

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 9 2 0 8 7 5

Company name in full Academy Steels Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Scott Christian

Surname Bevan

3 Liquidator's address

Building name/number c/o Mazars LLP

Street 1st Floor

Post town Two Chamberlain Square

County/Region Birmingham

Postcode B 3 3 A X

Country

4 Liquidator's name ①

Full forename(s) Simon David

Surname Chandler

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number c/o Mazars LLP

Street 1st Floor

Post town Two Chamberlain Square

County/Region Birmingham

Postcode B 3 3 A X

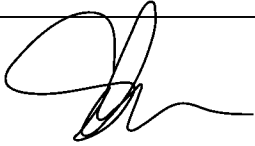
Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report															
From date	^d	1	^d	9	^m	0	^m	8	^y	2	^y	0	^y	2	^y	0
To date	^d	1	^d	8	^m	0	^m	8	^y	2	^y	0	^y	2	^y	1
7	Progress report															
<input checked="" type="checkbox"/> The progress report is attached																
8	Sign and date															
Liquidator's signature	<div>Signature</div> <div>  </div>															
Signature date	^d	1	^d	5	^m	1	^m	0	^y	2	^y	0	^y	2	^y	1

**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 **Callum Kiernan**

Company name **Mazars LLP**

Address **1st Floor**

Two Chamberlain Square

Post town **Birmingham**

County/Region

Postcode

B	3		3	A	X		
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Country

DX

Telephone **0121 232 9500**

**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

Academy Steels Limited - In Liquidation

Liquidators' progress report covering the period from 19 August 2020 to 18 August 2021 ("the Period")

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Academy Steels Limited - In Liquidation (“the Company”)

Progress Report to Creditors & Members

1. Introduction

- 1.1. This report is prepared pursuant to Rules 18.3 and 18.7 of the Insolvency (England and Wales) Rules 2016, the purpose of which is to provide creditors with details of the progress of the Liquidation during the 12 months to 18 August 2021.
- 1.2. I was appointed as Joint Liquidator of the Company, together with Simon Chandler, by a decision of the creditors on 19 August 2019. We are authorised to act as Insolvency Practitioners in the UK by the Insolvency Practitioners Association.
- 1.3. Identification details relating to the Company and the Liquidators are attached at Appendix A.

2. Liquidators' Receipts and Payments

- 2.1. A summary of Receipts and Payments covering the period from 19 August 2020 to 18 August 2021 is attached at Appendix B. The Receipts and Payments Account also covers the cumulative period from the date of appointment to 18 August 2021. A comparison of the figures provided in the Directors' Statement of Affairs to actual realisations made to date is included to assist creditors in assessing progress to date.
- 2.2. The Receipts and Payments Account confirms that there is currently a balance in hand of £20,165.55 and VAT receivable of £11,455.15
- 2.3. An explanation of the assets realised and the expenses paid is provided below.

3. Asset Realisations and Details of Progress

Connected Party Transactions:

- 3.1. In accordance with Statement of Insolvency Practice 13, I would advise you that there have been no transactions with connected parties.

Unconnected Party Transactions:

3.2. Bank Interest

- 3.2.1. Bank interest of £6.92 has been earned during the period.

3.3. Subrogated claim

- 3.3.1. As previously detailed in this report the Associated Companies had entered into a cross group guarantee supported by fixed and floating charges to HSBC.

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- 3.3.2. HSBC utilised the cash balances of the Company to offset against its debt under the cross group guarantee. HSBC's indebtedness was extinguished by the sale of the freehold property in the case of H. S. Pitt & Co. Limited – in Administration ("HS Pitt"), as such there will be a subrogated claim against HS Pitt.
- 3.3.3. Advice has been sought from solicitors, Irwin Mitchell, in relation to the possibility of the Company having a subrogated claim against HS Pitt due to the contribution the Company made against HSBC's indebtedness against HS Pitt. Irwin Mitchell have advised that the surplus held from the sale of the freehold property is subject to subrogated claims by the Company which rank as fixed charge claims under HSBC's Debenture dated 21 October 2014 and will be payable to the Company in proportion to the claim it has.
- 3.3.4. The Company has received two distributions from HS Pitt totalling £38,942.03 due to its subrogated claim. There will not be a further distribution.

