

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



\*A8XPI35A\*  
A17 29/01/2020 #310  
COMPANIES HOUSE

### 1 Company details

Company number 0 6 8 7 3 4 5 3

Company name in full Lylac Ridge

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

### 2 Liquidator's name

Full forename(s) Timothy Colin Hamilton

Surname Ball

### 3 Liquidator's address

Building name/number 90 Victoria Street

Street

Post town Bristol

County/Region

Postcode B S 1 6 D P

Country

### 4 Liquidator's name

Full forename(s)

Surname

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

### 5 Liquidator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

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

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**6** Period of progress report

From date	<sup>d</sup> 0	<sup>d</sup> 6	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
To date	<sup>d</sup> 0	<sup>d</sup> 5	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9

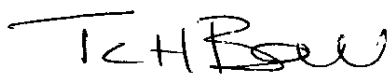
**7** Progress report

☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X  X

Signature date

<sup>d</sup> 2	<sup>d</sup> 4	<sup>m</sup> 0	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
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LIQ03

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**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 **Daniel Ott**

Company name **Mazars LLP**

Address **90 Victoria Street**

**Bristol**

Post town **BS1 6DP**

Country/Region

Postcode

Country

DX

Telephone **0117 928 1700**



**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



**Important information**

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



**Where to send**

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

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



**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

**Lylac Ridge - In Liquidation**

**Liquidator's progress report covering the period  
from 6 December 2018 to 5 December 2019**

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## **Lylac Ridge - In Liquidation ("the Company")**

### **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 December 2019.
- 1.2. I was appointed as Liquidator of the Company by a decision of the creditors on 6 December 2018. I am authorised to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales.
- 1.3. Identification details relating to the Company and the Liquidator are attached at **Appendix A**.

#### **2. Liquidator's Receipts and Payments**

- 2.1. A summary of my receipts and payments covering the period from 6 December 2018 to 5 December 2019 is attached at **Appendix B**. A comparison of the figures provided in the directors' Statement of Affairs to actual realisations made to date is included to assist creditors in assessing progress.
- 2.2. The receipts and payments account confirms that there is currently a balance in hand of £160.
- 2.3. An explanation of the assets realised and the expenses paid is provided below.

#### **3. Asset Realisations and Details of Progress**

##### **Connected Party Transactions:**

- 3.1. In accordance with Statement of Insolvency Practice 13, I would advise you that the following asset was sold to a connected party following my appointment. Further details are provided below:
  - 3.2. **Computer Equipment**
    - 3.2.1. As detailed in my initial report to creditors, dated 30 April 2019, the computer equipment owned by the Company was sold to one of the Company's former directors, Jacqueline Raynel. It was sold for a total sum of £150, after a valuation from my chattel asset agent, Gordon Brothers International Limited ("GBI"), confirmed that the equipment had only a nominal value.

- 3.2.2. The sale to a connected party was undertaken as the value offered by Mrs Raynel was not expected to be beaten by third parties and selling to one of the Company's former directors reduced selling costs. Therefore, it was concluded that this sale represented the best realistic outcome for the Company's creditors. In reality, the alternative was likely to have been the abandonment or removal (probably at cost), as they would not have been cost effective to have sold.

### **Unconnected Party Transactions:**

- 3.3. Asset realisations made during the period covered by this report are detailed below.

#### **3.4. Book debtors**

- 3.4.1. At the date of liquidation, outstanding book debts of approximately £2,300 were identified and subsequently chased by the Liquidator. Following correspondence by post, email and contact by phone, total recoveries of £1,408 have been achieved. This sum exceeds the estimated recovery anticipated by the directors, who suggested £1,000 would be recoverable.
- 3.4.2. I instructed Blake Morgan LLP to assist me with the collection of the outstanding book debts and letters to two debtors were sent in June and July 2019, respectively. This resulted in one receipt of £208.
- 3.4.3. At this time, there are no further recoveries expected from the Company's book debts, as the costs incurred in pursuing the remaining debts would outweigh the benefit of collecting these balances for the liquidation estate.

#### **3.5. Cash at Bank**

- 3.5.1. The Company's pre-appointment bank account held £603 as at the date of liquidation and this sum was realised following my appointment.
- 3.5.2. This sum is less than the sum specified in the Directors' Statement of Affairs. This is due to some of these funds having to be used by the Directors to maintain the site and equipment, in order to achieve a greater selling price and ensure the wellbeing of the animals remaining on the site, up until the date that the Company was placed into liquidation.

