 to 4 June 2021 be fixed by reference to the time properly given by the Joint Liquidators (as Joint Liquidators) and the various

grades of their staff calculated at the prevailing hourly charge out rate of Begbies Traynor (Central) LLP for attending to matters arising in the Liquidation as set out in the fees estimate, dated 30 July 2020 in the sum of £797,000.00 which appears at Appendix 2, be approved.

12. CONCLUSION

As we are seeking the approval of creditors of our further fees estimate, a notice of a Decision Procedure by correspondence providing further information about the decisions being sought, in addition to a voting form, has been sent to creditors.

Should any creditor require further explanation of matters contained within the report, they should contact our office and speak in the first instance to the Jonathan Bird who will be pleased to assist.

We will report again in approximately twelve months' time.



N Reed
Joint Liquidator

Dated: 30 July 2020

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 5 June 2019 to 4 June 2020

Statement of Affairs	From 05/06/2019 To 04/06/2020	From 05/06/2015 To 04/06/2020
£	£	£
ASSET REALISATIONS		
Bank Interest Gross	60,926.49	113,524.77
1,000.00 Cash at Bank	NIL	2,844.52
Deposit on creditor petition	NIL	1,165.00
FOREX Gain/Loss Re s.127 Settlements	12,701.11	(21,479.36)
Interest Accrued on WM Client A/C	378.78	431.73
Ji-Chuen Tsai Bankruptcy Repayment	53,728.64	53,728.64
Recovery of post-petition dispositions	895,910.46	14,370,947.55
Rent Apportionment	109.25	109.25
Sale of Land & Property	168,000.00	168,000.00
Settlements with Third Parties	17,500.00	17,500.00
Tax Refund	NIL	1,771.95
	1,209,254.73	14,708,544.05
COST OF REALISATIONS		
Accommodation Costs	NIL	1,983.68
Accountant's Fees	5,600.00	25,250.00
Agent's disbursements	NIL	2,100.42
Agents fees	1,412.03	104,787.46
Bank charges	326.15	720.65
Claim Costs	65,000.00	65,000.00
Corporation Tax	12,185.29	22,704.94
Counsel Fees	77,292.29	361,513.29
Court Costs	13,593.38	19,398.24
Data Analysis and Hosting costs	9,120.00	40,702.75
DBIS Audit Fees	118.90	470.90
DBIS Cheque Fees	16.35	65.15
Insurance of Assets	452.61	2,798.21
Ji-Chuen Tsai Bankruptcy	13,408.64	53,728.64
Legal agent fees re hearings	NIL	805.00
Legal Disbursements	2,105.13	6,734.66
Legal Fees	732,778.82	2,821,220.25
Legal Search Fees	65.00	587.56
Legal travel expenses	4,282.01	21,246.14
Liquidators' Expenses	(37.20)	735.70
Liquidators' Fees	720,000.00	2,747,331.45
Mileage costs	NIL	266.46
Notarial Fees	NIL	1,342.87
O.R. Administration fee	NIL	2,400.00
Photocopying costs	NIL	5,573.79
Postage Costs	1,684.31	3,420.09
Property Agents/Valuers fees	5,130.00	10,830.00
Sage Consultancy Fees	NIL	860.06
SAGE Hosting Costs	NIL	3,335.00
Search and filing fees	24.00	666.63
Secretary of State Fees	NIL	80,000.00

Security Costs	NIL	1,130.00
Service Charge and Ground Rent	14,322.79	14,322.79
Specific Bond	NIL	1,210.00
Stationery	NIL	114.56
Statutory Advertising	NIL	84.60
Storage Costs	490.96	1,730.96
Subsistence	87.95	1,721.28
Telegraphic Transfer costs	30.90	30.90
Transcriber fees	NIL	10,835.76
Translation fees	505.00	15,472.11
Travel costs	(119.00)	9,381.90
	(1,679,876.31)	(6,464,614.85)

REPRESENTED BY

Funds Subject to Further Determination	12,237.28
ISA (Interest Bearing)	8,037,859.23
Vat Control Account	162,597.18
Vat Receivable	31,235.51

8,243,929.20


 Nicholas Edward Reed
 Joint Liquidator

Note: The statement of affairs figures provided above is based wholly upon information supplied by the director to the Official Receiver during his interview conducted following the winding-up of the Company.

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 5 June 2019 to 4 June 2020;
- c. Cumulative Time Costs Analysis for the period from 5 June 2015 to 4 June 2020;
- d. Fees Estimate for the period 5 June 2021 to 4 June 2021.

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 physical meetings of creditors is charged at the rate of £100 (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;

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

² Ibid 1

Expenses which should be treated as Category 2 disbursements (approval required) – 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.

