

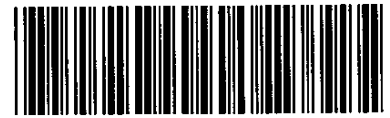
# LIQ03

## Notice of progress report in voluntary winding up



Companies House

TUESDAY



A16 \*A7Z55UCX\* 12/02/2019 #231  
COMPANIES HOUSE

### 1 Company details

Company number 0 3 4 2 0 9 3 6

Company name in full Eurodale Ltd

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

### 2 Liquidator's name

Full forename(s) Asher

Surname Miller

### 3 Liquidator's address

Building name/number

Street 26 - 28 Bedford Row

Post town London

County/Region

Postcode W C 1 R 4 H E

Country

### 4 Liquidator's name ①

Full forename(s) David

Surname Ingram

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

### 5 Liquidator's address ②

Building name/number 30 Finsbury Square

Street

Post town London

County/Region

Postcode E C 2 P 2 Y U

Country

② Other liquidator  
Use this section to tell us about  
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

**6** Period of progress report

From date	<sup>d</sup> 1	<sup>d</sup> 2	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7
To date	<sup>d</sup> 1	<sup>d</sup> 1	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8

**7** Progress report

☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X  X

Signature date

<sup>d</sup> 0	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9
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LIQ03

Notice of progress report in voluntary winding up



**Presenter information**

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

Contact name **Robert Cook**

Company name **David Rubin & Partners**

Address

**26 - 28 Bedford Row**

Post town **London**

County/Region

Postcode **W C 1 R 4 H E**

Country

DX

Telephone **020 7400 7900**



**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

**IN THE MATTER OF**  
**EURODALE LTD - IN LIQUIDATION**  
**AND**  
**THE INSOLVENCY ACT 1986**

**THE JOINT LIQUIDATORS' EIGHTH ANNUAL PROGRESS REPORT**  
**PURSUANT TO SECTION 104A OF THE INSOLVENCY ACT 1986**  
**AND**  
**PART 18 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016**  
**FOR THE YEAR ENDED 11 DECEMBER 2018**

**EURODALE LTD - IN LIQUIDATION**  
**Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986**

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- g. Creditors and distributions
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- A. Receipts and Payments Account from 12 December 2017 to 11 December 2018
- A. Receipts and Payments Account from 3 February 2012 to 11 December 2018
- B. David Rubin & Partners Time Analysis for the year 12 December 2017 to 11 December 2018
- B. David Rubin & Partners Cumulative Time Analysis for the period 3 February 2012 to 11 December 2018
- C. Grant Thornton UK LLP Time Analysis for the year 12 December 2017 to 11 December 2018, including a Cumulative Time Analysis for the period 12 June 2012 to 11 December 2018

**EURODALE LTD - IN LIQUIDATION**  
**Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986**

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**(a) Introduction**

The Company was placed into Liquidation by a Special Resolution of the members followed by a meeting of the creditors convened under section 98 of the Insolvency Act 1986 on 3 February 2012.

As you may recall, at the meeting of creditors convened under Section 171(2)(b) of the Insolvency Act 1986 and duly held on 12 June 2012, it was resolved that I be removed as sole Liquidator and that I be appointed Joint Liquidator along with James Earp of Grant Thornton UK LLP ("GT").

James Earp retired from GT and was removed from office as Joint Liquidator by a Court Order obtained by consent on 11 December 2013. Accordingly he was replaced by David Ingram of GT with effect from 12 December 2013.

This report provides an update on the progress in the Liquidation for the year ending 11 December 2018.

**Rule 18.3: Progress Report**

**(b) Statutory information**

Company name: Eurodale Ltd  
Registered office: 26-28 Bedford Row, London, WC1R 4HE  
Company number: 03420936  
Trading address: 68 Portland Avenue, London N16 6EA

**(c) Joint Liquidators' names and addresses**

Asher Miller, Office Holder Number: 9251, of David Rubin & Partners and he may be contacted in writing at 26-28 Bedford Row, London, WC1R 4HE.

David Ingram, Office Holder Number: 8015, of GT and he may be contacted in writing at 30 Finsbury Square, London, EC2P 2YU.

**(a) Any changes in the Office Holders**

I was appointed Liquidator of the Company on 3 February 2012. I was subsequently removed as Liquidator of the Company by the creditors on 12 June 2012 and I was appointed as Joint Liquidator along with James Earp of GT, 30 Finsbury Square, London EC2P 2YU, who has now been replaced by David Ingram, also of GT as detailed above at paragraph (a).

