

LIQ03

Notice of progress report in voluntary winding up



Companies House

TUESDAY



A6ZPEW3T

A12

13/02/2018

#306

COMPANIES HOUSE

1 Company details

Company number 0 6 4 5 5 1 4 9

Company name in full Ethical Forestry Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Shane

Surname Biddlecombe

3 Liquidator's address

Building name/number 12/14 Carlton Place

Street

Post town

Southampton

County/Region

Postcode

S O 1 5 2 E A

Country

4 Liquidator's name ①

Full forename(s) Gordon

Surname Johnston

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 12/14 Carlton Place

Street

Post town

Southampton

County/Region

Postcode

S O 1 5 2 E A

Country

② Other liquidator

Use this section to tell us about
another liquidator.

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ^①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☐ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☒ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Mark John

Surname Wilson

3 Insolvency practitioner's address

Building name/number RSM Restructuring Advisory LLP

Street 25 Farringdon Street

Post town London

County/Region

Postcode E C 4 A 4 A B

Country UK

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

From date	^d 1	^d 6	^m 1	^m 2	^y 2	^y 0	^y 1	^y 6
To date	^d 1	^d 5	^m 1	^m 2	^y 2	^y 0	^y 1	^y 7

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 1	^d 2	^m 0	^m 2	^y 2	^y 0	^y 1	^y 8
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Ethical Forestry Ltd
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 16/12/2016 To 15/12/2017 £	From 16/12/2015 To 15/12/2017 £
	ASSET REALISATIONS		
8,000.00	Fixtures and Fittings	NIL	NIL
8,500.00	Office Equipment	NIL	NIL
NIL	Debtors	NIL	NIL
NIL	Ethical Forestry (Holdings) Limited	NIL	NIL
NIL	EF Forestry Management Limited	NIL	NIL
NIL	EF Sales and Marketing Limited	NIL	NIL
750 00	Cash at Bank	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(1,522 00)	Matthew Pickard	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(4,644,200.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(4,628,472.00)</u>		<u>NIL</u>	<u>NIL</u>
	REPRESENTED BY		
			<u>NIL</u>

Liquidators' Annual Progress Report to Creditors & Members

**Ethical Forestry Limited
- In Liquidation**

**Ethical Forestry (Holdings) Limited
- In Liquidation**

**EF Forestry Management Limited
- In Liquidation**

**EF Sales and Marketing Limited
- In Liquidation**

12 February 2018

ETHICAL FORESTRY GROUP OF COMPANIES - IN LIQUIDATION

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- 2** Progress of the Liquidation
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- 4** Liquidators' Remuneration
- 5** Creditors' Rights
- 6** Next Report

APPENDICES

- A** Receipts and Payments Account for Ethical Forestry Limited for the Period from 16 December 2016 to 15 December 2017 and cumulative Receipts and Payments Account for the Period since the Liquidators' Appointment
- B** Receipts and Payments Account for Ethical Forestry (Holdings) Limited for the Period from 16 December 2016 to 15 December 2017 and cumulative Receipts and Payments Account for the Period since the Liquidators' Appointment
- C** Receipts and Payments Account for EF Forestry Management Limited for the Period from 16 December 2016 to 15 December 2017 and cumulative Receipts and Payments Account for the Period since the Liquidators' Appointment
- D** Receipts and Payments Account for EF Sales and Marketing Limited for the Period from 16 December 2016 to 15 December 2017 and cumulative Receipts and Payments Account for the Period since the Liquidators' Appointment
- E** HJS Recovery Time Analysis for Ethical Forestry Limited for the Period from the 16 December 2016 to 15 December 2017 and Cumulative Time Analysis for the Period since the Liquidators' Appointment
- F** RSM Restructuring Advisory LLP Time Analysis for Ethical Forestry Limited for the Period from the 29 August 2017 to 15 December 2017
- G** HJS Recovery Time Analysis for Ethical Forestry (Holdings) Limited for the Period from the 16 December 2016 to 15 December 2017 and Cumulative Time Analysis for the Period since the Liquidators' Appointment
- H** HJS Recovery Time Analysis for EF Forestry Management Limited for the Period from the 16 December 2016 to 15 December 2017 and Cumulative Time Analysis for the Period since the Liquidators' Appointment
- I** HJS Recovery Time Analysis for EF Sales and Marketing Limited for the Period from the 16 December 2016 to 15 December 2017 and Cumulative Time Analysis for the Period since the Liquidators' Appointment
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- K** RSM Restructuring Advisory LLP Charge-out and disbursements rates
- L** Tasks undertaken by the Joint Liquidators