#### **3.6. Petty Cash**

- 3.6.1. The sum of £100 was held by the Company at the date that it was placed into liquidation. However, these funds were released to the Directors to ensure that the animals remaining on the site at that time could be properly cared for. As a result, no petty cash was collected.

#### **3.7. Motor Vehicles**

- 3.7.1. The Company's Directors estimated that the Company's motor vehicles could be sold for £8,000. However, due to the unique nature of the vehicles, there was limited demand from third parties. Further to advice provided by GBI, an amount of £6,000 was received from a third party, as the best offer available.

**3.8. Plant & Machinery, Fixtures & Fittings, Office & IT Equipment**

- 3.8.1. As detailed above, Mrs Raynel purchased some of the Company's assets shortly following my appointment as Liquidator.
- 3.8.2. In addition, negotiations were undertaken in order to seek the sale of the Company's shelters and fencing, which were estimated to have a realisable value of approximately £300. Unfortunately, there were no offers forthcoming from third parties and, therefore, it was deemed necessary that these assets will be sold along with the freehold land at Dan Y Graig Stables, as detailed below, in order to maximise realisations.
- 3.8.3. I would ask creditors to note that a further realisation of £200 has been achieved in relation to two septic tanks, which were on the land at Dan Y Graig Stables upon my appointment. However, the sale of this asset completed following the expiry of the current reporting period and, therefore, is not included in the Liquidator's receipts and payments account attached at *Appendix B*.

**3.9. Animals**

- 3.9.1. It was not expected that any funds would be received in relation to the Company's remaining animals. However, £150 has been realised in respect of animals that had been transferred prior to the date of liquidation. It was anticipated that an additional £300 would be received in relation to the disposal of reindeer from the Company to a third party. However, the Liquidator was unable to obtain the necessary passports in relation to these animals, which were to be provided by Mrs Raynel. Therefore, in view of the level of the anticipated realisation for these animals, it has now been considered not be cost effective to pursue these fund further.

**3.10. Refund from Utility Supplier**

- 3.10.1. The Liquidator received a refund of £163 from Welsh Water PLC, in relation to an outstanding credit balance on the Company's account as at the date it was placed into liquidation.

**3.11. Bank Interest**

- 3.11.1. In the current reporting period, gross bank interest of £3 has been received.

**3.12. Freehold Land at Dan Y Graig Stables**

- 3.12.1. The creditors will be aware from the Liquidator's previous report, that the Company's freehold land held an estimated value of £35,000, according to the Directors' Statement of Affairs. The land was contested by the Welsh Council for Voluntary Action ("WCVA") and the official title document at HM Land Registry stated that it held a fixed charge over the land.
- 3.12.2. The Liquidator instructed his solicitors, Blake Morgan LLP ("Blake Morgan"), to advise as to the legality of this charge, as the charge had not been correctly registered at Company's House. As a result, it was confirmed that the charge was invalid and I instructed Blake Morgan to liaise with WCVA in order to ask that it withdraw the charge and remove this from the official title. This was completed with the cooperation of WCVA.

- 3.12.3. Following this, the Liquidator was able to engage Lambert Smith Hampton (“LSH”) to assist with the valuation, marketing and sale of the land. Creditors will be aware from my previous report that LSH had provided a valuation report shortly after the Liquidator’s appointment, advising that the achievable value of the land was estimated to be in the region of £30,000.
- 3.12.4. Before the land could be marketed, it was necessary for all the remaining animals to be removed from the land and it was necessary to liaise with the Company’s former directors to confirm that the animals had been rehomed, as well as that the animals were being cared for in the interim.
- 3.12.5. In view of some of the animals being diagnosed with an illness, a number of the animals remained on the land for an extended period, as it was not possible to find suitable alternative accommodation for them. In addition, the illness had caused the area where the infected animals had been housed to be contaminated. This resulted in additional research being undertaken in order to ensure that proper treatment of the land was undertaken and a suitable period of time elapsed before the marketing of the land commenced.
- 3.12.6. Following the above matters being completed, the marketing of the land commenced with LSH contacting a number of third parties whom had previously expressed an interest in purchasing the land.
- 3.12.7. It should be noted that, after exhausting marketing and a number of offers, a sale of the land completed on 24 December 2019 in the sum of £40,000. As this sale is outside of the current reporting period, this sale is not included in the receipts and payments account attached to this report at *Appendix B*.

