

AM25

Notice of court order ending administration



Companies House

MONDAY



A07

A96BIDMO

01/06/2020

#65

COMPANIES HOUSE

1 Company details

Company number 0 6 3 1 4 6 0 8

Company name in full Refresh Recovery Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Martin

Surname Halligan

3 Administrator's address

Building name/number 33 Cockton Hill Road

Street Bishop Auckland

Post town

County/Region

Postcode DL14 6HS

Country

4 Administrator's name ①

Full forename(s)

Surname

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other administrator

Use this section to tell us about
another administrator.

AM25

Notice of court order ending administration

6 Administration end date

End date

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| d | 0 | d | 2 | m | 0 | m | 3 | y | 2 | y | 0 | y | 2 | y | 0 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

7 Date of court order

Court order date

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| d | 0 | d | 2 | m | 0 | m | 3 | y | 2 | y | 0 | y | 2 | y | 0 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

8 Attachments

- ☒ I have attached a copy of the court order
- ☒ I have attached a copy of the final progress report

9 Sign and date

Administrator's
signature

Signature

X



X

Signature date

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| d | 0 | d | 9 | m | 0 | m | 3 | y | 2 | y | 0 | y | 2 | y | 0 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

AM25

Notice of court order ending administration



Presenter information

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

Contact name **Jonathan Jowett**

Company name **Live Recoveries Limited**

Address **33 Cockton Hill Road**

Post town **Bishop Auckland**

County/Region

Postcode **D L 1 4 6 H S**

Country

DX

Telephone



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 all the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Refresh Recovery Limited
(In Administration)
Administrator's Summary of Receipts & Payments

| Statement of Affairs £ | | From 28/06/2018 To 02/03/2020 £ | From 28/06/2018 To 02/03/2020 £ |
|------------------------------|----------------------------------|---------------------------------------|---------------------------------------|
| | ASSET REALISATIONS | | |
| | Bank Interest Gross | 55.94 | 55.94 |
| | Book Debt r.e. WIP | 12,000.00 | 12,000.00 |
| 3,000.00 | Book Debts | 9,868.28 | 9,868.28 |
| | Cash at Bank | 18,212.38 | 18,212.38 |
| | Furniture & Equipment | 500.00 | 500.00 |
| NIL | Goodwill | NIL | NIL |
| NIL | Leasehold Improvements | NIL | NIL |
| | Motor Vehicles | 3,500.00 | 3,500.00 |
| | Outstanding Admin Fees | 7,819.09 | 7,819.09 |
| NIL | Plant & Machinery | NIL | NIL |
| | Royal Mail Refund | 74.10 | 74.10 |
| Uncertain | Work in Progress | NIL | NIL |
| | | <u>52,029.79</u> | <u>52,029.79</u> |
| | COST OF REALISATIONS | | |
| | Administrator's Disbursements | 536.60 | 536.60 |
| | Administrator's Fees | 18,597.37 | 18,597.37 |
| | Corporation Tax | 4.94 | 4.94 |
| | Debt Collection Fees | 662.12 | 662.12 |
| | Estate Funds | 6,999.00 | 6,999.00 |
| | Legal Fees (1) | 12,500.00 | 12,500.00 |
| | Legal fees (2) | 1,675.00 | 1,675.00 |
| | | <u>(40,975.03)</u> | <u>(40,975.03)</u> |
| | PREFERENTIAL CREDITORS | | |
| (13,090.00) | Employee Arrears/Hol Pay | NIL | NIL |
| | | <u>NIL</u> | <u>NIL</u> |
| | FLOATING CHARGE CREDITORS | | |
| (21,000.00) | PRT Public Houses Ltd | NIL | NIL |
| | | <u>NIL</u> | <u>NIL</u> |
| | UNSECURED CREDITORS | | |
| (122,703.00) | Employees | NIL | NIL |
| (150,000.00) | HM Revenue & Customs | NIL | NIL |
| (11,600.00) | Trade & Expense Creditors | NIL | NIL |
| | | <u>NIL</u> | <u>NIL</u> |
| | DISTRIBUTIONS | | |
| (80.00) | Ordinary Shareholders | NIL | NIL |
| | | <u>NIL</u> | <u>NIL</u> |
| (315,473.00) | | <u>11,054.76</u> | <u>11,054.76</u> |
| | REPRESENTED BY | | |
| | Bank 1 Current | | 3,998.77 |
| | Embargoed Funds | | 7,055.99 |
| | | | <u>11,054.76</u> |

REFRESH RECOVERY LIMITED – IN ADMINISTRATION

Company Number: 06314608

Registered Office: c/o Live Recoveries, 33 Cockton Hill Road, Bishop Auckland, County Durham, DL14 6HS

Former Registered Office and Trading Address: Maple View, White Moss Business Park, Skelmersdale, Lancashire, WN8 9TG

