

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

03220609

Name of Company

Piermont Limited

I / We

Lee De'ath, CVR Global LLP, Balkerne Hill, COLCHESTER, Essex, CO3 3AD

Richard Toone, CVR Global LLP, New Fetter Place West, 55 Fetter Lane, LONDON, EC4A 1AA

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 25/02/2015 to 24/02/2016

Signed



Date

18/04/2016

CVR Global LLP
Town Wall House
Balkerne Hill
Colchester
Essex
CO3 3AD

Ref PIER39545/LMD/GP/JP

TUESDAY



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#154

COMPANIES HOUSE

**Piermont Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 25/02/2015 To 24/02/2016	From 25/02/2011 To 24/02/2016
	ASSET REALISATIONS		
105,000 00	Leasehold Property	NIL	80,000 00
50,000 00	Land Investment	NIL	NIL
Uncertain	Debtors (Pre-Appointment)	1,902 00	33,508 00
3,200 00	Cash at Bank	NIL	3,350 48
	Rent	NIL	3,300 00
	Other Current Assets	NIL	NIL
	Bank Interest Gross	73 94	651 73
	Directors Settlement Agreement	61,500 00	61,500 00
1,000 00	Rent Deposit	NIL	752 50
	Rates Refund	NIL	75 76
	Contribution to Cost	NIL	750 00
		<u>63,475 94</u>	<u>183,888 47</u>
	COST OF REALISATIONS		
	Specific Bond	NIL	232 00
	Preparation of S of A	NIL	5,000 00
	Office Holders Fees	26,738 00	71,733 00
	Travel Expenses	37 92	95 22
	Agents/Valuers Fees (1)	NIL	1,600 00
	Legal Fees (1)	42,355 50	57,555 18
	Case Transfer Cost	NIL	104 28
	Corporation Tax	NIL	919 21
	VAT	13,421 88	26,858 00
	Utilities	NIL	294 17
	Statutory Advertising	NIL	312 48
	Rates	NIL	1,270 56
	Insurance of Assets	NIL	424 00
	Bank Charges	0 74	1 11
		<u>(82,554 04)</u>	<u>(166,399 21)</u>
	UNSECURED CREDITORS		
(1,800 00)	Trade and Expense Creditors	NIL	NIL
(370,537 00)	HM Revenue and Customs	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(213,137.00)</u>		<u>(19,078.10)</u>	<u>17,489.26</u>

REPRESENTED BY

Bank Current Account

17,489 26

17,489.26

Note



Lee De'ath

Joint Liquidator
14 April 2016 15 04

**IN THE MATTER OF
PIERMONT LIMITED – IN LIQUIDATION
("THE COMPANY")**

COMPANY NO: 03220609

**REPORT OF THE JOINT LIQUIDATOR
PURSUANT TO SECTION 104A
OF THE INSOLVENCY ACT 1986 (AS AMENDED)**

CVR Global LLP

**Town Wall House
Balkerne Hill
Colchester
Essex
CO3 3AD**

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PIERMONT LIMITED – IN LIQUIDATION

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PIERMONT LIMITED – IN LIQUIDATION**REPORT OF THE JOINT LIQUIDATOR****18 APRIL 2016****INTRODUCTION**

I, Lee De'ath of CVR Global, together with my partner, Richard Toone, was appointed Joint Liquidator of the above Company on 25 February 2011

In accordance with Section 104A of The Insolvency Act 1986 (as amended) I am pleased to present my report on the progress in the Liquidation. This report relates to the period from 25 February 2015 to 24 February 2016

BACKGROUND

This report should be read in conjunction with all my previous reports to creditors, copies of which are available on request

RECEIPTS AND PAYMENTS ACCOUNT

An abstract of the Joint Liquidators' Receipts and Payments for the period concerned is attached at Appendix 1

ASSET REALISATIONS

To date, the following assets have been realised as compared to the Directors' Estimated Statement of Affairs

	Estimated To Realise	Realised To Date
	£	£
Leasehold Property	105,000	80,000
Land Investment	50,000	Nil
Debtors	Uncertain	33,508
Cash at Bank	3,200	3,350
Rent	Nil	3,300
Director Settlement Agreement	Nil	61,500
Bank Interest Gross	Nil	652
Rent Deposit	1,000	753
Rates Refund	Nil	76
Contribution to Legal Costs	n/a	750
Total	159,200	183,888

Details of asset recoveries to date are set out below

Details of asset recoveries to date and those asset realised during period covered by this report, together with any assets still to be realised, are set out below

Land Investment

As creditors are aware, the Company owns a 1 acre plot within a plantation in Costa Rica. This was originally purchased in October 2010 for £50,000 and transferred to the Company in part settlement of the sums owed to the Company from one of the associated debtors.

