

# 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

06370556

Name of Company

Diamond Floors Limited

I / We

Simon David Chandler, The Pinnacle, 160 Midsummer Boulevard, Milton Keynes, MK9 1FF

Rebecca Jane Dacre, Tower Bridge House, St Katharine's Way, London, E1W 1DD

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 06/03/2015 to 05/03/2017

Signed



Date

22.5.17

Mazars LLP  
45 Church Street  
Birmingham  
B3 2RT

Ref: DIAMOND/SDC/RZD/EH/CZK/JZB/AZH

TUESDAY



A08 23/05/2017 #308  
COMPANIES HOUSE

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

<b>Statement of Affairs</b>		<b>From 06/03/2015 To 05/03/2017</b>
	<b>HIRE PURCHASE</b>	
8,000.00	Vehicle 1	8,342.50
(7,688.00)	ING Limited	(5,712.40)
13,000.00	Vehicle 2	9,265.32
(12,388.00)	Liberty Finance	(7,442.19)
6,200.00	Vehicle 3	NIL
NIL	Finance Company	NIL
		<u>4,453.23</u>
	<b>ASSET REALISATIONS</b>	
2,000.00	Plant & Machinery, Computer Equipme	895.00
45,000.00	Motor Vehicles	63,370.00
Uncertain	Stock	4,670.00
1,350.00	Book Debts	100.00
4,000.00	Director's Loan Account	NIL
14,751.51	Cash at Bank	100.00
	Rent	(1,000.00)
	Sundry Refund	1,110.61
	Bank Interest Gross	81.26
		<u>69,326.87</u>
	<b>COST OF REALISATIONS</b>	
	Preparation of S. of A.	2,357.77
	Liquidator's Fees	30,707.95
	Liquidator's Disbursements	402.27
	Transaction fee	149.98
	Agents Fees	9,094.85
	Agents Disbursements	7,078.00
	Legal Fees (1)	750.00
	Corporation Tax	11.44
	Storage Costs	599.55
	Statutory Advertising	141.50
	Other property expenses - electricity	321.21
	Insurance of Assets	768.50
		<u>(52,383.02)</u>
	<b>PREFERENTIAL CREDITORS</b>	
	Redundancy Payment Service	5,970.08
(2,245.24)	Employees Wage Arrears & Holiday P	NIL
		<u>(5,970.08)</u>
	<b>UNSECURED CREDITORS</b>	
(466,718.22)	Trade & Expense Creditors	NIL
(17,539.19)	Employees-Redundancy Pay & Lieu of	NIL
(7,663.43)	Barclays Bank plc	NIL
(10,000.00)	HMRC re VAT	NIL
(3,000.00)	HMRC re PAYE & NI	NIL
(15,000.00)	HMRC re Corporation Tax	NIL
		<u>NIL</u>
	<b>DISTRIBUTIONS</b>	
(1.00)	Ordinary Shareholders	NIL
		<u>NIL</u>

**(447,941.57)**

**15,427.00**

REPRESENTED BY

Vat Receivable  
Floating Charge Current

2,452.73

12,974.27

**15,427.00**

**Diamond Floors Limited  
In Liquidation**

**Liquidators' progress report covering the period from 6 March 2016 to 5 March  
2017**

**Contents**

**Liquidators' progress report**

1	Introduction
2	Liquidators' Receipts and Payments
3	Asset Realisations
4	Assets still to be realised and Details of Progress
5	Estimated Outcome Statement
6	Liabilities
7	Prescribed Part
8	Investigations
9	Liquidators' Remuneration
10	Liquidators' Disbursements
11	Expenses
12	Matters Outstanding
13	Creditors' Rights

**Appendices**

A	Identification Details
B	Liquidators' Receipts and Payments Account
C	Estimated Outcome Statement
D	Expenses Statement
E	Analysis of the Liquidators' remuneration
E1	Liquidators' time costs for the current period
E2	Narrative Summary of Liquidators' time costs
E3	Liquidators' cumulative time costs
E4	Rates and Disbursements policy

## **Diamond Floors Limited - In Liquidation**

### **Progress Report to Creditors & Members**

#### **1. Introduction**

- 1.1. This report is prepared pursuant to Rules 18.3 and 18.7 of the Insolvency (England and Wales) Rules 2016, the purpose of which is to provide creditors with details of the progress of the Liquidation during the 12 months to 5 March 2017.
- 1.2. I was appointed Joint Liquidator of the Company together with Rebecca J Dacre of Mazars LLP at a meeting of creditors held on 6 March 2015. I am authorised to act as an Insolvency Practitioner in the UK by the Insolvency Practitioners Association and Rebecca J Dacre is authorised in the UK by the Institute of Chartered Accountants in England and Wales.
- 1.3. Identification details relating to the Company and the Liquidators are attached at Appendix A.