Administrator's Final Progress Report

Report Dated: 02 March 2020

M P Halligan appointed Administrator on 28 June 2018

Live Recoveries
33 Cockton Hill Road | Bishop Auckland | County Durham | DL14 6HS
Tel: 0844 870 9251
Email: mail@liverrecoveries.com Web: www.liverrecoveries.com

Martin Halligan is licensed in the United Kingdom to act as Insolvency Practitioners by the Insolvency Practitioners Association
Insolvency Practitioners acting as Administrators or Administrative Receivers contract as agents without personal liability.
Live Recoveries is a trading style of Live Recoveries NE Limited. Registered Office as above.
Incorporated in England and Wales. Company Registration No: 10875038

REFRESH RECOVERY LIMITED (“the Company”) – IN ADMINISTRATION
Court Name and Reference Number: High Court of Justice, The Business Property Courts in Leeds 598 of 2018

INTRODUCTION

I was appointed Administrator of the Company on 28 June 2018 by the holder of a qualified floating charge, PRT Public House LTD of Rovers Building, 91 Chapel Street, Salford, M3 5DF.

The EC Regulation on Insolvency Proceedings 2015 will apply, and these proceedings will be main proceedings as defined by Article 3 of the EC Regulation. The Company’s registered office and centre of main interests are in the United Kingdom.

Information about the way that we will use, and store personal data on insolvency appointments can be found at www.liverecoveries.co.uk/res/GDPR.pdf . If you are unable to download this, please contact us and a hard copy will be provided to you.

CASE STRATEGY

The statutory objective of the Administration was to realise property in order to make a distribution to one or more secured or preferential creditors.

The Company ceased to trade prior to my appointment and as such my strategy for dealing with the realisation of the Company’s assets is detailed below.

RECEIPTS AND PAYMENTS

A summary of receipts and payments for the period 28 December 2019 to 02 March 2020 and for the cumulative period, 28 June 2018 to 02 March 2020 is attached at Appendix I. This shows a balance in hand of £11,054.76, Which is made up as follows:-

| | |
|------------------|-------------------|
| • Cash in Hand | £7,029.13 |
| • VAT Receivable | £4,825.63 |
| • VAT Payable | £(800.00) |
| | £11,054.76 |

In accordance with the provisions of Statement of Insolvency Practice 7, the receipts and payments are shown net of VAT.

An interest-bearing bank account has been opened with Barclays Bank PLC for the purposes of the Administration. I have received £55.94 during the cumulative period of the Administration. Interest of £10.85 has been received in the period since my prior progress report.

ADMINISTRATOR’S ACTIONS SINCE REPORT AND PROPOSALS

Cash at bank

I have received £18,212.38 from National Westminster Bank Plc. No further realisations are anticipated.

Book debts

The Estimated Statement of Affairs disclosed book debts with a book value of £3,000.00, estimated to realise in full.

In the period since my prior progress report £1,140.00 was realised, and £9,868.28 has been realised during the cumulative period of the Administration.

**Following the ending of the Administration by Court Order, an additional £1,000.00 was received into the estate bank account, which remained open, bringing the total realisations from this source to £10,868.28.*

Work in progress (“WIP”)

The Estimated Financial Position disclosed WIP with a book value of £43,500.00 together with an estimated to realise value as ‘uncertain’.

Following my appointment, I obtained a WIP schedule for the insolvency cases that were transferred to Peter Harold of OBS Recovery Limited (“OBS”), prior to my appointment, on 18 May 2018.

Peter Harold is a connected party by virtue of his previous employment with the Company as an appointment taking Insolvency Practitioner, and he is a current director of OBS.

I obtained a copy invoice from the Company to OBS for the sale of the WIP associated with the cases transferred, prior to my appointment, effectively creating a book debt in the sum of £34,499.00 plus VAT.

I have not been able to obtain an independent valuation, or a valuation carried out by the Company of the WIP. I have therefore been reliant on the information provided by OBS to substantiate the agreed valuation of the WIP and ultimately the agreed sales figure.

I considered that the information detailed in the WIP schedule was deficient of information to allow an informed review of its true value. As part of my independent WIP analysis, I held various meetings with representatives of OBS and have been undertaking a full review of the following:

- quantum of the estate monies transferred from the Company to OBS, this amount stands at over £1.5million;
- whether fee approval was (validly) obtained by the Company and the basis of the former office holder's remuneration on each case;
- review of the time costs incurred by the Company from the date of the office holder's appointment to the block transfer on each case;
- remuneration drawn by the Company on each case transferred;
- any unbilled WIP that the Company was validly entitled to raise a fee note against;
- review of time costs incurred by OBS from the date of the block transfer to date; and
- an analysis of the fee notes raised and subsequently paid to OBS on the case transferred.

Based on my analysis to date, I believe that the WIP has been transferred to OBS at an undervalue, as defined by s238 of The Insolvency Act 1986. Due to the beneficiary being a connected party, the Company's insolvency would also be presumed.