**(e) Details of progress during the period and summary account of Receipts and Payments under review and cumulatively**

As we previously reported, GT continued their investigations into the Company's business affairs, with the focus being on the sale of the 51 Flats at 99 Plough Way, London SE8 5DP ("Plough Way"), due to the liability that arose to London Borough of Lewisham ("LBL") when the flats were sold.

## **EURODALE LTD - IN LIQUIDATION**

### **Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986**

On 14 November 2017, mediation took place with the Company's directors, which is detailed further below in section (i). There have been continued communications with LBL regarding their covenant and the sale of the Freehold and progress is expected shortly.

During the period, I have continued to liaise with my agent in order to collect the freehold rent, as detailed at 1.1 below.

Details of asset realisations and payments made during the reporting period are set out below. For details of any assets realised and payments made prior to this period, please refer to the previous annual progress reports, copies of which are available upon request.

A Receipts and Payments Account is attached at Appendix A, which is further explained below. Also, attached at Appendix A is a cumulative Receipts and Payments Account for the period from 3 February 2012 to 11 December 2018.

#### **1. Receipts**

##### **1.1 Service Charges**

I have been liaising with the managing agent, Dealmore Commercial Limited ("Dealmore"), for the flats rented at 99 Plough Way, London SE8 5DP ("Plough Way"), and Iceland Wharf, Plough Way, London, SE16 7AB ("Iceland Wharf"), in order to collect ground rent and service charges due to the Company.

To date I have received £131,392.49, of which £25,750.51 was received during the period. I expect to realise further sums until I am able to sell the freehold interest in the properties.

##### **1.2 Bank Interest Gross**

The funds in hand are held in an interest bearing account with a High Street bank in the Office Holder's name as Liquidator of the Company. Interest earned on the funds in hand amounts to £44.53, of which £12.73 was received during this year.

#### **2. Payments**

##### **2.1 Joint Liquidators' Fees**

Remuneration drawn during the year amounted to £20,000.

##### **2.2 VAT Irrecoverable**

The Company was not registered for VAT and therefore any VAT paid on fees, disbursements and other costs, and is unable to be recovered.

##### **2.3 Property Agents Fees**

This fee relates to the commission charged, by Dealmore who are the appointed managing agents for the property, in respect of the rent collected on the Company's behalf. During the period, Dealmore have been paid fees of £2,574.05.

## **EURODALE LTD - IN LIQUIDATION**

### **Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986**

#### **2.4 Expenses incurred but not yet drawn**

##### **2.4.1 Storage Costs**

My firm uses a commercial archiving company for storage of working papers in relation to the Company. I am required to keep these papers for 6 years from the conclusion of the Liquidation. This is recharged at the rate of £10 per box per quarter and includes a small charge to cover the administration costs of archiving and retrieval of documents. This will also be calculated and raised shortly before the case is closed.

The amount of £149.42 plus VAT has been incurred by GT in respect of storing the Company's records and papers.

##### **2.4.2 Professional Fees**

The sum of £10,000 plus VAT, is due to be paid to Wimpole Property Consultants Limited ("WPC") for acting in an advisory role in respect of the management of the Company's properties located at Iceland Wharf and Plough Way and providing a valuation of the Company's freehold interest. During this reporting period WPC has also provided their opinion on the proposed settlement and have continued to liaise with us on this point.

WPC was selected as agent on the basis of its experience and expertise in dealing with property matters and they charge their fees on a fixed fee basis.

The amount of £497.33 has also been incurred by GT in respect of Professional Fees.

##### **2.4.3 Statutory Costs**

The amount of £1,420.04 plus VAT has been incurred in respect of fees for various searches and information obtained by GT.

##### **2.4.4 Courier Costs**

The amount of £90.39 has been incurred by GT in respect of transporting documentation.

##### **2.4.5 Travel Costs**

The amount of £103.60 has been incurred by GT in respect of travel costs.

##### **2.4.6 Transcription Costs**

The amount of £423.75 has been incurred by GT in respect of transcription costs.

##### **2.4.7 Specific Bond**

The specific bond is the cost of insurance, based on the level of realisations by the Liquidator, as required by the Insolvency Practitioners Regulations 2005. The amount of £260 plus VAT has been incurred in respect of GT's bond.



**EURODALE LTD - IN LIQUIDATION**  
**Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986**

**(f) Joint Liquidators' Remuneration and Expenses**

**1. *Basis of Joint Liquidators' remuneration***

At the first meeting of creditors a resolution was passed approving that the basis of my remuneration as Liquidator be fixed by reference to the time properly spent by my staff and myself in attending to matters arising in the winding-up.