#### **2. Liquidators' Receipts and Payments**

- 2.1. A summary of receipts and payments covering the period from 6 March 2016 to 5 March 2017 is attached at Appendix B. The receipts and payments account also covers the cumulative period from the date of appointment to 5 March 2017. A comparison of the figures provided in the Director's Statement of Affairs to actual realisations made to date is included to assist creditors in assessing progress to date.
- 2.2. The receipts and payments account confirms that there is currently a balance in hand of £12,974.27 plus VAT receivable of £2,452.73.
- 2.3. An explanation of the assets realised and the expenses paid is provided below.

#### **3. Asset Realisations**

- 3.1. Asset realisations made during the period covered by this report are detailed below.
- 3.2. **Sundry Refund**
  - 3.2.1. During the period of this report, a refund was received from Npower in the sum of £379.36.
- 3.3. **Bank interest**
  - 3.3.1. Bank interest of £23.81 has been earned in the period of this report.

#### **4. Assets still to be realised and Details of Progress**

##### **4.1. Assets still to be realised comprise:**

##### **4.2. Director's Loan Account**

As previously reported, the Director had an overdrawn loan account which was stated at £4,000 in his Statement of Affairs. The final loan account figure due was to be calculated by the Company's accountants Shennans Limited and so was subject to change. Shennans Limited were instructed to calculate the final loan account balance and advised that it amounted to £1,648. As at my last report the loan account balance was being pursued from the Director.

Since my last report it has been proven that the loan account balance was not overdrawn and the Director is owed monies in respect of his loan account. There will therefore not be any realisation in this regard.

##### **4.3. Potential Unlawful Dividends**

As detailed in section 8, initial investigations into the Company's affairs was undertaken by the Liquidators in accordance with Statement of Insolvency Practice 2. The purpose of these investigations is to establish whether there are any potential asset recoveries or conduct which requires further investigation.

As previously reported, a review of the Company bank statements and accounts identified potential unlawful dividends drawn by the Director as sole Shareholder. We were liaising with the Shareholder to establish if there were any unlawful dividends and were not in a position to disclose any further information as the investigations were ongoing but advised that further information will be reported to creditors in due course.

Since my last report, a significant amount of time has been spent investigating and pursuing the level of unlawful dividends drawn by the sole Shareholder and the funds drawn and introduced by the Director. Due to the complex position regarding these investigations and, ultimately in order to resolve the position to enable maximum realisations for creditors, in September 2016, I instructed solicitors to assist with the matters identified. Currently, with the advice of solicitors, we are in discussions with the Director / Shareholder to try to reach a settlement for repayment of the unlawful dividends. Court action is trying to be avoided due to the significant costs that would be involved in doing so, however, this may be necessary. Whilst this matter is ongoing, it is not known how much will be recovered or whether the funds recovered will be sufficient to enable a dividend to Liquidation creditors.

#### **5. Estimated Outcome Statement**

##### **5.1. An estimate of the outcome of the Liquidation is attached at Appendix C.**

##### **5.2. It is currently unknown whether there will be a return to unsecured creditors and if so how much, due to the uncertainty surrounding the level of future realisations and the costs to be incurred in dealing with the realisations.**

- 5.3. Further details on the expected outcome for each class of creditor is provided below.

## **6. Liabilities**

### **6.1. Secured Creditors**

- 6.1.1. There are no secured creditors.

### **6.2. Preferential Creditors**

- 6.2.1. Preferential claims arise from arrears of wages and accrued, unpaid holiday pay due to the former employees of the Company who did not receive their full entitlements on redundancy, prior to the Liquidation.

- 6.2.2. The Company employed 8 staff who were made redundant prior to the Liquidation.