In order to bring any actions against the beneficiaries of this transaction, I needed to ascertain the true market value of the WIP, which is a complex and lengthy process, due to the reliance on OBS to provide me with up to date information on the cases that were transferred to Peter Harold. It is my understanding that this will be pursued by any duly appointed Liquidator.

I received £12,000.00 during the cumulative period of the Administration, in respect of the WIP claimed to have been purchased at market value.

Monies currently held on 'trust'

It is currently understood that of the monies held £7,055.99 relates to unclaimed dividends from cases where either Gordon Craig, Peter Harold or both, as joint appointees, were office holders.

I obtained a reconciliation of these monies, it is my understanding that these funds need to be paid into the Insolvency Services Unclaimed Dividend Account or returned to the office holder or former office holder to deal with.

Fixtures and fittings

The Company had a small amount of office furniture, fixtures, fittings and IT equipment, which were purportedly transferred prior to my appointment to a director of the Company in lieu of outstanding wages.

I have recovered the sum of £500.00 plus VAT from OBS Recovery Limited, no further realisations are anticipated.

Unencumbered vehicles

Honda CRV

A former employee of OBS, retained the use of this vehicle for a period of 12 months from the date of their redundancy. As 12 months has elapsed, I requested the former employee to either return the vehicle or make an offer to purchase the vehicle for its market value.

A desktop valuation of the vehicle has been obtained through webuyanycar.com and ratified by Michael Steel & Co (Plant & Machinery) Limited, agents and valuers based in Leeds, ("the Agents"), in the sum of £4,025.00.

I received an offer to purchase the vehicle from OBS Recovery Limited in the sum of £3,500.00 and this offer was accepted by the Agents.

Mercedes Vito Van

I am aware that the Company purchased a Mercedes Vito van, the purpose of such vehicle has not been confirmed, however this van was transferred to a director of the Company for no consideration. The director has stated that the transfer of the van was in lieu of outstanding wages and was conducted at a time the Company was not insolvent. I have received an independent valuation of the van and have instructed my solicitors to pursue this matter. SW have undertaken a desktop valuation of the van and considered it to have a market value of £8,525.00. This transaction was passed to my solicitors to review and will be pursued by any duly appointed Liquidator.

Vehicles subject to finance

The Company's books and records identified a significant amount of assets held as plant, machinery and equipment, the majority of which was made up by a Porsche Panamera and a Jaguar F-Type.

I understand that the Jaguar F Type was written off, however, confirmation of this has not been received and I have not received a claim for their anticipated shortfall.

It is also my understanding that the Porsche Panamera was also in negative equity and that a former director transferred the vehicle's finance agreement to himself due to a personal guarantee held and the vast mileage on the vehicle. No confirmation was received from the secured creditor as to the transfer of the vehicle.

Cherished Plates

The Company also owned the following cherished number plates: -

GO13 UMP
GO13 UST
GO13 ANG

Following my appointment, I requested a valuation of the cherished plates from SW, who detailed that the likely value of the cherished plates was negligible. It is not deemed beneficial to creditors to instruct an agent to realise these vehicle registration plates.

Leasehold improvements

The Company's estimated financial position identified leasehold improvements with a book value of £54,000.00. Upon the Administrators appointment the Company premises were vacated and any improvements to the leasehold property were deemed unrealisable and were left in-situ to mitigate any potential claim by the landlord in respect of dilapidations.

Directors' loan accounts

As part of my standard investigation into the transactions made by the Company, I have highlighted a number of significant payments to the directors of the Company totalling £125,485.17, the vast majority of which was transferred within a six-week period immediately prior to my appointment as Administrator.

I can confirm that Shulmans LLP were instructed to request repayment of these monies, however the directors have advised that they believe that the loan accounts are in credit. I requested the directors to provide me with documentation in support of their claim, wish was received. Further investigations and any potential action against the directors will be reviewed by any duly appointed Liquidator.

Unpaid Fees

Creditors should note that I am also Liquidator of Quinn Limited, a company of which Gordon Craig was the former Administrator and Liquidator. My administration of this matter is complete, and I transferred the Company £7,158.68 in respect of outstanding Administrator's fees.

Creditors (claims and distributions)

Further information on the anticipated outcome for creditors in this case can be found below. The Administrator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.

Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.

The above work will not necessarily bring any financial benefit to creditors generally, however the Administrator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Administrator in dealing with those claims.

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, discloses that the Company has granted a fixed and floating charge over its assets in favour of PRT Public Houses LTD ("PRT") which was created on 16 February 2018 and registered at Companies House on 19 February 2018.

I can confirm that my solicitors, Shulmans LLP, have reviewed the validity of the charge, and identified two areas for me to look into in further detail. I can confirm that these points have been addressed and as a result the charge remains valid.

The estimated amount outstanding to PRT was £21,000. PRT has submitted a claim in the Administration amounting to £25,000.