We are advised that until the plantation is harvested in 2027, there is currently no value that can be attributed to the asset until 4 years prior to maturity and cultivation. The agents have provided a projected value of between £65,000 and £75,000 should everything proceed as planned.

The Liquidators are continuing to look at the options available in connection with the scheme.

Debtors

As detailed in my previous reports to creditors, at the date of our appointment, the sum of £33,208 was due to the Company from two associated companies. I can confirm that all sums due from both associated entities. An over-payment was received from one debtor which has been refunded in the period outside of this report.

Directors Settlement

Investigations into the affairs of the Company leading up to the liquidation gave rise to possible claims against the directors. After initial letters of claim being issued it was agreed by all parties that mediation be set for 25 September 2015.

The outcome of the mediation was a full and final settlement of £120,000 in respect of all claims against each party concerned payable on the deferred terms. My acceptance of the offer was based on advice received from Counsel, having taken into consideration the merits of the claims against the parties, the risks associated with progressing the matter to Court and the ability to pay of the respondents.

All sums due under the agreement to date have been received, the balance due under the agreement are to be settled by 31 March 2017.

Please note that as part of the agreement to settle, the specific contents of the same were to be kept confidential.

Bank Interest Gross

Gross bank interest has accrued on the funds held in the Liquidators' bank account in the sum of £652 of which £74 has been received in the period covered by this report.

DIVIDEND PROSPECTS

Secured Creditors

As reported previously, at the date of our appointment, there were three aged charges registered against the Company at Companies House, however the directors were not aware of any sums owing to the charge holders. Our investigations have not determined any sums due under the charges registered against the Company.

Preferential Creditors

The Company did not have any employees and as such no preferential claims were anticipated and none have been received.

Prescribed Part

Pursuant to Section 176A of The Insolvency Act 1986 (as amended), a Prescribed Part of the Company's net assets should be set aside for the benefit of unsecured creditors. This reduces the funds that would otherwise be made available to any secured creditor under Floating Charges created after 15 September 2003.

On the basis that there are no floating charges created after 15 September 2003 registered against the Company, the provisions of Section 176A(3) do not apply.

Unsecured Creditors

The Directors' statement of affairs estimated that unsecured claims would be in the region of £372,337.

I can confirm that final claims have been received from unsecured creditors in the sum of £372,747 as detailed below:

	£
Accountant's Fees	1,800
HM Revenue and Customs – Corporation Tax	370,947

I can advise that in the period after that covered by this report a distribution to unsecured creditors totalling £15,000 has been paid, this equated to 4.02 pence in the pound of the total agreed claims. It is anticipated that further distributions will be made to unsecured creditors from the estate, however the quantum and timing is wholly dependant on the receipt of the balance of sums due under the Directors Settlement agreement.

COSTS OF REALISATION

The following costs have been paid in the period of this report

	£
Travel Expenses	37 92
Corporation Tax	0 74
	<u>38 66</u>

Other Costs**Legal Fees**

Solicitors, Birkett Long LLP, have in view of their general experience and expertise during the period continued to assist the Joint Liquidators in various areas of the liquidation. They have spent considerable time dealing with the preparation of claims against the directors and in deed with corresponding with the legal representatives of all parties. They, along with Counsel, attended the mediation to provide me with the assistance required.

BL and Counsel were instructed on a time costs basis to prepare the necessary claims and seek settlement from the parties concerned.

The costs incurred and settled during the period total £42,355 50 plus VAT, this amount includes both Counsel's opinion on the claim and attendance at the mediation.

VAT

The Company was not registered for VAT, therefore irrecoverable VAT of £13,421 88 has been incurred during the period of this report.