- 6.2.3. As per the Director's Statement of Affairs, preferential claims were estimated to be in the region £2,245.24. Employees submitted claims with the Redundancy Payments Service ("RPS") for these entitlements up to the statutory limit of £464 per week. The RPS have a subrogated preferential claim in the Liquidation and any amounts owing to employees in excess of the statutory limits were claimed in the Liquidation.

- 6.2.4. Preferential claims submitted and agreed amounted to £5,970.08. A first and final preferential dividend was paid to preferential creditors on 15 October 2015 in the sum of £5,970.08 representing a payment of 100p in the £.

### **6.3. Unsecured Creditors**

- 6.3.1. According to the Director's Statement of Affairs, the Company had 183 unsecured creditors with debts totalling £519,920.84. Claims received to date total £363,736.56 from 68 creditors.

- 6.3.2. Creditors will note from the Estimated Outcome Statement included at Appendix C and section 5 above, that is currently unknown whether there will be a return to unsecured creditors due to the uncertainty surrounding the level of future realisations and the costs to be incurred in dealing with the realisations.

## **7. Prescribed Part**

- 7.1. In accordance with Section 176A of the Insolvency Act 1986, a proportion of the Company's net assets are to be set aside for the benefit of the Company's unsecured creditors where the Company has granted a floating charge after 15 September 2003. This is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter subject to a maximum fund of £600,000. Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential creditors' claims.

- 7.2. As there is no floating charge, the Prescribed Part does not apply in this instance.

## **8. Investigations**

- 8.1. In accordance with the Company Directors Disqualification Act 1986, the Joint Liquidators are required to investigate the affairs of the Company and the conduct of the directors during the three years prior to the Liquidation. The Joint Liquidators can confirm that this obligation has been complied with and a confidential report was submitted to the Insolvency Service on 2 September 2015.
- 8.2. Details of the investigations to date, which aren't subject to confidentiality, are detailed in section 4 of the report.
- 8.3. Should creditors have any information which they consider may assist the Liquidators in carrying out their investigations, or be aware of any matters which they believe should be brought to the attention of the Liquidators, please provide details in writing to this office. This request for information forms part of our usual investigation procedures and does not imply that there may be any cause of action lying against any person concerned in the Company's affairs.

## **9. Liquidators' Remuneration**

- 9.1. A resolution was passed by the creditors at a meeting held on 6 March 2015, enabling the Joint Liquidators to draw remuneration by reference to the time properly spent by the Liquidators and their staff in dealing with the matters arising during the Liquidation.
- 9.2. Attached at Appendix E1 is a summary of the Liquidators' time costs for the period 6 March 2016 to 5 March 2017. These costs total £10,394, which represents 51.4 hours at an average hourly rate of £202.22. Further details of the work carried out during this period is attached at Appendix E2 in the narrative summary.
- 9.3. Total time costs incurred in the Liquidation to date amount to £42,418.50. This represents 244.2 hours at an average hourly rate of £173.70. Attached at Appendix E3 are details of the Liquidators' cumulative time costs since appointment.
- 9.4. As at 5 March 2017, an amount of £30,707.95 has been drawn against the Liquidators' time costs in respect of the Liquidation.
- 9.5. Details of the future work anticipated to be carried out by the Joint Liquidators includes:
  - Further investigations and realisation of remaining assets as detailed in section 4 of the report.
  - Potential adjudication of claims and payment of unsecured dividend to creditors.
  - Reporting and statutory and compliance functions.
  - Tax and VAT compliance, including preparing tax computations and returns and seeking final tax clearance prior to closure.



- 9.6. Future costs to be incurred in dealing with the above are likely to be in the region of £5,000 plus VAT. The attached Estimated Outcome Statement suggests that total remuneration to be drawn in the Liquidation will be £42,418.50, however, this is subject to change, depending on future realisations achieved. It is likely that an element of the total costs incurred during the Liquidation will be written off.
- 9.7. Routine administration of the liquidation has been dealt with by junior staff wherever possible in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the Joint Liquidators. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and Joint Liquidators.
- 9.8. Charge out rates are reviewed annually on 1 September and in common with other professional firms, may increase over the period of the administration of the case. The rates are appropriate to the skills and experience of the team member and the work that they perform. All staff that work on the case, including cashiers, support and any secretarial staff charge their time directly to the assignment. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.
- 9.9. The charge out rates of the team members employed on the assignment during the period covered by this report remain the same as those disclosed in my report dated 28 April 2016 and which is available upon request.