Section 176A (9) of the Act, as amended, regarding the prescribed part does apply in this matter and the prescribed part calculation is as follows.

Net assets available to floating charge holders are partially ring fenced for unsecured creditors.

Net Property:

| | | |
|-----------------------------|---|------|
| First £10,000 | ↑ | 50 % |
| Thereafter | ↑ | 20% |
| Up to a maximum of £600,000 | | |

Due to the costs and expenses of the Administration the estimated value of the prescribed part, at present, is nil.

An Administrator will not be required to set aside the prescribed part if:

- ❑ the net property is less than £10,000 and he thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ❑ he applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

Preferential Creditors

I received a preferential claim from the Redundancy Payments Service ("RPS") of £2,117.19.

Crown Creditors

HM Revenue & Customs ("HMRC") have submitted an unsecured interim VAT integrated claim of £157,239, this compares to the estimated amount of £150,000.

Unsecured creditors

Other unsecured claims received to date total £256,360.62, detailed as follows: -

| | No. | £ Per 'S of A' | No. | £ Claims |
|--------------------------------|-----|-------------------|-----|-------------------|
| Trade Creditors | 4 | 12,405.20 | 2 | 7,385.88 |
| Insolvency Service / Employees | 8 | 122,703.00 | 1 | 48,974.74 |
| Loans | 0 | - | 1 | 200,000.00 |
| TOTAL | | 135,108.20 | | 256,360.62 |

DIVIDEND PROSPECTS

Secured Creditors

PRT do not hold any specific fixed charge.

Preferential Creditors

Creditors will recall that my previous progress report detailed embargoed funds in the sum of £18,178.36 and as such it was not anticipated that there would not be a distribution to the preferential creditors. It was also stated that it was anticipated that there will be funds available to allow a distribution to be made to preferential creditors. This was reliant upon the quantum and timing of a distribution is dependent upon the realisation of the Company's book debt for the pre-appointment WIP sale.

The position may change due to the Administration of the Company ending and the commencement of the compulsory winding up. This matter will be reviewed by the Official Receiver or any duly appointed Liquidator.

Floating Charge Creditors

As previously advised, the Company gave a floating charge to PRT and the prescribed part provisions will apply. I am unable to calculate the Prescribed Part, as this is also dependent upon the realisation of the book debt created from the sale of the WIP.

Unsecured Creditors

I am unable to state if a distribution is likely to be declared in the Liquidation.

INVESTIGATIONS INTO THE AFFAIRS OF THE COMPANY AND THE COMPANY DIRECTORS' DISQUALIFICATION ACT 1986

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.

I can confirm that certain matters were brought to my attention, which resulted in an investigation into the Company's physical and electronic records to support these allegations. Whilst I review these matters, and collate any information from the books and records, I do not intend disclose my current findings in full as I do not wish to prejudice any potential action which may be taken against the relevant parties.

Whilst reviewing the financial affairs of the Company and conduct of the Directors it has become clear that the management of the Company was not sufficiently controlled in the months leading to Administration. This largely coincided with an investigation by the North West Organised Crime Unit and The Pensions Regulator into the conduct of Gordon Craig as a Trustee of a significant pension scheme.

Due to the serious allegations and subsequent suspension of Mr Craig as acting as a Pensions Trustee in February 2018, Mr Craig's recognised professional body also had no alternative but to review his suitability to act as a licensed insolvency practitioner. On 25 October 2018 the Insolvency Licensing Committee made an order to withdraw Mr Craig's insolvency license on the basis that his continued authorisation be prejudicial to the public interest.

Within three months of my appointment as Administrator, I am required to submit a confidential report to the Department For Business, Energy & Industrial Strategy ("DBEIS") to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make him unfit to be concerned with the management of the Company.

I would confirm that my report on the conduct of the director's has been submitted, and the relevant findings have been relayed to DBEIS. The investigation into the financial affairs of the Company and conduct of the director's will be continued by any duly appointed Liquidator.

PRE-APPOINTMENT REMUNERATION

I have incurred pre-appointment time costs of £7,305.00, consisting of 23.20 hours at an average hourly rate of £314.87.

I do not propose to recover my pre-appointment costs.

ADMINISTRATOR'S REMUNERATION

My remuneration was authorised by consent of the secured creditor, PRT, and via decision procedure from the Company's preferential creditors on 26 October 2018. My remuneration was authorised on a mixture of a fixed fee and time costs basis.

Fixed Fee

I was initially authorised to draw a fixed fee of £7,253 for work undertaken under the following categories: -

- Administration and Planning
- Meetings, Reports and Reviews
- Taxation

Specific work undertaken in this regard is detailed in Live Recoveries' fee recovery policy ("the Policy") attached at Appendix III.

An increase in my fixed fee of £3,500.00 was agreed by the secured creditor and preferential creditors, via consent and Decision Procedure on 21 January 2020, increasing the fixed fee element to £10,753.00, details of which are below.