JOINT LIQUIDATOR'S REMUNERATION AND DISBURSEMENTS

At the Meeting of Creditors held on 25 February 2011 creditors agreed that the Chantrey Vellacott DFK LLP be paid £5,000 for assistance in preparing the Directors' Statement of Affairs and convening the creditors' meeting.

At the same meeting, the creditors also passed a resolution enabling me to draw my remuneration based on my firm's time costs, and to draw Category 2 disbursements.

A summary of the Liquidators' time costs, covering the period since my appointment and the period covered by this report, analysed by grade of staff, are attached at Appendix 2.

In accordance with the Statement of Insolvency Practice 9 issued by the Association of Business Recovery Professionals and adopted by my professional licensing body, I advise that the overall time spent during the period of the Liquidation 25 February 2011 to 24 February 2016 and charge out value of that time is 308 90 hours and £1,992 respectively. In relation

solely to the period covered by this report, I advise that the overall time spent and charge out value of that time is 87 40 hours and £25,268 respectively

This equates to an average hourly charge out rate of £289 11 for the period covered by this report. These figures do not include VAT

To date, the Joint Liquidators have drawn fees in the sum of £71,733 and disbursements in the sum of £212 68 of which £26,738 and disbursements in the sum of £37 92 has been drawn since the last report

The work undertaken as Joint Liquidator is derived from the responsibilities placed upon me by the underlying legal and regulatory framework for work of this nature. I have been assisted by the assignment manager and administrator, together with secretarial staff and cashiers. All personnel were charged directly to the assignment for all of the time relating to the case

This case has several areas of complexity including dealing with the Investment Land held in Costa Rica and investigations into dividends declared and paid pre-liquidation which culminated in the issuing of the claims and the subsequent mediation and settlement.

In relation to work carried out, an element of this relates to statutory and best practice requirements as officeholder including but not limited to

- Reporting
- Review
- Asset realisations
- Investigation work
- Lodgement and assessment of creditor claims

Disbursements represent the reimbursement of actual out-of-pocket payments made on behalf of the assignment. These are outlined in the cost breakdown attached as outlined above

CHARGE OUT RATES

In common with other professional firms, my charge out rates increase from time to time over the period of the administration of the case. I enclose an explanation of office holders' charging and disbursement recovery policies for your reference as Appendix 3

A Creditors' Guide to Joint Liquidators' Fees, which provides information for creditors in relation to the remuneration of the Joint Liquidators, can be accessed at the website of the Association of Business Recovery Professionals at <https://www.r3.org.uk/what-we-do/publications/professional/fees>. Alternatively, I can provide you with a copy on written request to my office

RIGHT TO REQUEST FURTHER INFORMATION

I would draw your attention to Rule 4 49E and Rule 4 131 of the Insolvency Rules 1986 (as amended), the text of which is reproduced at Appendix 4. These Rules set out the

circumstances under which creditors may request further information in relation to the Joint Liquidator's remuneration and expenses and their right to challenge the Joint Liquidator's remuneration and expenses

INVESTIGATIONS

I have complied with my statutory duty in relation to the Directors conduct report which has been submitted to the Department for Business, Innovation and Skills, in accordance with the Company Directors Disqualification Act 1986

As previously requested, if creditors have any information they believe should be brought to my attention, please send such details in writing

CONCLUSION

The liquidation estate will remain open to allow for the collection of the sums due on deferred terms under the directors settlement agreement and to resolve the position regarding the plantation

Should you require any further information, in addition to that already given, please contact Graeme Purdy at this office, on 01206 217900