## **10. Liquidators' Disbursements**

- 10.1. Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. There are two categories of disbursements, including Category 1 (payments to independent third parties) and Category 2 (costs incurred by the Joint Liquidators or the firm that can be allocated to the case on a proper and reasonable basis).
- 10.2. Category 2 disbursements require approval in the same manner as remuneration and creditors will recall that a resolution was passed on 6 March 2015 by creditors in agreement of the anticipated Category 2 disbursements of the Liquidators.
- 10.3. There have been no disbursements incurred or paid during the current reporting period.

## **11. Expenses**

- 11.1. Details of all expenses incurred during the period of the report are provided in the Expense Statement attached at Appendix D, together with an explanation as to why the expenses have been incurred.
- 11.2. Details of expenses paid during the current period are shown in the receipts and payments account at Appendix B. The amount of expenses paid during the period may be more than the amount incurred due to balances carried over from previous periods.

- 11.3. I have reviewed the expenses incurred to date and I am satisfied that they are reasonable in the circumstances of the case.

## **12. Matters outstanding**

- 12.1. As per section 4 of the report, the investigations into the drawing of unlawful dividends and the recovery of such are currently preventing the conclusion of the liquidation, the outcome of which will determine whether there is a dividend to unsecured creditors and if so the level of dividend. We currently have solicitors instructed in this matter to ensure realisations are maximised for the benefit of the creditors.

## **13. Creditors' Rights**

### **13.1. Further information**

- 13.1.1. I would advise you that pursuant to Rule 18.9 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors or an unsecured creditor with permission of the court, may, within 21 days of receipt of this progress report, ask the Liquidators for further information about the remuneration and expenses set out in this progress report.

### **13.2. Apply to Court**

- 13.2.1. Additionally, pursuant to Rule 18.34 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 10% in value of the unsecured creditors or an unsecured creditor with the permission of the court may, within 8 weeks of the receipt of this progress report, apply to the court on one or more of the following grounds:
- a. That the remuneration charged by the Liquidators is in all of the circumstances, excessive or inappropriate.
  - b. That the basis fixed for the Liquidators' remuneration is in all of the circumstances, excessive or inappropriate.
  - c. That the expenses incurred by the Liquidators are in all of the circumstances, excessive or inappropriate.

### **13.3. Further guidance**

- 13.3.1. Creditors can find additional information on their rights relating to Liquidators' fees in a copy of the publication "A creditors guide to Liquidators' fees" which is available to download from [www.r3.org.uk/media/documents/publications/professional/Guide\\_to\\_Liquidators\\_Fees\\_Nov2011.pdf](http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Liquidators_Fees_Nov2011.pdf) or alternatively will be provided free of charge upon written request to this office.
- 13.3.2. For further general information regarding a creditor's role throughout an insolvency process, creditors are reminded that they can also visit [www.creditorinsolvencyguide.co.uk](http://www.creditorinsolvencyguide.co.uk).



A handwritten signature in black ink, appearing to read "S D Chandler", written over a horizontal line.

**S D Chandler**  
Joint Liquidator

**Dated 27 April 2017**

*Authorised to act as an insolvency practitioner in the UK by the Insolvency Practitioners Association and bound  
by the Insolvency Code of Ethics*

**Diamond Floors Limited  
In Liquidation  
Identification Details**

**Details relating to the Company**

<b>Company name</b>	<b>Diamond Floors Limited</b>
<b>Previous names</b>	N/A
<b>Trading name</b>	<b>Diamond Floors Limited</b>
<b>Company number</b>	<b>06370556</b>
<b>Registered office</b>	c/o Mazars LLP, The Pinnacle, 160 Midsummer Boulevard, Milton Keynes, MK9 1FF
<b>Trading address</b>	16 High Street, Goring on Thames, Reading, RG8 9AR  2a High Street, Watlington, Oxon OX49 5PS  Unit 1 Moses Winter Way, Hithercroft Road, Wallingford, Oxon, OX10 9FE

**Details relating to the Liquidators**

<b>Date of appointment</b>	<b>6 March 2015</b>
<b>Liquidators</b>	S D Chandler and R J Dacre of Mazars LLP, The Pinnacle, 160 Midsummer Boulevard, Milton Keynes, MK9 1FF  IP No(s) 008822 and 009572
<b>Liquidators' address</b>	<b>Mazars LLP, The Pinnacle, 160 Midsummer Boulevard, Milton Keynes, MK9 1FF</b>
<b>Liquidators' contact telephone number</b>	<b>0121 232 9500</b>

