

WU07

Notice of progress report in a winding-up by the court



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 9 0 6 3 7 2 1

Company name in full WSB INVESTMENT LTD

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Liam Alexander

Surname Short

3 Liquidator's address

Building name/number 3 Waterhouse Square

Street 138 Holborn

Post town London

County/Region

Postcode E C 1 N 2 S W

Country

4 Liquidator's name ①

Full forename(s) Graham Stuart

Surname Wolloff

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 2 Axon

Street Commerce Road

Post town Peterborough

County/Region

Postcode P E 2 6 L R

Country

② Other liquidator

Use this section to tell us about
another liquidator.

WU07

Notice of progress report in a winding-up by the court

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Period of progress report

From date

^d1^d1^m0^m4^y2^y0^y2^y0

To date

^d1^d0^m0^m4^y2^y0^y2^y1

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d0^d9^m0^m6^y2^y0^y2^y1

**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 **Liam Alexander Short**

Company name **Elwell Watchorn & Saxton LLP**

Address **8 Warren Park Way**

Enderby

Post town **Leicester**

County/Region

Postcode **L E 1 9 4 S A**

Country

DX

Telephone **03300 889038**

**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 or email enquiries@companieshouse.gov.uk

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

LAS.BJP.WSB02

9 June 2021

TO ALL MEMBERS & CREDITORS

Dear Sirs

**WSB INVESTMENT LTD – IN LIQUIDATION (“the Company”, “WSB”)
IN THE HIGH COURT OF JUSTICE, CHANCERY DIV NO 009665 OF 2015
Company number: 09063721**

Office holders: Liam Alexander Short and Graham Stuart Wolloff

Date of appointment: 11 April 2016

Previous Registered Office: 2 Sheriffs Orchard, Coventry, West Midlands, CV1 3PP

Registered Office: 3 Waterhouse Square, 138 Holborn, London, EC1N 2SW

In accordance with Rule 18.8 of the Insolvency Rules 2016 (as amended), we write to provide all members and creditors of the Company with an account of our acts and dealings and of the conduct of the winding-up for the period 11 April 2020 to 10 April 2021. This report should be read in conjunction with our previous reports dated 9 June 2017, 7 June 2018, 7 June 2019 and 9 June 2020.

We enclose the following additional information:-

- a) Receipts and payments account.
- b) Charging Policy and Schedule of remuneration, disbursements and case expenses; with further information.

Use of website to deliver future documents

We have previously taken advantage of the legislative provisions whereby we can put future documentation onto a website and need not write to creditors to notify them that we have done so save for certain specified circumstances.

Asset realisations

Funds held with merchant services provider

As previously advised, the sum of £877,343.34 (after conversion from US Dollars and EUROS to GBP) was identified and secured as the sum of the balances held with a UK merchant services provider (see below).

Bank Interest

We can confirm that the amount of £1,934.36 of Bank Interest has been received during the reporting period.

Petitioning creditor

During the reporting period the Joint Liquidators and their staff had numerous communications with the petitioning creditor and their solicitor. We can confirm that the petitioning creditor's relevant and associated costs of winding-up the Company were agreed and paid in the sum of £3,510.00.

Secured creditors

There were no secured creditors of the company with available assets secured by a fixed charge.

Preferential creditors

No preferential claims have been received.

Non-preferential creditors

The creditors of the Company appear to be investors that previously transferred funds to WSB and were subsequently unable to withdraw their monies upon request. To date, we have been notified of claims totalling £2,182,778.38. We have not received a claim from the Crown departments, although we have been in communication with HM Revenue & Customs, with a view to them calculating their potential claim.

As our investigations and claims against third parties are continuing (see below in 'Further work undertaken'), we have not yet taken steps to formally admit the creditors' claims.

As previously advised, given the global nature of the creditor-base of this Company, if it becomes appropriate to declare a dividend to the non-preferential creditors, then an appropriate advertisement or series of advertisements will likely be required in order for the Joint Liquidators to identify their intention to make a distribution to the creditors of WSB.

Further work undertaken during the period of this report

Merchant services provider (MSP):

As previously reported, as a result of information obtained by us and our legal advisors and following extensive enquiries into the financial conduct of the Company, including its various banking activities, we identified that the Company had utilised the services of an MSP based in the United Kingdom. We obtained information and documents relating to the Company's transactions from the MSP and identified that there were balances held on various £GBP, €EUR and \$USD accounts.

