

LIQ03

Notice of progress report in voluntary winding up



Companies House

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

1

Company details

Company number 0 2 8 3 8 2 9 0

Company name in full TEC Construction Limited

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

2

Liquidator's name

Full forename(s) Asher

Surname Miller

3

Liquidator's address

Building name/number Pearl Assurance House

Street 319 Ballards Lane

Post town London

County/Region

Postcode N 1 2 8 L 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 1	^d 5	^m 0	^m 5	^y 2	^y 0	^y 2	^y 0
To date	^d 1	^d 4	^m 0	^m 5	^y 2	^y 0	^y 2	^y 1

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X

Abigail

X

Signature date

^d 0	^d 7	^m 0	^m 7	^y 2	^y 0	^y 2	^y 1
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Notice of progress report in voluntary winding up



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 **Asher Miller**

Company name **Begbies Traynor (London) LLP**

Address
Pearl Assurance House
319 Ballards Lane

Post town
Finchley

County/Region
London

Postcode
N 1 2 8 L Y

Country

DX

Telephone
020 8343 5900



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

TEC Construction Limited (In Creditors' Voluntary Liquidation)

Progress report

Period: 15 May 2020 to 14 May 2021

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	TEC Construction Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of Liquidator on 15 May 2018.
"the liquidator", "I" and "my"	Asher Miller of Begbies Traynor, Pearl Assurance House, 319 Ballards Lane, London N12 8LY
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Company registered number:	02838290
Company registered office:	Pearl Assurance House, 319 Ballards Lane, London N12 8LY
Former trading address:	Unit 40 The Base, Victoria Road, Dartford, Kent DA1 5FS

3. DETAILS OF APPOINTMENT OF LIQUIDATOR

Date winding up commenced:	15 May 2018
Date of liquidator's appointment:	15 May 2018
Changes in liquidator (if any):	None

Please note that as from 17 March 2021 David Rubin and Partners has become part of Begbies Traynor's corporate recovery and insolvency practice. Further information in relation to Begbies Traynor and the Begbies Traynor Group can be accessed at <http://www.begbies-traynorgroup.com>

David Rubin & Partners is now trading as 'Begbies Traynor' and will continue to operate from David Rubin & Partners' existing office at Pearl Assurance House, 319 Ballards Lane, London N12 8LY.

David Rubin & Partners becoming part of Begbies Traynor will not affect the manner in which the liquidation of the Company will be conducted which will continue to be dealt with by the existing members of the David Rubin & Partners Team, with support from Begbies Traynor's personnel based elsewhere where required.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 15 May 2020 to 14 May 2021.

Receipts

Bank interest gross

Interest earned on the funds in hand during the period in review amounts to £13.06.

VAT refund

A refund was received from HM Revenue & Customs in respect of VAT bad debt relief claim in the sum of £621.76.

Payments

Specific bond

The specific bond is the cost of insurance, based on the level of realisations by the Liquidator, as required by the Insolvency Practitioners Regulations 2005.

Statutory advertising

The represents the costs for publishing of statutory advertising in the London Gazette in respect of the Notice of Intended Dividend to the unsecured creditors of the Company.

Liquidators remuneration

Remuneration drawn during the year amounted to £26,962.40.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details>. Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment.

The details below relate to the work undertaken in the period of this report only. Our previous reports contain details of the work undertaken since our appointment.

General case administration and planning

It has been necessary to develop and review the strategy regularly in respect of certain key elements of the case. Periodic internal reviews have been carried out in order to ensure satisfactory progression of the case and that all statutory and regulatory obligations have been complied with.

Generally, it is necessary to maintain records to demonstrate how the case has been administered and to ensure reasons for decisions that materially affect the case are adequately documented. Meetings with the case manager and team have accordingly been held regularly to assess case status and ensure adherence to these requirements. Standard case reviews have also been conducted and documented periodically.