## **4. Liabilities**

### **4.1. Secured Creditors**

- 4.1.1. As mentioned above in Section 3.12 of this report, a fixed and floating charge debenture over the Company’s freehold land was thought to have been granted in favour of the Welsh Council for Voluntary Action (“WCVA”). However, upon investigation and, with the assistance of my solicitors, Blake Morgan LLP, it has been established that this charge is invalid, as it had not been registered at Companies House. This was agreed by WCVA and, as a result, the charge held by WCVA was removed.
- 4.1.2. Therefore, there are no secured creditors.

### **4.2. Preferential Creditors**

- 4.2.1. 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.
- 4.2.2. The Company had employed 3 employees who were made redundant on 19 November 2018, prior to my appointment, and it was anticipated that preferential claims would be in the region



of £4,712. All employees have submitted claims to the Redundancy Payments Service ("RPS") for these entitlements up to the statutory limits, which apply under the Employment Rights Act 1996. The RPS has submitted a subrogated preferential claim in the liquidation and any amounts owing to employees in excess of the statutory limits will also be claimed in the liquidation.

- 4.2.3. The RPS have submitted a preferential claim in the sum of £3,890 with regard to arrears of pay, holiday pay and unpaid pension contributions. In addition, 2 former employees hold residual preferential claims, estimated at £209. Therefore, total preferential claims are estimated to amount to £4,099.
- 4.2.4. The above sum includes a sum of £105 in relation to unpaid pension contributions, following the completion of an RP15 claim being submitted by my pension agents, Insol Group Ltd.
- 4.2.5. Regrettably, in it is not expected that preferential creditors will receive a dividend, as there will be insufficient realisations in order to allow any distribution to be possible.

#### **4.3. Unsecured Creditors**

- 4.3.1. According to the Directors' Statement of Affairs, the Company had 17 unsecured creditors with claims totalling £86,407. Claims received to date total £52,053 from 6 creditors.
- 4.3.2. Unfortunately, assuming that realisations and expenses are as anticipated, it is not expected that there will be a return to unsecured creditors due to insufficient funds.

### **5. Prescribed Part**

- 5.1. 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.
- 5.2. As there is no floating charge, the Prescribed Part does not apply in this instance.

### **6. Investigations**

- 6.1. In accordance with the Company Directors Disqualification Act 1986, the Liquidator is required to investigate the affairs of the Company and the conduct of the directors during the three years prior to the liquidation. The Liquidator can confirm that this obligation has been complied with and a confidential report was submitted to the Insolvency Service on 4 March 2019.
- 6.2. An initial investigation into the Company's affairs has also been undertaken by the Liquidator 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.

- 6.3. Following this initial review no further assets or actions were identified which would lead to a recovery for creditors. Therefore, no additional time in respect of investigations has been incurred in this period.
- 6.4. Should creditors have any information which they consider may assist the Liquidator in carrying out his investigations, or be aware of any matters which they believe should be brought to the attention of the Liquidator, 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.

## **7. Liquidator's Remuneration**

- 7.1. On 21 May 2019, a decision was made by the creditors following a decision by correspondence, enabling the Liquidator to draw his remuneration by reference to the time properly spent by the Liquidator and his staff in dealing with the matters arising during the liquidation, subject to the Fees Estimate of £40,775, issued to creditors on 30 April 2019.
- 7.2. Attached at **Appendix D1** is a comparison of the Liquidator's Fees Estimate to the actual time costs incurred in the period from 6 December 2018 to 5 December 2019, which total £51,439, representing 281.8 hours at an average hourly rate of £183.
- 7.3. Attached at **Appendix D2** is a narrative summary of the Liquidator's time costs, which provides further information on the work carried out during the current reporting period, why the work was necessary and whether the work has provided a financial benefit to creditors.
- 7.4. As at 5 December 2019, an amount of £3,000 had been drawn against the Liquidator's time costs in respect of the liquidation.
- 7.5. Creditors will note that the current level of time costs has exceeded the approved Fees Estimate of £40,775, and further work will be required in relation to the completion of the liquidation. However, at this stage, the Liquidator does not propose to seek approval for any amounts in excess of the agreed Fees Estimate.
- 7.6. Details of the future work anticipated to be carried out by the Liquidator includes:
- Reporting and statutory and compliance functions.
  - Tax compliance, including preparing tax computations and returns in respect of the liquidation period and seeking final tax clearance prior to closure.
- 7.7. 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 Liquidator. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the Liquidator.
- 7.8. My firm's 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 members 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.