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), a schedule of my firm's charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. These rates were set in November 2011 and have fallen substantially behind prevailing market rates for a business of our size and expertise. Accordingly, the rates were revised on 1 November 2018. Our current hourly charge out rates exclusive of VAT, which are charged in units of 6 minutes, are as follows:-

	<b>David Rubin &amp; Partners</b>	<b>David Rubin &amp; Partners</b>
	<b>Previous</b>	<b>Current</b>
	<b>£</b>	<b>£</b>
Senior / Managing Partners	450	550
Partners / Office holders	300 - 395	495
Managers / Senior Managers	250 - 295	350 - 395
Senior Administrators	180 - 220	220 - 295
Administrators	130 - 160	160 - 200
Cashiers and Assistants	120 - 160	150 - 295
Supports	110 - 120	120 - 150

Charge out rates are normally reviewed annually and are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance.

- 1.3** On 28 February 2018, the creditors' resolved that the Joint Liquidators' remuneration be fixed by reference to the time spent by the Joint Liquidators and their staff in attending to matters arising in the winding-up and that they be paid as and when the funds become available. GT's charge out rates are laid out on page five of Appendix C.

**2. *Staff allocation and the use of subcontractors***

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team will usually consist of a Partner, Manager, Senior Administrator and two Administrators. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

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

**EURODALE LTD - IN LIQUIDATION**  
**Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986**

**3. *Joint Liquidators' remuneration***

My time costs for the year under review are £11,604.50. This represents 54 hours and 42 minutes at an average rate of £212.15 per hour. I attach at Appendix B a Time Analysis which provides details of the activity during the year, analysed by staff grade.

I have also reviewed my cumulative time costs for the period from 3 February 2012 to 11 December 2018 and would report that my total time costs are £131,488 for 539 hours 36 minutes, which equates to an average cost of £243.68 per hour. A breakdown of my time charges is also set out in Appendix B. To date £86,685.43 has been paid on account of these time costs.

In addition, GT's time costs for the year under review are £32,999.50 for 117.86 hours, which equates to an average cost of £279.99 per hour. A breakdown of their time charges is also set out in Appendix C.

GT's cumulative time costs for the period from 12 June 2012 to 11 December 2018 are £255,546.71 for 859.31 hours, which equates to an average cost of £297.39 per hour. A breakdown of these time charges is also set out in Appendix C. To date £56,566.13 has been paid on account of these time costs.

To view an explanatory note concerning Liquidators' remuneration issued by the Joint Insolvency Committee, please visit the Publications folder on our website at [www.drpartners.com/cases](http://www.drpartners.com/cases), using the following log-on details:

USERNAME: E895@drco.co.uk                      PASSWORD: 598Eyl\*!

Alternatively, please contact this office to arrange for a copy to be sent to you.

Included in the work undertaken by me and my staff is the following:-

- i) Carrying out preliminary investigations, including the examination of the Company's statutory books and books of accounts and records. Liaising with the LBL and investigating their concerns with regards to the director's conduct;
- ii) Dealing with creditors' enquiries both by correspondence and by telephone and noting their claims, in particular ongoing and extensive liaisons with the LBL regarding their s106 agreement, as detailed in (i)1.6 below;
- iii) Further investigations into historical antecedent transactions, including attempting to obtain co-operation from the Company's former accountants and legal advisers by application to Court;
- iv) Reviewing available information and identifying the extent of the Company's interest in various property assets, together with instruction of a specialist property agent.
- v) Liaising with the existing Managing Agents regarding the ground rents and service charge in respect of the Company's two freehold properties as well as general freeholder management issues relating to construction work affecting the site, being carried out by the owner of the adjoining property;
- vi) Applying for the Liquidator's bond;

## **EURODALE LTD - IN LIQUIDATION**

### **Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986**

- vii) Publishing the necessary statutory advertisements in respect of the Liquidation proceedings;
- viii) Correspondence with the Company's bankers in respect of the closure of its bank account and the remittance of monies to the Liquidation bank account;
- ix) Opening a designated bank account and dealing with the movement of funds;
- x) Periodic case and file reviews to ensure compliance with regularity obligations;
- xi) Preparing and circulating the Annual Progress Reports and Receipts and Payments Account to creditors pursuant to S104A of the Insolvency Act 1986 and submission of same to the Registrar of Companies.

The following matters will continue to need to be dealt with prior to the case being moved to closure:

#### Statutory Matters

- Complying with the requirements of the Insolvency Act and Insolvency Rules.
- Preparation of information for annual progress reports to creditors including detailed costs and expenses review and analysis.
- Completion of case checklists.
- Final report progress to creditors.
- Final Corporation Tax computations and submissions.