Other general case administration tasks undertaken include the following:

- Ongoing maintenance of Liquidation records;
- Ongoing maintenance of up to date information on the electronic case information;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9;
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories.

Whilst work undertaken in this category does not provide a direct financial benefit to creditors, it is a necessary part of the general control of all formal insolvency appointments in order to comply with the Rules, the Act and best practice guidelines.

Compliance with the Insolvency Act, Rules and best practice

Included in the work undertaken by me and my staff is the following: -

- Preparation and circulation of my second annual progress report and Receipts and Payments Account to creditors pursuant to Section 104A of the Insolvency Act 1986 and submission of same to the Registrar of Companies;
- Reviewing the Liquidator's bond periodically as required by the Insolvency Practitioners Regulations 2005 and applying for increase in bond where necessary as a consequence exceeding asset realisations over current cover;
- General accounting, banking and cashiering including the processing of payments, maintenance of estate cash book postings and carrying out regular bank account reconciliations;
- Ongoing considerations to ethical best practice;
- Publishing necessary statutory advertisements in respect of the Notice of Intended dividend to the unsecured creditors in the Liquidation in the London Gazette; and
- Updating checklist and statutory diaries where necessary.

This work does not provide a direct financial benefit to the creditors, however is required in accordance with relevant insolvency legislation and best practice guidelines.

Investigations

As detailed in my previous report, the sum of £2,321.67 was withheld from distribution to preferential creditors pending further enquiries into potential antecedent transactions between the Company and one of its directors, who was due to receive a dividend on his preferential claim for arrears of pay and accrued holiday. In the reporting period reviews were carried out on the transactions in question and after detailed further correspondence with the director and his account I concluded that these transactions were justified and this preferential dividend was paid accordingly during the reporting period.

Realisation of assets

As detailed in my previous report, Pythagoras Capital Limited ("Pythagoras") were instructed to assist in recovering monies owed to the Company. Pythagoras concluded their investigations in respect of the Company's contract debts and no further realisations were anticipated in this regard.

In the current reporting period I examined the Company's books and records to establish whether the Company may be entitled to VAT bad debt relief. The Company's business was primarily the construction of care homes, which are zero rated for VAT however 2 invoices were identified that attracted VAT and remained unpaid. After further review of the Company's submitted VAT returns it was established that the VAT payable on one of these invoices had not been accounted for either by way of payment or by offset of input tax, therefore the Company was not eligible for VAT bad debt relief on that invoice. The other outstanding invoice was valid and accounted in respect of the Company returns and therefore a claim for VAT bad debt relief in the sum of £621.76 was submitted to HMRC.

Dealing with all creditors' claims (including employees), correspondence and distributions

In my previous report I issued Notice of Intended Dividend to the unsecured creditors of the Company, requesting they submit their final claims in the Liquidation.

As part of the claims adjudication of process, a considerable amount of time has been spent in detailed reviews of creditor claims and supporting documentation, reconciling this with company records before verifying claims. In addition to this, we issued detailed correspondence with creditors in respect of the status of their claims and queries regarding the quantum and timing of dividend.

Calculations were carried out in respect the residual unsecured element of the company's former employees claims. Relevant deductions in respect of tax and NI were calculated and paid directly to HMRC.

Following adjudication a distribution of 6.38p in the £ was declared to the unsecured creditors of the Company on 23 September 2021. As well as this, a preferential dividend of £2,321.67 released as detailed above.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedures, tax, litigation, pensions and travel)

Other matters in respect of which work has been conducted during the year in review include the submission of year end corporation tax return to HMRC as well as completing and submitting VAT returns periodically in order to ensure that VAT on estate inputs is recovered in a timely fashion.

There is no direct financial benefit to creditors in respect of compliance with tax obligations but it has been necessary in order to progress the insolvency process.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our progress report for the period 15 May 2019 to 14 May 2020.

Secured creditors

There are no secured creditors.

Preferential creditors

The preferential claim from the Redundancy Payments Office for £3,224.92, and the preferential claims of 11 employees who were owed the balance of their residual arrears of pay and accrued holiday amounting to £18,409.54 were paid in full on 27 February 2020.

A further preferential claim of £2,321.67 had also been received, but was withheld pending my enquiries into potential preference payments to the recipient during the relevant period before the Company entered liquidation. As detailed above this preferential dividend has now been paid.

A dividend of 100 pence in the £ has been paid to the preferential creditors as follows:

Dividend	Date of Dividend	Amount (pence in £)
First & Final	24 February 2020	100
Preferential dividend previously withheld	23 September 2020	100 (£2,321.67)

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

The Company granted a floating charge in favour of NatWest on 11 June 2008. However, at the date of liquidation there were no sums owed to NatWest, and accordingly the provisions of Section 176A have no practical application in this instance.

Unsecured creditors

A dividend of 6.38 pence in the £1 has been paid to the unsecured creditors.

Dividend	Date of Dividend	Amount (pence in £)
First and Final	23 September 2020	6.38

There are insufficient funds to pay a further dividend as the balance of funds realised have already been distributed or used or allocated to defray the expenses of the liquidation.

6. REMUNERATION & EXPENSES

Remuneration

My remuneration has been fixed by a decision of the creditors at the virtual meeting held on 20 April 2020 by reference to the time properly given by the liquidator and the various grades of our staff calculated at the prevailing hourly charge out rates in attending to matters arising in the winding up as set out in the fees estimate provided to creditors. I initially provided creditors with a fee estimate of £48,863 for the liquidation. My revised fee estimate of £87,703 was approved by creditors on 2 August 2019. Whilst I have exceeded my current fee estimate, I do not propose to seek creditor's approval for any increase at this time.

I am also authorised to draw expenses, including expenses for services provided by our firm (defined as category 2 expenses in Statement of Insolvency Practice 9) in accordance with our firm's policy, which is attached at Appendix 2 of this report.

To date, we have drawn the total sum of £80,962.40 on account of our remuneration, against total time costs of £94,715.50 incurred since the date of our appointment.

Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type. An additional analysis is also attached which details the time costs for the entire period for which we have administered the liquidation.

Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only.

The remuneration that was incurred from the date of our appointment to 14 May 2021 amount to £94,715.50. Details of the remuneration incurred during the period of this report are stated above.

The information provided in section 4 above relates to the work undertaken during the period of this report. We have set out below details of the work undertaken prior to the period covered by this report so as to avoid any repetition

General case administration and planning

As detailed above, It is necessary to develop and review the strategy regularly in respect of certain key elements of the case. Periodic internal reviews are carried out in order to ensure satisfactory progression of the case and that all statutory and regulatory obligations have been complied with.

Generally, it is necessary to maintain records to demonstrate how the case has been administered and to ensure reasons for decisions that materially affect the case are adequately documented. Meetings with the case manager and team have accordingly been held regularly to assess case status and ensure adherence to these requirements. Standard case reviews have also been conducted and documented periodically.

Other general case administration tasks undertaken throughout the Liquidation include the following:

- Case management and planning;
- Update of case compliance checklists;
- Maintenance of case on the Liquidators' computer systems;

- Costs and expenses management review;
- Completing various searches at Companies House to obtain statutory information on the Company;
- Corresponding with the Company's pre-liquidation bankers to freeze all accounts to any future outgoing payments and cancel all Direct Debits and Standing Orders;
- Opening designated estate bank account and dealing with the movement of funds;
- Dealing with general queries of the Company's directors and shareholders in respect of various matters;
- Ongoing maintenance of Liquidation records;
- Ongoing maintenance of up to date information on the electronic case information;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9; and
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories.

The work identified above does not hold a direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

Compliance with the Insolvency Act, Rules and best practice

Included in the work undertaken by me and my staff from the date of appointment includes the following: -

- Filing statutory documentation relating to the liquidation at Companies House including notice of appointment, the director's estimated statement of affairs and annual receipts and payments;
- Writing to all known creditors following appointment to provide notice of appointment;
- Applying for the Liquidator's bond periodically as required by the Insolvency Practitioners Regulations 2005 and reviewing the bond level periodically;
- Publishing necessary statutory advertisements in respect of the Liquidation in the London Gazette;
- General accounting, banking and cashiering including the processing of payments, maintenance of estate cash book postings and carrying out regular bank account reconciliations;
- Creation and update of case files on the firm's insolvency software which includes company information, creditors, shareholders and director details;
- Updating checklists and statutory diaries where necessary;
- Preparation and circulation of my annual progress reports and Receipts and Payments Account to creditors pursuant to Section 104A of the Insolvency Act 1986;

This work does not provide a direct financial benefit to the creditors, however, is required in accordance with relevant insolvency legislation and best practice guidelines.

Investigations

We have a statutory duty to investigate the conduct of the directors and any person we consider to be or have been a shadow or de facto director during the period of three years before the date of our appointment, in relation to their management of the affairs of the Company and the causes of its failure.

The administrators' investigatory work includes:

- Reviewing the Company's books and records;
- Reviewing and interrogating the Company's electronic accounting records;
- Reviewing and undertaking a full analysis of bank transactions;
- Reconciling the accounting records with the Company's bank statements and other records to identify the actual movement of funds;
- Analysis of information and documentation concerning the Company's affairs and the business undertaken by the Company prior to administration;
- Reviewing information and documentation supplied by creditors and conducting further investigations where appropriate.

In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy (BEIS). As this is a confidential report, I am not able to disclose the contents.

Shortly after my appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire. Other than the antecedent transactions discussed in Section 4 above, my examinations have not revealed any issues requiring further investigation that would be likely to result in additional recoveries for the estate.

Realisation of assets

According to the director's estimated Statement of Affairs, the Company's assets at the date of liquidation included book debts and retentions with a book value of £495,000, which were estimated to realise an uncertain amount due to the existence of various known counterclaims and disputes. The Company's fixed assets, comprising various items of furniture and equipment with a book value of approximately £17,000, were estimated to realise an uncertain amount.

Book debts and retentions

Considerable time and resources have been committed to the realisation of the Company's book debts and retentions. This included conducting detailed examinations of the Company's sales ledger, trading records and bank statements in order to establish the recoverability of the debtor book.

As well as this, we issued extensive correspondence and telephone attendances with debtors and their representatives in respect of monies owed to the Company.

The Liquidator engaged specialist agents Pythagoras to assist in recovering the sums owed to the Company and continued to liaise with Pythagoras in relation to the recovery of sums owed to the Company by various contract debtors, and the settlement of outstanding accounts.

Whilst this work has been time consuming and challenging, the sum of £135,748.82 was successfully recovered in the Liquidation in this respect.

Pythagoras have now concluded their investigations in respect of the Company's contract debts and no further realisations are anticipated in this regard.

Office furniture & equipment

The Company vacated its trading premises prior to the date of liquidation, and it was identified that the furniture and equipment had been left in situ. After considerations by myself and my staff into the costs of removal and storage of these items it was concluded it would not be economical to realise these assets in the liquidation.

Cash at bank

The Statement of Affairs indicated that there was a small credit balance of £27 in the Company's business current account. On appointment we wrote to the Company's bankers National Westminster Bank plc ("NatWest") requesting transfer of the accounts credit balance to the Liquidation estate. The sum of £39,749.04 was received from NatWest. The increase from the amount estimated in SOA was due to tax refunds received prior to liquidation.

Business Rates Refund

Upon our reviews of the Company's records it came to our attention that the Company had historic overpaid business rates and other prepayments and refunds due to the Company. We instructed agents Exacta plc ("Exacta") to carry out a historic business rates audit and to assist in the recovery of these sums. We issued correspondence with the Local Authority and £4,409.45 was recovered in this respect.

VAT refund

See Section 4 for details of the recovery of VAT bad debt relief in the period.

Dealing with all creditors' claims (including employees), correspondence and distributions

Employees

The Company had 10 employees who were made redundant on our appointment. These staff were owed arrears of wages, holiday pay and pay in lieu of notice, with those staff employed for more than two years also owed statutory redundancy pay. Accordingly, each of the redundant employees was promptly issued with a detailed fact sheet and case reference, including instructions as to how to lodge claims via the Redundancy Payments Service ("RPS") portal. Collating the information required by the RPS in order to facilitate verification and settlement of the employees' claims was made a priority upon our appointment.

In this regard, the case team worked closely with the directors and company accountants to assemble and process the information required from the Company's records, with a detailed schedule prepared setting out the relevant input data in respect of each individual's employment. The relevant schedules were formulated as a matter of priority and this enabled submission to the RPS promptly following our appointment.

Following submission, it has been necessary to provide ongoing advice and support to the former employees regarding the calculation, submission and processing of claims, as well as dealing with general queries and concerns and requests for confirmation of employment references for new employment.

As it was apparent that realisations were of a level sufficient to make payment in full of the employees' preferential claims (consisting of a portion of their wage arrears plus holiday pay), as well as part of their unsecured claims, assistance was provided to the employees in calculation of the preferential and unsecured elements of their claims and we engaged in communication with the RPS regarding the subrogated portion of the preferential claims.

Following adjudication, a distribution of 100p in the £ was made to the preferential creditors on 24 February 2020, with relevant deductions in respect of tax and NI paid to HM Revenue & Customs.

Trade & Expense creditors

The unsecured claims of the Company's trade and expense creditors were logged on our internal case management system when received. Claims were reviewed and compared against company records as part of the adjudication process for submitted claims. Ongoing work has been required since my appointment in acknowledging claims, answering telephone and email enquiries and dealing with correspondence herewith.

Furthermore, we have dealt with enquiries from hire purchase and finance creditors, including making arrangements for the return of assets as appropriate.

As detailed above a dividend of 6.38 p in the £ was paid on 23 September 2020 to the unsecured creditors of the Company.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or via Decision Procedures, tax, litigation, pensions and travel

Other matters in respect of which work has been conducted during the year in review include the following:

Decision Procedures and Meetings – Attendance at the Virtual Meeting of creditors held on 15 May 2018, preparation of meeting notes and minutes, documenting the Decisions made by creditors at the meeting and preparing the relevant Record of Decisions documentation in this regard.

Tax – Submission of a VAT 769 form following appointment and completing and submitting VAT returns periodically in order to ensure that VAT on estate inputs is recovered in a timely fashion.

The above have no direct financial benefit to creditors but have to be done in order to comply with the Rules and other statutory requirements.

As can be seen from the information above, we have exceeded the limit of our increased, approved remuneration. For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved. Whilst I have exceeded my current fee estimate, I do not propose to seek creditor's approval for any increase at this time.

Expenses

The sum of £61,48.61 plus VAT was paid to Pythagoras for their assistance in the recovery of monies owed to the Company.

Pythagoras were selected as agents on the basis of their unique expertise and experience in dealing with complex construction insolvencies, and their financial backing to take on time consuming and challenging work without risk to the insolvent estate. Pythagoras' fees were agreed on a percentage of realisations basis, where a fee of 35% would be paid in the event that legal proceedings were not required to recover the debt, and 50% where legal proceedings were required, to reflect the level of risk assumed by Pythagoras, as well as their out of pocket funding of lawyers and counsel at their own risk on a contingent recovery basis.

I am satisfied that the fees charged are reasonable in the circumstances of this case.

Category 2 Expenses

No Category 2 expenses have been charged to the case in the current reporting period.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. A cumulative statement showing the total expenses incurred since the date of our appointment also appears at Appendix 3.

8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

All assets in the Liquidation have now been realised and sums distributed. Procedures to close the Liquidation will commence shortly.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

- Periodic reviews to be carried out in order to ensure satisfactory progression of the case and that all statutory and regulatory obligations have been complied with;
- Continued maintenance of records to demonstrate how the case has been administered and to ensure documentation of reasons for decision that materially affect the case;
- Periodical case reviews and team meetings to assess case progression and ensure adherence to these requirements;
- Dealing with any future queries of the Company's directors and shareholders.
- Continued updates to case compliance checklists;
- Ensuring time recording data relevant to the case remains up to date and accurate.

Although this work does not provide a direct financial benefit to creditors it is required as part of the general case management.

Compliance with the Insolvency Act, Rules and best practice

Included in the work to be undertaken under this heading is the following:

- Periodical reviews of the Liquidator's bond level, as required by the Insolvency Practitioners Regulations 2005;
- General accounting, banking and cashiering
- Preparation and circulation of statutory progress reports
- Preparation and circulation of the final account at the conclusion of the liquidation and lodgment of requisite forms at Companies House

This work does not provide a direct financial benefit to creditors, however is required in accordance with relevant insolvency legislation and best practice guidelines.

Dealing with all creditors' claims (including employees), correspondence and distributions

Ongoing work is likely to be required in relation to dealing with enquiries from creditors.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedure, tax, litigation, pensions and travel

VAT – Periodical preparation and submission of VAT returns for the liquidation in order to reclaim VAT on estate inputs.

Corporation Tax - Preparation and submission of Corporation Tax returns for each year of the liquidation and the final period upon closure.

How much will this further work cost?

The 'further work' detailed above has always been anticipated, but at this point in the proceedings, it has not yet been carried out. As you know, this work is necessary in order that I may complete the liquidation as envisaged.

The cost of completing this work will exceed any amounts approved by creditors previously. However, as explained above I do not propose to seek creditor's approval for any increase at this time.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are provided in Appendix 3.

What is the anticipated payment for administering the case in full?

We estimated that the cost of administering the case would be in the region of £87,703, and subsequently you have provided approval for us to draw our remuneration up to that level. However, as you are aware, due to the fact that there are limited assets, the remuneration that we can draw is limited to the amount that is realised for the assets, (less any costs incurred in realising those assets). At this stage in the liquidation, I can estimate that total remuneration drawn will be in the region of that which was estimated.

9. OTHER RELEVANT INFORMATION

Use of personal information

Please note that in the course of discharging our statutory duties as liquidators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner.

A handwritten signature in black ink, appearing to read 'Asher D Miller', with a stylized, cursive script.

Asher D Miller FCA
Liquidator

Dated: 6 July 2021

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 15 May 2020 to 14 May 2021

TEC CONSTRUCTION LIMITED - IN LIQUIDATION
LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT
FROM 15 MAY 2020 TO 14 MAY 2021

	<u>Estimated</u> <u>to realise</u> £	<u>Realised</u> <u>to date</u> £	<u>Y/E</u> <u>14-May-21</u>
<u>Balance brought forward</u>			88,844.12
<u>Receipts</u>			
Book debts and retentions	Uncertain	135,748.82	-
Fixed assets - furniture & equipment	Uncertain	0.00	-
Prepayments		40,268.28	-
Cash at bank	27.00	39,749.04	-
Business rates refund		4,409.45	-
Cash held on appointment	7,200.00	6,000.00	-
Bank interest gross		51.27	13.06
VAT refund		621.76	621.76
		<u>226,848.62</u>	<u>89,478.94</u>
<u>Payments</u>			
Statement of affairs fee		21,346.00	-
Specific bond		271.80	127.20
Statutory advertising		263.70	94.50
Professional fees		61,486.61	-
Agents' fees		223.27	-
Liquidator's remuneration		80,962.40	26,962.40
		<u>164,553.78</u>	<u>27,184.10</u>
<u>Receipts less Payments</u>		<u>62,294.84</u>	<u>62,294.84</u>
<u>Distributions</u>			
<u>Preferential Creditors</u>			
Dividend of 100p in £ on claims totalling £20,731.20	(Paid on 24.02.20)	18,409.54	
£2,321.67 previously withheld	(Paid on 23.09.2020)	2,321.67	
<u>Unsecured Creditors</u>			
First and final dividend of 6.38p in £ on claims totalling £531,65	(Paid on 23.09.2020)	33,908.42	
<u>Balance in Hand</u>		<u>7,655.21</u>	<u>7,655.21</u>
<u>Represented by:-</u>			
Balance at bank			895.71
VAT recoverable			6,759.50
			<u>7,655.21</u>

COSTS AND EXPENSES

- a. Charging policy applicable to this appointment;
- b. Time Costs Analysis for the period from 15 May 2020 to 14 May 2021; and
- c. Cumulative Time Costs Analysis for the period from 15 May 2018 to 14 May 2021.

CHARGING POLICY

Our firm's hourly charge-out rates applicable to this appointment, which are charged in units of 6 minutes exclusive of VAT, are as follows:-

	£
Senior / Managing Partners	550
Partners / Office Holders	495
Managers / Senior Managers	350 - 395
Senior Administrators	220 - 295
Administrators	160 - 200
Cashiers and Assistants	150 - 295
Supports	120 - 150

Charge out rates are normally reviewed annually in November, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance.

Direct expenses ("Category 1 expenses")

Category 1 disbursements as defined by Statement of Insolvency Practice 9 (SIP 9), which can be specifically identified as relating to the administration of the case, will be charged to the estate at cost, with no uplift. These include, but are not limited to, such items as case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Indirect expenses ("Category 2 expenses")

It is normal practice to also charge the following indirect disbursements ("Category 2 disbursements" as defined by SIP 9) to the case, where appropriate:

Headed paper	25p per sheet
Photocopying	6p per sheet
Envelopes	25p each
Postage	Actual cost
Meeting room facility	£150

Storage and Archiving Charges

We use a commercial archiving Company for storage facilities for Company's records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £65 per hour.

Travel

Mileage incurred as a result of any necessary travelling is charged to the estate at HM Revenue & Customs approved rate, currently 45p per mile.

SIP9 TEC Construction Limited - Creditors Voluntary Liquidation - 23T489.CVL : Time Costs Analysis
From 15/05/2020 To 14/05/2021

Staff Grade		Consultant/Partner	Mngr	Snr Admin	Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning		0.2	5.6			5.8	1,311.00	226.03
	Total for General Case Administration and Planning:		0.2	5.6			5.8	1,311.00	226.03
Compliance with the Insolvency Act, Rules and best practice	Appointment			0.6			0.6	132.00	220.00
	Banking and Bonding			0.8		3.6	4.4	814.00	185.00
	Statutory reporting and statement of affairs	1.6	5.1	8.3			15.0	4,632.50	308.83
	Total for Compliance with the Insolvency Act, Rules and best practice:	1.6	5.1	9.7		3.6	20.0	5,578.50	278.93
Investigations	CDDA and investigations		0.2				0.2	79.00	395.00
	Total for Investigations:		0.2				0.2	79.00	395.00
Realisation of assets	Property, business and asset sales		0.3				0.3	118.50	395.00
	Total for Realisation of assets:		0.3				0.3	118.50	395.00
Dealing with all creditors claims (including employees), correspondence and distributions	Others	5.8	7.3	23.0	0.2		36.3	10,854.50	299.02
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	5.8	7.3	23.0	0.2		36.3	10,854.50	299.02
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions	Tax	2.5	9.3	1.1			12.9	5,153.00	399.46
	Total for Other matters:	2.5	9.3	1.1			12.9	5,153.00	399.46
	Total hours by staff grade:	9.9	22.4	39.4	0.2	3.6	75.5		
	Total time cost by staff grade:	4,900.50	8,848.00	8,668.00	40.00	638.00		23,094.50	
	Average hourly rate £:	495.00	395.00	220.00	200.00	177.22			305.89

SIP9 TEC Construction Limited - Creditors Voluntary Liquidation - 23T489.CVL : Time Costs Analysis
From 15/05/2018 To 14/05/2021

Staff Grade		Consultant/Partner	Mngr	Snr Admin	Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	7.6	7.8	12.0	2.3	0.1	29.8	8,899.00	298.62
	Administration			1.0			1.0	130.00	130.00
	Total for General Case Administration and Planning:	7.6	7.8	13.0	2.3	0.1	30.8	9,029.00	293.15
Compliance with the Insolvency Act, Rules and best practice	Appointment		3.1	19.5	0.3		22.9	3,749.50	163.73
	Banking and Bonding		0.2	1.2	2.0	11.7	15.1	2,678.00	177.35
	Statutory reporting and statement of affairs	1.6	16.0	24.4	1.0		43.0	11,674.00	271.49
	Total for Compliance with the Insolvency Act, Rules and best practice:	1.6	19.3	45.1	3.3	11.7	81.0	18,101.50	223.48
Investigations	CDDA and investigations	7.1	8.1	8.8			24.0	6,687.00	278.63
	Total for Investigations:	7.1	8.1	8.8			24.0	6,687.00	278.63
Realisation of assets	Debt collection	25.2	16.8	1.2			43.2	17,238.00	399.03
	Property, business and asset sales	2.1	10.3	2.2			14.6	4,407.00	301.85
	Retention of Title/Third party assets		2.8				2.8	826.00	295.00
	Total for Realisation of assets:	27.3	29.9	3.4			60.6	22,471.00	370.81
Dealing with all creditors claims (including employees), correspondence and distributions	Others	21.8	27.9	54.1	0.4		104.2	30,699.50	294.62
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	21.8	27.9	54.1	0.4		104.2	30,699.50	294.62
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel	Meetings		1.6				1.6	472.00	295.00
	Tax	4.7	9.6	4.3	2.4		21.0	7,255.50	345.50
	Total for Other matters:	4.7	11.2	4.3	2.4		22.6	7,727.50	341.92
	Total hours by staff grade:	70.1	104.2	128.7	8.4	11.8	323.2		
	Total time cost by staff grade:	32,029.50	37,109.00	22,155.00	1,346.00	2,076.00		94,715.50	
	Average hourly rate £:	456.91	356.13	172.14	160.24	175.93			293.06

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Statutory advertising	Courts advertising	94.50 plus VAT	94.50 plus VAT	Nil
Specific bond	AXA Insurance plc	127.20 plus VAT	127.20 plus VAT	Nil

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Statutory advertising	Courts advertising	348.30 plus VAT	263.70 plus VAT	£84.60 plus VAT
Specific bond	AXA Insurance plc	271.80 plus VAT	271.80 plus VAT	Nil
Professional fees	Pythagoras Capital Limited	61,486.61 plus VAT	61,486.61 plus VAT	Nil
Agents' fees	Exacta plc	223.27 plus VAT	223.27 plus VAT	Nil
Bank charges	Barclay Bank plc	11.42 plus VAT	Nil	11.42 plus VAT
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>)				
Carriage & archiving	Begbies Traynor (Formerly David Rubin & Partners)	50.00 plus VAT	Nil	50 plus VAT
Storage Costs	Begbies Traynor (Formerly David Rubin & Partners)	270.00 plus VAT	Nil	270.00 plus VAT

ADDITIONAL EXPENSES ANTICIPATED FOR FUTURE WORK

Expenses anticipated to be incurred prior to closure of the case	Name of party with whom expense anticipated to be incurred	Amount estimated to cost £
Stationary & Postage	Begbies Traynor	100.00 plus VAT
Storage Costs	Begbies Traynor	60.00 plus VAT