ETHICAL FORESTRY GROUP OF COMPANIES - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, Shane Biddlecombe of HJS Recovery (UK) Ltd, was appointed as Joint Liquidator of Ethical Forestry Ltd, Ethical Forestry (Holdings) Limited, EF Forestry Management Limited and EF Sales and Marketing Limited (the **Companies**) together with my colleague Gordon Johnston, on 16 December 2015. This progress report covers the period from 16 December 2016 to 15 December 2017 (the **Period**) in relation to all four companies and should be read in conjunction with my previous updates sent during the year and in conjunction with my previous progress report which has been issued.
- 1.2 I confirm the appointment of Mark John Wilson of RSM Restructuring Advisory LLP, 25 Farringdon Street, London EC4A 4AB as joint liquidator of Ethical Forestry Limited on 29 August 2017.
- 1.3 The principal trading address of the Companies was 9th Floor Ocean, 80 Holdenhurst Road, Bournemouth, BH8 8AQ.
- 1.4 The registered office of the Companies has been changed to HJS Recovery, 12-14 Carlton Place, Southampton, SO15 2EA. The Companies registered numbers are:
- Ethical Forestry Limited 06455149; Ethical Forestry (Holdings) Limited 09121708; EF Forestry Management Limited 09123679 and EF Sales and Marketing Limited 09123403.

2 Progress of the Liquidation

- 2.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period and an explanation of the work done by the Liquidators and their staff.
- 2.2 At Appendix A, B, C, D are Receipts and Payments Accounts for the Period for the Companies together with cumulative Receipts and Payments Accounts for the Companies for the period from the date of appointment as Liquidators to the end of the Period.

Insurance Refund

- 2.3 An insurance refund totalling £1,841 was received due to Ethical Forestry (Holdings) Limited in the previous period, as per Appendix B.

Fixture and Fittings and Office Equipment

- 2.4 As previously reported, I engaged Millbank Consultants (the agent) to attend the Companies' premises in Bournemouth to secure, value and sell the physical assets in the premises excluding the servers and back up tapes
- 2.5 The agent marketed the assets and achieved sales totalling £22,788 by way of public auction and private sale to unconnected parties. As per Appendix C, funds have been received in full.

Leasehold Improvements

- 2.6 The Companies' property lease was disclaimed and as expected no value was realised in respect of improvements.

Cash at Bank

- 2.7 The directors' statement of affairs listed the cumulative cash at bank at £4,100. I have received confirmation from the Companies' Bank that no funds are available following the closure of the accounts.

ETHICAL FORESTRY GROUP OF COMPANIES - IN LIQUIDATION

Investments

- 2.8 The directors' statement of affairs lists Investments with a book value of £12,127,932 and uncertain realisable value. As creditors are aware, EF Forestry Management Limited owns an 80% shareholding in a Costa Rican registered company called Ethical Forestry SA which in turn owns assets, plantations and the wood mill in Costa Rica.
- 2.9 The balance of 20% is owned by the on-site forester Mr Robert Brown. Ethical Forestry SA continued to trade in the year.
- 2.10 Following my appointment, I instructed Lambert Smith Hampton (land agent) to prepare a sale prospectus, market the shareholding for sale and liaise with interested parties.
- 2.11 Following a period of marketing four interested parties emerged and in depth discussions were held.
- 2.12 At this time I engaged Coffin Mew Solicitors to advise me on share sale, draft share transfer documents and liaise with Mr Brown's solicitor in Costa Rica.
- 2.13 Eventually, a preferred purchaser was identified, the incumbent forester, Mr Brown. Mr Brown initially backed by a private investor, appeared to offer the best outcome for tree owners by proposing to manage and maintain the plantations as per the original proposal and crucially a prompt completion of the purchase.
- 2.14 I sent a number of updates in the previous year to creditors chronicling Mr Brown's struggle to secure funding for the purchase following the withdrawal of his private financier. I and my staff were in contact with his bank financiers in November 2016 when hurricane Otto hit Costa Rica.
- 2.15 In November 2016, with Mr Brown struggling for an offer of finance; I met with a couple of investors in London to re-visit the investor led initiative. This was not pursued following conversations with the Financial Conduct Authority in the Period.
- 2.16 In the Period Mr Brown was successful in securing an offer of funding. The sale of the shares to Mr Brown was due to complete on 15th March 2017 and I travelled to Costa Rica to sign the agreements in person as required by Costa Rican law.
- 2.17 Unfortunately, at the last minute and during my flight to Costa Rica, the lender decided not to proceed. Whilst in Costa Rica a second sale agreement was finalised with Mr Brown and a non-refundable deposit of \$120,000 was received which was apportioned as \$108,000 in respect of investment consideration and \$12,000 in respect of a contribution to the Costa Rican legal fees. These receipts are listed at Appendix C. The corresponding payment of Costa Rican legal fees is also listed in the Period at Appendix C.
- 2.18 The total sale price was \$875,000 with the balance of \$767,000 due to be paid prior to 20 July 2017.
- 2.19 The deadline was subsequently extended on a number of occasions and the balance of funds has not been received due to Mr Brown's difficulties in securing funding.
- 2.20 I have recently received an update from Mr Brown stating that he has one final Bank funding option and he expects to receive the final decision shortly.
- 2.21 In addition, there is a private investor who has been in discussion with Mr Brown over the last couple of months and continues to be interested in providing a funding solution.
- 2.22 If matters are not concluded within the next month then I will be instructing agents to market the shares for sale on the open market.