I have drawn this fee in full.

Time Costs

I was authorised to draw time costs estimated in the sum of £11,300.00 on account for my work in respect of the following: -

- Investigations
- Asset Realisations
- Creditors

Specific work undertaken in this regard is detailed in the Policy.

In increase in my fees was agreed by the secured creditor and preferential via consent and Decision Procedure on 21 January 2020, increasing my time costs basis by £1,390.00, increasing the time costs element to £12690.00, details of which are below.

My time costs in respect of the above categories for the Period are £2,632.50. This represents 11.60 hours at an average rate of £226.94 per hour. Attached at Appendix II is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent in managing the Administration.

Also attached at Appendix II is a cumulative Time Analysis for the relevant categories for the period from 28 June 2018 to 02 March 2020 which provides details of my time costs since my appointment. The cumulative time costs incurred to date are £13,297.50 and this represents 52.30 hours at an average rate of £266.30 per hour.

I have drawn £7,844.37 plus VAT on account of my time costs fee basis; and have an outstanding invoice of £4,845.63 plus VAT in relation to the balance of my time costs.

I will contact the official Receiver or any duly appointed liquidator in relation to the settlement of these outstanding costs, as the former administrators remuneration and expenses shall be charged on and payable out of property of which he had custody or control immediately before cessation, and paid in priority to any floating charge property.

AGREED INCREASE IN FEES

As detailed above, creditors approved the following additional remuneration to be drawn by way of a decision by correspondence dated 21 January 2020: -

1. That a further fixed fee of £3,500.00 plus VAT be approved for dealing with the requests of HM Revenue & Customs and all associated matters as set out in the report to creditors dated 07 January 2020.
2. That the increase in the Administrator's remuneration for which he is being remunerated on a time costs basis be approved in accordance with the information set out in the report to creditors dated 07 January 2020, namely further time costs of £1,390.00.

ADMINISTRATOR'S DISBURSEMENTS

A summary of Live Recoveries disbursements, Category 1 and Category 2, both pre and post appointment, for the period to 28 June 2018 to 02 March 2020, is detailed below: -

| Disbursement | Payee | Amount (£) |
|-----------------------|------------------|---------------|
| | | Post |
| Specific Bond | Marsh Limited | 520.00 |
| Postage | The Post Office | 1.77 |
| Court Fee | HMCTS | 50.00 |
| Statutory Advertising | TMP (UK) Limited | 79.00 |
| | | 650.77 |

Disbursements totalling £536.60 plus VAT have been drawn and the balance remains outstanding .

FURTHER INFORMATION ON FEES AND DISBURSEMENTS

The Policy is attached at Appendix III. Scale rates may increase from time to time over the period of administration on each insolvency case.

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrator's fees and the

amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

A copy of 'A Creditors Guide to Administrator's Fees' published by the R3 is available on our website on the 'Resources' link. Please note that there are different versions of the Guidance Notes, and in this case, you should refer to the April 2017 version. A hard copy of both of this can be obtained on request from this office.

OTHER PROFESSIONALS / AGENTS EMPLOYED

As Administrator, I have instructed the following professionals:

| Professional advisor | Nature of work | Fee arrangement |
|---|---|---|
| Shulmans LLP | Legal advice | Time costs based on standard hourly rates |
| Michael Steel (Plant & Machinery) Limited ("MSL") | Valuation of chattel assets and advice | Time costs based on standard hourly rates |
| Sanderson Weatherall | Goodwill and Intellectual property advice | Time costs based on standard hourly rates |
| Goldsmith Bowers Ltd | Debt collection | 10% commission |

I consider the above to be firms of repute with the appropriate expertise in their field. My experience of working with these firms indicates that their internal delegation results in charges which are cost effective for this kind of work.

An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

| | Paid in prior period £ | Paid in reporting period £ | Incurred but not paid to date £ | Total anticipated cost £ |
|----------------------|-----------------------------------|---------------------------------------|--|-------------------------------------|
| Shulmans LLP | 0.00 | 13,625.00 | 0.00 | 14,125.00 |
| MSL | 0.00 | 0.00 | 150.00 | 150.00 |
| Sanderson Weatherall | 0.00 | 0.00 | 150.00 | 500.00 |
| Goldsmith Bowers Ltd | 662.12 | 100.00 | 0.00 | 762.12 |

CREDITOR RIGHTS

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at www.creditorinsolvencyguide.co.uk/.

ENDING OF THE ADMINISTRATION

Following the decision by creditors dated 21 January 2020, creditors resolved that I must make an application to Court to end the Administration.

Therefore, following my application to Court, the Court ordered that my appointment as Administrator of the Company shall cease to have effect from 2 March 2020 pursuant to Paragraph 79 (2) (C) Schedule B1 of the Insolvency Act 1986.

