

WU07

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



Companies House

WEDNESDAY



A08 *A7Z7PH0X* 13/02/2019 #7
COMPANIES HOUSE

1 Company details

Company number 0 9 6 1 1 5 0 3

Company name in full Sphynx Projects Limited

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

2 Liquidator's name

Full forename(s) Louise

Surname Brittain

3 Liquidator's address

Building name/number Gladstone House

Street 77-79 High Street

Post town Egham

County/Region Surrey

Postcode T W 2 0 9 H Y

Country

4 Liquidator's name ①

Full forename(s)

Surname

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

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

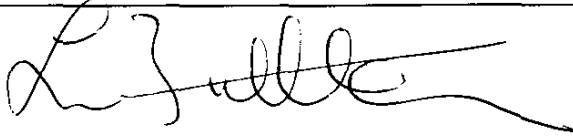
Postcode

Country

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



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| | | | | | | | | | | | | |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--|--|--|--|
| 6 | Period of progress report | | | | | | | | | | | |
| From date | ^d 2 | ^d 1 | ^m 1 | ^m 2 | ^y 2 | ^y 0 | ^y 1 | ^y 7 | | | | |
| To date | ^d 2 | ^d 0 | ^m 1 | ^m 2 | ^y 2 | ^y 0 | ^y 1 | ^y 8 | | | | |
| 7 | Progress report | | | | | | | | | | | |
| <input checked="" type="checkbox"/> The progress report is attached | | | | | | | | | | | | |
| 8 | Sign and date | | | | | | | | | | | |
| Liquidator's signature | <div>Signature</div> <div>X  X</div> | | | | | | | | | | | |
| Signature date | ^d 1 | ^d 1 | ^m 0 | ^m 2 | ^y 2 | ^y 0 | ^y 1 | ^y 9 | | | | |

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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 | Priya Nathwani |
| Company name | Wilkins Kennedy |
| | |
| Address | Gladstone House |
| 77-79 High Street | |
| | |
| Post town | Egham |
| County/Region | Surrey |
| Postcode | T W 2 0 9 H Y |
| Country | |
| DX | |
| Telephone | 01784 435561 |
|  Checklist | |
| We may return forms completed incorrectly or with information missing. | |
| Please make sure you have remembered the following: | |
| <input type="checkbox"/> The company name and number match the information held on the public Register. | |
| <input type="checkbox"/> You have attached the required documents. | |
| <input type="checkbox"/> 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 | |

**Sphynx Projects Limited
In Liquidation
("the Company")**

Annual Progress Report to the Members and Creditors

For the year ending 20 December 2018

**Wilkins Kennedy
Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY**

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1. INTRODUCTION

The anniversary of my appointment as Liquidator has passed and I am required to send you a report on what has happened in the liquidation since my appointment.

The detailed report is provided below, but in summary I received my appointment as Liquidator, carried out initial investigations into the affairs of the Company, was advised of a VAT refund due to the Company and have taken steps to progress the realisation of this. I am now seeking approval for the basis of my remuneration.

2. STATUTORY INFORMATION

| | |
|--------------------------|---------------------------------------------------------------------|
| Court | High Court of Justice |
| Court Number | 6717 of 2017 |
| Company Name | Sphynx Projects Limited |
| Company Number | 09611503 |
| Registered Office | Gladstone House 77-79 High Street Egham Surrey TW20 9HY |
| Former Registered Office | 20 - 22 Wenlock Road London N1 7GU |
| Officeholder | Louise Mary Brittain |
| Officeholder's address | Gladstone House 77-79 High Street Egham Surrey TW20 9HY |
| Date of appointment | 21 December 2017 |
| Appointed by | Secretary of State |

3. RECEIPTS AND PAYMENTS ACCOUNT

Appendix I is a summary of receipts and payments from the date of liquidation on 21 December 2017 to 20 December 2018. As at 20 December 2018 a total of (£7,934.71) was held in the liquidation account. This account is held at The Insolvency Service and is interest bearing. I confirm that the account has been reconciled to the bank statements.