LEE DE'ATH

Joint Liquidator

Licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

**Piermont Limited
(In Liquidation)**


JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 25/02/2015 To 24/02/2016 £	From 25/02/2011 To 24/02/2016 £
RECEIPTS			
Leasehold Property	105,000 00	0 00	80,000 00
Land Investment	50,000 00	0 00	0 00
Debtors (Pre-Appointment)	Uncertain	1,902 00	33,508 00
Cash at Bank	3,200 00	0 00	3,350 48
Rent		0 00	3,300 00
Bank Interest Gross		73 94	651 73
Directors Settlement Agreement		61,500 00	61,500 00
Rent Deposit	1,000 00	0 00	752 50
Rates Refund		0 00	75 76
Contribution to Cost		0 00	750 00
		<u>63,475 94</u>	<u>183,888 47</u>
PAYMENTS			
Specific Bond		0 00	232 00
Preparation of S of A		0 00	5,000 00
Office Holders Fees		26,738 00	71,733 00
Travel Expenses		37 92	95 22
Agents/Valuers Fees (1)		0 00	1,600 00
Legal Fees (1)		42,355 50	57,555 18
Case Transfer Cost		0 00	104 28
Corporation Tax		0 00	919 21
VAT		13,421 88	26,858 00
Utilities		0 00	294 17
Statutory Advertising		0 00	312 48
Rates		0 00	1,270 56
Insurance of Assets		0 00	424 00
Bank Charges		0 74	1 11
Trade and Expense Creditors	(1,800 00)	0 00	0 00
HM Revenue and Customs	(370,537 00)	0 00	0 00
		<u>82,554 04</u>	<u>166,399 21</u>
Net Receipts/(Payments)		<u>(19,078 10)</u>	<u>17,489 26</u>

MADE UP AS FOLLOWS

Bank Current Account	(19,078 10)	17,489 26
	<u>(19,078 10)</u>	<u>17,489 26</u>

Note


 Lee De'ath
 Joint Liquidator

APPENDIX 2

**SUMMARY OF JOINT LIQUIDATORS'
TIMECOSTS AND DISBURSEMENTS**

PIERMONT CVL - PIER39545

Time and Chargeout Summary for the period 25/02/2011 to 24/02/2016							
Classification of work function	Hours					Time Cost £	Average hourly rate £
	Partner / Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & Planning							
(A)Appointment Documents	0 20	0 00	0 00	0 00	0 20	80 00	400 00
(A)Case Reviews	10 90	10 30	7 10	0 00	28 30	7,578 50	267 79
(A)Cashing	0 30	4 50	7 80	26 00	38 60	6,223 00	161 22
(A)General Administration	3 60	7 00	17 40	7 50	35 50	6,243 10	175 86
(A)JA Correspondence	0 00	0 10	0 00	0 20	0 30	53 00	176 67
(A)Statutory Filing, advertising &	1 00	0 10	0 70	0 00	1 80	466 50	259 17
Total for Administration & Planning	16 00	22 00	33 00	33 70	104 70	20,644 10	197 17
Investigations							
(I)Antecedent Transactions	2 50	17 60	0 00	0 00	20 10	5,605 50	278 88
(I)D Conduct reports/returns	2 00	0 00	4 20	0 00	6 20	1,317 00	212 42
(I)Investigations (not SIP2/CDDA)	32 70	4 10	2 40	0 40	39 60	13,435 50	339 28
Total for Investigations	37 20	21 70	6 60	0 40	65 90	20,358 00	308 92
Realisation of Assets							
(R)Agents & Valuations	0 00	3 90	0 10	0 00	4 00	1,036 50	259 12
(R)Book Debts	2 10	4 50	7 80	0 20	14 60	3,107 50	212 84
(R)Cash at Bank	0 00	0 00	0 40	0 00	0 40	58 00	145 00
(R)Contributions	0 00	0 10	0 00	0 00	0 10	31 50	315 00
(R)Insurance	0 00	0 20	0 70	0 00	0 90	165 00	183 33
(R)Other Assets	0 90	11 60	2 40	0 00	14 90	3,761 50	252 45
(R)Property	2 50	0 10	8 80	0 00	11 40	2,202 00	193 16
(R)Sales of Business	0 00	0 10	0 00	0 00	0 10	30 00	300 00
(R)Subsidiaries/Investments	0 00	0 00	1 10	0 00	1 10	159 50	145 00
Total for Realisation of Assets	5.50	20 50	21 30	0 20	47 50	10,551 50	222 14
Creditors							
(C)Claims & Proofs	0 00	0 50	0 90	0 00	1 40	251 50	179 64
(C)Correspondence	0 00	4 50	0 40	0 00	4 90	1,315 00	268 37
(C)Dividends	0 00	0 50	0 00	0 00	0 50	130 00	260 00
(C)Meetings	2 00	0 30	0 00	0 00	2 30	782 50	340 22
(C)Reports & Circulars	1 00	6 20	10 50	0 00	17 70	3,561 50	201 21
Total for Creditors	3 00	12 00	11 80	0 00	26 80	6,040 50	225 39
Case Specific Matters							
(CS)Legal Matters	0 00	28 10	0 00	0 00	28 10	7,686 50	273 54
(CS)Other Special Issues	0 50	9 50	0 40	0 00	10 40	2,376 80	228 54
(CS)Post appointment tax returns	0 00	16 70	5 20	0 00	21 90	3,508 10	160 19
(CS)Pre Appointment Taxation	0 00	2 30	1 00	0 00	3 30	752 00	227 88
Total for Case Specific Matters	0 50	56 60	6 60	0 00	63 70	14,323 40	224 86
Shareholdings							
(S)Reports and Circulars	0 00	0 20	0 00	0 00	0 20	60 00	300 00
Total for Shareholdings	0 00	0 20	0 00	0 00	0 20	60 00	300 00
Fixed Charge Matters							
(F)Correspondance	0 00	0 00	0 10	0 00	0 10	14 50	145 00
Total for Fixed Charge Matters	0 00	0 00	0 10	0 00	0 10	14 50	145 00
Total Hours	62 20	133 00	79 40	34 30	308 90	71,992 00	233 06
Total fees Claimed	22,435 00	33,929 40	11,085 00	4,542 60	71,992 00		