Services provided by other entities within the Begbies Traynor group

The following items of expenditure 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):

Instructions to Date

Eddisons Commercial Limited (trading as RemoteZone) have been instructed to provide security and remediation services in respect properties recovered into the Liquidation estate. Their charges for providing these services will be calculated on a case by case basis and will be reported annually. Please see the body of the report for further information in this respect.

Eddisons Commercial Limited have also been instructed to provide valuation and realisation advice to the Liquidators in respect of 338 Canal Wharf. The cost associated with their instruction is as follows:

- Cost of preparing property options report and valuation of the property £950; and
- Cost of realising the property (including managing the sale process) 2.5% gross realisations.

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.

- (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 Leeds office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour) 1 December 2018 – until further notice
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

Prior to 1 December 2018, the following rates applied:

Grade of staff	Charge-out rate (£ per hour)
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Junior 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.

The office holder may use the services of BTG Forensic during the course of the case. BTG Forensic is a specialist department of the office holder's firm which provides forensic accounting services. The current charge-out rates applying to work carried out by BTG Forensic are as follows:

Grade of staff	Charge-out rate (£ per hour)
Partner	495
Senior Manager	395
Forensic Senior	225

SPT GROUP SOLUTIONS UK LIMITED - WINDING UP COMPANY - ACCOUNTING TIME CASH FLOW STATEMENTS FROM 01/01/2019 TO 31/03/2020

ACCOUNTS	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000	3001	3002	3003	3004	3005	3006	3007	3008	3009	3010	3011	3012	3013	3014	3015	3016	3017	3018	3019	3020	3021	3022	3023	3024	3025	3026	3027	3028	3029	3030	3031	3032	3033	3034	3035	3036	3037	3038	3039	3040	3041	3042	3043	3044	3045	3046	3047	3048	3049	3050	3051	3052	3053	3054	3055	3056	3057	3058	3059	3060	3061	3062	3063	3064	3065	3066	3067	3068	3069	3070	3071	3072	3073	3074	3075	3076	3077	3078	3079	3080	3081	3082	3083	3084	3085	3086	3087	3088	3089	3090	3091	3092	3093	3094	3095	3096	3097	3098	3099	3100	3101	3102	3103	3104	3105	3106	3107	3108	3109	3110	3111	3112	3113	3114	3115	3116	3117	3118	3119	3120	3121	3122	3123	3124	3125	3126	3127	3128	3129	3130	3131	3132	3133	3134	3135	3136	3137	3138	3139	3140	3141	3142	3143	3144	3145	3146	3147	3148	3149	3150	3151	3152	3153	3154	3155	3156	3157	3158	3159	3160	3161	3162	3163	3164	3165	3166	3167	3168	3169	3170	3171	3172	3173	3174	3175	3176	3177	3178	3179	3180	3181	3182	3183	3184	3185	3186	3187	3188	3189	3190	3191	3192	3193	3194	3195	3196	3197	3198	3199	3200	3201	3202	3203	3204	3205	3206	3207	3208	3209	3210	3211	3212	3213	3214	3215	3216	3217	3218	3219	3220	3221	3222	3223	3224	3225	3226	3227	3228	3229	3230	3231	3232	3233	3234	3235	3236	3237	3238	3239	3240	3241	3242	3243	3244	3245	3246	3247	3248	3249	3250	3251	3252	3253	3254	3255	3256	3257	3258	3259	3260	3261	3262	3263	3264	3265	3266	3267	3268	3269	3270	3271	3272	3273	3274	3275	3276	3277	3278	3279	3280	3281	3282	3283	3284	3285	3286	3287	3288	3289	3290	3291	3292	3293	3294	3295	3296	3297	3298	3299	3300	3301	3302	3303	3304	3305	3306	3307	3308	3309	3310	3311	3312	3313	3314	3315	3316	3317	3318	3319	3320	3321	3322	3323	3324	3325	3326	3327	3328	3329	3330	3331	3332	3333	3334	3335	3336	3337	3338	3339	3340	3341	3342	3343	3344	3345	3346	3347	3348	3349	3350	3351	3352	3353	3354	3355	3356	3357	3358	3359	3360	3361	3362	3363	3364	3365	3366	3367	3368	3369	3370	3371	3372	3373	3374	3375	3376	3377	3378	3379	3380
----------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

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

Further to the information set out in the report, the Liquidators are seeking to be remunerated on a time costs basis. Details of our firm's hourly charge-out rates are set out in the charging policy which accompanies this estimate. Prior to creditors determining the basis upon which we are to be remunerated, we are obliged to produce a fees estimate and to provide it to each creditor of whose details we are aware so that it may be approved in the same time as the basis of our remuneration.

Our anticipated fees for the period 5 June 2020 to 4 June 2021 is set out below. Please note that blended hourly rates have been used (as they were for the original estimate) which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column. Details of the hourly rates that will be charged for each level of staff working on the case form part of this Appendix.