It was apparent that funds were received into the MSP and then paid out to numerous settlement bank accounts. It is important to note that each of these settlement banks are based in Europe, but outside of this jurisdiction.

Payments to the Czech Bank:

Following further communications with the MSP it was evident that a significant amount of money – in excess of €14 million (**EURO**) - was paid to one of the settlement banks in the Czech Republic (**the Czech Bank**) after the date of the winding-up petition on 22 December 2015. The Joint Liquidators have liaised extensively with their legal advisors, including legal counsel and developed and implemented a strategy for recovery of these payments. The payments to the Czech Bank appear to be void, pursuant to Section 127 of the Insolvency Act 1986 (**IA 86**), as they were made after the presentation of the winding-up petition and without ratification by the Court.

During the reporting period, therefore, a letter before action was sent to the Czech Bank, seeking repayment of these identified sums. However, as the Czech Bank failed to meaningfully engage with our legal advisors, legal counsel's opinion was sought, and After the Event (**ATE**) Insurance was obtained with a view to issuing an application to Court that the identified payments were void pursuant to S127 IA 86. A witness statement was prepared and an application submitted on 23 December 2020 and a Court hearing was listed for 30 March 2021.

We can confirm that following the hearing in March 2021, we successfully obtained an order directing that our application pursuant to s127 IA 86, will be heard on the first available date after 1 October 2021. After taking local advice in the Czech Republic, we obtained leave to serve the Order and application in the Czech Republic, via the Foreign Process Section. Our efforts to pursue this and other avenues of recovery for creditors are ongoing. Much of the specific detail of our enquiries are subject to legal and professional privilege and is commercially or legally sensitive. As such, we are unable to publish the detail of these enquiries, as to do so may prejudice them.

Other Activities:

There is certain work that we are required by the insolvency legislation to undertake in connection with the liquidation. These activities specifically include returns required by the Crown and statutory reporting requirements dictated by the insolvency legislation, this report and dealing with creditor decision procedures being such examples. A description of the routine work undertaken since our last progress report is contained in the Schedule of further information attached. Additionally, we have discharged our statutory duties as Joint Liquidator in the day-to-day matters associated with the case.

We also confirm that they have corresponded and discharged their obligations to the Insolvency Service accordingly during the reporting period, regarding their investigations. The Joint Liquidators have also made enquiries, as well as interrogated and scrutinised various documents obtained from another Merchant Services Provider during the reporting period, seemingly connected to the Company, which is based in Cyprus.

We have continued to liaise with a member of a law firm, who themselves represent a number of purported creditors of the Company. Our communications with this firm are ongoing.

We are bound by the Insolvency Code of Ethics when carrying out work relating to the insolvency appointment.

Known outstanding matters – work remaining to be completed

In summary, the following key matters remain outstanding:

- to obtain outstanding information from a number of third parties;
- to pursue the legal claim against the Czech Bank;
- to consider any further potential legal claims in conjunction with our legal advisors;
- if appropriate, to agree the claims of the non-preferential creditors and subsequently declare a first and final dividend to the non-preferential creditors;
- at the appropriate time, to issue our final account in this matter and progress the case to closure.

Due to the nature and the complexity of this liquidation, we are not currently able to provide an accurate estimate of the time remaining to complete this case.

Joint Liquidators' remuneration

We have been granted approval by the creditors (by decisions by correspondence) for fees on a time cost basis to the total value of £244,172.40, plus our approved uplift.

We enclose a schedule which provides full details of the estimated budget, the time costs incurred and the Liquidators' disbursements. Time costs to the end of the period covered by this report total £186,607.00, plus our approved uplift, representing 821.80 hours of work, and the Joint Liquidators have drawn £264,079.50 (inclusive of uplift where applicable), on account and details are provided on the attached schedule.

A guide to help creditors understand the law and their rights in relation to an insolvency process can be found at:-

<http://www.creditorinsolvencyguide.co.uk>

Additional information regarding how the Joint Liquidators will be paid can be downloaded at:-

<https://www.r3.org.uk/what-we-do/publications/professional/fees>

Alternatively, a Creditor may obtain a printed copy by contacting this office directly.

Professional advisors engaged

We have instructed professional advisors to assist with the administration and progression of the case. The choice of advisor is based on their relevant experience and ability to perform this type of work, the nature and complexity of the specific assignment and the basis of the fee arrangement negotiated. Full details are included in the attached schedule of further information.