That the Company will be subsequently wound up under the Courts power pursuant to Paragraph 79 (2) (d), Schedule B1 of the Insolvency Act 1986 and section 122 of the Insolvency Act 1986.

It should also be noted the Court ordered that the Administrator be discharged from liability pursuant to Paragraph 98 (1), Schedule B1 of the Insolvency Act 1986 on 10 March 2020 and that the costs of the application be paid as an expense of the administration of the Company.

OTHER MATTERS

Should you have any queries regarding this report, or the Administration in general, please contact Jonny Jowett on 0844 870 9251.

At Live Recoveries we always strive to provide a professional and efficient service. However, I recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of this case, then in the first instance you should contact me at the address given in this letter

If you consider that I have not dealt with your comments or complaint appropriately you, then put details of your concerns in writing to our complaints officer, Margaret Walker. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior member of staff unconnected with the appointment. Please note our full grievance procedure can be seen on our website www.liverecoveries.com.

**Refresh Recovery Limited
(In Administration)**

Summary of Receipts & Payments

| RECEIPTS | Statement of Affairs (£) | From 28/06/2018 To 27/12/2019 (£) | From 28/12/2019 To 02/03/2020 (£) | Total (£) |
|--------------------------------|---|--|--|----------------------|
| Furniture & Equipment | | 500.00 | 0.00 | 500.00 |
| Motor Vehicles | | 3,500.00 | 0.00 | 3,500.00 |
| Book Debts | 3,000.00 | 8,728.28 | 1,140.00 | 9,868.28 |
| Outstanding Admin Fees | | 0.00 | 7,819.09 | 7,819.09 |
| Cash at Bank | | 18,212.38 | 0.00 | 18,212.38 |
| Royal Mail Refund | | 74.10 | 0.00 | 74.10 |
| Bank Interest Gross | | 45.09 | 10.85 | 55.94 |
| Book Debt r.e. WIP | | 12,000.00 | 0.00 | 12,000.00 |
| | | 43,059.85 | 8,969.94 | 52,029.79 |
| PAYMENTS | | | | |
| Administrator's Fees | | 8,168.00 | 10,429.37 | 18,597.37 |
| Administrator's Disbursements | | 0.00 | 536.60 | 536.60 |
| Estate Funds | | 6,999.00 | 0.00 | 6,999.00 |
| Debt Collection Fees | | 662.12 | 0.00 | 662.12 |
| Legal Fees (1) | | 0.00 | 12,500.00 | 12,500.00 |
| Legal fees (2) | | 50.00 | 1,625.00 | 1,675.00 |
| Corporation Tax | | 4.94 | 0.00 | 4.94 |
| | | 15,884.06 | 25,090.97 | 40,975.03 |
| Net Receipts/(Payments) | | 27,175.79 | (16,121.03) | 11,054.76 |
| MADE UP AS FOLLOWS | | | | |
| Vat Receivable | | 132.43 | 4,693.20 | 4,825.63 |
| Bank 1 Current | | 27,843.36 | (23,844.59) | 3,998.77 |
| Embargoed Funds | | 0.00 | 7,055.99 | 7,055.99 |
| Vat Payable | | (800.00) | 0.00 | (800.00) |
| Vat Control Account | | 0.00 | (4,025.63) | (4,025.63) |
| | | 27,175.79 | (16,121.03) | 11,054.76 |

REFRESH RECOVERY LIMITED - IN ADMINISTRATION

TIME COST SUMMARY 28 JUNE 2019 TO 02 MARCH 2020

| Classification of Work Function | Director | Senior Manager | Manager | Other Seniors | Assistants | Total Hours | Total Cost (£) | Average Hourly Rate (£) |
|---------------------------------|-------------|----------------|--------------|---------------|-------------|--------------|-----------------|-------------------------|
| Creditors | 0.00 | 0.60 | 6.80 | 24.30 | 0.00 | 31.70 | 7717.50 | 243.45 |
| Realisation of Assets | 0.40 | 0.40 | 3.00 | 2.40 | 0.00 | 6.20 | 1740.00 | 280.65 |
| Investigations | 0.40 | 0.70 | 5.90 | 7.40 | 0.00 | 14.40 | 3840.00 | 266.67 |
| TOTAL | 0.80 | 1.70 | 15.70 | 34.10 | 0.00 | 52.30 | 13297.50 | 254.25 |

TIME COST SUMMARY 28 DECEMBER 2019 TO 02 MARCH 2020

| Classification of Work Function | Director | Senior Manager | Manager | Other Seniors | Assistants | Total Hours | Total Cost (£) | Average Hourly Rate (£) |
|---------------------------------|-------------|----------------|-------------|---------------|-------------|--------------|----------------|-------------------------|
| Creditors | 0.00 | 0.00 | 0.00 | 4.80 | 0.00 | 4.80 | 1080.00 | 225.00 |
| Realisation of Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Investigations | 0.00 | 0.00 | 0.30 | 6.50 | 0.00 | 6.80 | 1552.50 | 228.31 |
| TOTAL | 0.00 | 0.00 | 0.30 | 11.30 | 0.00 | 11.60 | 2632.50 | 226.94 |