ETHICAL FORESTRY GROUP OF COMPANIES - IN LIQUIDATION

Intercompany debtors

- 2.23 The directors' estimated statement of affairs lists connected intercompany debtors with a book value of £9,492,099 and nil realisable value. I view the Companies as a group and I remain focused on achieving realisations for the group prior to reviewing the intercompany position at this time.

Debtors

- 2.24 The directors' statement of affairs of the Companies lists debtors with a book value of £768,199 and £1,680 respectively with nil realisable value for both.
- 2.25 The larger debtor had gone into liquidation and there was no dividend from the estate. No realisation has been made in respect of the smaller debt.

Potential claims

- 2.26 Following the Liquidators' initial assessment, potential claims that may be brought by the Joint Liquidators were identified. Communications continued with the potential debtors in the year
- 2.27 It is considered that the work the Liquidators and their staff have undertaken to date will bring a financial benefit to creditors. This may be a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations and the extent of any 3rd party security, result in a distribution to the preferential and unsecured creditors of the Company.
- 2.28 Based on the above, it is not possible to estimate the total expenses that may be incurred in dealing with the remainder of the Company's asset realisations as this is dependent on whether a sale can be completed to Mr Brown or whether it will be a third party.
- 2.29 In addition, it is not possible to estimate the potential costs associated with the investigations at this time.

Creditors (claims and distributions)

- 2.30 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. Liquidators are 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.
- 2.31 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2.32 The above work will not necessarily bring any financial benefit to creditors generally, however Liquidators are 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 Liquidators in dealing with those claims
- 2.33 I consider the following matters worth noting in my report to creditors at this stage:
- There are approximately 39 unsecured creditor claims from clients/investors totalling £1,379,620 with a value per the directors' statement of affairs of nil.
 - There is a claim from HM Revenue and Customs totalling £15,543,827 in respect of unpaid PAYE/Ni with a value per the directors' statement of affairs of nil.

ETHICAL FORESTRY GROUP OF COMPANIES - IN LIQUIDATION

- There are no preferential claims in the Companies.
- I have issued an update to clients/investors in the year and will continue to do so. I have noted claims when I have received them but have maintained that their status in the liquidation at this time has not been clarified.
- I have been in contact with the Financial Services Compensation Scheme (FSCS) and I have written to clients/investors with details of how to submit a claim to them and provided details of a Claims Management Company. I am aware that FSCS has provided redress to some investors and anticipate being in receipt of a claim from them in due course.
- It is likely that it will take some time to quantify and agree client/investor claims but this will only commence once all assets have been realised. I confirm that I have secured physical client files to assist with verification of claims.

Investigations

- 2.34 You may recall from the first progress report to creditors that some of the work the Liquidators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidators can pursue for the benefit of creditors.
- 2.35 Our report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the first year of the liquidation and is confidential.
- 2.36 Since the last progress report, I would advise that no further asset realisations have come to light that may be pursued by us for the benefit of creditors
- 2.37 In the Period Mark John Wilson of RSM Restructuring Advisory LLP was appointed Joint Liquidator of Ethical Forestry Limited to assist with investigation matters.
- 2.38 Following the Liquidators' initial assessment; further investigations have been undertaken in relation to potential claims that may be brought by the Joint Liquidators. The Liquidators continue to consider these possible claims and what benefit may be brought to the estate if they are pursued. Due to the nature of these investigations, further details cannot be provided at this time

Matters still to be dealt with

- 2.39 The sale of the shares remains outstanding together with various investigation matters

3 Creditors

Secured Creditors

- 3.1 There are no secured creditors.

Preferential Creditors

- 3.2 There are no preferential creditors.

Unsecured Creditors

- 3.3 We have received claims detailed below from unsecured creditors:

ETHICAL FORESTRY GROUP OF COMPANIES - IN LIQUIDATION

Company	Total Claims received (£)	Number of creditors / claims received	Not of claims yet to be received	Total of claims not yet received (£)
Ethical Forestry Limited	15,550,192	3	nil	nil
Ethical Forestry (Holdings) Limited	5,000	1	1	270,338
EF Forestry Management Limited	8,143,220	42	5	9,081,318
EF Sales and Marketing Limited	3,432,772	2	1	15,000

3.4 The Company did not grant any floating charges to a secured creditor. Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors (known as the **Prescribed Part**), which only applies to charges created after 15 September 2003.