Category 2 Disbursements	
Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest	
Type and Purpose	£
Mileage - Normal	19 92
Other	117 46
Travel	75 30
	212 68

PIERMONT CVL - PIER39545

Time and Chargeout Summary for the period 25/02/2015 to 24/02/2016							
Classification of work function	Hours					Time Cost £	Average hourly rate £
	Partner / Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & Planning							
(A)Case Reviews	1 10	1 20	0 00	0 00	2 30	747 00	324 78
(A)Cashing	0 00	0 80	0 60	5 70	7 10	1,133 50	159 65
(A)General Administration	0 60	3 20	0 30	3 10	7 20	1,524 00	211 67
(A)JA Correspondence	0 00	0 00	0 00	0 10	0 10	11 50	115 00
Total for Administration & Planning	1 70	5 20	0 90	8 90	16 70	3,416 00	204.55
Investigations							
(I)Antecedent Transactions	2 50	4 80	0 00	0 00	7 30	2,245 00	307 53
(I)Investigations (not SIP2/CDDA)	24 60	0 30	0 00	0 40	25 30	9,232 50	364 92
Total for Investigations	27 10	5 10	0 00	0 40	32 60	11,477 50	352 07
Realisation of Assets							
(R)Agents & Valuations	0 00	0 50	0 00	0 00	0 50	137 50	275 00
(R)Book Debts	0 00	1 00	0 60	0 20	1 80	388 00	215 56
(R)Contributions	0 00	0 10	0 00	0 00	0 10	31 50	315 00
(R)Other Assets	0 40	2 00	0 20	0 00	2 60	736 00	283 08
Total for Realisation of Assets	0 40	3 60	0 80	0 20	5 00	1,293 00	258 60
Creditors							
(C)Correspondence	0 00	3 50	0 00	0 00	3 50	1,000 00	285 71
(C)Meetings	0 00	0 30	0 00	0 00	0 30	82 50	275 00
(C)Reports & Circulars	0 00	3 20	0 00	0 00	3 20	880 00	275 00
Total for Creditors	0 00	7 00	0 00	0 00	7 00	1,962 50	280 36
Case Specific Matters							
(CS)Legal Matters	0 00	25 10	0 00	0 00	25 10	6,906 50	275 16
(CS)Other Special Issues	0 00	0 50	0 00	0 00	0 50	137 50	275 00
(CS)Post appointment tax returns	0 00	0 00	0 50	0 00	0 50	75 00	150 00
Total for Case Specific Matters	0 00	25 60	0 50	0 00	26 10	7,119 00	272 76
Total Hours	29 20	46 50	2 20	9 50	87 40	25,268 00	289 11
Total fees Claimed	10,819 00	12,857 50	330 50	1,261 00	25,268 00		

Category 2 Disbursements	
Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest	
Type and Purpose	£
Mileage - Normal	19 92
Travel	18 00
	37 92