Disclaimer

This report has been circulated for the sole purpose of providing creditors with an update for information purposes only to fulfil the necessary statutory requirement. The contents are private and confidential and may not be relied upon, referred to, reproduced in whole or in part or otherwise used by creditors for any purpose other than providing an update for them for information purposes, or by any other person for any purpose whatsoever.

Yours faithfully



Liam Alexander Short
Joint Liquidator

Licensed in the United Kingdom to act as an insolvency practitioner
by the Insolvency Practitioners Association

WSB INVESTMENT LTD
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

| Statement of Affairs £ | From 11/04/2020 To 10/04/2021 £ | From 11/04/2016 To 10/04/2021 £ |
|---------------------------------------|---------------------------------------|---------------------------------------|
| ASSET REALISATIONS | | |
| Bank Interest | 1,934.36 | 2,091.32 |
| Merchant Processing Recoveries | 0.00 | 877,343.34 |
| | <u>1,934.36</u> | <u>879,434.66</u> |
| COST OF REALISATIONS | | |
| Advertising | 0.00 | 84.60 |
| Bordereau Premium | 0.00 | 28.00 |
| Copying Fees | 0.00 | 499.74 |
| Tax on Bank Interest | 386.87 | 418.26 |
| Document Hosting | 12.00 | 32.00 |
| ISA Payment Fees | 10.60 | 31.95 |
| Legal Fees* | -1,340.00 | 214,516.14 |
| Legal Disbursements | 0.00 | 176.13 |
| Counsel's Fees | 0.00 | 49,500.00 |
| Notary Fees | 0.00 | 290.00 |
| Office Holders Fees | 118,023.50 | 264,079.50 |
| Official Receiver Balance | 0.00 | 1,170.00 |
| Petitioners Costs | 3,510.00 | 3,510.00 |
| Search Fees | 0.00 | 6.00 |
| Sec of State Fees | 103.48 | 66,638.17 |
| Stationery, Postage Etc. | 0.00 | 52.87 |
| Travel | 0.00 | 21.12 |
| VAT - Irrecoverable | 24,947.10 | 102,098.55 |
| | <u>(145,653.55)</u> | <u>(703,153.03)</u> |
| UNSECURED CREDITORS | | |
| (31,255.63) Trade & Expense Creditors | 0.00 | 0.00 |
| | <u>0.00</u> | <u>0.00</u> |
| DISTRIBUTIONS | | |
| (100.00) Ordinary Shareholders | 0.00 | 0.00 |
| | <u>0.00</u> | <u>0.00</u> |
| (31,355.63) | (143,719.19) | 176,281.63 |
| REPRESENTED BY | | |
| Insolvency Service Account | | 176,281.63 |
| | | <u>176,281.63</u> |

*The reduction in the value of legal fees represents the VAT Irrecoverable on invoices raised against the payment on account paid to Clarke Willmott LLP.

WSB INVESTMENT LTD – IN LIQUIDATION

SCHEDULE OF REMUNERATION, DISBURSEMENTS AND CASE EXPENSES; WITH FURTHER INFORMATION

Firm's charging policy for appointments taken after 1 October 2015

It is the firm's policy that all staff involved on an assignment will record all time spent on dealing with matters arising on that client and that the time will be categorised to show the type of activity carried out. The charge out rates of licensed insolvency practitioners, directors and managers do not therefore include provisions for time spent by secretaries, cashiers and support staff.

Irrespective of any basis of remuneration agreed, the legislation requires that time spent by all staff on a case is recorded. The recorded time cost is calculated by multiplying the time spent by the individual by their charge-out rate. Time is recorded in units of 6 minutes, with 10 units making up each hour of time spent. Charge-out rates are reviewed annually and are subject to change without prior notice. Full details of the rates applied to a specific case are available on application.

Although for most appointments, the legislation allows the office holder to seek to be remunerated on a combination of any or all of the following bases:

- a. A time cost basis
- a. A percentage of the value of the property dealt with by the office holder (realisations and / or distributions)
- b. A fixed fee

It is the Firm's current policy to seek remuneration on (a) a time cost basis for insolvent appointments.

The arrangements regarding office holder remuneration do not however apply to Members Voluntary Liquidations (MVL's), Company Voluntary Arrangements (CVA's) or Individual Voluntary Arrangements (IVA's). In MVL's, the company members agree the fee basis, usually as a fixed fee. In VA's, the fee basis is incorporated in the arrangement proposal which creditors agree when they approve the arrangement.