LIVE RECOVERIES' PRACTICE FEE RECOVERY POLICY IN ADMINISTRATION FROM AUGUST 2017

Introduction

The Insolvency (Amendment) Rules 2015 allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at www.liverecoveries.com. Alternatively, a hard copy may be requested from Live Recoveries.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated, and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. A report accompanying any fee request will disclose the set fee that we propose to charge, and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval but must be disclosed to help put the remuneration request into context.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

There are certain tasks that must be undertaken in most administrations. Although these are required by statute or regulation or are necessary for the orderly conduct of the proceedings, they do not produce any direct benefit for creditors, but still must be carried out.

The following sets out work undertaken in regard to the fixed fee: -

Administration and planning:

- Case planning - Devising an appropriate strategy for dealing with the case and giving instructions to staff to undertake the work on the case.
- Setting up physical/electronic case files (as applicable).
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other parties required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Corresponding with the Court.
- Convening and holding general meetings of creditors and members (as applicable).
- Obtaining the Company's books and records and archiving the same.
- Dealing with all routine correspondence and e-mails relating to the case from officers.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking monthly bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a periodic basis.
- Undertaking periodic reviews of the progress of the case.

- Overseeing and controlling the work done on the case by case administrators.
- Filing returns at Companies House.

Meetings Reports and Reviews:

- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Preparing, reviewing and issuing final reports to creditors and members.
- Considering the various matters highlighted by investigations into the Company's affairs to enable completion of the statutory return to the Department for Business, Innovation & Skill.

Taxation:

- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.
- Seeking closure clearance from HMRC and other relevant parties.

It has been considered that this work demonstrates why a fixed fee is an appropriate, reasonable and commensurate reflection of the work undertaken. Please note that the list includes generic tasks that may not be required every time, but which arise in a typical case. If any individual task is not required, this will not make a material difference to the amount of work done.

Time cost basis

Some of the elements of the work which are required to be carried out, cannot be identified with enough certainty for an office-holder to seek remuneration on a fixed cost or percentage basis. Accordingly for certain tasks, it is proposed to seek approval on a time cost basis. i.e. by reference to time properly spent by staff of MPH Recovery at the standard charge out rates, detailed below. When seeking time cost approval, an office-holder is required to set out a fee estimate. This estimate acts as a cap on time costs so that fees cannot be drawn in excess of the estimated time costs without further approval from those who approved the initial fees.

When charging fees on a time costs basis the firm uses charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

| Grade of staff | Current charge-out rate per hour £ |
|-----------------------|---|
| Director/Partner | 400 |
| Senior Manager | 350 |
| Manager | 300 |
| Administrator | 225 |
| Assistant | 95 |

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning.
- Investigations.
- Meetings, Reports & Reviews.
- Realisation of Assets.
- Creditors.
- Taxation
- Trading
- Case specific matters.

The firm only intend to seek time costs for the following categories:

- Investigations
- Creditors
- Distributions

When seeking approval for fees, an office-holder will disclose the work that it intends to undertake, the hourly rates that it intends to charge for each part of the work, and the time that is considered each part of the work will take. The firm will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. The firm will also say whether it is anticipated needing to seek approval to exceed the estimate and, if so, the reasons that it is considered that may be necessary.

The disclosure that the firm make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If an office-holder subsequently needs to seek authority to draw fees in excess of the estimate, the firm will say why it has been exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, the firm will state whether it is considers further approval to be necessary and, if so, why the firm thinks it may be necessary to seek further approval.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

The office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Disbursements

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Live Recoveries; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third-party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered:

| Disbursement Type | | Basis of Charge |
|--|--|------------------------|
| Mileage | | 75p per mile |
| Creditor Circulars (incl. stationery, printing and postage) | | At Cost |

Creditors

- Preferential

- Notification of the Liquidator's Appointment
- Providing the employees with the relevant case reference number and guidance notes
- Reviewing the RPI's completed by each of the relevant employees
- Reviewing the Company's records to establish the outstanding preferential claims
- Considering the information to be included on the RP14 to be submitted to the Redundancy Payments Office
- Completion of the RP14
- Considering the information to be included on the respective RP14A's to be submitted to the Redundancy Payments Office
- Completion of the RP14A
- Agreeing the balance outstanding with the Redundancy Payments Office
- Agreeing the employee's preferential claims in excess of the monies paid by the Redundancy Payments Office
- Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend
- Paying tax deducted from the dividends paid to employees and accounting to HM Revenue & Customs

- Floating Charge Creditor ("FCC")