#### Case review and diary management

- Preparation of internal case reviews and file notes.
- Review of the Liquidators bond.
- Maintenance of case on the Liquidators computer systems.

#### Strategy

- Case management and planning.
- Internal case meetings.
- Costs and expenses management and review.
- Continue to liaise with the managing agents re rents.
- Continue to liaise with the LBL regarding the sale of the properties.

The statutory matters and closing review are unavoidable processes in any Liquidation and will not provide creditors with any direct financial benefit.

I anticipate that this case will continue for at least a further 12 months as there are on-going investigations by GT which may result in realisations for the benefit of creditors. However, I am unable to provide any estimates at this stage.

#### **4. *Joint Liquidators' expenses***

Expenses incurred in the Liquidation are explained at (e) above in my comments on the Receipts and Payments Accounts.

## **EURODALE LTD - IN LIQUIDATION**

### **Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986**

#### **5. Creditors' rights – Rule 18.9 and Rule 18.34**

- i) Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provides further information about his remuneration or expenses which have been itemised in this progress report.
- ii) Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Liquidator's remuneration, the remuneration charged or the expenses incurred by the Liquidator as set out in this progress report are excessive.

#### **(g) Creditors and Distributions**

##### **(i) (a) Secured creditors**

With the exception to the LBL claim of £1,567,402.77 which is registered against the Company's property in respect of the aforementioned s106 Agreement, there are no other secured creditors in this matter.

##### **(b) Prescribed Part**

Section 176A of the Insolvency Act 1986 provides for a prescribed part of the Company's net property to be retained from distribution to the floating charge holder, where the debenture was created on or after 15 September 2003 and made available for the satisfaction of unsecured debts.

Accordingly this regulation does not apply as there are no creditors with a floating charge on the Company's assets.

##### **(ii) Preferential creditors**

There are no preferential creditors in this matter.

##### **(iii) Unsecured creditors**

The claims of 4 unsecured creditors totalling £1,613,411.46 have been received compared to 4 creditors totalling £1,615,618.65 disclosed on the Director's Estimated Statement of Affairs. This included the aforementioned claim of LBL which is secured against the Company's property. At this stage, it is uncertain of the quantum and timing of any potential dividend to the unsecured creditors.

#### **(h) Details of what remains to be done**

I am continuing to liaise with Dealmore regarding the ongoing service charges and ground rents they have collected for the Company's freehold interests. I anticipate further realisations for the period from March 2017 onwards on completion in due course.

GT are continuing their investigations and legal proceedings which are detailed in section (i) below. Also, I will continue to liaise with LBL in order to seek an agreement for the sale of the Company's freehold interests. At this time the realisable value of the freehold interests is uncertain.

## **EURODALE LTD - IN LIQUIDATION**

### **Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986**

#### **(i) Other information of relevance to creditors:**

##### ***Investigations***

- 1.1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy and Industrial Strategy (BEIS). As this is a confidential report, I am not able to disclose the contents.
- 1.2 Shortly after our appointment, GT made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire.
- 1.3 It was previously reported that the Joint Liquidator, David Ingram, conducted investigations into the Company's affairs and proceedings were brought against the directors in relation to the development of 51 flats at Plough Way ("the Development") and an unpaid liability that arose in the sum of £1,104,722 to LBL when the flats were sold. The proceedings were brought together with the liquidator of an associated company, Topplan Estates Limited – In Liquidation ("Topplan").
- 1.4 A four day hearing was scheduled from the week commencing 4 December 2017, however mediation took place on 14 November 2017. In accordance with legal advice, a settlement was agreed at mediation in relation to both the Company and Topplan, which provides for the directors to pay £450,000 within 60 days and £300,000 within 90 days, both from the date the agreement completed on 27 November 2017. Therefore, a total of £750,000 will be received from the directors by 25 February 2018. All funds due under the terms of the settlement agreement have been received, the majority of which has been paid to Topplan as the majority of the value of the proceedings is attributed to Topplan.
- 1.5 In addition, the Directors advised of their entity's interest in purchasing the freehold property Iceland Wharf, land on the north-east side of Plough Way Surrey Commercial Docks and land formerly the site of Plough Way ("the Freehold").
- 1.6 The Company is the registered proprietor of the Freehold and LBL has the aforementioned registered covenant in relation to the unpaid liability due to the Council. In line with the property agent's advice, GT are in communications with LBL regarding their covenant and the sale of the Freehold. The Directors paid a non-refundable £50,000 to Gordon Dadds Solicitors ("GD") representing a £20,000 deposit for the Freehold and £30,000 contribution to costs. This is being held by GD and hence, is not included in the Receipts and Payments Account attached at Appendix A.
- 1.7 There have been continued communications with LBL regarding their covenant and the sale of the Freehold and progress is expected shortly.
- 1.8 The Joint Liquidator has also received proposals from the directors to purchase part of the Freehold which is not subject to LBL's registered covenant. However, the advice obtained from a property agent is that as the land subject to the registered covenant and non-covenant land are interlinked, it is not possible to sell the land separately.