Office holders' remuneration is subject to VAT with the exception of VA's which are VAT exempt.

The Firm has five grades of staff (including the office holder) as detailed below. We ensure that case assignments have been carried out by appropriate grades of staff. The charge-out rates of the persons involved in this case from commencement to the current time are as follows:-

| | <i>Charge-out rate at commencement (up to £ per hour)</i> | <i>Increase October 2016 (up to £ per hour)</i> | <i>Increase April 2019 (up to £ per hour)</i> |
|----------------------------------|--|--|--|
| Licensed Insolvency Practitioner | 195.00 | 295.00 | 395.00 |
| Director / Senior Manager | 165.00 | 200.00 | 295.00 |
| Manager | 135.00 | 150.00 | 225.00 |
| Other professionals | 105.00 | 135.00 | 135.00 |
| Administrative staff | 45.00 | 65.00 | 65.00 |

* In both October 2016 and April 2019, the Firm increased the charge out rates of certain grades of staff as detailed in the above table. In addition, specific individual staff members who may have duties associated with this case, moved charging grade.

Each staff member involved in the case records actual time spent in a computerised time recording system together with a narrative describing the actual work undertaken. Work is analysed by prescribed task descriptors which are recorded under the following standardised categories:

- Administration (including statutory reporting)
- Investigations
- Realisation of assets
- Trading
- Creditors (claims and distribution)

In seeking approval to be remunerated on a time costs basis, the office holder must provide a fee estimate to the creditors which then acts as a cap to ensure that the fees subsequently drawn cannot exceed the fee estimate without the office holder seeking further approval. The office holder must also provide details of the work intended to be undertaken together with details of the hourly rates proposed to be charged and an estimate of the time envisaged being taken to complete the required work. The office holder will also state whether it is envisaged at this stage whether there may be a future need to seek approval to exceed the original estimate and any reasons for which this could become necessary. To simplify matters, the estimated charges may be presented using a 'blended' (an average time cost) rate for the work carried out detailed in the fee estimate.

Should the office holder subsequently need to seek authority to draw fees in excess of the original fees estimate, details will be provided which include reasons why the original estimate has been or is likely to be exceeded, details of any additional work required to be undertaken, the hourly rates proposed and an estimate of the additional time envisaged being taken to complete the identified work. The office holder will again state whether it is envisaged at this stage whether there may be a future need to seek approval to exceed the estimate and any reasons for which this could become necessary.

Sufficient information will be provided about the appointment to demonstrate how the fee estimate reflects the requirements of the case. This will include any responsibility of an exceptional nature on the office holder, the effectiveness with which functions are carried out and the value and nature of the property dealt with by the office holder.

A guide to help creditors understand the law and their rights in relation to an insolvency process can be found at <http://www.creditorinsolvencyguide.co.uk>

Additional information regarding how the Insolvency Practitioner will be paid can be downloaded under "Fees" at <https://www.r3.org.uk/what-we-do/publications/professional/fees>

Alternatively, a creditor may obtain a printed copy by contacting this office directly.

Disbursements

Disbursements incurred by the office holder in connection with the case must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 - disbursements not requiring approval represent a re-charge to the estate for direct costs, payable to independent third parties, specifically incurred in the administration of the estate. In certain instances these costs were initially met from the firm's resources due to the lack of funds available at the time that payment was due.

Category 2 - disbursements requiring approval, represent a charge to the estate for the costs incurred by the firm specifically in relation to the estate. The basis of payment of category 2 disbursements must be approved by creditors prior to any payment being drawn. It is proposed that payment shall be made in respect of Category 2 disbursements as follows:-

- External disbursements will be recharged at cost.
- The in house storage of books and records will be charged at the rate of £1 per archive box per month for the duration of the liquidation period plus fifteen months in addition to the cost of boxes and ultimate confidential destruction.
- Mileage will be charged at up to 45p per mile.
- Postage, stationery and telephone are recharged at the rate of £2 per letter and £3 per copy of report in addition to the cost of postage.

Professional advisors engaged

We have instructed professional advisors to assist with the administration and progression of the case. The choice of advisor is based on their relevant experience and ability to perform this type of work, the nature and complexity of the specific assignment and the basis of the fee arrangement negotiated. Professional advisors' fees are charged at cost. We provided details of fees to be incurred or likely to be incurred when seeking fee approval.