- Notification of the Liquidator's Appointment
- Reviewing the registered charge of the FCC to ensure its validity
- Consideration of the Prescribed Part in accordance with S176A(9) of the Insolvency Act 1986
- Lodging the proof of debt lodged by the FCC

- Unsecured

- Notification of the Liquidator's Appointment
- Liaising with creditors in relation to their outstanding claims
- Logging receipt of proof of debt claim forms and acknowledging receipt, where applicable
- Issuing the completed progress reports to creditors
- Reviewing any claims in respect of any retention of title clauses
- Considering claims for recovery of assets in respect of retention of title requests

Asset Realisations

- Cash at Bank

- Notification of the Liquidator's Appointment and request for details of the current account balance
- Request for the credit balance from the Company's bankers
- Consideration of any set-off request by the bank
- Administration surrounding receipt of the monies

- Motor Vehicles

- Safeguard the motor vehicle/s and arrange collection/safeguarding of the keys
- Arranging a valuation of the motor vehicle/s
- Consideration of the legal ownership of the motor vehicle/s
- Correspondence with the finance company in relation to the motor vehicle/
- Reviewing the outstanding finance in relation to the motor vehicle/s
- Correspondence with Directors in relation to any interest to purchase the motor vehicle/s
- Arranging specific insurance cover, as appropriate
- Corresponding with the Agents, as detailed below, in respect of the disposal of the motor vehicle/s
- Administration surrounding receipt of the monies

- Fixtures & Fittings / Plant & Machinery / Office Furniture and Computer Equipment ("the Tangible Assets")

- Safeguard the Tangible Assets
- Arranging a valuation of the Tangible Assets
- Consideration of the legal ownership of the Tangible Assets
- Correspondence with the finance company in relation to the Tangible Assets
- Reviewing the outstanding finance in relation to the Tangible Assets
- Corresponding with Directors in relation to any interest to purchase the Tangible Assets
- Arranging specific insurance cover, as appropriate
- Corresponding with the Agents, as detailed below, in respect of the disposal of the Tangible Assets
- Administration surrounding receipt of the monies

- Book Debts

- Review the Company's financial software to ascertain the outstanding balances due
- Recover copies of the outstanding invoices
- Recover copies of any correspondence between the Company and the debtors
- Correspondence with the debtors to recover the outstanding balances due
- Correspondence with the directors in relation to any purported disputes
- Monitoring receipt of any monies recovered and allocation of the monies, as appropriate
- Consideration to appoint solicitors to assist in any book debt recovery
- Consideration to issue proceedings/write off balances due, as appropriate

- Work in Progress

- Reviewing the work in progress schedule
- Considering the future potential of the work in progress
- Consider the value attributed to the work in progress
- Recover a balance due, as appropriate

Investigations

- Review the Company's bank statements to determine whether there have been any inappropriate antecedent transactions.
- Verifying assets insured by the Company.
- Liaising with the Company's accountants in respect of financial disclosure.
- Liaising with the Company's solicitors in respect of any outstanding matters or previous instructions.
- Review to ensure that none of the assets have disappeared.
- Review and archive the Company's books and records.
- Review available documentation to establish the date of insolvency.
- Comparing claims received against claims disclosed in the Estimated Statement of Affairs.
- Comparing the Estimated Statement of Affairs with available financial information.
- Meetings with directors and other Company officers, as necessary.
- Review concerns raised by creditors, as necessary.
- Ensure that co-operation is received from the directors.

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS IN LEEDS
INSOLVENCY AND COMPANIES LIST (ChD)

CLAIM NO. 598 of 2018

District Judge Goldberg

2 March 2020

BETWEEN:

Martin Paul Halligan
(As Administrator of Refresh Recovery Limited (In Administration))

Applicant

AND

Refresh Recovery Limited (In Administration)

Respondent



ORDER

UPON considering the Application of the Applicant of 14 February 2020;

IT IS ORDERED THAT:

1. The Applicant's appointment as Administrator of the Company shall cease to have effect from 2 March 2020 pursuant to paragraph 79(2)(c), Schedule B1, Insolvency Act 1986.
2. The Company be wound up, under the Court's power in paragraph 79(4)(d), Schedule B1, Insolvency Act 1986 and Section 122 Insolvency Act 1986.
3. The Applicant is hereby discharged from liability pursuant to paragraph 98(1), Schedule B1, Insolvency Act 1986 on 10 March 2020 being 28 days following the filing of the Applicant's Final Report.
4. The Applicant's costs of this Application be paid as an expense of the Administration of the Company.



5. If this Order was made as a result of a Without Notice Application or on the Court's own initiative and if you object to the Order, you may make an Application to have it set aside, varied or stayed provided the Application is made within 7 days of service of the Order.

Service of the Order

The court has provided a sealed copy of this order to the serving party: Shulmans LLP, 10 Wellington Place, Leeds, LS1 4AP



Amended this 11th day of March 2020 pursuant to CPR 40.12