- 7.9. The charge out rates of the team members employed on the assignment during the period covered by this report and details of changes from previous periods are provided at **Appendix D3**. Specialist departments within our Firm (such as Tax) have charged time to this case when their expert advice has been required. The rate ranges provided incorporate these different rates.

## 8. Liquidator's Disbursements

- 8.1. 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 directly to independent third parties) and Category 2 (costs incurred by the Liquidator or his firm that can be allocated to the case on a proper and reasonable basis).
- 8.2. Category 2 disbursements require approval in the same manner as remuneration, and creditors will recall that a resolution was passed on 21 May 2019 by the creditors in agreement of the anticipated Category 2 disbursements of the Liquidator.
- 8.3. Further details of the rates agreed are provided within the Rates and Disbursements policy which was provided to creditors on 30 April 2019 and which is available upon request.
- 8.4. Details of the disbursements incurred in the period and whether they constitute Category 1 or Category 2 disbursements, are provided below. Details of the disbursements paid during the period is provided within the attached receipts and payments account.

Type of Disbursement	Description	Amount incurred in period (£)
<b><u>Category 1</u></b>		
Statutory Insurance bond	It is a legal requirement that I take out a specific bond in respect of the value of the assets. Upon my appointment, the assets were estimated to realise in the region of £43,158, and the bond paid to JLT Specialty Limited was, therefore, £72.	72
<b>Total Category 1</b>		<b>72</b>
<b><u>Category 2</u></b>		
<b>Total Category 2</b>		<b>Nil</b>
<b>Total</b>		<b>72</b>

## **9. Expenses**

- 9.1. Details of all expenses incurred during the period covered by this report and likely future expenses are provided in the Expenses Statement attached at **Appendix C**. This also includes a comparison to the original Expenses Estimate.
- 9.2. Further details of expenses paid during the period covered by this report are shown in the receipts and payments account at **Appendix B**.
- 9.3. I have reviewed the expenses incurred to date and I am satisfied that they are reasonable in the circumstances of the case.

## **10. Matters outstanding**

- 10.1. As set out at Section 7.6 of this report, the Liquidator is required to complete his reporting, statutory and compliance functions in relation to the liquidation, including the provision of this report to Companies House, as required under the Insolvency Act 1986.
- 10.2. It will also be necessary for the Liquidator to seek advice from his tax department with regard to the tax implications of the disposal of the assets of the Company, prepare the statutory Corporation Tax returns and arrange payment of any liability, as applicable. In addition, it will be necessary for tax clearance to be sought from HM Revenue & Customs, prior to the completion of the liquidation.
- 10.3. There are no further asset realisations being pursued and, regrettably, the Liquidator will have insufficient funds to allow a dividend distribution to any class of creditor.

## **11. Creditors' Rights**

### **11.1. Further information**

- 11.1.1. 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 Liquidator for further information about the remuneration and expenses set out in this progress report.

### **11.2. Apply to Court**

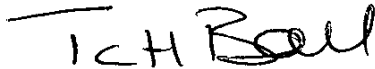
- 11.2.1. Additionally, pursuant to Rule 18.34 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 10% in value of the unsecured creditors, or an unsecured creditor with the permission of the Court may, within 8 weeks of the receipt of this progress report, apply to the Court on one or more of the following grounds:

- a. That the remuneration charged by the Liquidator, or
- b. That the basis fixed for the Liquidator's remuneration, or
- c. That the expenses incurred by the Liquidator,

is, or are, in all of the circumstances, excessive or inappropriate.

**11.3. Further guidance**

- 11.3.1. In accordance with Statement of Insolvency Practice 9, creditors can find additional information on their rights relating to Liquidator's fees in a copy of the publication "A creditors guide to Liquidator's fees" which is available to download from the website <https://www.r3.org.uk/media/documents/publications/professional/Liquidations%20Creditor%20Fee%20Guide%20April%202017.pdf> or, alternatively, will be provided free of charge upon written request to this office.
- 11.3.2. For further general information regarding a creditor's role throughout an insolvency process, creditors are reminded that they can also visit <http://www.creditorinsolvencyguide.co.uk>.