Anticipated costs associated with the use of professional advisors were as follows:

| Professional Advisors | Service provided | Basis of fees | Estimated total £ * |
|------------------------------|---|----------------------|----------------------------|
| Selachii Solicitors | Legal advice regarding ongoing investigations | Time-costs | 75,000.00 |
| TOTAL | | | 75,000.00 |

Actual costs incurred in this reporting period are detailed as follows:

| Advisor/Organisation | Service provided | Reason selected | Basis of fees | Fees incurred in this reporting period |
|-----------------------------|---|---------------------------------|----------------------|---|
| Clarke Willmott LLP | Legal advice regarding potential claims | Sector knowledge and experience | Time costs | £26,950.31 |

* Clarke Willmott LLP were engaged to provide legal advice on the regulatory and cross-border investigation elements of this liquidation. Clarke Willmott LLP were provided with a Payment on Account of £50,000.00. During this reporting period Clarke Willmott LLP have raised invoices, including legal disbursements, totalling £26,950.31 plus VAT.

We are satisfied that fees charged are considered reasonable in the circumstances of the case.

Remuneration and approved fees estimate

We have been granted approval by the creditors by decision by correspondence for fees on a time cost basis to the level of the fees estimate indicated in the Fees Estimate table provided to creditors, copy below.

This decision was sought under rule 15.8(1) with a decision date of 7 July 2020. Creditor voting received was as follows:

| | For (£) | Against (£) | Abstain (£) |
|--------------|-------------------|--------------------|--------------------|
| Creditor 1 | 9,306.48 | 0.00 | 0.00 |
| Creditor 2 | 26,000.00 | 0.00 | 0.00 |
| Creditor 3 | 76,193.74 | 0.00 | 0.00 |
| Creditor 4 | 2,513.34 | 0.00 | 0.00 |
| Creditor 5 | 7,660.00 | 0.00 | 0.00 |
| Creditor 6 | 12,467.17 | 0.00 | 0.00 |
| Creditor 7 | 133,374.32 | 0.00 | 0.00 |
| Creditor 8 | 15,395.54 | 0.00 | 0.00 |
| Creditor 9 | 81,003.00 | 0.00 | 0.00 |
| Total | 363,913.59 | 0.00 | 0.00 |

Creditors should be aware that it is the fees estimate *total* that acts as an overall cap on appointees' remuneration across all of the categories. The individual category totals form an *estimate* of the likely category time cost fees anticipated at the time of presentation. We have ensured throughout that case assignments are carried out by appropriate grades of staff.

Work carried out on this case in the period covered by this report is detailed below. We are required by the legislation to indicate which of these activities are likely to provide a financial benefit to creditors of the case (shown in *italics*) as opposed to those that are required by statute (shown in normal type).

Administration (including statutory reporting)

- Liaising with all relevant stakeholders (including creditors, employees)
- Sending out statutory appointment paperwork
- Obtaining the specific penalty bond – a mandatory insurance to protect the case assets after realisation – and review level on a monthly basis
- Agreeing the outline strategy for progressing the case and briefing the relevant staff

- Management, organisation and coordination of staff involved in the case
- Entering of base data into the in-house insolvency management database
- Setting up of case-related files and the ongoing filing of paperwork
- Liaising with company officers and former staff, regarding general liquidation matters
- Dealing with general enquiries and all correspondence regarding the case and routine updating of data in our case management system
- Periodic review of case progress, asset realisations and other statutory case matters.
- Planning and management of strategies for subsequent case progression
- *Review and monitoring of claims*
- Recording of all receipts and payments made during the course of the liquidation
- Insolvency Service account reconciliations and production of statements for review purposes
- Production of VAT returns, PAYE year end returns and Corporation Tax returns as required
- Production and submission of periodic reports to appropriate stakeholders
- Filing of mandatory returns at Companies House
- Conducting decision procedures to consult creditors, recording of results and reporting as required

Investigations

- Establishing any secondary information requirements
- Liaison with former company advisors
- Creating necessary correspondence and reviewing responses received
- Compilation of necessary records and minutes
- Undertaking the necessary investigational work to establish the legitimacy or otherwise of any potential claims
- Discussions, planning and advice in respect of any potential outcomes
- Investigation and reporting of any matters identified by creditors
- Seeking appropriate legal advice in respect of any investigational matters identified and acting accordingly
- Liaising with solicitors over potential claims
- *Consideration of the possible actions necessary to take as liquidator*
- Progressing any identified issues to closeout