**Diamond Floors Limited  
(In Liquidation)  
Joint Liquidators' Summary of Receipts & Payments**

**Appendix B**

Statement of Affairs £		From 06/03/2016 To 05/03/2017 £	From 06/03/2015 To 05/03/2017 £
	<b>HIRE PURCHASE</b>		
8,000.00	Vehicle 1	NIL	8,342.50
(7,688.00)	ING Limited	NIL	(5,712.40)
13,000.00	Vehicle 2	NIL	9,265.32
(12,388.00)	Liberty Finance	NIL	(7,442.19)
6,200.00	Vehicle 3	NIL	NIL
NIL	Finance Company	NIL	NIL
		NIL	4,453.23
	<b>ASSET REALISATIONS</b>		
2,000.00	Plant & Machinery, Computer Equipment	NIL	895.00
45,000.00	Motor Vehicles	NIL	63,370.00
Uncertain	Stock	NIL	4,670.00
1,350.00	Book Debts	NIL	100.00
4,000.00	Director's Loan Account	NIL	NIL
14,751.51	Cash at Bank	NIL	100.00
	Rent	NIL	(1,000.00)
	Sundry Refund	379.36	1,110.61
	Bank Interest Gross	23.81	81.26
		403.17	69,326.87
	<b>COST OF REALISATIONS</b>		
	Preparation of S. of A.	NIL	2,357.77
	Liquidator's Fees	4,392.95	30,707.95
	Liquidator's Disbursements	NIL	402.27
	Transaction fee	NIL	149.98
	Agents Fees	NIL	9,094.85
	Agents Disbursements	NIL	7,078.00
	Legal Fees (1)	NIL	750.00
	Corporation Tax	11.44	11.44
	Storage Costs	208.00	599.55
	Statutory Advertising	NIL	141.50
	Other property expenses - electricity	NIL	321.21
	Insurance of Assets	NIL	768.50
		(4,612.39)	(52,383.02)
	<b>PREFERENTIAL CREDITORS</b>		
	Redundancy Payment Service	NIL	5,970.08
(2,245.24)	Employees Wage Arrears & Holiday Pay	NIL	NIL
		NIL	(5,970.08)
	<b>UNSECURED CREDITORS</b>		
(466,718.22)	Trade & Expense Creditors	NIL	NIL
(17,539.19)	Employees-Redundancy Pay & Lieu of No	NIL	NIL
(7,663.43)	Barclays Bank plc	NIL	NIL
(10,000.00)	HMRC re VAT	NIL	NIL
(3,000.00)	HMRC re PAYE & NI	NIL	NIL
(15,000.00)	HMRC re Corporation Tax	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(1.00)	Ordinary Shareholders	NIL	NIL

**Diamond Floors Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £	From 06/03/2016 To 05/03/2017 £	From 06/03/2015 To 05/03/2017 £
	NIL	NIL
(447,941.57)	(4,209.22)	15,427.00
REPRESENTED BY		
Vat Receivable		2,452.73
Floating Charge Current		12,974.27
		15,427.00



**Diamond Floors Limited - in Liquidation**  
**Estimated Outcome Statement as at 5 March 2017**

**APPENDIX C**

	Notes	Estimated to Realise
		£
<b>Assets not specifically pledged</b>		
Surplus from Hire Purchase Motor Vehicles		4,453.23
Motor Vehicles		63,370.00
Plant & Machinery		895.00
Stock		4,670.00
Book Debts		100.00
Director's Loan Account		0.00
Cash at Bank		100.00
Sundry Refund		1,110.61
Potential Unlawful Dividends		Uncertain
Bank interest		81.26
		<hr/> 74,780.10
<b>Estimated Costs of realisation</b>		
Preparation of Statement of Affairs		-2,357.77
Liquidators' Remuneration		-42,418.50
Liquidators' Disbursements		-402.27
Agents fees		-9,094.85
Agents disbursements		-7,078.00
Expenses incurred as per Appendix D		-2,742.18
Future expenses		-500.00
Future legal fees		-5,000.00
		<hr/> 5,186.53
Amount Available to Creditors		5,186.53
Less Preferential Creditors		-5,970.08
		<hr/> -783.55
Available for Non Preferential Creditors		-783.55
<b>Available to Ordinary Unsecured Creditors</b>		<b>-783.55</b>
Unsecured Creditors		
Unsecured Creditors claims received to 5 March 2017		-363,736.56
		<hr/> -363,736.56
<b>Shortfall to Ordinary Unsecured Creditors</b>		<b>-364,520.11</b>
Return to Ordinary Unsecured Creditors (p in the £)		Uncertain