**T C H Ball**  
Liquidator

**Dated 24 January 2020**

*T C H Ball is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales and is bound by the Insolvency Code of Ethics. Where personal data is required to be processed, this will be dealt with in accordance with the Mazars LLP Insolvency Services Privacy Statement which can be accessed at: [www.mazars.co.uk/Legal-and-privacy](http://www.mazars.co.uk/Legal-and-privacy).*

**Lylac Ridge - In Liquidation**  
**Identification Details**

**Details relating to the Company**

<b>Company name</b>	<b>Lylac Ridge</b>
<b>Previous names</b>	n/a
<b>Trading name</b>	n/a
<b>Company number</b>	06873453
<b>Current Registered office</b>	c/o Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP
<b>Former Trading address</b>	Dan Y Graig Stables, Dan Y Graig Road, Risca, Newport, NP11 6DR

**Details relating to the Liquidator**

<b>Date of appointment</b>	6 December 2018
<b>Liquidator</b>	T C H Ball IP No. 8018
<b>Liquidator's address</b>	Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP
<b>Liquidator's contact telephone number</b>	0117 928 1700

**Lylac Ridge – In Liquidation**
**Liquidator's Receipts & Payments for the  
Period from 6 December 2018 to 5 December 2019**

	Estimated to realise per the directors' Statement of Affairs £	Receipts / Payments period from 6 December 2018 to 5 December 2019 £
<b>RECEIPTS</b>		
Cash at bank	1,178	603
Book Debtors	1,000	1,408
Motor Vehicles	8,000	6,000
Stock of Animals	-	150
Plant & Machinery, Fixtures & Fittings and Office & IT Equipment	2,300	150
Freehold Land	35,000	-
Miscellaneous Utility Refund	-	163
Petty Cash	100	-
Bank Interest (Gross)	-	3
	<b>47,578</b>	<b>8,477</b>
<b>PAYMENTS</b>		
Liquidator's Fees		3,000
Liquidator's Disbursements		72
Legal Fees re the collection of book debts		105
Statutory Advertising		156
Insurance of Assets		1,417
Agents' fees re the valuation and sale of the Company's vehicles and Plant & Machinery		833
Agents' fees re pension review and advice		500
Agents' fees re the valuation of the Company's freehold property		1,000
Other Property Expenses		75
Bank Charges		11
VAT Irrecoverable ( <i>Note 1</i> )		1,148
		<b>8,317</b>
<b>BALANCE OF FUNDS HELD</b>		<b>160</b>

*Note 1: The Company was not registered for VAT and, therefore, any VAT suffered on the costs of the liquidation cannot be recovered from H M Revenue and Customs.*

**EXPENSES STATEMENT**

<b>Type of Expenditure</b>	<b>Who expense incurred by and nature of expense</b>	<b>Original Expenses Estimate</b>  <b>(£)</b>	<b>Incurred in current period</b>  <b>(£)</b>	<b>Likely future expenses</b>  <b>(£)</b>	<b>Revised Expenses estimate</b>  <b>(£)</b>
<b>Professional advisors' costs</b> The officeholder's choice of the professional advisors listed below was based on his perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.					
Legal fees and disbursements re the charge held by WCVA over the Company's freehold land, and re the sale of the Company's freehold land.	Blake Morgan LLP were instructed to provide advice on the validity of the charge held by WCVA over the Company's freehold land. They were also engaged to assist with the sale of the freehold land. This firm was chosen based on its experience in insolvency matters. Blake Morgan LLP has confirmed its independence to this firm and also to the Company.  Blake Morgan's fees were agreed on fixed fee bases.	<b>3,000</b>	2,965	2,765	<b>5,730</b>
Legal fees and disbursements re the collection of book debtors.	Blake Morgan LLP were instructed to assist with the collection of book debts from third parties, via letters of demand to third parties. Blake Morgan LLP were chosen based on its experience in insolvency matters.  Their fees in relation to this type of work was agreed on a fixed fee basis.	<b>Nil</b>	105	Nil	<b>105</b>
Agents' fees re sale of the Company's motor vehicles and chattel assets	I instructed Gordon Brothers International Limited ("GBI") to provide an independent professional valuation of the assets, and subsequently to assist with the sale of certain assets. GBI was chosen because of its experience in providing such valuations in an insolvency scenario. GBI has confirmed its independence to this firm and also to the Company.  GBI's fees have been agreed on a fixed fee basis.	<b>833</b>	833	Nil	<b>833</b>