4. Assets still to be realised

- 4.1. Assets still to be realised comprise:

4.2. Intercompany Loan

- 4.2.1. The Directors' Statement of Affairs detailed a loan from H.S. Pitt & Co Limited ("Pitt") in the sum of £214,612. However, Pitt entered into Administration on 9 August 2019 and has now closed, as such there has been no such distribution.

5. Estimated Outcome Statement

- 5.1. An estimate of the outcome of the Liquidation is attached at Appendix C.
- 5.2. Assuming that realisations and expenses are as anticipated, it is expected that the secured creditor will suffer a shortfall under its security.
- 5.3. As indicated in the Estimated Outcome Statement, preferential creditors have received a dividend in full.
- 5.4. Based on expected realisations and payments, it is expected that there will be sufficient funds to enable a return to unsecured creditors by way of the prescribed part, as detailed in Section 7 of the report. Based on claims received to date, it is anticipated that the return to creditors via the prescribed part will be 2.9p in the £.
- 5.5. Further details on the expected outcome for each class of creditor is provided below.

6. Liabilities

6.1. Secured Creditors

- 6.2. The Company has granted the following charges

Charge holders	Type of Charge	Date Created	Date Registered

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HSBC Bank Plc	Legal Assignment	26/04/2017	27/04/2017
HSBC Bank Plc	General Pledge	07/04/2017	10/04/2017
HSBC Invoice Finance (UK) Ltd	Fixed & Floating charges	31/01/2017	31/01/2017
HSBC Bank Plc	Debenture	04/04/2001	19/04/2001

6.2.1. HSBCIF have advised that the liability due to them under the cross guarantee amounts to an estimated £950,000. We have not yet received confirmation of the amount due for the Company.

6.2.2. Assuming that realisations and expenses are as anticipated it is likely that HSBCIF will suffer a significant shortfall under its security. This position is highlighted in the Estimated Outcome Statement included at Appendix C.

6.3. Preferential Creditors

6.3.1. Preferential claims arise from arrears of wages and accrued, unpaid holiday pay due to the former employees of the Company who did not receive their full entitlements on redundancy, prior to the Liquidation.

6.3.2. The Company employed five employees who were made redundant prior to the liquidation.

6.3.3. Preferential claims are estimated to be in the region £6,736. Employees have submitted claims with the Redundancy Payments Service ("RPS") for these entitlements up to the statutory limit of £525 per week. The RPS will have a subrogated preferential claim in the Liquidation and any amounts owing to employees in excess of the statutory limits will be claimed in the Liquidation.

6.3.4. As per the Receipts & Payments Account included at Appendix B, preferential creditors were paid in full in a first and final dividend which was issued on 4 May 2021.

6.4. Unsecured Creditors

6.4.1. According to the Directors' Statement of Affairs, the Company had 11 unsecured creditors with debts totalling £205,936.30. Claims received to date total £46,438.91 from three creditors.

6.4.2. Creditors will note from the Estimated Outcome Statement included at Appendix C, assuming that realisations and expenses are as anticipated, the only return to creditors will be in accordance with the prescribed part (as detailed in the section below).

7. Prescribed Part

7.1. In accordance with Section 176A of the Insolvency Act 1986, a proportion of the Company's net assets are to be set aside for the benefit of the Company's unsecured creditors where the Company has granted a floating charge after 15 September 2003. This is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter, subject to a maximum fund of £600,000. Net property is defined as being the realisations from assets

subject to the floating charge after costs and after settlement of the preferential creditors' claims.

- 7.2. As the Company granted a floating charge to HSBCIF on 31 January 2017, a prescribed part fund will apply in this matter. The Company's net property is estimated to be £35,815 and the prescribed part will therefore be in the region of £10,163. Please be aware, this estimate is subject to change and the final outcome will be determined once all asset realisations have been received and creditor claims adjudicated.