3.5 I would confirm that it is anticipated there will be sufficient funds realised after defraying the expenses of the liquidation to pay a dividend to unsecured creditors.

4 Liquidators' Remuneration

4.1 The Creditors approved that the basis of the Liquidators' remuneration be fixed as a set amount of £18,410 for each of the Companies plus 40% of any realisations. Our fees estimate/information was originally provided to creditors when the basis of our remuneration was approved and was based on information available to us at that time.

4.2 The Liquidators have made the following realisations upon which the creditors have approved a percentage be taken as remuneration. Details of the realisations to date and associated remuneration drawn on account of those realisations is set out below:

Company	Asset category	Value of assets realised in period	Total value of assets realised since appointment	Remuneration % agreed	Total HJS fees invoiced to date	Fees not yet drawn
EF Forestry Management Ltd	Investments	£85,231.45	£85,231.45	40%	£34,092.58	Nil
EF Forestry Management Ltd	Office Eqmt.	£14,454.67	£22,788	40%	£3,788.06	£5,327.14
EF Forestry (Holdings) Ltd	Ins. Refund	Nil	£1,841.05	40%	Nil	£736.42

4.3 The Liquidators from HJS have drawn £19,436 against the total set fee agreed of £18,410 per Company approved by creditors.

4.4 To date Mark John Wilson from RSM Restructuring LLP has drawn no fees.

4.5 Time Analyses for the Period are listed at Appendix E - I together with cumulative Time Analyses for the period from Appointment to 15 December 2017 and are summarised below:

Company	HJS Period time costs 16.12.16-15.12.17	HJS Cumulative time costs 16.12.15-15.12.17	RSM Period time costs 29.8.17 to 15.12.17
Ethical Forestry Limited	£11,492.50; 60.74 hours, average rate of £189.21	£41,474.50; 198.14 hours, average rate of £209.32	£39,975; 153.8 hours, average rate of £259.92
Ethical Forestry (Holdings) Ltd	£2,004; 12.21 hours, average rate of £164.13	£6,898; 39.16 hours, average rate of £176.15	N/a
EF Forestry Management Ltd	£80,319.83; 348.27 hours, average rate of £230.63	£179,898.08; 831.11 hours, average rate of £216.46	N/a
EF Sales & Marketing Ltd	£1,398.75; 7.33 hours, average rate of £190.83	£5,081.25; 26.74 hours, average rate of £190.02	N/a

4.6 As per Appendix H there are significant time costs listed under the heading creditors. In the main this relates to communications with client investors regarding the status of the sale and claim queries. Clients' status as creditors of either EF Forestry Management Limited or Ethical Forestry Limited has not been determined at this time and may be subject to change.

ETHICAL FORESTRY GROUP OF COMPANIES - IN LIQUIDATION

- 4.7 At the date of this report, we would confirm that the fees estimate for the liquidation remains unchanged. This is because we consider our estimate to be sufficient or because we intend restricting the Liquidators' time costs to be drawn from the estate to the level of our estimate and as a result, any time incurred in excess of this will not be borne by creditors.
- 4.8 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <http://www.hjssolutions.co.uk/recovery/publications/>
- 4.9 Attached as Appendix J and K is additional information in relation to the Liquidators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.
- 4.10 Appendix L details the tasks undertaken by the Liquidators and their staff

5 Creditors' Rights

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

6 Next Report

- 6.1 We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless we have concluded matters prior to this, in which case I will write to all creditors with my final account.
- 6.2 If you have any queries in relation to the contents of this report, I can be contacted by telephone on 02380 234 222 or by email at ethicalforestry@hjssolutions.co.uk.



Shane Biddlecombe MABRP
Joint Liquidator

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

APPENDIX A

Statement of Affairs £		From 16/12/2016 To 15/12/2017 £	From 16/12/2015 To 15/12/2017 £
	ASSET REALISATIONS		
8,000.00	Fixtures and Fittings	NIL	NIL
8,500.00	Office Equipment	NIL	NIL
NIL	Debtors	NIL	NIL
NIL	Ethical Forestry (Holdings) Limited	NIL	NIL
NIL	EF Forestry Management Limited	NIL	NIL
NIL	EF Sales and Marketing Limited	NIL	NIL
750.00	Cash at Bank	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(1,522.00)	Matthew Pickard	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(4,644,200.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(4,628,472.00)		NIL	NIL
	REPRESENTED BY		
			NIL