**EXPENSES STATEMENT**

<b>Type of Expenditure</b>	<b>Who expense incurred by and nature of expense</b>	<b>Original Expenses Estimate</b>	<b>Incurred in current period</b>	<b>Likely future expenses</b>	<b>Revised Expenses estimate</b>
		<b>(£)</b>	<b>(£)</b>	<b>(£)</b>	<b>(£)</b>
Agents' fees re the valuation, marketing and sale of the Company's freehold land.	Lambert Smith Hampton ("LSH") were instructed to provide a valuation of the Company's freehold land and have also sought to provide assistance in relation to the potential contamination of the land and the border/boundary dispute. LSH have also been instructed to assist in the marketing and sale of the Company's freehold land. LSH was instructed because of its experience in providing valuations in an insolvency scenario. LSH has confirmed its independence to this firm and also to the Company.	2,000	1,000	2,000	3,000
Agents' fees re pension review, advice and claim	<p>Insol Group Limited ("Insol") were instructed to assist with the review and advise in respect of any pension schemes linked to the Company, and to assist with the winding up of such schemes, as well as resolving any issues arising from the schemes found, as appropriate.</p> <p>Insol was also engaged to assist me in submitting applications to the RPS so that unpaid pre-liquidation employee and employer pension contributions could be paid over to the relevant scheme, by the RPS</p> <p>Insol was chosen because of its experience in an insolvency scenario.</p> <p>Its fee was agreed on a fixed fee basis.</p>	500	500	Nil	500
<b>Other expenses</b>					
Statutory Advertising	<p>Costs are to be paid to TMP Worldwide for statutory advertising requirements including London Gazette advertisements in respect of the notices of the appointment.</p> <p>No further advertising costs are anticipated.</p>	156	156	Nil	156

**EXPENSES STATEMENT**

<b>Type of Expenditure</b>	<b>Who expense incurred by and nature of expense</b>	<b>Original Expenses Estimate</b> <b>(£)</b>	<b>Incurred in current period</b> <b>(£)</b>	<b>Likely future expenses</b> <b>(£)</b>	<b>Revised Expenses estimate</b> <b>(£)</b>
Insurance of assets	I am required to insure the Company's assets until they are disposed of. The assets of the Company were insured under the Insolvency Scheme with JLT Specialty Limited, prior to their disposal. The amount incurred in the period represents the sum due by the Company, up to the sale.  As all insurable assets have been sold, there is no requirement for any further insurance cover.	800	1,417	Nil	1,417
Mazars LLP's pre-appointment costs	This amount represents the reasonable and necessary expenses in respect of the preparation of the Statement of Affairs and in respect of the deemed consent procedure to seek a decision from the Company's creditors on the nomination of the Liquidator, which will be drawn from the estate as an expense of the liquidation, following the sale of the land.  Mazars LLP's pre-appointment fees were approved by the creditors, on 21 May 2019, following a decision procedure by correspondence.	10,000	10,000	Nil	10,000
Other property expenses	It was required for a locksmith to be instructed to change a lock on one of the front doors at Dan Y Graig Stables after a break in. This instruction to the locksmith was made by our agents, LSH, and subsequently paid by the Liquidator.	Nil	75	Nil	75
Bank Charges	The liquidation bank account was held with Handelsbanken and the following bank charges were incurred for the raising of payments from the bank account to third parties, amongst other requirements.	Nil	11	4	15
Liquidator's 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.	40,775	51,439	10,000	61,439

**EXPENSES STATEMENT**

<b>Type of Expenditure</b>	<b>Who expense incurred by and nature of expense</b>	<b>Original Expenses Estimate</b>	<b>Incurred in current period</b>	<b>Likely future expenses</b>	<b>Revised Expenses estimate</b>
		<b>(£)</b>	<b>(£)</b>	<b>(£)</b>	<b>(£)</b>
Liquidator's Disbursements	Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. A further breakdown of the disbursements incurred in the period is provided within Section 8 of the report.	72	72	Nil	72
VAT Irrecoverable	As will be noted from my report, the Company was not registered for VAT. Therefore, the Liquidator is unable to recover any VAT paid on the above liquidation expenses.	11,467	13,429	2,953	16,382
<b>Total</b>		<b>69,603</b>	<b>82,002</b>	<b>17,722</b>	<b>99,724</b>

## LIQUIDATOR'S ANALYSIS OF TIME COSTS AND COMPARISON TO FEES ESTIMATE

The Liquidator's total Fees Estimate, as approved by creditors on 21 May 2019, was £40,775.