Details of the work that the liquidators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	210	65,000	309.52
Compliance with the Insolvency Act, Rules and best practice	48	17,000	354.17
Investigations	645	190,000	294.57
Realisation of assets	580	220,000	379.31
Trading	-	-	-
Dealing with all creditors' claims (including employees), correspondence and distributions	75	25,000	333.33
Other matters which includes seeking decisions of creditors via the deemed consent procedure and/or decision procedures, meetings, tax, litigation, pensions and travel	780	280,000	358.97
Total hours	2,338		
Total time costs		797,000	
Overall average hourly rate £			340.89

We have summarised below our considerations that are pertinent to the allocation of costs in this fee estimate:

- There will continue to be a considerable requirement for case strategy and planning in conjunction with the ongoing litigation, although reduced from the prior period as the litigation is ongoing;
- Ongoing statutory costs have been provisioned broadly in line with previous years;
- A continued level of investigation costs are envisaged in association with ongoing litigation; which will include input from our Forensics team where necessary;
- We have provisioned time for dealing with the realisation of property assets recovered into the Liquidation, incorporating any short to middle term "hold" strategies which may be adopted in order to maximise realisations;
- Time spent dealing with creditors will comprise the requirement for ongoing consultation with creditors and the complexities which arise in the Company's Corporation Tax position, which is likely to impact on the claims position in both the Liquidation and the Jason Tsai Bankruptcy estate;
- The ongoing legal proceedings are expected to be time consuming, with work driven by the Court timetables set as the litigation progresses. It continues to be assumed that meetings will continue to be held to a similar degree as they have been to date; and
- The estimate of time expected to be recorded against each action area has been considered alongside the average hourly charge out rates that have been attributed to each action area for the Liquidation to date.

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>.

Dated: 30 July 2020

DETAILS OF THE EXPENSES THAT THE LIQUIDATORS CONSIDER WILL BE, OR ARE LIKELY TO BE INCURRED BETWEEN 5 JUNE 2020 AND 4 JUNE 2021

	Type of expense	Description	Estimate £
1.	Advertisements	Of dividends etc.	Nil – 169
2.	Storage costs	An Insolvency Practitioner is required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	500 – 700
3.	Agent's fees and disbursements	For the provision of professional assistance and anticipated disbursements, including associated security costs.	1,000-30,000
4.	Legal fees and disbursements	The fees of any solicitors and/or barristers instructed to assist the Insolvency Practitioner and their anticipated disbursements, including court costs	850,000 – 1,150,000
5.	Counsel fees	Counsel fees in association with ongoing litigation	50,000 – 200,000
6.	Bank charges	An Insolvency Practitioner is required to operate a separate bank account in relation to the insolvent entity's estate	Nil – 300
7.	Investigation expenses	Any sums paid to any third party that assists the Insolvency Practitioner with investigating the affairs of the insolvent entity	10,000 – 50,000
8.	Travel & Accommodation	To and from meetings in connection with the matters set out in this report	2,000 – 10,000
9.	Insolvency Services Account Quarterly fee	In a compulsory liquidation the Insolvency Practitioner is required by statute to hold all of the estate funds in the Insolvency Services Account	88
10.	Insolvency Service cheque fees	Where the Insolvency Practitioner is obliged to use the Insolvency Services Account he/she is required to pay a cheque fee when monies are paid out of the account by cheque	10 - 100
11.	Data analysis and hosting costs	In connection with our ongoing investigations	5,000 – 15,000
12.	Accountant's fees	For the provision of advice and performing Corporation Tax work on behalf of the Company	5,000 – 10,000

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				
Legal Fees	Walker Morris LLP	651,859.00	669,466.50	172,096.15
	TSMP Law	18,508.29	16,558.54	1,949.75
	Sequor Law	46,753.78	46,753.78	0.00
	Tanner De Witt	4,862.80	900.29	6,930.81
Legal Disbursements	Walker Morris LLP and others	2,105.13	2,105.13	0.00
Legal Travel Expenses	Walker Morris LLP and others	4,282.01	4,282.01	0.00
Translation Fees	Walker Morris LLP	505.00	505.00	0.00
Legal Search Fees	Walker Morris LLP and others	65.00	65.00	0.00
Travel costs	Various	(119.00)	(119.00) ²	0.00
DBIS costs	Insolvency Services	135.25	135.25	0.00
Counsel Fees	Various	105,892.29	77,292.29	18,200.00
Data Analysis and Hosting Costs	MD5 Limited	9,120.00	9,120.00	0.00
Bank Charges	Various	357.05	357.05	0.00
Agent's fees ³	SIRS Europe	1,978.43	1,978.43	0.00
	BTW (North)	150.00	150.00	0.00
Search and filing fees	Various	24.00	24.00	0.00
Corporation Tax	HM Revenue & Customs	12,185.29	12,185.29	0.00
Postage Costs	Various	1,599.81	1,684.31	0.00
Storage costs	Restore Plc	512.40	490.96	219.64
Court Costs	Walker Morris LLP and others	13,593.38	13,593.38	0.00