Ethical Forestry (Holdings) Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 16/12/2016 To 15/12/2017 £	From 16/12/2015 To 15/12/2017 £
	ASSET REALISATIONS		
	Insurance Refund	NIL	1,841.05
450.00	Cash at Bank	NIL	NIL
	Bank Interest Gross	0.06	0.52
NIL	EF Forestry Management Limited	NIL	NIL
NIL	EF Sales and Marketing Limited	NIL	NIL
		<u>0.06</u>	<u>1,841.57</u>
	COST OF REALISATIONS		
	Specific Bond	NIL	20.00
	Preparation of S. of A.	NIL	1,026.00
	Office Holders Expenses	NIL	120.00
	VAT	NIL	284.00
	Statutory Advertising	NIL	254.00
		<u>NIL</u>	<u>(1,704.00)</u>
	UNSECURED CREDITORS		
(5,000.00)	Matthew Pickard	NIL	NIL
(270,338.00)	Ethical Forestry Ltd	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(10,200.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(285,088.00)</u>		<u>0.06</u>	<u>137.57</u>
	REPRESENTED BY		
	Bank 2 Current		137.57
			<u>137.57</u>

Note.

EF Forestry Management Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 16/12/2016 To 15/12/2017 £	From 16/12/2015 To 15/12/2017 £
ASSET REALISATIONS		
NIL	NIL	NIL
Uncertain	85,231.45	85,231.45
1,875.00	NIL	NIL
5,625.00	14,454.67	22,788.00
2,500.00	NIL	NIL
	9,470.16	9,470.16
	4.66	6.30
	<u>109,160.94</u>	<u>117,495.91</u>
COST OF REALISATIONS		
	570.00	624.00
	NIL	3,500.00
	16,710.00	18,410.00
	15,728.32	15,805.32
	37,880.64	37,880.64
	332.00	332.00
	NIL	357.50
	NIL	1,735.00
	25,054.16	25,252.16
	1,428.91	1,892.43
	1,318.28	1,318.28
	5,000.00	5,000.00
	2,668.20	2,668.20
	NIL	254.00
	79.39	79.39
	<u>(106,769.90)</u>	<u>(115,108.92)</u>
UNSECURED CREDITORS		
(1,355,424.00)	NIL	NIL
(1,863,644.00)	NIL	NIL
(6,683,263.00)	NIL	NIL
(65,785.00)	NIL	NIL
(697,406.00)	NIL	NIL
(5,099,059.00)	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
DISTRIBUTIONS		
(1.00)	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
<u>(15,754,582.00)</u>	<u>2,391.04</u>	<u>2,386.99</u>
REPRESENTED BY		
Bank 2 Current		2,386.99
		<u>2,386.99</u>

EF Sales and Marketing Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 16/12/2016 To 15/12/2017 £	From 16/12/2015 To 15/12/2017 £
	ASSET REALISATIONS		
NIL	Debtors	NIL	NIL
400.00	Cash at Bank	NIL	NIL
NIL	EF Forestry Management Limited	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(15,000.00)	Ethical Forestry (Holdings) Limited	NIL	NIL
(3,344,511.00)	Ethical Forestry Limited	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(1.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(3,359,112.00)		NIL	NIL
	REPRESENTED BY		
			NIL

APPENDIX E

Ethical Forestry Limited - in Creditors' Voluntary Liquidation

Time Costs and Chargeout Summaries 16 December 2016 to 15 December 2017

SIP9 Category	Insolvency Practitioner	Snr Manager / Manager	Supervisor	Assistant & Support Staff	Total Hours	Charge	Avg Rate
Administration and planning	4.30	0.00	13.00	9.69	26.99	£4,568.75	£168.91
Creditors	0.00	1.00	11.00	0.00	12.00	£2,162.50	£180.21
Investigations	1.50	0.00	7.25	0.00	8.75	£1,806.25	£206.43
Realisation of assets	3.00	0.00	9.80	0.10	12.90	£2,952.50	£228.88
Distributions	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Tax Reviews	0.00	0.00	0.00	0.10	0.10	£12.50	£125.00
Closure	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
TOTALS	8.80	1.00	41.05	9.89	60.74	£11,492.50	£189.21

Current Chargeout Rates	£350	£200-£275	£150-£175	£50-£125	£50-£125		
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Time Costs and Chargeout Summaries 16 December 2015 to 15 December 2017

SIP9 Category	Insolvency Practitioner	Snr Manager / Manager	Supervisor	Assistant & Support Staff	Total Hours	Charge	Avg Rate
Administration and planning	17.80	1.60	24.80	19.99	64.19	£12,595.00	£196.21
Creditors	2.00	3.50	25.80	0.50	31.80	£6,008.00	£188.93
Investigations	4.00	0.00	51.35	0.00	55.35	£10,398.75	£187.87
Realisation of assets	24.00	0.00	21.15	0.50	45.65	£12,318.75	£269.85
Distributions	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Tax Reviews	0.10	0.00	0.00	1.05	1.15	£154.00	£133.91
Closure	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
TOTALS	47.90	5.10	123.10	22.04	198.14	£41,474.50	£209.32