As detailed in Section 7 of the report, total costs incurred to date are £51,439.

The following table provides details of the Liquidator's actual time costs incurred in the current reporting period, 6 December 2018 to 5 December 2019, compared to the estimated costs as set out in the Fees Estimate.

Further information on the work undertaken in the current reporting period, including an explanation as to why the various tasks were required and whether the work provides a financial benefit to creditors is provided within the narrative summary of work undertaken by the Liquidator at *Appendix D2*.

Creditors will note that a blended hourly charge-out rate has been provided for the Fees Estimate. This was calculated as the prospective average cost per hour based upon the estimated time to be expended by each grade of staff at their specific charge out rate. Details of the hourly rates of staff who have worked on this case can be found on the Rates and Disbursements policy attached to this report. Please note that where total costs do not equate to the total time at the blended hourly rate, this is due to rounding.

**LIQUIDATOR'S ANALYSIS OF TIME COSTS  
AND COMPARISON TO FEES ESTIMATE**

Description of Work	Fees Estimate Approved on 30 April 2019			Actual time costs for the period from 6 December 2018 to 5 December 2019		
	Total Time (hours)	Total Costs (£)	Blended Hourly Rate (£)	Time incurred (hours)	Total Costs (£)	Average Hourly Rate (£)
Admin & Planning	5.0	525	105	5.6	623	111
Taxation	9.0	1,440	160	7.0	1,093	156
Investigations	22.0	3,630	165	21.5	3,514	163
Realisation of Assets	100.0	17,200	172	146.4	27,117	185
Employees	15.0	2,430	162	16.7	2,706	162
Creditors	15.0	3,300	220	16.4	3,346	204
Reporting	30.0	5,400	180	22.8	4,376	192
Cashiering	14.0	2,100	150	14.7	2,531	172
Statutory & Compliance	25.0	4,750	190	30.7	6,133	200
<b>Totals</b>	<b>235.0</b>	<b>40,775</b>	<b>174</b>	<b>281.8</b>	<b>51,439</b>	<b>183</b>

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE LIQUIDATOR FOR THE PERIOD FROM 6 DECEMBER 2018 TO 5 DECEMBER 2019****Introduction**

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 undertaken during the period, why it was done and whether the work provides a financial benefit to creditors.

This summary should be read together with the Liquidator's Time Costs Analysis at *Appendix D1* and the attached report. The costs incurred in relation to each category are set out in the attached Time Cost Analysis.

**Work carried out in the current period****Administration and planning**

The Liquidator has undertaken the following work:

- Case acceptance and ethical reviews.
- Completing case strategy notes.
- Holding strategy meetings
- Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system.

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 help 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.

**Taxation**

The following activities were undertaken in order to ensure the Company is compliant with tax requirements:

- Notifying HM Revenue & Customs ("HMRC") of my appointment and establishing whether it has any outstanding claims or ongoing investigations. Such enquires will assist with my own investigations.
- Establishing the Company's pre-appointment Corporation Tax position, in order to determine whether any refund is due to the Company.
- Confirmation of the Company's VAT status.

In addition, the following work is still required to be undertaken:

- Preparing the Corporation Tax return for the year ending 5 December 2019, and a final Corporation Tax return, filing these with HMRC.
- Seeking final tax clearance from HMRC, in preparation for the closure of the case.

The majority of this work derived no financial benefit for creditors, however, it is required in accordance with tax legislation.

**Investigations**

Further details of the investigation work required to be carried out is provided within Section 6 of the report.

A summary of the work undertaken to date is as follows:

- Investigating the Company's affairs to include a review of the Company's books and records and in particular, the bank statements to identify any potential transactions that were outside the ordinary course of business.
- Correspondence with directors regarding the reasons for the Company's failure.
- Review of creditor questionnaires and investigation into any matters notified.
- Reporting to the Insolvency Service on the directors' conduct.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure compliance with statutory duties.

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE LIQUIDATOR FOR THE PERIOD FROM 6 DECEMBER 2018 TO 5 DECEMBER 2019****Realisation of Assets**

The work undertaken in respect of the realisation of the Company's assets is detailed in Section 3 of the report. The main assets comprise the freehold land and buildings, book debtors, cash held at the Company's pre-appointment bank and office furniture. In addition it was necessary to deal with the livestock remaining at the freehold land following my appointment.