Subsistence	Various	0.00	87.95	0.00
Accountant's fees	Sagars Accountants Limited	5,600.00	5,600.00	0.00
Ji-Chuen Tsai Bankruptcy	The Trustees of Ji-Chuen Jason Tsai	13,408.64	13,408.64	0.00
Claim Costs	Various	65,000.00	65,000.00	0.00
Liquidators' Expenses	Begbies Traynor (Central) LLP	(37.20)	(37.20) ⁵	0.00
Service Charge and Ground Rent Costs	Various	14,322.79	14,322.79	0.00
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
Agent's Fees paid to Eddisons	RemoteZone	1,783.60	3,031.10	1,247.50
Insurance of Assets	Eddisons Insurance Services Limited	2,483.35	4,828.95	2,345.60
Property Agents/valuers fees	Eddisons Commercial Limited	2,630.00	5,580.00 ⁶	2,950.00

Note¹: General

Where costs paid in the period may exceed those incurred, such payments will relate to brought forward outstanding balances due for a prior period(s). This may therefore leave a balance outstanding in respect of the costs incurred during the period covered by this report.

Similarly, where costs remain outstanding at the period end, these are reflected in the balance to be discharged column.

Note²: Travel Costs

Creditors will note that Travel Costs paid during the period are shown as negative. This is as a result of an adjustment made for previously over-charged travel costs, which was identified during the period covered by this report. As such, the expense posting was removed from the case and a refund applied by way of a cash credit against fees drawn.

Note³: Agents Fees

Creditors will note that a £2,500 credit is listed on the receipts and payments account against agent's fees. This relates to a duplicated payment. The error was identified and set off against a future invoice to reconcile the position. To clarify, the Liquidation estate has suffered no loss in this respect. This is not set out in the above table of Expenses.

Note⁴: FOREX

A receipt of £12,701 has been reflected in the receipts and payments account. This relates to the relative movement in strength of different currencies operated in the ISA and the effective currency of certain settlement agreements entered into.

This is an accounting transaction only and no physical money has been received in excess of that received pursuant to the original settlement agreements. This is not set out in the above table of Expenses.

Note⁵: Liquidators Expenses

During the period it was identified that certain storage costs should be reclassified elsewhere on the receipts and payments account. This accounts for the £37 credit during the period.

Note⁶: Eddisons Commercial Limited

Please see our comments at section six for further details in this respect.

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Legal Fees	Walker Morris LLP	2,819,991.50
	TSMP LLP	66,338.52
	Sequor Law	46,753.78
	Tanner De Witt	51,819.14
	Brett Wilson LLP	3,975.00
	Allen & Gledhill LLP	14,219.21
Legal disbursements	Walker Morris LLP and others	6,734.66
Legal travel expenses	Walker Morris LLP and others	21,246.14
Legal agent fees regarding hearings	Walker Morris LLP and others	805.00
Legal search fees	Walker Morris LLP and others	587.56
Court fees	Walker Morris LLP and others	19,398.24
Translation fees	Walker Morris LLP	15,472.11
Transcriber fees	Walker Morris LLP	10,835.76
Counsel fees	Various	379,713.29
Data analysis and hosting costs	MD5 Limited	40,702.75
Photocopying costs	Various	5,573.79
Bond	Marsh Limited	1,210.00
Agent's fees	Various	104,787.46
Agent's disbursements	Various	2,100.42
Stationery	Various	114.56
Search and filing fees	Various	666.63
Accommodation Costs	Various	1,983.68
Corporation Tax	HM Revenue & Customs	22,704.94
Postage costs	Various	3,420.09
Bank charges	Various	751.55

Storage costs	Restore Plc	1,730.96
Statutory advertising	Courts Advertising Limited	84.60
SAGE hosting costs	CPiO Limited	3,335.00
SAGE consultancy costs	CPiO Limited	860.06
Secretary of State fees	Secretary of State – Ad Valorem	80,000.00
Official Receiver's administration fee	Secretary of State	2,400.00
Travel Costs	Various	9,648.36
Notarial Fees	Various	1,342.87
DBIS costs	The Insolvency Service	536.05
Accountant's fees	Sagars Accountants Limited	25,250.00
Insurance premium paid to Eddisons	Eddisons Insurance Services Limited	2,798.21
Claim Costs	Various	65,000.00
Funding of Ji-Chuen Jason Tsai Bankruptcy	The Trustees of Ji-Chuen Jason Tsai	53,728.64
Security Costs	Eddisons Commercial Limited	1,130.00
Service Charge and Ground Rent	Various	14,322.79