Realisation of assets

- Liaising with agents /solicitors
- Liaison with solicitors over legal matters associated with the assets in the case
- Identifying potential assets

Creditors (claims and distribution)

Non-preferential creditors

- Dealing with calls and queries from creditors
- Taking, relaying and actioning messages
- Management of correspondence to non-preferential creditors, including e mail queries and claim forms
- Providing summary updates to creditors as required

Fees estimate approved by creditors

The table below is the estimate previously provided (and approved) of the total time and associated time costs anticipated for the input required for all grades of staff to manage this case to full completion:

| Work category | Estimated total hours | Estimated time cost £ | Blended rate £ |
|---|------------------------------|------------------------------|-----------------------|
| Administration (inc statutory reporting) | 312.50 | 58,149.50 | 186.08 |
| Investigations | 430.00 | 97,644.40 | 227.08 |
| Realisation of assets | 142.50 | 40,681.00 | 285.48 |
| Creditors (claims and distribution) | 254.40 | 47,697.50 | 187.49 |
| Anticipated total for all categories of work | 1,139.40 | 244,172.40 | 214.30 |
| Anticipated total for all categories of work inclusive of agreed rate of uplift | 1,139.40 | 488,344.80 | 428.60 |

Over the case lifetime, therefore, we anticipate that our total standard time-costs will be £244,172.40 at a blended rate of £214.30. The basis of the Joint Liquidator's fees has been agreed and is therefore subject to an uplift of 100% of our standard time-costs, which would bring the total estimated proposed budget proposal to £488,344.80. However, please see the section below regarding our proposal to defer the application of part of our uplift.

This estimate was based on the information available at the time to the office holder. Whilst every care was taken to ensure the accuracy of the data presented, it was based on the information presented to the office holder and the experience of the office holder in dealing with cases of a similar level of complexity.

It is not anticipated at this stage that the office holder will need to seek further approval in respect of fees. If circumstances are such that it becomes apparent that total time costs incurred are likely to exceed the above estimate, the office holder will provide full details in the subsequent periodic report to creditors.

Office holder's time costs

The time costs during the course of our administration for the period covered by this report are summarised below:

| Work category | Licensed Insolvency Practitioner hours | Director/ Senior Manager hours | Manager hours | Professional staff hours | Admin staff hours | Total hours | Time cost £ | Average hourly rate £ |
|---|---|---------------------------------------|----------------------|---------------------------------|--------------------------|--------------------|--------------------|------------------------------|
| Administration (inc statutory reporting) | | | | | | | | |
| Appointment formalities | 0.00 | 0.00 | 0.10 | 0.00 | 0.00 | 0.10 | 22.50 | 225.00 |
| Cashiering function | 0.00 | 0.00 | 2.00 | 6.60 | 0.00 | 8.60 | 1,077.00 | 125.23 |
| Case review | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| General administration | 0.80 | 0.00 | 0.70 | 4.30 | 2.30 | 8.10 | 985.50 | 121.67 |
| Liaising with Government agencies | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Planning and monitoring | 0.70 | 0.00 | 0.00 | 0.00 | 0.00 | 0.70 | 276.50 | 395.00 |
| Pension matters | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Non insolvency statutory returns | 0.00 | 0.00 | 0.00 | 3.00 | 0.00 | 3.00 | 405.00 | 135.00 |