Current Chargeout Rates	£350	£200-£275	£150-£175	£50-£125	£50-£125		
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APPENDIX F

Case Specific Matters - Legal Matters

Appointment	0.0	0.1	0.0	2.4	0.0	2.5	522.50	12,000.00
Background information	0.0	1.3	0.0	1.2	0.0	2.5	792.50	18,000.00
Case Management	3.3	4.7	0.0	11.7	5.4	25.1	7,028.50	155,000.00
Pension Scheme	0.0	0.0	0.0	0.2	0.0	0.2	40.00	900.00
Post-appointment - general	0.0	0.0	0.0	0.3	0.0	0.3	60.00	1,300.00
Pre-appointment matters	0.0	0.0	0.0	0.3	0.0	0.3	60.00	1,300.00
Receipts and Payments	0.0	0.0	0.0	0.4	0.0	0.4	77.00	1,700.00
Tax Matters	0.0	0.1	0.0	0.2	0.0	0.3	82.50	1,800.00
Total	3.3	6.4	0.0	16.2	5.4	24.1	6,885.00	149,100.00
Investigations								
Investigations/CDDA	7.4	10.8	0.0	93.9	0.0	112.1	27,232.50	592,000.00
Total	7.4	10.8	0.0	93.9	0.0	112.1	27,232.50	592,000.00
Other Matters								
Other Creditor Meetings and Reports	0.0	0.0	0.0	0.1	0.0	0.1	20.00	450.00
Unsecured Creditors	1.6	1.5	0.0	0.0	0.0	3.1	1,509.50	33,000.00
Total	1.6	1.5	0.0	0.1	0.0	3.1	1,529.50	33,450.00
Case Specific Matters - Legal Matters								
Legal Matters	1.5	2.9	0.0	2.5	0.0	6.9	2,550.00	56,000.00
Total	1.5	2.9	0.0	2.5	0.0	6.9	2,550.00	56,000.00
Total Hours	13.8	21.4	0.0	113.2	5.4	153.8	39,975.00	878,550.00
Total Time Cost (£)	7,521.00	9,095.00	0.0	22,453.50	905.50	39,975.00		

Case Specific Matters - Legal Matters

APPENDIX G

Ethical Forestry (Holdings) Limited - in Creditors' Voluntary Liquidation

Time Costs and Chargeout Summaries 16 December 2016 to 15 December 2017

SIP9 Category	Insolvency Practitioner	Snr Manager / Manager	Supervisor	Assistant & Support Staff	Total Hours	Charge	Avg Rate
Administration and planning	1.30	0.00	3.75	4.81	9.86	£1,435.25	£145.56
Creditors	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Investigations	0.00	0.00	1.00	0.00	1.00	£175.00	£175.00
Realisation of assets	1.00	0.00	0.00	0.00	1.00	£350.00	£350.00
Distributions	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Tax Reviews	0.00	0.00	0.00	0.35	0.35	£43.75	£125.00
Closure	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
TOTALS	2.30	0.00	4.75	5.16	12.21	£2,004.00	£164.13

Current Chargeout Rates	£350	£200-£275	£150-£175	£50-£125	£50-£125		
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Time Costs and Chargeout Summaries 16 December 2015 to 15 December 2017

SIP9 Category	Insolvency Practitioner	Snr Manager / Manager	Supervisor	Assistant & Support Staff	Total Hours	Charge	Avg Rate
Administration and planning	2.30	1.00	9.75	11.91	24.96	£3,608.00	£144.55
Creditors	1.00	1.00	0.00	0.00	2.00	£550.00	£0.00
Investigations	0.50	0.00	5.70	0.00	6.20	£1,172.50	£189.11
Realisation of assets	3.50	0.00	1.00	0.40	4.90	£1,430.00	£291.84
Distributions	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Tax Reviews	0.00	0.00	0.00	1.10	1.10	£137.50	£125.00
Closure	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
TOTALS	7.30	2.00	16.45	13.41	39.16	£6,898.00	£176.15

Current Chargeout Rates	£350	£200-£275	£150-£175	£50-£125	£50-£125		
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APPENDIX H

EF Forestry Management Limited - in Creditors' Voluntary Liquidation

Time Costs and Chargeout Summaries 16 December 2016 to 15 December 2017

SIP9 Category	Insolvency Practitioner	Snr Manager / Manager	Supervisor	Assistant & Support Staff	Total Hours	Charge	Avg Rate
Administration and planning	14.30	0.60	21.95	19.45	56.30	£10,304.00	£183.02
Creditors	17.60	1.50	135.70	1.50	156.30	£29,760.00	£0.00
Investigations	2.00	0.00	6.00	0.00	8.00	£1,750.00	£218.75
Realisation of assets	94.47	0.50	31.05	0.10	126.12	£38,284.58	£303.56
Distributions	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Tax Reviews	0.20	0.00	0.00	1.35	1.55	£221.25	£142.74
Closure	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
TOTALS	128.57	2.60	194.70	22.40	348.27	£80,319.83	£230.63