**EURODALE LTD - IN LIQUIDATION**

**Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986**

- 1.9 Following the advice from the property agent, the liquidators' position is that it is in the best interests of creditors to await determination of LBL's position regarding their registered covenant and thereafter, proceed with a sale of all of the Freehold collectively.

**(j) Next report**

I am required to provide a further report on the progress of the Liquidation within two months of the end of the next anniversary of the Liquidation, unless I have concluded matters prior to that, in which case I will write to all creditors with my Final Account which will conclude my administration of the Liquidation.

I trust you will find this report adequate for your purposes but should you require any further information, please do not hesitate to contact in the first instance either my Senior Manager, Yin Lee, or her assistant, Robert Cook at this office.



**ASHER D MILLER F.C.A. - JOINT LIQUIDATOR**

**DATE: 5 FEBRUARY 2019**

**Eurodale Ltd**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £		From 12/12/2017 To 11/12/2018 £	From 03/02/2012 To 11/12/2018 £
<b>ASSET REALISATIONS</b>			
Uncertain	Freehold Property	NIL	NIL
	Leasehold - Income	NIL	48.00
455.00	Cash at Bank	NIL	454.78
	Service Charges	25,740.51	131,392.49
	Cash held on Appointment	NIL	7,200.00
	Bank Interest Gross	12.73	44.53
	Licence Fee	NIL	3,892.75
		25,753.24	143,032.55
<b>COST OF REALISATIONS</b>			
	Specific Bond	NIL	316.80
	Preparation of S.of A.	NIL	6,000.00
	Office Holders Fees	20,000.00	86,685.43
	Meeting Costs	NIL	150.00
	Legal Fees	NIL	1,500.00
	QS Fees	NIL	5,000.00
	VAT Irrecoverable	4,514.81	22,627.65
	Property Agents Fees	2,574.05	13,139.25
	Stationery & Postage	NIL	46.80
	Statutory Advertising	NIL	382.50
	Other Property Expenses	NIL	4,921.70
	Insurance of Assets	NIL	1,296.00
	Statutory costs	NIL	77.00
		(27,088.86)	(142,143.13)
<b>UNSECURED CREDITORS</b>			
(1,578,744.00)	Trade & Expense Creditors	NIL	NIL
(36,875.00)	Directors' Loan	NIL	NIL
		NIL	NIL
<b>DISTRIBUTIONS</b>			
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(1,615,264.00)</b>		<b>(1,335.62)</b>	<b>889.42</b>
<b>REPRESENTED BY</b>			
	Current Account		889.42
			<b>889.42</b>

## EURODALE LTD - IN CREDITORS' VOLUNTARY LIQUIDATION

<b>DAVID RUBIN &amp; PARTNERS' TIME COSTS</b> <b>FOR THE PERIOD 12 DECEMBER 2017 TO 11 DECEMBER 2018</b> <b>SIP 9 TIME SUMMARY</b>							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Statutory compliance, admin and planning	01:24	10:00	26:06	02:06	39:36	8,485.00	214.27
Investigations	00:00	00:00	02:00	00:00	02:00	440.00	220.00
Realisations of assets	00:00	01:42	10:48	00:00	12:30	2,583.50	206.68
Creditors	00:00	00:00	00:36	00:00	00:36	96.00	160.00
Trading	00:00	00:00	00:00	00:00	00:00	0.00	0.00
<b>Total hours and costs</b>	<b>01:24</b>	<b>11:42</b>	<b>39:30</b>	<b>02:06</b>	<b>54:42</b>	<b>11,604.50</b>	<b>212.15</b>

<b>DAVID RUBIN AND PARTNERS CUMULATIVE TIME COSTS</b> <b>FOR THE PERIOD FROM 3 FEBRUARY 2012 TO 11 DECEMBER 2018</b> <b>SIP 9 TIME SUMMARY</b>							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
<b>Statutory compliance, admin and planning</b>							
IPS set up & maintenance	00:00	00:00	01:18	00:00	01:18	250.00	192.31
Statutory filings, circulars, notices, etc.	00:30	03:36	08:00	00:00	12:06	2,965.50	245.08
Case planning, strategy & control	02:30	02:00	11:36	00:00	16:06	4,129.50	256.49
Taxation: PAYE, C/Tax & VAT	01:36	00:24	16:18	00:00	18:18	3,661.00	200.05
Accounting & Cashiering	00:00	00:00	08:36	15:54	24:30	3,754.00	153.22
Case reviews & Diary maintenance	02:06	28:48	47:00	00:00	77:54	18,468.50	237.08
Statutory reporting and compliance	03:54	14:30	93:24	00:00	111:48	23,360.00	208.94
<b>Investigations</b>							
CDDA preparation & reporting	00:00	10:30	20:48	00:00	31:18	7,673.50	245.16
SIP2 assessment and financial review	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Antecedant transactions and wrongful trading	04:00	02:30	03:54	00:00	10:24	3,151.50	303.03
Proceedings & recoveries	11:00	16:00	18:06	00:00	45:06	13,047.00	289.29
<b>Realisation of assets</b>							
Freehold & leasehold properties	02:00	08:12	20:18	00:00	30:30	7,258.00	237.97
Intangible assets	00:00	00:00	00:18	00:00	00:18	48.00	0.00
Shares & investments	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Book debts collection	01:18	03:18	07:24	00:00	12:00	3,115.00	259.58
Tangible assets	12:00	70:00	42:12	00:00	124:12	34,257.00	0.00
<b>Creditors</b>							
Secured creditors	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Unsec'd Creditors: correspondence & claims	05:18	04:24	14:06	00:00	23:48	6,349.50	266.79
Preferential creditors & employees	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Retention of Title	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Creditors' Committee	00:00	00:00	00:00	00:00	00:00	0.00	0.00
<b>Trading</b>	00:00	00:00	00:00	00:00	00:00	0.00	0.00
<b>Total hours and costs</b>	<b>46:12</b>	<b>164:12</b>	<b>313:18</b>	<b>15:54</b>	<b>539:36</b>	<b>131,488.00</b>	<b>243.68</b>



## Grant Thornton UK LLP

# Payments, remuneration and expenses to the liquidator or their associates

## Statement of Insolvency Practice 9 disclosure

This appendix has been prepared in conjunction with the requirements of the Insolvency Act 1986, the Insolvency (England & Wales) Rules 2016 (the Rules) and Statement of Insolvency Practice 9 (SIP9). In summary, it covers:

- Pre-appointment costs
- fee basis
- work done by the liquidator and their team during the period
- hourly charge out rates
- disbursements and expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

## Pre-appointment costs

Pre-appointment costs comprise any reasonable and necessary expenses incurred in preparing the statement of affairs or the decision procedure or deemed consent procedure to seek a decision from creditors on the nomination of a liquidator. These may be paid out of the estate, with the approval of the appropriate body of creditors, to the extent that they have been incurred by the liquidator or an associate of the liquidator.

Neither the liquidators, by way of Grant Thornton UK LLP being engaged, or any other qualified insolvency practitioner incurred any pre-appointment costs in relation to the Company.

## Post-appointment costs

### Fee basis of the liquidator

On 28 February 2018, the creditors' resolved that remuneration be fixed by reference to the time spent by the Joint Liquidators and their staff in attending to matters arising in the winding-up and that they be paid as and when the funds become available.

During the period from 12 December 2017 to 11 December 2018 (the Period) time costs were incurred totalling £33,058.50 represented by 118.06 hrs at an average of 280.01 £/hr (as shown in the 'Work done' section below). Description of the work done is provided in the respective section below.

## Work done by the liquidator and their team during the Period

We are required to detail costs of actual work done in the Period, including any expenses incurred in connection with it. We are also required to provide narrative explanation of the work done. The following tables (narrative followed by numerical) set out this information for the liquidator fees incurred with reference to the progress report. Details of the respective expenses are provided in the 'Disbursements and expenses' section below.

Area of work	Work done	Why the work was necessary	Financial benefit to creditors	Fees incurred
<b>The Freehold</b>	<ul style="list-style-type: none"> <li>Liaised with the directors' and their solicitors regarding the proposal for their entity to purchase the Freehold</li> <li>Obtained an up to date valuation of the Freehold</li> <li>Enquiries with a property agent in relation to the sale of the Freehold land not subject to LBL's covenant</li> <li>Consideration as to the directors' proposals for the sale of the Freehold</li> <li>Communications with LBL to seek to sell the Freehold</li> </ul>	<ul style="list-style-type: none"> <li>To establish any potential realisation in relation to the Freehold</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul>	
<b>Settlement Agreement</b>	<ul style="list-style-type: none"> <li>Finalised the settlement agreement with the directors</li> <li>Correspondence with my solicitors to confirm all funds due under the terms of the settlement agreement were received</li> </ul>	<ul style="list-style-type: none"> <li>To ensure all funds due under the terms of the settlement agreement are received</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul>	
<b>The London Borough of Lewisham (LBL)</b>	<ul style="list-style-type: none"> <li>Communications with LBL on their covenant to seek to sell the Freehold</li> </ul>	<ul style="list-style-type: none"> <li>To establish any potential realisation in relation to the Freehold</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available</li> </ul>	
<b>Unsecured creditors</b>	<ul style="list-style-type: none"> <li>Correspondence with all unsecured creditors</li> </ul>	<ul style="list-style-type: none"> <li>Provide updates on the progress of the liquidation and to request documentation to support claims.</li> </ul>	<ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to creditors</li> </ul>	
<b>Case management</b>	<ul style="list-style-type: none"> <li>Regularly review case strategy and level of costs incurred</li> <li>Maintenance of cash and estate records</li> </ul>	<ul style="list-style-type: none"> <li>To identify the most effective route to assets</li> <li>To ensure that the estimated costs to realise assets is appropriate to the value of those assets</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available</li> </ul>	

- Effective organisation of the case investigations

Treasury, billing & funding	• Maintained the Estate's cashbook and bank account	• To maintain the general day-to-day running of the Estate's insolvency account and to meet outstanding costs	• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to creditors
	• Statutory duties of the Liquidator to send reports, notices and request decisions of the creditors	• To keep the creditors informed of the Liquidator's investigations and where necessary to request decisions of the creditors	• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to creditors
Tax	• Review the Estate's tax position post realisations	• To consider tax position post realisation	• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to creditors

# Grant Thornton UK LLP - detailed SIP9 time cost analysis for the period and fee estimate variance analysis as at period end

Area of work	Partner		Manager		Executive		Administrator		Period total		Cumulative total as at period end	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£
<b>Other assets</b>												
General	0.35	173.25	0.10	49.50	-	-	-	-	49.50	495.00	2.35	1,142.50
Director/director/senior employees	-	-	15.50	7,635.00	11.45	3,115.75	38.95	6,861.00	17,844.00	269.34	130,500.15	997.39
	-	-	0.75	371.25	4.35	1,283.25	1.05	175.75	1,830.25	297.60	1,227.95	1,227.95
<b>Unsecured</b>												
General	-	-	0.25	123.75	1.10	192.50	4.30	752.50	1,068.75	189.16	13,597.25	23,193.25
	-	-	-	-	8.55	2,486.25	0.90	157.50	2,643.75	279.76	1,548.00	3,191.75
<b>Treasury, billing &amp; funding</b>												
Tax	-	-	0.65	321.75	1.85	462.25	1.91	327.25	1,111.25	251.98	2,621.10	2,621.10
Pensions	-	-	1.25	627.25	0.25	73.75	-	-	701.00	467.33	3,177.36	3,644.69
General	0.65	393.75	6.10	3,019.50	12.55	3,541.00	5.25	914.75	7,869.00	320.53	3,332.10	13,976.79
	-	-	-	-	-	-	-	-	-	-	16.15	7,939.25

## Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant managers and executives
- Due to enhancements to our SIP9 reporting systems, allocation of time against areas of work may differ to previous periods, however this does not affect overall total time costs.
- Total time costs paid in the Period: £50,000

## Hourly charge out rates

Time is charged in units of 6 minutes for each grade of staff used. The hourly charge out rates applied during the Period are as follows:

Grade	From 31 October 2017 to current	
	<b>Insolvency &amp; pensions £/hr</b>	<b>Tax £/hr</b>
<b>Partner</b>	510-650	745
<b>Director</b>	380-545	595
<b>Associate director</b>	340-495	485
<b>Manager</b>	340-420	410
<b>Assistant manager</b>	300-350	340
<b>Executive</b>	245-325	315
<b>Administrator</b>	165-240	170-235
<b>Treasury</b>	180	-
<b>Support</b>	150-155	-

The current charge out rates have applied since 1 October 2017. We reserve the right to amend our charge out rates in the future. Any amendments will be detailed within the next report following such an amendment.

## Statement of expenses and disbursements incurred in the Period

This table provides details of expenses and disbursements incurred in the Period in connection with the work done by the liquidator, description of which is provided in the 'Work done' section above.

Category	Incurred in the Period (£)	Cumulatively incurred as at Period end (£)	Of which paid by the estate as at Period end (£)
Bond	0.00	260.00	260.00
Courier	9.05	90.39	81.34
Land Registry	0.00	1,300.04	1,300.04
Other searches	0.00	120.00	120.00
Transcription	0.00	423.75	423.75
Travel	0.00	103.60	103.60
Storage	0.00	149.42	149.42
Professional Fees	0.00	497.33	497.33

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and fall into two categories:

### Category 1 disbursements

These are also known as 'out of pocket expenses' and are payments to independent third parties where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval and consist of the following categories:

- Travel and subsistence – these costs, which exclude mileage, are incurred by staff in attending trading premises or meetings, for example
- Office costs – these are costs such as postage or courier charges which are incurred in managing the case
- Statutory costs – these are costs such as bonding and advertising relating specifically to the case, which are required by statute

They also include expenses which have been paid using a Grant Thornton Loan, the balance of which (if any) can be seen on the liquidator's receipts and payment account at Appendix A.

### Category 2 disbursements

These are expenses that are directly referable to the insolvent estate but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by an office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration.

To the extent that recovery of category 2 disbursements is sought, this will be for mileage only. Accordingly, the following resolution was made by the creditors on 28 February 2018:

Headed paper	25p per sheet
Photocopying	6p per sheet
Envelopes	25p each
Postage	Actual cost
Meeting room facility	£150

Category 2 disbursements are indirect expenses, which will be charged to the estate with an uplift.

Storage and Archiving is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents from the commercial archiving company. We also use our own personnel and vehicle for collection of books and records for which we charge £30 per hour. Mileage is charged at 45p a mile. VAT is added as appropriate. Details of these costs are also provided in the table below.

### Sub-contracted out work

We confirm that, in the Period, we have not sub-contracted out any work that could otherwise have been carried out by us or our team.

### Payments to associates

We confirm that, in the Period, we have not enlisted services from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has a business or personal relationship.

### Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the joint trustees' fee basis, or who provide services to us as joint trustees, which may give rise to a potential conflict.

## Information for creditors

Provided below is information to help creditors to understand their rights in insolvency and regarding officeholders' fees, and the roles and functions of committees.

R3 is the trade association for the UK's insolvency, restructuring, advisory and turnaround professionals. Amongst other things, R3 has made available written guidance for stakeholders affected by insolvency, in particular creditors, for some of which the web links are provided below.

Where web links are provided for the information, we will supply this information by post, free of charge on request.

'Office holder' means, for example, the appointed administrator(s), liquidator(s) or trustee(s) in bankruptcy.

### R3 creditor guides

- Rights of creditors during an insolvency process guides: <https://www.r3.org.uk/what-we-do/publications/professional/creditors-guides>
- Background information regarding the fees of officeholders: <https://www.r3.org.uk/what-we-do/publications/professional/fees>
- Liquidation/Creditors' committees and commissioners: <https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf>

### Creditors' and members' rights to request information about remuneration or expenses under r18.9 of the Rules

(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14:

- (a) a secured creditor;
- (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
- (c) 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;
- (d) any unsecured creditor with the permission of the court; or
- (e) any member of the company in a members' voluntary winding up with the permission of the court.

(2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.

(3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by:

- (a) providing all of the information requested;
  - (b) providing some of the information requested; or
  - (c) declining to provide the information requested.
- (4) The office-holder may respond by providing only some of the information requested or decline to provide the information if:
- (a) the time or cost of preparation of the information would be excessive; or
  - (b) disclosure of the information would be prejudicial to the conduct of the proceedings;



- (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
  - (d) the office-holder is subject to an obligation of confidentiality in relation to the information.
- (5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.
- (6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of:
- (a) the office-holder giving reasons for not providing all of the information requested; or
  - (b) the expiry of the 14 days within which an office-holder must respond to a request.
- (7) The court may make such order as it thinks just on an application under paragraph (6).

#### **Creditors' and members' rights to challenge the office-holder's remuneration and expenses under r18.34 of the Rules**

- (1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that:
- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
  - (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
  - (c) the expenses incurred by the office-holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable:
- (a) a secured creditor,
  - (b) an unsecured creditor with either:
    - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
    - (ii) the permission of the court, or
  - (c) in a members' voluntary winding up:
    - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
    - (ii) a member of the company with the permission of the court.
- (3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").