CVR GLOBAL LLP

CHARGEOUT RATES AND DISBURSEMENT RECOVERY POLICIES

Chargeout Rates

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the firm's chargeout rates applicable to this appointment, exclusive of VAT, are as follows

	From 6 January 2016 £ per hour	From 1 January 2015 £ per hour	From 1 August 2013 £ per hour	From 1 August 2011 £ per hour
Partners / Office Holders	390 - 495	370 - 475	350 - 450	350 - 450
Consultants	390 - 495	370 - 475	350 - 450	350 - 450
Directors	360 - 390	340 - 370	325 - 350	325 - 340
Senior Manager	330 - 360	315 - 340	300 - 325	300 - 315
Managers	300 - 330	295 - 315	280 - 295	280 - 295
Assistant Managers	290 - 310	275 - 295	260 - 280	260 - 275
Senior Executive / Analyst	240 - 275	230 - 265	220 - 250	220 - 250
Executive	155 - 190	150 - 190	135 - 180	125 - 175
Cashier	135 - 185	130 - 175	125 - 165	120 - 160
Secretaries / Support / Junior Analyst	90 - 125	85 - 120	80 - 115	80 - 110

Chargeout rates are normally reviewed annually when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance. It is the firm's policy for the cashier's time spent on an assignment to be charged to the case. However, secretarial and office admin support time is charged only in respect of identifiable blocks of time devoted to the case where we consider it to be viable to do so. All time is recorded in 6 minute units.

Direct expenses ("Category 1 Disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case, will be charged to the estate at cost, with no uplift. These include but are not limited to such items as advertising our appointment, meetings and requesting claims from creditors, storage in relation to the books and records of the company or individuals and the assignment records, online reporting facilities in relation to the uploading of documents and reports for creditors, bonding and other insurance premiums to protect the estate and its assets, and properly reimbursed expenses incurred by personnel in connection with the case.

Indirect expenses ("Category 2 Disbursements")

It is our normal practice to also charge the following indirect disbursements ("Category 2 Disbursements as defined by SIP 9) to the case, where appropriate

Circulars to creditors

Plain/headed paper including photocopying	12p per side
Envelopes	12p each
Postage	Actual cost

Room Hire

For the convenience of creditors and to save the cost of booking an outside hotel room, meetings of creditors are occasionally held internally at our offices. Where meetings of creditors are held in one of our internal meeting rooms, a charge of £100 plus VAT may be levied to cover the cost of booking the room.

Travel

Mileage incurred as a result of any necessary travelling is charged to the estate at the H M Revenue & Customs approved rate, currently 40p per mile.

All of the above costs are subject to amendment by the firm at any time and if amended will be notified to creditors with the next circular sent to all creditors.

Company Searches & Electronic Verification of Identity

Included in expense and/or disbursements, Company Searches and electronic Verification of Identity include an element of shared costs. Such expenses are of an incidental nature but are generally incurred on each case. In line with the cost of the external provision of such services, a charge of £15 plus VAT is levied to cover the cost of these searches.

Work involved in the administration of the case

The main work involved relates to realisation of the assets of the company or individual, agreement of claims and payment of dividends or distributions to creditors and where possible members. As part of this work the office holder is required by statute and best practice to undertake work in providing reports, convening meetings and investigating the affairs of the company or indeed individual, prior to the commencement of the insolvency process.

In order to provide an explanation of the work involved by the office holder such work is broadly split into six categories, a narrative explanation of the work involved in each of these is provided below. The office holders' remuneration can be approved on a set fee, percentage or time cost basis, or indeed a combination of these. Where remuneration is requested on a time costs basis, creditors are provided with information regarding time intended to be spent in administering the insolvency process, and in some instances are provided with an overall estimate of the cost. Depending on the type and age of the case, creditors may be contacted to approve an increased estimated cost and will be provided with the reasons for the increase.

Administration and Planning

Work involved in this category relates mainly to routine and statutory functions. It does not necessarily provide financial benefit to creditors, but ensures that the case is managed and administered in accordance with legislation and in a professional manner. It includes but is not limited to the following areas: statutory and general notifications, advertising, filing of statutory forms, case management, cashing requirements and management of estate funds, general tax and VAT matters, pension matters, general correspondence, case reviews, and reporting.