Current Chargeout Rates	£350	£200-£275	£150-£175	£50-£125	£50-£125		
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Time Costs and Chargeout Summaries 16 December 2015 to 15 December 2017

SIP9 Category	Insolvency Practitioner	Snr Manager / Manager	Supervisor	Assistant & Support Staff	Total Hours	Charge	Avg Rate
Administration and planning	25.80	1.60	36.75	81.20	145.35	£21,820.75	£150.13
Creditors	24.10	2.00	326.65	20.59	373.34	£67,445.00	£180.65
Investigations	4.50	0.00	49.15	1.60	55.25	£10,286.25	£186.36
Realisation of assets	204.47	0.50	49.10	0.50	254.57	£79,973.33	£314.15
Distributions	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Tax Reviews	0.30	0.00	0.00	2.30	2.60	£362.75	£139.52
Closure	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
TOTALS	259.17	4.10	461.65	106.19	831.11	£179,898.08	£216.46

Current Chargeout Rates	£350	£200-£275	£150-£175	£50-£125	£50-£125		
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APPENDIX I

EF Sales and Marketing Limited - in Creditors' Voluntary Liquidation

Time Costs and Chargeout Summaries 16 December 2016 to 15 December 2017

SIP9 Category	Insolvency Practitioner	Snr Manager / Manager	Supervisor	Assistant & Support Staff	Total Hours	Charge	Avg Rate
Administration and planning	1.30	0.00	3.75	0.93	5.98	£1,180.00	£197.32
Creditors	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Investigations	0.00	0.00	1.00	0.00	1.00	£175.00	£175.00
Realisation of assets	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Distributions	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Tax Reviews	0.00	0.00	0.00	0.35	0.35	£43.75	£125.00
Closure	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
TOTALS	1.30	0.00	4.75	1.28	7.33	£1,398.75	£190.83

Current Chargeout Rates	£350	£200-£275	£150-£175	£50-£125	£50-£125		
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Time Costs and Chargeout Summaries 16 December 2015 to 15 December 2017

SIP9 Category	Insolvency Practitioner	Snr Manager / Manager	Supervisor	Assistant & Support Staff	Total Hours	Charge	Avg Rate
Administration and planning	2.30	1.00	6.55	6.44	16.29	£2,643.50	£162.28
Creditors	1.00	0.50	0.00	0.00	1.50	£450.00	£300.00
Investigations	0.50	0.00	3.80	0.00	4.30	£840.00	£195.35
Realisation of assets	2.50	0.00	0.00	0.40	2.90	£905.00	£312.07
Distributions	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Tax Reviews	0.20	0.00	0.00	1.55	1.75	£242.75	£138.71
Closure	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
TOTALS	6.50	1.50	10.35	8.39	26.74	£5,081.25	£190.02

Current Chargeout Rates	£350	£200-£275	£150-£175	£50-£125	£50-£125		
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Additional Information in Relation to the Liquidators' Fees, Expenses & Disbursements**7 Staff Allocation and the Use of Sub-Contractors**

- 7.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 7.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 7.3 We are not proposing to utilise the services of any sub-contractors in this case.

8 Professional Advisors

- 8.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Coffin Mew Solicitors (legal advice regarding sale)	Hourly rate and disbursements
Moore Blatch Solicitors (legal advice regarding sale)	Hourly rate and disbursements
Moon Beaver Solicitors/Keystone Law (legal advice regarding potential claims)	Hourly rate and disbursements
Radcliffe Chambers (legal advice regarding potential claims)	Hourly rate and disbursements
HJS Essentia (connected company) (IT advice)	Hourly rate and disbursements at market value
Macsolve (IT advice)	Daily rate
Millbank Consultants (asset valuation and disposal advice)	Time costs fee plus 3 rd party costs and % of sale
Lambert Smith Hampton (share valuation and disposal advice)	Hourly rate and disbursements
Lieda Marciela Aplizar (legal advice Costa Rica)	Hourly rate and disbursements
Irwin Mitchell Solicitors (legal advice re potential claims)	Conditional Fee Agreement
Xero Accounting Software	Monthly subscription per company

- 8.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them

ETHICAL FORESTRY GROUP OF COMPANIES - IN LIQUIDATION

Current position of Liquidators' expenses

- 8.3 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 periods	Paid in the period covered by this report	Incurred but not paid to date	Total
Agents' costs (asset sale)	Nil	10,415.39	Nil	10,415.39
Agents' costs (share sale)	Nil	Nil	10,250	12,500
Coffin Mew Solicitors' costs (share sale)	Nil	15,200	11,810.10	27,010.10
Solicitors' Costs in Costa Rica (share sale)	Nil	9,470.16	Nil	15,000
Moon Beaver/Keystone Solicitors' costs (potential claims)	Nil	Nil	21,012.25	25,000
Moore Blatch Solicitors' costs (share sale)	Nil	Nil	1,625	1,625
Barristers' costs (potential claims)	Nil	Nil	7,200	7,200
Statutory advertising	508	Nil	508	1,016
Library Services (RSM)	Nil	Nil	21	21
Specific penalty bond (RSM)	Nil	Nil	85	85
Advertising (RSM)	Nil	Nil	69	69
Legal disbursements	198	384	Nil	582
Case related travel & subsistence	77	15,728.32	96.67	15,901.99
Specific penalty bond	94	570	48	712
IT Costs	821.02	Nil	Nil	821.02
Accountancy Software Costs	1,735	162	820.24	3,000
Memory Stick	Nil	Nil	28.31	28.31
Courier Costs	Nil	170	Nil	170
External meeting room hire	120	Nil	Nil	120
Land Registry Searches	Nil	Nil	33	33
Category 2 disbursements	Nil	Nil	63	63
Business mileage @ 45p				

- 8.4 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidators' fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

ETHICAL FORESTRY GROUP OF COMPANIES - IN LIQUIDATION

Charge-Out Rates

- 8.5 HJS Recovery's current charge-out rates effective from 31 May 2011 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

Insolvency Practitioners	350
Senior Managers & Managers	200-275
Senior Managers & Managers	150-175
Administrators and Support Staff	50-125
Specialist departments within HJS accountants, such as Tax, VAT and Pensions, do sometimes charge a small number of hours to an assignment, should the Insolvency Partners require their expert advice. Their rates do vary however, the figures given below provide an indication of the rates charged per hour	
Directors	110-175
Senior Managers & Managers	82-120
Supervisors	42-70
Administrators and Support Staff	20-40

Please note that we reserve the right to amend these rates from time to time during the course of the assignment, however any material amendments to these rates will be advised to creditors in the next statutory report

RSM Restructuring Advisory LLP London (SI) current charge out and category 2 disbursement rates

Position/Job Role	Current charge out rate (£)	Current rate (£)
Partner	495	545
Directors / Associate Directors	385 to 420	255 to 465
Manager	295 to 300	325 to 330
Assistant Managers	240 to 290	265 to 290
Administrators	125 to 240	125 to 265
Support staff	160	85 to 180

Category 2 disbursement rates	
Internal room hire	£50 - £200 dependent on room
Subsistence	£25 per night (from 3 rd September 2013) £23 per night (up to 2 nd September 2013)
Travel (car)	38p per mile (up to and including 31 March 2010) 40p per mile (from 1 April 2010) 42.5p per mile (from 1 April 2011)
'Tracker' searches	£10 per case

An indication of the tasks undertaken by the Joint Liquidators and their staff are detailed below:

Administration and Planning

- Statutory duties associated with the appointment including the filing of relevant notices;
- Notification of appointment to creditors, members, and other interested parties,
- Reviewing available information to determine appropriate strategy;
- Setting up case files;
- Setting up and maintaining bank accounts
- Progress reviews of the case
- Statutory reporting to creditors

Realisation of Assets

Please refer to section 2 of the report, but in summary the time spent includes

- Liaising with agents & solicitors regarding asset sale
- 2 weeks on site in Costa Rica discussing the sale of shares
- Correspondence and meetings with interested parties
- Protracted correspondence with Mr Brown
- Identifying, securing & insuring of assets
- Debt collection
- Drafting/Agreement of contracts

Creditors

- Recording and maintaining the list of creditors;
- Meetings with creditors and investors including HMRC
- Recording creditor claims;
- Dealing with creditor/investor queries by phone and e-mail and post;

ETHICAL FORESTRY GROUP OF COMPANIES - IN LIQUIDATION

- Reviewing and evaluating creditor claims and providing responses.
- Drafting and sending periodic updates to clients/investors by e-mail, post and by phone.

Investigations

- Corresponding with the former directors & management
- Recovery and schedule of the company's books and statutory records
- Conduct an analytical review of company records
- Review of questionnaires and comments provide by interested parties
- Questioning of directors and other key personnel;
- Completion of statutory report to the Department for Business, Energy & Industrial Strategy.
- Liaising/meeting with the Insolvency Service and other agencies.

Tax Reviews

- Completion of post-appointment VAT returns and Corporation Tax returns
- Review of post appointment tax matters