4. ASSET REALISATIONS

4.1. Cash at Bank

The Company held a bank account with Barclays Bank Plc. The Official Receiver's report stated there was cash held in the account in the sum of £2,000.00.

On appointment, I wrote to the bank requesting any credit balances in the account be remitted to me. I can confirm a total sum of £1,843.80 was remitted to me.

This asset has been realised in full and no further funds are anticipated from this asset.

4.2. Properties ("Ulcombe Gardens & Offord Baptist Church")

The Company is the registered proprietor of the property known as the Offord Baptist Church ("the Church") and the development plots on a site in Ulcombe Gardens.

There is an outstanding charge in favour of Hunter Finance Limited in relation to both the Church and the developments at Ulcombe Gardens. On my appointment, Hunter Finance advised the amount of the outstanding charge was a total of £1,400,101.80. They subsequently advised the amount of interest and fees are ever increasing.

Shortly after my appointment I instructed agents, SIA Group (UK) Limited, to value the Church and the four properties at Ulcombe Gardens. My agents provided a valuation for The Church of £475,000 and £275,000 per unit in respect to the properties at Ulcombe Gardens.

I instructed my agent to market the Church for sale originally at £475,000 and a purchaser was found however no sale was completed. Following limited viewings and offers being made, a sale price was reduced to £450,000.

Both the Church and Ulcombe Gardens required some work to complete the properties and I reviewed the position to establish the cost of the same. Due to the liquidation having no funds, Hunter Finance were looking to fund the completion works. However, in February 2018, Hunter Finance advised that they had taken legal advice and a decision had been made to exercise their power of sale under their loan agreement over the Church and Ulcombe Gardens.

Hunter Finance proceeded to continue with the works required and a second agent was instructed to market the Church following lack of interest. From the outstanding balance last advised by Hunter Finance, there appeared to be no equity in the Church and no surplus funds for the estate were anticipated as the asking price had been dropped to £415,000 and the balance due in respect of the Church was £482,381.

Hunter Finance previously confirmed to me that the four properties at Ulcombe Gardens were placed on the market with the following asking prices:

- 31A Ulcombe Gardens - £265,000
- 31B Ulcombe Gardens - £270,000
- 31C Ulcombe Gardens - £270,000
- 31D Ulcombe Gardens - £265,000

Hunter Finance are owed £1,149,186 in respect of the properties at Ulcombe Gardens.

Hunter Finance have advised that it is unlikely there will be any surplus funds available for the liquidation estate due the level of their indebtedness. However, I will continue to liaise with them regarding the progress of the sale of the properties.

4.3 VAT Refund

Shortly after my appointment, I was advised by HM Revenue & Customs ("HMRC") that the Company was due a VAT refund in the sum of c£29,527. HMRC further advised they were unable to process this payment for two reasons; the first being that they required sight of an invoice included in a previous refund request and the second being that the Company had outstanding VAT returns that had not been completed.

I had previously requested the Company's books and records from the directors of the Company however these had not been forthcoming, with the directors claiming the records were held with the accountant. I therefore subsequently wrote to the accountant to urgently request that the records be delivered up to me.

After several calls and correspondence with the accountant I had little choice but to instruct a solicitor to assist with chasing for these records. Shortly after my solicitor wrote to the accountant I received some records from the accountant. I have also been provided by invoices from the surveyor involved with the developments. Unfortunately I was unable to locate the invoice requested by HMRC, however did submit the outstanding returns to HMRC.

Since the period of this report, I have received a cheque in the sum of £26,327.06 from HMRC in relation to the VAT refund. The shortfall of c£3,200 is due to the missing invoice that has not been provided to me in the Company records. As this refund was received after the period of this report, the receipt is not reflected in the receipts and payments account at Appendix I.

5. INVESTIGATION

- 5.1. *I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. I considered in particular transactions which took place at the time of and immediately prior to the Company ceasing to trade.*

I took the following action where I considered that further investigation was justified:

- Initial telephone interview with one of the directors.
- Made enquiries into the directors affairs/assets.
- Reviewing information provided by creditors and following up any lines of enquiry resulting from the same.
- Corresponding with the Company's bank and requesting copy statements and further information.
- Carrying out an analysis of the Company's bank statements and considering any transactions to investigate further.

- Corresponding with the Company's former director in relation to their involvement in the Company's affairs and payments made to them.
- Corresponding with the Company's former accountants to obtain copies of their files and the information requested.
- Instructing an investigation agent to look into the wealth position regarding the former director to consider whether to pursue any claims against them.
- Corresponding with the development surveyor to obtain any invoices held by them.
- Reviewing the Company's records for invoices and information to assist with the VAT refund and realising the same.
- Telephone conversation with petitioning creditor

6. CREDITORS' CLAIMS

6.1. Secured creditors

Hunter Finance (UK) Limited has two charges registered.

The first charge is against the four properties held at 'Ulcombe Gardens, Canterbury Kent' in the sum of £1,149,186.00.

The second charges is against 'Offord Baptist Church' in the sum of £482,381.00.

As detailed above, Hunter Finance have exercised their power of sale in relation to the outstanding amounts due to them under these charges.

6.2. Preferential creditors

There are no preferential creditors

6.3. Unsecured creditors

To date, I have received 7 unsecured claims totalling £529,025.27 compared to £322,555.37 estimated in the Official Receiver's report.

Claims have not yet been agreed or admitted for dividend purposes.

7. DIVIDEND PROSPECTS

Based on current information there is unlikely to be sufficient funds available to make a distribution to any class of creditor.

8. PROPOSED REMUNERATION

8.1. Liquidators' remuneration

To date, my time costs total of £34,675.10, representing 155 hours which have been charged at an average hourly charge out rate of £222.70. I am seeking approval of my remuneration from creditors with this report and further details are provided below.

Details of the time units used and current charge out rates are included in the Practice's fees and disbursements recovery policy at Appendix II. An analysis of these time costs by reference to the grade of staff and work done is also included at Appendix II.

The Insolvency Rules provide that the basis of my remuneration shall be fixed either as a percentage of the value of the assets in the Company which are realised or distributed, on a time costs or a set fixed amount or a combination of all three basis.

The basis and any percentages to be applied must be determined by the creditors' committee. If there is no committee or if the committee does not make the requisite determination then the basis may not be fixed by a resolution of a meeting of creditors. If the basis of my remuneration is not fixed by either the committee or a creditors' resolution within 18 months of my appointment as liquidator then I will be entitled to calculate my remuneration on the realisation and distribution scales set out in the relevant schedule of the Insolvency Rules.

In this case, I propose that my remuneration be fixed on more than one basis; I am seeking for my fees to be agreed as a fixed fee of £15,000 plus 10% of asset realisations. Further details are provided in section 9 of this report. I also propose that I be authorised to draw category 2 disbursements.

A creditors' guide to liquidators' fees is available at the following internet link, www.r3.org.uk/index.cfm?page=1210. A hard copy of this document is available free of charge upon request to my office.

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

An unsecured creditor may, with permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

Fixed fee basis

There are certain tasks that I have to carry out on nearly every liquidation. Although they are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not produce any direct benefit to creditors but still have to be carried out.

I have reviewed our past time records and after taking into account the complexity of the liquidation, have concluded that a fixed fee of £15,000 plus VAT is necessary to cover the work detailed below which is required in the liquidation. Please note that the list includes generic tasks that may not be necessary every time, but arise in a typical case and are expected to be necessary in this case. If any one task is not required, it would not make a material difference to the amount of work done for which approval of the fixed fee is being sought:

Administration and planning:

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up physical/electronic case files (as applicable).
- Setting up the case on the Practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other parties as required on appointment, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Requesting decisions from creditors (as applicable).
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing corporation tax returns.
- Seeking closure clearance from HMRC and other relevant parties.
- Preparing, reviewing and issuing final accounts to creditors.
- Filing final accounts at the Court and with the Insolvency Service.

Statutory Reporting:

- Statutory notifications and advertising.
- Convening and holding meetings of members and creditors where appropriate.
- Preparing reports to members and creditors.
- Filing of statutory documents with the Registrar of Companies.
- Preparing, reviewing and issuing final reports to creditors

Investigation:

- Conduct investigations into any suspicious transactions.
- Interview with directors
- Conduct of wealth reports in respect to directors
- Reviewing books and records

Percentage basis

There are certain tasks that I only have to carry out where there are assets to recover. They may produce a direct benefit for creditors, but are subject to the costs of the proceedings generally. I undertake the work to recover the assets initially at my own cost, suffering the loss if any asset is not recoverable. If assets are recovered, I first recover my costs and then distribute any balance.

I am seeking a percentage basis that I think reflects the risk that I am taking, the nature of the assets involved, the complexity of the liquidation, and shares the anticipated benefit with

creditors. I am therefore seeking a fee based on the following rates to cover the work set out below:

- 10% in respect of the realisation of all assets and recoveries, agreement of creditor claims, making distributions to unsecured creditors

I believe that the above information demonstrates why the proposed fee basis is expected to produce an appropriate, reasonable and commensurate reflection of the work that I anticipate will be necessarily and properly undertaken. Please note that the list includes generic tasks that may not be necessary every time, but arise in a typical case and are expected to be necessary in this case. If any one task is not required it would not make a material difference to amount of work done for which approval of the percentage is sought:

Realisation of assets:

- Liaising with the bank regarding the closure of pre-liquidation accounts.
- Registering a caution in respect of freehold/leasehold property owned by the Company
- Obtaining details from mortgagees about debts secured over the Company's freehold/leasehold property
- Liaising with the secured creditors over the realisation of the assets subject to a mortgage or other charge.
- Completing outstanding pre appointment VAT returns to obtain VAT refund due to company

Creditors:

- Obtaining information from the Company records about creditor claims.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Issuing a notice of intended dividend and placing an appropriate gazette notice (if applicable).
- Reviewing proofs of debt received from creditors, adjudicating them and formally admitting them for the payment of a dividend (if applicable).
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.
- Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend (if applicable).

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3, is available at www.r3.org.uk/index.cfm?page=1210

8.2. Liquidators' expenses

I have incurred expenses to 20 December 2017 of £1,472.49.

Details of the expenses incurred to date are set out below:

| Type of expense | Category 1/2 | Expenses incurred | | Expenses outstanding (£) |
|--------------------|-----------------|--------------------|-----------------|--------------------------------|
| | | This period (£) | Total (£) | |
| Travel Expenses | 1 | 41.99 | 41.99 | 41.99 |
| Specific Bond | 1 | 420.00 | 420.00 | 420.00 |
| Insurance | 1 | 750.00 | 750.00 | 750.00 |
| Courts Advertising | 1 | 75.50 | 75.50 | 75.50 |
| Transcription Fees | 1 | 75.00 | 75.00 | 75.00 |
| IT Admin Fee | 1 | 110.00 | 110.00 | 110.00 |
| TOTAL | | 1,472.49 | 1,472.49 | 1,472.49 |

I have not been able to draw any expenses to date.

I have used the following agents or professional advisors in the reporting period:

| Professional advisor | Nature of work | Basis of fees |
|----------------------|--------------------------|----------------------------|
| SIA Group (UK) | Asset valuation and sale | Time costs + disbursements |

SIA was instructed to assist with valuation of the company's properties on appointment and sale of the properties. SIA has incurred fees of £5,964 plus VAT and disbursements of £424.44 plus VAT in the period. These fees have yet to be paid.

The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.

With the exception of Category 2 items, expenses do not have to be approved. When reporting to creditors during the course of the liquidation the actual expenses incurred will be compared with the original estimates provided and I will explain any material differences (e.g. where legal costs rise due to escalated recovery action).

I am seeking approval to draw Category 2 disbursements and details concerning this are included in the decision procedure notice included at Appendix III.

9. PROPOSED DECISIONS

As previously stated, in the absence of a liquidation committee it falls to the creditors to determine the basis of my remuneration. Should creditors wish to form a committee, notice inviting you to do so is included at Appendix VI. To enable you to make an informed decision on this invitation, further information on the role of the committee and what might be expected from its members has been prepared by R3 and is available at www.r3.org.uk/what-we-do/publications/professional/creditors-guides.

I am seeking a decision by correspondence approve my remuneration as Liquidator on the basis detailed in section 8.1 of this report, together with approval to draw Category 2 disbursements.

Formal notice of the decision procedure is included at Appendix III.

If you wish to vote on the decision you must complete the voting form included at Appendix IV and return it to me by no later than 23.59 on 8 March 2019 ("the decision date"). If you have not already submitted a proof of debt you should also complete the form included at Appendix V and return it to me, together with supporting documentation.

Your vote on the decisions will not count unless you have lodged your proof of debt by no later than 23.59 on the decision date.

Please note that I must receive at least one vote by the decision date or the decision will not be made. I would therefore urge you to respond promptly.

Should any creditor or group of creditors wish to request a physical meeting, they must do so within 5 business days of delivery of the notice included at Appendix III. Such requests must be supported by proof of their debt, if not already lodged. I will convene a physical meeting if creditors requesting it represent a minimum of 10% in value or 10% in number of creditors, or simply 10 creditors, where "creditors" means "all creditors".

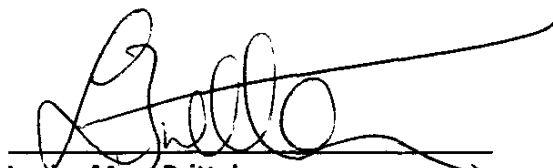
10. CONCLUSION

The liquidation will remain open until the outstanding VAT due to the company has been received by HMRC. Once these issues have been dealt with the liquidation will be finalised and my files will be closed.

The next formal report will be following the next anniversary or the conclusion of the liquidation, whichever is sooner. However, I will be happy to respond to any specific request for further information submitted in the meantime.

Our privacy statement, which can be accessed at [https://www.wilkinskennedy.com/documents/8/Insolvency Stakeholders Privacy Notice Sept 2018.pdf](https://www.wilkinskennedy.com/documents/8/Insolvency%20Stakeholders%20Privacy%20Notice%20Sept%202018.pdf) explains how we process personal data.

When corresponding with this office about the liquidation, please ask for Louise Hodgson who can be contacted on 01784 435561 or via email at louise.hodgson@wilkinskennedy.com.



Louise Mary Brittain
Liquidator

Sphynx Projects Limited - In Compulsory Liquidation
Liquidator's Abstract of Receipts & Payments

From 21 December 2017 to 20 December 2018

| S of A £ | | As Previously Reported | 21/12/17 to 20/12/18 | Total £ |
|-----------------|---------------------|-----------------------------------|-------------------------------------|----------------|
| RECEIPTS | | | | |
| NIL | Cash at Bank | NIL | 1,843.80 | 1,843.80 |
| NIL | | NIL | 1,843.80 | 1,843.80 |
| PAYMENTS | | | | |
| NIL | Insurance | NIL | (290.51) | (290.51) |
| NIL | BIS Bank Charges | NIL | (88.00) | (88.00) |
| NIL | OR Debit Balance | (9,400.00) | NIL | (9,400.00) |
| 0 | | (9,400.00) | (378.51) | (9,778.51) |
| 0 | CASH IN HAND | (9,400.00) | 1,465.29 | (7,934.71) |

APPENDIX II

ANALYSIS OF TIME COSTS, EXPLANATION OF FEES AND DISBURSEMENTS RECOVERY POLICY AND PROVISION OF SERVICES REGULATIONS

WILKINS KENNEDY

Analysis of liquidator's time costs

for

Sphynx Projects Limited

as at 20 December 2017

LIQUIDATOR'S FEES

| Classification Of work function | HOURS | | | | | Time Cost | Average hourly rate |
|------------------------------------|---------|---------|-------------------------------|-------------------------------------|----------------|-----------|------------------------|
| | Partner | Manager | Other senior Professionals | Assistants & support staff | Total Hours | £ | £ |
| Administration & planning | 21.90 | 3.20 | 5.40 | 33.35 | 63.85 | 15,070.35 | 236.03 |
| Cashiering & Accounting | 0.30 | - | 1.30 | 2.60 | 4.20 | 662.00 | 157.62 |
| Realisation of assets | 4.30 | 8.40 | 2.05 | 11.40 | 26.15 | 6,179.00 | 236.29 |
| Investigations | - | - | - | - | - | - | - |
| Trading | 6.10 | 0.20 | 5.00 | 34.45 | 45.75 | 9,210.50 | 201.32 |
| Creditors | - | - | - | - | - | - | - |
| Statutory | 2.60 | 1.10 | 1.00 | 10.35 | 15.05 | 3,335.75 | 221.64 |
| | 0.20 | 0.50 | - | - | 0.70 | 217.50 | 310.71 |
| Total hours | 35.40 | 13.40 | 14.75 | 92.15 | 155.70 | 34,675.10 | 222.70 |
| Total fees claimed (£) | | | | | | | |

Wilkins Kennedy Charge-Out Rates**1 January 2017 to 2 December 2018****£****3 December 2018 to date****£**

| | |
|-------------------------------|-----------------|
| Partners | 410.00 - 460.00 |
| Directors/Managers | 230.00 - 360.00 |
| Senior Administrators | 145.00 - 200.00 |
| Administrators | 100.00 - 160.00 |
| Junior/Trainee Administrators | 50.00 - 110.00 |
| Cashiers/Secretaries | 75.00 - 90.00 |

| | |
|-------------------------------|-----------------|
| Partners | 430.00 - 470.00 |
| Directors/Managers | 210.00 - 390.00 |
| Administrators | 110.00 - 210.00 |
| Junior/Trainee Administrators | 95.00 - 200.00 |
| Cashiers/Secretaries | 60.00 - 100.00 |

EXPLANATION OF FEES AND DISBURSEMENTS RECOVERY POLICY AND PROVISION OF SERVICES REGULATIONS

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors by a decision procedure, or the Court.

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

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time cost basis

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

Charge out rates:

| Grade of staff | Current charge out rate per hour, effective from 3 December 2018 (£) | Previous charge out rate per hour, effective from 1 January 2017 (£) |
|--------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| Partners – appointment taker | 430 - 470 | 400 - 450 |
| Directors/Managers | 210 - 390 | 250 - 350 |
| Administrators/Senior Administrators | 110 - 210 | 100 - 200 |
| Junior/Trainee Administrators | 95 - 200 | 50 - 110 |
| Cashiers/Secretaries | 60 - 100 | 75 - 90 |

Where necessary and appropriate, members of staff from other departments of the Practice will undertake work on a case. They will be charged at their normal charge out rate for undertaking such work.

These charge out rates are reviewed periodically and are adjusted to take account of inflation and the Practice's overheads.

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

- Administration and planning
- Investigations
- Realisation of assets
- Creditors
- Trading
- Statutory
- Other case specific matters

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and on new appointments we now seek a combination of fixed, percentage and time cost basis fees depending on the individual case.

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or “blended” rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

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

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

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

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

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

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

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

Members' voluntary liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the office holder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Professional advisor / agent's costs

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

- Solicitors/legal advisors
- Auctioneers/valuers
- Accountants
- Quantity surveyors
- Estate agents
- Other specialist advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Disbursements

In accordance with Statement of Insolvency Practice 9 ("SIP 9") the basis of allocation in respect of expenses incurred by the office holder in connection with the administration of the estate must be fully disclosed to creditors. SIP 9 defines expenses as either Category 1 or Category 2.

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

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

The following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

| | |
|--------------|---------------------------------------------------|
| Photocopying | 5p per sheet |
| Mileage | 45p per mile (40p per mile prior to 6 April 2011) |
| Meeting Room | £50 |

Provision of Services Regulations

When carrying out all professional work relating to an insolvency appointment, Insolvency Practitioners are bound by the Insolvency Code of Ethics.

To comply with the Provision of Services Regulations, some general information about Wilkins Kennedy LLP, including our complaints policy and Professional Indemnity Insurance and the Insolvency Code of Ethics, is available on our website using the following link: <https://www.wilkinskennedy.com/services/advisory/insolvency/provision-service/>

NOTICE OF DECISION PROCEDURE

Company Name: Sphynx Projects Limited
Company Number: 09611503
Former Company Name(s): -
Trading Name: -
Registered Office: Gladstone House, 77-79 High Street, Egham, Surrey, TW20 9HY
Principal Trading Address: 20 - 22 Wenlock Road, London, N1 7GU
Court: High Court Of Justice
Court Ref: 6717 of 2017

This Notice is given under Rule 15.8 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Liquidator of the Company, Louise Mary Brittain, of Wilkins Kennedy, Gladstone House, 77-79 High Street, Egham, Surrey, TW20 9HY (01784 435561).

It is proposed that the following decisions be made

1. That a creditors committee be established if sufficient nominations are received

And creditors are requested to vote on the following decisions in the event that no creditors committee is established:

2. That the Liquidator may draw a fixed fee of £15,000 plus VAT for undertaking the following categories of work, namely administration, investigation and statutory matters;
3. That the Liquidator may draw 10% in respect of the realisation of all assets and recoveries, agreement of creditor claims, making distributions to unsecured creditors; and
4. That the Liquidator be authorised to recover all Category 2 disbursements, calculated on the bases detailed in Wilkins Kennedy's Disbursement Recovery Policy and Provision of Services.

Also provided is a voting form on which creditors may signify their decisions on the above matters. All voting forms, together with a proof of debt if one has not already been submitted, must be completed and returned to the Liquidator by one of the methods set out below:

By post to: Wilkins Kennedy, Gladstone House, 77-79 High Street, Egham, Surrey, TW20 9HY
By fax to: 01784 430584
By email to: louise.hodgson@wilkinskennedy.com

Please note that, if you are sending votes by post, you must ensure that you have allowed sufficient time for the forms to be delivered to the address above by the Decision Date set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

All voting forms and proofs of debt must be delivered by the Decision Date: 23.59 on 8 March 2019.

If the Liquidator has not received a proof of debt by the time specified above (whether submitted previously or as a result of this Notice), that creditor's vote will be disregarded. Any creditor whose debt is treated as a small debt in accordance with Rule 14.31(1) of the Rules must still deliver a proof if the creditor wishes to vote. A creditor who has opted out from receiving notices may nevertheless vote if the creditor also provides a proof by the Decision Date.

Creditors who meet one or more of the statutory thresholds listed below may, within 5 business days from the date of the delivery of this Notice, require a physical meeting to be held to consider the matter.

Statutory thresholds to request a meeting: 10% in value of the creditors
 10% in number of the creditors
 10 creditors

A creditor may appeal a decision by application to the court in accordance with Rule 15.35 of the Rules. Any such appeal must be made not later than 21 days after the Decision Date.

| | |
|---------------------------------------------|------------------------------------------------------------------------------------------|
| Names of Insolvency Practitioners: | Louise Mary Brittain |
| Nature of Appointment: | Liquidator |
| Date of Appointment: | 21 December 2017 |
| Address of Insolvency Practitioners: | Gladstone House, 77-79 High Street, Egham, Surrey, TW20 9HY |
| IP Numbers | 009000 |
| Contact Name | Louise Hodgson |
| Email Address | louise.hodgson@wilkinskennedy.com |
| Telephone Number | 01784 435561 |

Signed



Louise Mary Brittain
Liquidator

Dated: 11 February 2019

VOTE BY CORRESPONDENCE

Sphynx Projects Limited (In Liquidation)

Name of Creditor: _____

Address: _____

Decisions: _____

| | | |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 1 | That a creditors committee be established if sufficient nominations are received | *For / Against |
| And creditors are requested to vote on the following decisions in the event that no creditors committee is established: | | |
| 2 | That the Liquidator may draw a fixed fee of £15,000 plus VAT for undertaking the following categories of work, namely administration, investigation and, statutory matters; and | *For / Against |
| 3 | That the Liquidator may draw 10% in respect of the realisation of all assets and recoveries, agreement of creditor claims, making distributions to unsecured creditors; and | *For / Against |
| 4 | That the Liquidator be authorised to recover all Category 2 disbursements, calculated on the bases detailed in Wilkins Kennedy's Disbursement Recovery Policy and Provision of Services. | *For / Against |

*** Please delete as applicable to indicate your voting instructions**

Signed: _____

Dated: _____

Name in capitals: _____

Position with, or relationship to, creditor or other authority for signature: _____

Are you the sole member/shareholder of the creditor (where it is a company)?

☐ Yes / ☐ No

Please complete this form and return it, along with a completed proof of debt if you have not submitted one previously, so that it is delivered by 23.59 on 8 March 2019 by:
Post: Wilkins Kennedy, Gladstone House, 77-79 High Street, Egham, Surrey, TW20 9HY
Fax: 01784 430 584
Email: please scan in a signed copy of this form and attach it as a pdf to louise.hodgson@wilkinskennedy.com

Proof of Debt – General Form

Sphynx Projects Limited

Date of Winding-Up Order: 18 December 2017

| DETAILS OF CLAIM | | |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| 1. | Name of Creditor (if a company, its registered name) | |
| 2. | Address of Creditor (i.e. principal place of business) | |
| 3. | If the Creditor is a registered company: <ul style="list-style-type: none"> For UK companies: its registered number For other companies: the country or territory in which it is incorporated and the number if any under which it is registered The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act | |
| 4. | Total amount of claim, including any Value Added Tax, as at the date of winding-up, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25 | £ |
| 5. | If the total amount above includes outstanding uncapitalised interest, please state | YES (£) / NO |
| 6. | Particulars of how and when debt incurred | |
| 7. | Particulars of any security held, the value of the security, and the date it was given | |
| 8. | Details of any reservation of title in relation to goods to which the debt relates | |
| 9. | Details of any document by reference to which the debt can be substantiated. [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion] | |
| 10. | Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 | Category Amount(s) claimed as preferential £ |
| AUTHENTICATION | | |
| Signature of Creditor or person authorised to act on his behalf | | |
| Name in BLOCK LETTERS | | |
| Date | | |
| If signed by someone other than the Creditor, state your postal address and authority for signing on behalf of the Creditor | | |
| Are you the sole member of the Creditor? | | YES / NO |

NOTICE OF INVITATION TO FORM A CREDITORS' COMMITTEE

Sphynx Projects Limited – In Liquidation High Court of Justice - No 6717 of 2017

This Notice is given under Rule 10.76 of the Insolvency Rules (England & Wales) 2016 ("the Rules"). It is delivered by Louise Mary Brittain, the Liquidator of the Company, of Wilkins Kennedy, Gladstone House, 77-79 High Street, Egham, Surrey TW20 9HY (telephone 01784 435561) who was appointed by the Secretary of State.

Creditors are invited to nominate creditors (which may include themselves) by completing the section below and returning this Notice to the Trustee by one of the following methods:

By post to: Wilkins Kennedy, Gladstone House, 77-79 High Street, Egham, Surrey TW20 9HY
By fax: 01784 430584
By email to: Louise.hodgson@wilkinskenned.com

Please note that, if you are sending nominations by post, you must ensure that you have allowed sufficient time for the Notice to be delivered to the address above by the date set out below. An email is treated as delivered at 9am on the next business day after it was sent.

All nominations must be delivered by: 4pm on 7 March 2019.

Nominations can only be accepted if the Convener of the meeting is satisfied as to the nominated creditor's eligibility under Rule 17.4 of the Rules.

For further information on the role of Creditors' Committees, go to <https://www.r3.org.uk/media/documents/publications/professional/R3%20Guide%20to%20Creditors%20Committees.pdf>.

NOMINATIONS FOR MEMBERS OF A CREDITORS' COMMITTEE

On behalf of (name of Creditor): _____

at (address of Creditor): _____

I nominate the following creditor(s) to be member(s) of a Creditors' Committee (provide name(s) and address(es)):

1. _____
2. _____
3. _____

Signed: _____

Dated: _____

Name in capitals: _____

Position with, or relationship to, Creditor or other authority for signature: _____

Are you the sole member/shareholder of the Creditor (where it is a company)?

Yes / No