**EXPENSES STATEMENT**

Type of Expenditure	Who expense incurred by and nature of expense	Amount incurred in current period (£)
<b>Other Expenses</b>		
Corporation tax	Corporation tax is payable in respect of the interest accrued whilst surplus funds are held on an interest-bearing deposit account.	11.44
Storage	Storage costs are payable in respect of holding the Company's books & records.	208.00
Liquidators' Remuneration	To project manage the orderly winding up of the Company's affairs, and to perform those tasks required as dictated by statute, best practice and ethical requirements.	4,392.95
<b>Total Expenses</b>		<b>4,612.39</b>



**DIAMOND FLOORS LIMITED - DIAM107104**
**Matter: ILBIR15 - Post appointment**
**Analysis of ' time costs for the period 06/03/2016 to 05/03/2017**

Classification of Work Function	Hours					Total	Time	Av hourly
	Partner	Director	Manager	Administrator	Support	Hours	Cost	Rate
2 Admin & Planning			0.20	1.20	0.00	1.40	157.00	112.14
3 Taxation	0.10		1.20	6.70	0.00	8.00	670.20	83.77
4 Investigations	2.80	1.80	11.30	0.70	0.00	16.60	4,419.00	266.20
5 Realisation of Assets		0.30	9.10	0.10	0.00	9.50	2,082.50	219.21
7 Employees			0.20		0.00	0.20	43.00	215.00
8 Creditors		0.40	0.90	0.60	0.00	1.90	403.50	212.37
9 Reporting	0.80		2.20	4.00	0.00	7.00	1,185.00	169.29
11 Cashiering		0.10	1.20	1.50	1.40	4.20	627.30	149.36
12 Statutory & Compliance	1.10		1.50		0.00	2.60	806.50	310.19
<b>Total Hours</b>	<b>4.80</b>	<b>2.60</b>	<b>27.80</b>	<b>14.80</b>	<b>1.40</b>	<b>51.40</b>		
<b>Total Time Costs (£)</b>	<b>2,112.00</b>	<b>1,010.50</b>	<b>5,972.60</b>	<b>1,148.10</b>	<b>150.80</b>		<b>10,394.00</b>	
<b>Av Hourly Rate</b>	<b>440.00</b>	<b>388.65</b>	<b>214.84</b>	<b>77.57</b>	<b>107.71</b>			<b>202.22</b>

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT LIQUIDATORS' FOR  
THE PERIOD 6 MARCH 2016 TO 5 MARCH 2017**

<p><b>Introduction</b></p> <p>The summary provides a proportionate overview of the work carried out in light of the specific circumstances of the case and includes details of the work that has been done during the period, why it was done and whether the work provides a financial benefit to creditors.</p> <p>This summary should be read together with the Joint Administrators' Time Costs Analysis at Appendix E1. The costs incurred in relation to each category are set out in the attached Time Cost Analysis.</p>
<p><b>Work carried out in the current period</b></p> <p><u><b>Administration and planning</b></u></p> <p>The Liquidators have undertaken the following work:</p> <ul style="list-style-type: none"> <li>• Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system.</li> <li>• Managing and maintain paper file.</li> </ul> <p>The majority of this work derived no financial benefit for creditors. However, appropriate case administration and planning ensures that the case is managed coherently and efficiently, with minimisation of costs and avoidance of duplication of work. A clear case strategy and strong internal processes aid to add value through the efficient management of the case. This work is also required in order to appropriately document and record how the case has been administered in accordance with regulatory requirements.</p>
<p><u><b>Taxation</b></u></p> <p>The following activities were undertaken in order to ensure the Company is compliant with tax requirements:</p> <ul style="list-style-type: none"> <li>• Preparing post- Liquidation Corporation Tax returns, as required by statute.</li> </ul> <p>The majority of this work derived no financial benefit for creditors, however, it is required in accordance with tax legislation.</p>
<p><u><b>Investigations</b></u></p> <ul style="list-style-type: none"> <li>• Detailed review of financial documentation regarding the loan account and calculations to establish the final position</li> <li>• Detailed review of financial documentation regarding the unlawful dividends drawn by the Shareholder</li> <li>• Correspondence with the Director/Shareholder regarding the loan account and unlawful dividend</li> </ul> <p>The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure compliance with statutory duties and should result in realisations into the Liquidation estate for the benefit of the creditors.</p>
<p><u><b>Realisation of Assets</b></u></p> <p>The work undertaken in respect of the realisation of the Company's assets is detailed in Section 4 of the report.</p> <ul style="list-style-type: none"> <li>• Correspondence with the Director/Shareholder regarding the loan account and unlawful dividend, including a conference call, calls, emails and letters.</li> <li>• Instruction of solicitors to assist with the loan account and unlawful dividend recovery. Liaising with the solicitors for advice and recovery action.</li> </ul> <p>The work undertaken has added value for the benefit of creditors as they will enable realisation of funds into the estate. The costs associated with the recovery are considered appropriate in the circumstances.</p>



**Employees**

- Dealing with request from former employee for assistance in dealing with an unemployment claim.

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors.

**Creditors**

In order to ensure that creditors are dealt with appropriately, the following work has been undertaken:

- Responding to any queries for updates on the Liquidation and dividend queries.

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors.

**Reporting**

Reporting requirements during the period as prescribed by statute have included the following:

- Annual progress report to creditors

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the case has been administered in line with regulatory requirements.

**Cashiering**

Cashiering work undertaken includes:

- Bank account maintenance, including periodic reconciliations.
- Issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the estate bank account is operated in accordance with guidance issued by my regulatory body.

**Statutory and Compliance**

The work undertaken as required by statute and our internal procedures involves:

- Case monitoring and statutory compliance, including internal case reviews.

The majority of this work derived no financial benefit for creditors. However, this work is required in order to ensure that the case has been administered in accordance with regulatory requirements.

**DIAMOND FLOORS LIMITED - DIAM107104**
**Matter: ILBIR15 - Post appointment**
**Analysis of ' time costs for the period 06/03/2015 to 05/03/2017**

Classification of Work Function	Hours					Total	Time	Av hourly
	Partner	Director	Manager	Administrator	Support	Hours	Cost	Rate
2 Admin & Planning			0.40	12.50	0.10	13.00	£ 1,237.00	£ 95.15
3 Taxation	0.20	0.10	2.40	11.40	0.00	14.10	1,318.20	93.49
4 Investigations	5.70	1.80	27.70	22.50	0.00	57.70	11,183.00	193.81
5 Realisation of Assets	0.50	0.80	43.70	6.50	0.00	51.50	10,512.50	204.13
7 Employees	0.60		3.10	3.90	0.00	7.60	1,281.50	168.62
8 Creditors	0.30	1.40	20.10	24.20	0.00	46.00	7,256.50	157.75
9 Reporting	0.80		2.20	9.20	0.00	12.20	1,653.00	135.49
10 Distributions					0.20	0.20	20.00	100.00
11 Cashiering		0.10	4.20	7.10	9.30	20.70	2,706.30	130.74
12 Statutory & Compliance	6.60	0.10	8.00	5.90	0.60	21.20	5,250.50	247.67
<b>Total Hours</b>	<b>14.70</b>	<b>4.30</b>	<b>111.80</b>	<b>103.20</b>	<b>10.20</b>	<b>244.20</b>		
<b>Total Time Costs (£)</b>	<b>6,468.00</b>	<b>1,670.00</b>	<b>24,032.60</b>	<b>9,109.10</b>	<b>1,138.80</b>		<b>42,418.50</b>	
<b>Av Hourly Rate</b>	<b>440.00</b>	<b>388.37</b>	<b>214.96</b>	<b>88.27</b>	<b>111.65</b>			<b>173.70</b>

**Diamond Floors Limited - In Liquidation  
Rates and Disbursements Policy**

**Charge-out rates**

Details of the current charge-out rates of the personnel working on this case are set out below:

	Partner	Director	Manager	Administrator	Cashier	Support Staff
Range (£)	440.00	355.00 – 390.00	215.00	90.00 – 190.00	100.00 – 130.00	50.00

Charge-out rates are reviewed annually on 1 September and in common with other professional firms, may increase over the period of the administration of a case. The rates are appropriate to the skills and experience of the team member and the work that they perform. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

Specialist departments within our Firm, (such as Tax and VAT) may charge a number of hours if and when their expert advice is required. The rate ranges above incorporate these different rates.

**Disbursements**

Some of the expenses incurred on this matter are likely to be paid by this firm in the first instance and subsequently re-charged to the estate. Such disbursements fall into 2 categories as follows:

*Category 1 disbursements:* These are payments to independent third parties where there is specific expenditure directly referable to the case and as such can be drawn without prior approval.

*Category 2 disbursements:* These are costs that are directly referable to the case but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the liquidators of their firm, and that can be allocated to the case on a proper and reasonable basis. Such disbursements require approval in the same manner as remuneration.

It is proposed that the following Category 2 disbursements incurred in administering the case be charged:

- Mileage will be charged at relevant Inland Revenue rates, currently 45p per mile.

All other disbursements are to be reimbursed at cost.

The liquidators reserve the right to increase the charges applicable to mileage and photocopying during the course of the liquidation in line with inflation or increases from our suppliers. Any material amendments will be advised to creditors in the next statutory report.

**Diamond Floors Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £		From 06/03/2016 To 05/03/2017 £	From 06/03/2015 To 05/03/2017 £
	<b>HIRE PURCHASE</b>		
8,000.00	Vehicle 1	NIL	8,342.50
(7,688.00)	ING Limited	NIL	(5,712.40)
13,000.00	Vehicle 2	NIL	9,265.32
(12,388.00)	Liberty Finance	NIL	(7,442.19)
6,200.00	Vehicle 3	NIL	NIL
NIL	Finance Company	NIL	NIL
		<hr/>	<hr/>
		NIL	4,453.23
	<b>ASSET REALISATIONS</b>		
2,000.00	Plant & Machinery, Computer Equipment	NIL	895.00
45,000.00	Motor Vehicles	NIL	63,370.00
Uncertain	Stock	NIL	4,670.00
1,350.00	Book Debts	NIL	100.00
4,000.00	Director's Loan Account	NIL	NIL
14,751.51	Cash at Bank	NIL	100.00
	Rent	NIL	(1,000.00)
	Sundry Refund	379.36	1,110.61
	Bank Interest Gross	23.81	81.26
		<hr/>	<hr/>
		403.17	69,326.87
	<b>COST OF REALISATIONS</b>		
	Preparation of S. of A.	NIL	2,357.77
	Liquidator's Fees	4,392.95	30,707.95
	Liquidator's Disbursements	NIL	402.27
	Transaction fee	NIL	149.98
	Agents Fees	NIL	9,094.85
	Agents Disbursements	NIL	7,078.00
	Legal Fees (1)	NIL	750.00
	Corporation Tax	11.44	11.44
	Storage Costs	208.00	599.55
	Statutory Advertising	NIL	141.50
	Other property expenses - electricity	NIL	321.21
	Insurance of Assets	NIL	768.50
		<hr/>	<hr/>
		(4,612.39)	(52,383.02)
	<b>PREFERENTIAL CREDITORS</b>		
	Redundancy Payment Service	NIL	5,970.08
(2,245.24)	Employees Wage Arrears & Holiday Pay	NIL	NIL
		<hr/>	<hr/>
		NIL	(5,970.08)
	<b>UNSECURED CREDITORS</b>		
(466,718.22)	Trade & Expense Creditors	NIL	NIL
(17,539.19)	Employees-Redundancy Pay & Lieu of No	NIL	NIL
(7,663.43)	Barclays Bank plc	NIL	NIL
(10,000.00)	HMRC re VAT	NIL	NIL
(3,000.00)	HMRC re PAYE & NI	NIL	NIL
(15,000.00)	HMRC re Corporation Tax	NIL	NIL
		<hr/>	<hr/>
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(1.00)	Ordinary Shareholders	NIL	NIL

**Diamond Floors Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £	From 06/03/2016 To 05/03/2017 £	From 06/03/2015 To 05/03/2017 £
	NIL	NIL
<b>(447,941.57)</b>	<b>(4,209.22)</b>	<b>15,427.00</b>
REPRESENTED BY		
Vat Receivable		2,452.73
Floating Charge Current		12,974.27
		<b>15,427.00</b>