Investigation

The office holders are required to undertake an investigation into the affairs of the company or individual prior to the commencement of the insolvency process. In the case of Creditors Voluntary Liquidations and Administrations an office holder is required to submit a report on the conduct of the Directors who were in office in the period three years prior to the commencement of the insolvency process, to the Insolvency Service, in accordance with legislation. Occasionally such investigations identify further potential asset recoveries.

Assets

This involves work in realising assets of the company or individual, which are known and stated in the statement of affairs. It may also include work involved in asset recoveries identified post appointment, which were either unknown or identified during the office holders' investigations.

Creditors

This involves work in dealing with creditor queries and correspondence, including reports and where funds permit agreeing creditor claims and provision of dividends to creditors. This may also involve assisting employees with the calculation of their statutory entitlements and agreeing subsequent claims of employees and of the redundancy payments service and payment of any dividend, should funds allow. The category may also include work in connection with secured creditors, including correspondence and reporting.

Trading

In some instances it will be necessary to assist in the trading of a business post commencement of an insolvency process. Should this be necessary, detailed further information will be provided.

Case specific matters

This category includes areas of work of a specific nature and may include legal matters and preparation of tax returns and payment of tax liabilities.

CVR GLOBAL LLP

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CVR GLOBAL is a limited liability partnership registered in England and Wales (NoOC398681) whose registered office is at New Fetter Place West, 55 Fetter Lane, London, EC4A 1AA. The term "partner" denotes a member of a limited liability partnership. A list of members of CVR Global LLP is available at our registered office.

APPENDIX 4

**EXTRACTS OF 4.49E AND 4.131
OF THE INSOLVENCY RULES 1986
(AS AMENDED)**

Extracts of 4.49E and 4.131 of The Insolvency Rules 1986 (as amended)

4.49E Creditors' and Members' request for further information

4.49E(1) [Duty of Liquidator re remuneration or expenses] If-

(a) within the period mentioned in paragraph (2)-

- (i) a secured creditor, or
- (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- (iii) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or

(b) with the permission of the court upon an application made within that period mentioned in paragraph (2)-

- (i) any unsecured creditor, or
- (ii) any member of the company in a members' voluntary winding up,

makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4 49B(1)(e) or (f) (including by virtue of Rule 4.49C(5)) or in a draft report under Rule 4 49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter in a draft report under Rule 4 49D or a progress report required by Rule 4 108 which (in either case) was previously included in a progress report not required by Rule 4 108

4.49E(2) [Period for compliance with r.4.49E(1)] The period referred to in paragraph (1)(a) and (b) is-

- (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report which it is required by Rule 4 108, and
- (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case

4.49E(3) [How liquidator to comply] The liquidator complies with this paragraph by either-

- (a) providing all the information asked for, or
- (b) so far as the liquidator considers that-

- (i) the time or cost of preparation of the information would be excessive, or
- (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
- (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,

giving reasons for not providing all of the information

4.49E(4) [Application to court by creditors and members] Any creditor, and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of-

- (a) the giving by the liquidator of reasons for not providing all of the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just

4.49E(5) [Court may extend period in rr.4.131(1B), 4.148C(2)] Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4 131(1B) or 4 148C(2) by such further period as the court thinks just

4.49E(6) [Non-application to official receiver] This Rule does not apply where the liquidator is the official receiver

4.131 Creditors' claim that remuneration is or other expenses are excessive

4.131(1) [Secured or certain unsecured creditors may apply to court] Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

4.131(1A) [Grounds for application] Applications may be made on the grounds that-

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
- (c) expenses incurred by the liquidator,

is or are, in all circumstances, excessive or, in the case of an application under sub-

paragraph (b), inappropriate

4.131(1B) [Time limit for application] The application must, subject to any order of the court under Rule 4.49E(5), be made no later than 8 weeks (or, in the case falling within Rule 4.108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4.49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")

4.131(2) [Power of court to dismiss etc.] The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

4.131(3) [Notice to liquidator] The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it

4.131(4) [Court order] If the court considers the application to be well-founded, it must make one or more of the following orders-

- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
- (b) an order fixing the basis of remuneration at a reduced rate or amount;
- (c) an order changing the basis of remuneration,
- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
- (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

4.131(5) [Costs of application] Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation