

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

04427588

Name of Company

Frieze Foundation

I / We

Ian Franes, 24 Conduit Place, London, W2 1EP

Jeremy Karr, 24 Conduit Place, London, W2 1EP

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 08/08/2015 to 07/08/2016

WEDNESDAY



A26 *A5JF31LT* 09/11/2016 #261
COMPANIES HOUSE

Signed

Date

5-10-16

Begbies Traynor (Central) LLP
24 Conduit Place
London
W2 1EP

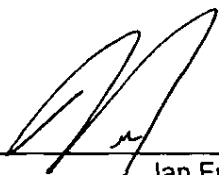
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**Frieze Foundation
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 08/08/2015 To 07/08/2016	From 08/08/2014 To 07/08/2016
HIRE PURCHASE			
Uncertain	Lease at Rochelle School, London E2	NIL	NIL
		NIL	NIL
UNSECURED CREDITORS			
Uncertain	Exe Agency of European Commission	NIL	NIL
Uncertain	Frieze Events Limited (Note)	NIL	NIL
(200 00)	HMRC (CT)	NIL	NIL
		NIL	NIL
(200.00)		NIL	NIL

REPRESENTED BY

NIL



Ian Franes
Joint Liquidator

Frieze Foundation - In Creditors' Voluntary Liquidation (formerly in Members' Voluntary Liquidation)

Progress report pursuant to Section 104A of the
Insolvency Act 1986 and Rule 4.49C of the
Insolvency Rules 1986

Period: 8 August 2015 to 7 August 2016

Important Notice

This report has been produced solely to comply with our statutory duty to report to members of the Company pursuant to Section 104A of the Insolvency Act 1986. This report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Frieze Foundation (In Members' Voluntary Liquidation)
"the liquidators", "we", "our" and "us"	Ian Franes and Jeremy Karr of Begbies Traynor (Central) LLP., 24 Conduit Place, London, W2 1EP
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (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 creditors	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s)	N/A
Company registered number	04427588
Company registered office	24 Conduit Place, London, W2 1EP
Former trading address	1 Montclare Street, E2 7EU

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	08 August 2014
Date of liquidators' appointment	8 August 2014
Changes in liquidator (if any)	None

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 8 August 2015 to 7 August 2016

Further to our last report dated 22 September 2015 there have been no asset realisations

As previously reported, the status of the Company has been converted from members' voluntary liquidation ("MVL") to creditors' voluntary liquidation ("CVL") at the creditors' meeting held on 9 September 2015

The Company was granted a 10 years lease at Rochelle School, Arnold Circus, London E2 7ES from 2 December 2010. In April 2015, the landlord had issued a notice of termination of the lease with effect from 29 October 2015. Accordingly, the lease was surrendered to the landlord.

Following the commencement of the CVL the major creditor, Education, Audiovisual and Culture Executive Agency of European Commission ("EU"), commenced their own investigations into the Company's affairs and visited our offices to review the Company's records.

5. ESTIMATED OUTCOME FOR CREDITORS

Secured creditor

There are no secured creditors in the liquidation.

Preferential creditors

There are no known preferential claims.

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

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

As previously reported, we had been notified of a claim of EUR697,020.84 from the EU and a claim of £200 from HMRC. No dividend is available for unsecured creditors as no funds have been realised.

6. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 95 of the Act on 9 September 2015 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 and we are authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 95 of the Act and which is attached at Appendix 2 of this report.

Our time costs for the period from 8 August 2015 to 7 August 2016 amount to £18,468 which represents 67.30 hours at an average rate of £274.41 per hour.

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

- ☐ Time Costs Analysis for the period to
- ☐ Begbies Traynor (Central) LLP's charging policy
- ☐ Narrative summary of officer holders' time costs

Thus far, due to the lack of the realisations we have not drawn any of our time costs.

We have not taken any Category 2 disbursements.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2011' 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

The following category 1 expenses (direct disbursements) have been incurred since our appointment

Supplier / Service Provider	Nature of expense incurred	Amount incurred to date £	Paid date to £	Amount Outstanding £
TMP UK Limited	Statutory Advertising	153 44	0 00	153 44
Land Registry	Land Registry Fee	6 00	0 00	6 00
Total		159.44	0 00	159.44

8. ASSETS THAT REMAIN TO BE REALISED

There are no asset realisations expected We have requested EU for their conformation whether the liquidation could now be closed

9. OTHER RELEVANT INFORMATION

As previously reported, the Company moved from MVL to CVL following the meeting of creditors held pursuant to Section 95 of the Insolvency Act 1986 on 9 September 2015

Investigations and reporting on directors conduct

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 In addition, as explained in the report circulated at the meeting of creditors convened pursuant to Section 95 of the Act, such report having also been sent to creditors following the meeting, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Energy and Industrial Strategy We can confirm that we have discharged our duties in these respects

Investigations carried out to date

As detailed above, the major creditor, EU, commenced their own investigations into the Company's affairs and visited our offices to review the Company's records It is believed that the investigations are still continuing although we have no direct involvement with this

As detailed above,

Connected party transactions

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

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report

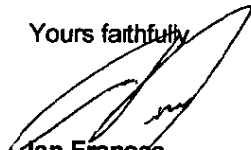
Right to make an application to court

Pursuant to Rule 4.131 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate

11. CONCLUSION

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

Yours faithfully,



Ian Frases
Joint Liquidator

Dated 5 October 2016

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 08 August 2015 to 07 August 2016

Frieze Foundation
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 08/08/2015 To 07/08/2016	From 08/08/2014 To 07/08/2016
HIRE PURCHASE			
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Uncertain	Frieze Events Limited (Note)	NIL	NIL
(200 00)	HMRC (CT)	NIL	NIL
		NIL	NIL
(200.00)		NIL	NIL
REPRESENTED BY			
			NIL

Ian Franses
Joint Liquidator

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's charging policy,
- b Time Costs Analysis for the period from 08 August 2015 to 07 August 2016, and
- c Narrative summary of office holders' time costs

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of a solvent estate and seeks member 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 members 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 member 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 SOLVENT 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 SOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

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

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

In addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or

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

² Ibid 1

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 an entity within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval)

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

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

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

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

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

Grade of staff	Charge-out rate (£ per hour)	Charge-out rate (£ per hour)
	01/05/11 – 28/02/15 until further notice	1 March 2015 – until further notice
Partner	320-375	395
Director	300	345
Senior Manager	220	310
Manager	200	265
Assistant Manager	-	205
Senior Administrator	140	175
Administrator	120	135
Trainee Administrator	80	110
Support	80	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

Staff Grade	Consultant/ Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	8 0		8 7						16 7	5,465 50	327 28
	Administration			8 7				0 9	2 0	14 1	3,399 50	241 10
	Total for General Case	8 0	2 5	17 4				0 9	2 0	30 8	8,865 00	287 82
	Administration and Planning											
Compliance with the Insolvency Act, Rules and best practice	Appointment			1 5				0 3		1 8	430 50	239 17
	Banking and Bonding							0 2		0 2	22 00	110 00
	Case Closure											
	Statutory reporting and statement of affairs		0 1									0 00
	Total for Compliance with the Insolvency Act, Rules and best practice		0 1	1 5				0 5		2 1	487 00	231 90
Investigations	CDDA and investigations			29 6						29 6	7,844 00	265 00
	Total for Investigations			29 6						29 6	7,844 00	265 00
Realisation of assets	Debt collection											0 00
	Property, business and asset sales											0 00
	Retention of Title/Third party assets											0 00
Trading	Total for Realisation of assets											0 00
	Trading											0 00
	Total for Trading											0 00
	Secured											0 00
Dealing with all creditors claims (including employees), correspondence and distributions	Others			2 3						2 3	609 50	265 00
	Creditors committee											0 00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions			2 3						2 3	609 50	265 00
	Meetings			2 5						2 5	662 50	265 00
	Other											0 00
Other matters which includes meetings, tax, litigation, pensions and travel	Tax											0 00
	Litigation											0 00
	Total for Other matters			2 5						2 5	662 50	265 00
	Total hours by staff grade	8 0	0 1	2 5				1 4	2 0	67 3		
	Total time cost by staff grade	3,160 00	34 50	14,124 50				154 00	220 00		18,468 00	
	Average hourly rate £	395 00	345 00	265 00	0 00	0 00	0 00	110 00	110 00			274 41
	Total fees drawn to date £										0 00	

Fneze Foundation

SUMMARY OF TIME COSTS AND EXPENSES

This summary, which should be read in conjunction with the Time Costs Analysis for the period of the report attached, is intended to provide sufficient information to enable the body responsible for the approval of our fees to consider the level of our fees and expenses in the context of the case

What work has been done in the period of the 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

General case administration and planning

- Formulating, monitoring and reviewing the liquidation strategy including communications with the directors, creditors and the Company's accountants
- Case reviews, internal case management/reviews, completion of checklists and diary
- General administrative works

Compliance with the Insolvency Act, Rules and best practice

- Statutory filing of appointment documentation with Registrar of Companies
- Advertise appointment of liquidators
- Ensure that the case is adequately bonded and review the bond level throughout the period of the liquidation
- Produce report to creditors and members following conversion from MVL to CVL

Investigations

The liquidators are required to carry out investigations into the Company's affairs and submit a report to the Department of Business Innovation and Skills under the Company Directors Disqualification Act ("CDDA"). The fact that there is limited information available at this time and investigations may uncover possible actions which could be brought for the benefit of creditors. We endeavour to review the Company's records and may seek assistance from the Company's accountants to establish whether any further recovery could be made.

Significant amount of time has been spent in reviewing the Company's records, making enquiries to its previous auditors, liaising with the major creditor, Education, Audiovisual and Culture Executive Agency of European Commission ("EU"), who also commenced their own investigations into the Company's affairs and visited our offices to review the Company's records.

Realisation of assets

There have been no realisations in the liquidation.

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

This includes creating and updating the list of creditors Responding to queries raised by creditors, and HMRC Various communications with the EU

Other matters which includes meetings, tax, litigation, pensions and travel

Gather information from the Company's records in relation to its tax position Submit relevant notification to HM Revenue & Customs Comply with post appointment VAT and CT returns, as necessary Consider claiming terminal loss relief Establish whether the Company had any pension scheme

Time Costs Analysis

An analysis of time costs for the period of the report is attached showing the time spent by each grade of staff on the different types of work involved in the case, and giving the total costs and average hourly rate charged for each work type

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

Category 2 Disbursements

In accordance with the resolution obtained in relation to disbursements we have not taken any Category 2 disbursements

Why have subcontractors been used?

No subcontractors have been used during the period of this report

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

The following works are being carried out pending the final meetings to be held

- 1 Awaiting confirmation from the EU whether the liquidation could now be closed pending their ongoing investigations
- 2 Produce a draft final progress report to creditors and members
- 3 Convening and holding of final meetings of members and creditors pursuant to Section 106 of the Insolvency Act 1986 and maintain records of the meetings
- 4 Advertise a notice of the final meetings in the London Gazette
- 5 Once the final meetings are held file a final return with Registrar of Companies
- 6 Dealing with creditors' queries following the issue of the final report, as appropriate

How much will this further work cost?

Our fees estimate for the above works is set out below Please note that blended hourly rates have been used 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 work that the liquidators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	6.70	1,897.50	283.21

Compliance with the Insolvency Act, Rules and best practice	6 30	1,623 00	257 62
Realisations of Assets	0 00	0 00	0 00
Dealing with all creditors' claims (including employees), correspondence and distributions	0 50	132 50	265 00
Other matters which includes meetings, tax, litigation, pensions and travel	0 80	134 50	168 13
Total hours	14 30		
Total time costs		3,787 50	
Overall average hourly rate £			264 86

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as follows

Final advertisement in the London Gazette £79 plus VAT