| | | | | | | | | |
|--|--------------|-------------|--------------|--------------|-------------|---------------|------------------|---------------|
| Statutory compliance returns / reports / meetings | 10.80 | 0.00 | 21.80 | 1.30 | 1.50 | 35.40 | 9,382.00 | 265.03 |
| Investigations | | | | | | | | |
| Review books & records | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Investigating antecedent transactions | 2.70 | 0.00 | 5.70 | 0.00 | 0.00 | 8.40 | 2,349.00 | 279.64 |
| Legal correspondence / litigation | 1.00 | 0.00 | 18.20 | 0.00 | 0.00 | 19.20 | 4,490.00 | 233.85 |
| Realisation of assets | | | | | | | | |
| Book debt realisations | 0.30 | 0.00 | 0.00 | 0.00 | 0.00 | 0.30 | 118.50 | 395.00 |
| Fixed asset realisations | 0.20 | 0.00 | 0.00 | 0.00 | 0.00 | 0.20 | 79.00 | 395.00 |
| Identifying, securing, insuring assets | 0.70 | 0.00 | 0.00 | 0.00 | 0.00 | 0.70 | 276.50 | 395.00 |
| Liaising with professional advisors (assets) | 4.70 | 0.00 | 0.00 | 0.00 | 0.00 | 4.70 | 1,856.50 | 395.00 |
| Other asset realisations | 0.00 | 0.00 | 0.40 | 0.00 | 0.00 | 0.40 | 90.00 | 225.00 |
| Creditors (claims and distribution) | | | | | | | | |
| Dividends and distributions (non-PP) | 0.00 | 0.00 | 0.60 | 0.00 | 0.00 | 0.60 | 135.00 | 225.00 |
| Non preferential creditors | 5.10 | 0.00 | 11.70 | 0.00 | 0.00 | 16.80 | 4,647.00 | 276.61 |
| Totals | 27.00 | 0.00 | 61.20 | 15.20 | 3.80 | 107.20 | 26,190.00 | 244.31 |
| Totals after application of approved uplift | | | | | | 107.20 | 52,380.00 | 488.62 |

Please note that the total time-costs reported in our previous progress report were £158,916.00; however, the total time-costs to 10 April 2020 were, in fact, slightly higher at £160,417.00.

The total time costs during the course of our administration to the end of the current reporting period are summarised below:

| Work category | Licensed Insolvency Practitioner hours | Director/ Senior Manager hours | Manager hours | Professional staff hours | Admin staff hours | Total hours | Time cost £ | Average hourly rate £ |
|---|---|---------------------------------------|----------------------|---------------------------------|--------------------------|--------------------|--------------------|------------------------------|
| Administration (inc statutory reporting) | | | | | | | | |
| Appointment formalities | 1.60 | 23.10 | 0.10 | 0.40 | 0.10 | 25.30 | 4,217.50 | 166.70 |
| Administrative set-up | 0.00 | 0.10 | 0.00 | 0.90 | 0.00 | 1.00 | 111.00 | 111.00 |
| Cashiering function | 1.50 | 0.00 | 6.30 | 13.30 | 2.10 | 23.20 | 3,348.50 | 144.33 |
| Case review | 0.50 | 0.00 | 3.70 | 1.60 | 2.90 | 8.70 | 1,006.50 | 115.69 |
| General administration | 9.30 | 3.90 | 5.50 | 16.80 | 42.90 | 78.40 | 8,640.00 | 110.20 |

| | | | | | | | | |
|--|---------------|---------------|---------------|---------------|--------------|---------------|-------------------|---------------|
| Liaising with Government agencies | 17.90 | 0.00 | 0.00 | 0.40 | 0.00 | 18.30 | 7,072.50 | 386.48 |
| Planning and monitoring | 13.30 | 0.00 | 0.00 | 0.00 | 0.00 | 13.30 | 5,203.50 | 391.24 |
| Planning and monitoring | 1.60 | 1.90 | 0.00 | 2.90 | 0.00 | 6.40 | 1,120.00 | 175.00 |
| Pension Matters | 0.20 | 0.00 | 0.00 | 0.00 | 0.00 | 0.20 | 79.00 | 395.00 |
| Non insolvency statutory returns | 0.80 | 0.00 | 4.20 | 3.00 | 0.00 | 8.00 | 1,351.00 | 168.88 |
| Statutory compliance returns / reports / meetings | 27.10 | 0.80 | 43.60 | 26.30 | 1.50 | 99.30 | 22,855.00 | 230.16 |
| Investigations | | | | | | | | |
| Review books & records | 0.10 | 0.00 | 0.60 | 0.00 | 0.00 | 0.70 | 174.50 | 249.29 |
| Investigating antecedent transactions | 57.50 | 10.70 | 47.00 | 0.30 | 9.40 | 124.90 | 32,266.50 | 258.34 |
| Legal correspondence / litigation | 34.50 | 14.50 | 70.50 | 1.00 | 0.00 | 120.50 | 29,485.50 | 244.69 |
| SIP 2 Initial Assessment | 1.70 | 0.00 | 0.00 | 0.00 | 0.00 | 1.70 | 331.50 | 195.00 |
| Realisation of assets | | | | | | | | |
| Other Assets | 0.20 | 0.00 | 0.00 | 0.00 | 0.00 | 0.20 | 59.00 | 295.00 |
| Book debt realisations | 0.30 | 0.50 | 0.00 | 0.00 | 0.00 | 0.80 | 201.00 | 251.25 |
| Fixed asset realisations | 0.20 | 0.00 | 0.00 | 0.00 | 0.00 | 0.20 | 79.00 | 395.00 |
| Identifying, securing, insuring assets | 4.10 | 19.70 | 0.00 | 3.40 | 0.00 | 27.20 | 5,070.00 | 186.40 |
| Liaising with professional advisors (assets) | 49.30 | 3.90 | 0.00 | 0.80 | 0.00 | 54.00 | 19,774.00 | 366.19 |
| Other asset realisations | 25.40 | 0.00 | 20.10 | 0.00 | 0.00 | 45.50 | 13,233 | 290.84 |
| Creditors (claims and distribution) | | | | | | | | |
| Dividends and distributions (non-PP) | 0.00 | 0.00 | 0.60 | 0.00 | 0.00 | 0.60 | 135.00 | 225.00 |
| Non preferential creditors | 38.80 | 24.60 | 39.20 | 60.20 | 0.60 | 163.40 | 30,793.50 | 188.45 |
| Totals | 285.90 | 103.70 | 241.40 | 131.30 | 59.50 | 821.80 | 186,607.00 | 227.07 |
| Totals after application of approved uplift | | | | | | 821.80 | 373,214.00 | 454.14 |

Our remuneration in the sum of £146,056.00 was drawn on account on 1 October 2019 (which represented £73,028.00 of our stand time-costs plus the agreed uplift of 100%). We also drew £118,023.50 on 10 July 2020 (which represented £21,567.00 of our standard time-costs plus the agreed uplift of 100% (£43,134.00) and further standard time-costs of £74,889.50). The amounts were drawn on account in accordance with resolutions approved by correspondence.

Application of uplift to fees & costs

As previously reported, we made a sufficient recovery to discharge the contemporaneous, outstanding costs and expenses of the liquidation on 26 September 2019. Based upon the resolutions passed, we are entitled to continue to apply an uplift of 100% on our normal hourly rates in recovery of our costs, even after making the recovery. However, as our costs are no longer at risk, we propose to defer the application of uplift on our rates, as we hold sufficient funds to discharge our costs and as matters stand, further costs as they are incurred. Should sufficient funds be or become likely to be extinguished, we will revert to applying uplift, or propose an alternative basis upon which to base our fees and costs, that adequately reflects the risk and complexity we face in making a recovery of our costs and to provide an alternatively funded basis.

Our time-costs before the application of uplift as at 26 September 2019 were £94,595.00. As such, only these time-costs have attracted an associated additional uplift to date.

Office holder's disbursements

We have previously been granted approval by the creditors by decisions by correspondence that payment shall be made in respect of Category 2 disbursements as outlined above.

We can confirm that no category 2 disbursements have been drawn to date.

Declaration regarding treatment of VAT and accruals

In accordance with Statement of Insolvency Practice 7, all entries are shown net of VAT, with VAT recorded on a separate line. The receipts and payments account discloses all receipts and payments in the reporting period. However, there may be additional accrued expenditure due in respect of storage of company records and postage, stationery, telephone, mileage and external disbursements. These changes will be drawn upon case closure in accordance with the resolution already approved by creditors.

Statement of creditors' rights to receive further information and statement of creditors' rights to challenge remuneration and/or expenses

Relevant extracts of Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016

Rule 18.9

- (1) The following may make a written request to the office holder for further information about remuneration or expenses set out in a final report under Rule 18.4:
 - a secured creditor;
 - an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question); or
 - any unsecured creditor with the permission of the court.
- (2) A request or an application to the court for permission by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one creditor.

Rule 18.34

- (1) This rule applies to an application in a winding-up made by a person mentioned in paragraph (2) on the grounds that:
 - the remuneration charged by the office holder is in all the circumstances excessive;
 - the basis fixed for the office-holder's remuneration under Rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
 - the expenses incurred by the office holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in Rule 18.36 or 18.37 as applicable:
 - a secured creditor; or
 - an unsecured creditor with either

- (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court.
- (3) The application by a creditor must be made no later than eight weeks after receipt by the applicant of the progress report or account under Rule 18.3 which first reports the charging of the remuneration or the incurring of the expenses in question.

A copy of our Standard Terms of Business may be downloaded from:-
<http://www.ewslp.co.uk/downloads>

Alternatively, a Creditor may obtain a printed copy by contacting this office directly.