Actions required to realise the Company's assets included:

- Obtaining a professional valuation of the Company's assets and land to ensure the most appropriate offer is accepted and liaising with the agents in respect of their views as to the offers received.
- Negotiations with interested parties and agreeing sale of assets.
- Arranging insurance cover over assets and ensuring their security.
- Reviewing and obtaining any potential refunds on insurance policies or utilities paid up to a future period by the Company.

In relation to specific assets in this case:

- Establishing the Company's position in relation to the freehold land, including issues regarding vacant possession, potential land contamination, border disputes, liaising with our agents in respect of these issues, marketing the land for sale with the assistance of our agents and liaising with already known interested parties.
- Instruction to Blake Morgan LLP, with regard to the charge held by WCVA being secured against the official title at HM Land Registry and liaising with solicitors and WCVA regarding the removal of this charge.
- Ensuring that livestock remaining at the premises after my appointment were properly cared for and that individuals were on site in order to ensure no neglect occurred. Seeking advice regarding the removal and rehoming of the livestock. Liaising by email and telephone with former directors and third parties in order to arrange for the collection and removal of the animals.
- Correspondence with former directors in relation to obtaining animal passports for animals being sold to third parties.
- Corresponding with book debtors to seek payment, prior to instruction to Blake Morgan LLP, with regard to the collection of outstanding book debtors and provision of supporting documents in relation to these claims.

The work undertaken has added value for the benefit of creditors by enabling the realisation of funds in the estate. Following the sale of the freehold land in the sum of £40,000 (outside of the current reporting period), total realisations now exceed those anticipated in the directors' Statement of Affairs. The costs associated with the recovery are considered appropriate in the circumstances.

Regrettably, in this case, despite the realisations achieved, it has not been sufficient to allow a dividend to be paid to any class of creditors.

**Employees**

The Company employed 3 employees who were all made redundant prior to the Company being placed into liquidation. Further information regarding employees' claims is included within Section 4 of the report. It should be noted that there will be insufficient funds to allow any distribution to be made to employees beyond their entitlements up to the statutory limits paid by the Redundancy Payments Service ("RPS").

Work undertaken in order to ensure that employee claims have been dealt with appropriately includes:

- Agreeing employee redundancy claims, and obtaining employees details from the Company's accounting records.
- Submitting claims details to the RPS, in order to allow employees to be paid by the RPS.
- Dealing with any correspondence or queries received from employees.

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors. However, it is necessary in order to assess and adjudicate employee claims to allow them to be paid by the RPS, which does have a financial benefit to the former employees.

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE LIQUIDATOR FOR THE PERIOD FROM 6 DECEMBER 2018 TO 5 DECEMBER 2019****Creditors**

There are 21 known unsecured creditors and I have received 6 unsecured claims, totalling £52,053 to date. In order to ensure that creditors are dealt with appropriately, the following work has been undertaken:

- Dealing with any correspondence from creditors.
- Receiving and recording details of creditor claims.

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors, as there will be insufficient realisations made for any distribution to be paid to creditors to be made.

**Reporting**

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

- Issuing an initial report to creditors in respect of my appointment, dated 20 December 2018.
- Issuing an initial Fees Report to creditors, dated 30 April 2019.

In addition, the following work is still required to be undertaken:

- Preparation and issuing of this report to creditors, reporting on progress during the year ending 5 December 2019, as required by statute.
- Drafting and issuing a final 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:

- Establishing set up of case details on our insolvency software system.
- Setting up bank accounts, including deposit accounts as necessary.
- 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, and that all transactions are fully accounted for.

**Statutory and Compliance**

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

- Preparation and lodgement of statutory appointment documents.
- Initial notices and advertisements following appointment.
- Case monitoring and statutory compliance, including internal case reviews, case diary reviews and checklist completion.
- Case bordereau (statutory insurance bonding).

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.



## Lylac Ridge - 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:

	<b>Partner</b>	<b>Director</b>	<b>Manager</b>	<b>Administrator</b>	<b>Cashier</b>	<b>Support Staff</b>
<b>Range (£), effective from 1 September 2019</b>	440 – 550	390 – 450	245 – 400	160 – 230	100 – 205	90 – 140
<b>Range (£), effective from 6 December 2018</b>	440 - 500	390	335	90 – 275	90 – 190	90

My firm's 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 members 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) 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 directly 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 Liquidator or his 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.
- Photocopying bulk circulars. Photocopying is charged at 5p per page.

All other disbursements are to be reimbursed at cost.

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