8. Investigations

- 8.1. In accordance with the Company Directors Disqualification Act 1986, the Joint Liquidators are required to investigate the affairs of the Company and the conduct of the Directors during the three years prior to the Liquidation. The Joint Liquidators can confirm that this obligation has been complied with and a confidential report was submitted to the Insolvency Service on 15 November 2019.
- 8.2. An initial investigation into the Company's affairs has also been undertaken by the Liquidators in accordance with Statement of Insolvency Practice 2. The purpose of these investigations is to establish whether there are any potential asset recoveries or conduct which requires further investigation.
- 8.3. Following this initial review no further assets or actions were identified which would lead to a recovery for creditors.
- 8.4. Should creditors have any information which they consider may assist the Liquidators in carrying out their investigations, or be aware of any matters which they believe should be brought to the attention of the Liquidators, please provide details in writing to this office. This request for information forms part of our usual investigation procedures and does not imply that there may be any cause of action lying against any person concerned in the Company's affairs.

9. Liquidators' Remuneration

- 9.1. A resolution was passed by the creditors on 28 April 2020 by correspondence, enabling the Liquidators to draw remuneration by reference to the time properly spent by the Liquidators and their staff in dealing with the matters arising during the Liquidation, subject to the Fees Estimate of £38,920.50, issued to creditors on 6 April 2020.
- 9.2. **Total costs incurred to date**
- 9.2.1. Attached at Appendix E1 is a comparison of the Liquidators' Fees Estimate to actual time costs to date, which total £41,591.50, representing 185.2 hours at an average hourly rate of £224.58. This includes costs of £16,251 representing 72.7 hours at an average hourly rate of £223.54 which have been incurred during the Period, and since the Liquidators' last progress report.
- 9.2.2. Attached at Appendix E2 is a narrative summary of the Liquidators' time costs, which provides further information on the work carried out during the current reporting period, why the work was necessary and whether the work has provided a financial benefit to creditors.

9.3. **Revised Fee Estimate**

- 9.3.1. Based on time costs incurred to date and expected future work for the completion of the Liquidation, it is expected that the Liquidators' total time costs will be £47,664 which exceeds the original Fees Estimate by an amount of £8,743.50. Of the revised fee increase, £5,000 is directly attributable to work for dealing with creditors' claims and the prescribed part dividend which were not including in our original assumptions due to higher than expected realisations.
- 9.3.2. Remuneration taken must not exceed the Fee Estimate unless approval for a revised fee estimate is obtained. Further information as to why the costs have exceeded the original estimate are provided within the Revised Fee Estimate at Appendix E4. The main reason for revising the fee increase is predominantly due to the case being extended for a year more than initially anticipated. The additional year to conclude the case is needed due to the delays in receiving the subrogated claim from HS Pitt. As this case will remain open for longer than originally envisaged, there will be an increase to certain statutory requirements such as; additional reporting, case reviews, additional tax returns, further administration and cashing.
- 9.3.3. Accordingly, further fee approval is being sought from unsecured creditors, being the body of creditors who originally approved the basis of the Liquidators' remuneration. The Liquidators' original Fee Estimate is attached at Appendix E3, together with a Revised Fees Estimate at Appendix E4 which includes information on the additional work to be undertaken and the anticipated cost of that work.

9.4. **Remuneration drawn to date**

- 9.4.1. As at 18 August 2021 an amount of £33,000 has been drawn against the Liquidators' time costs in respect of the Liquidation.

9.5. **Charge out rates**

- 9.5.1. Routine administration of the liquidation has been dealt with by junior staff wherever possible in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the Joint Liquidators. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the Joint Liquidators.
- 9.5.2. Charge out rates are reviewed annually on 1 September and in common with other professional firms, may increase over the period of the administration of the case. The rates are appropriate to the skills and experience of the team member and the work that they perform. All staff that work on the case, including cashiers, support and any secretarial staff charge their time directly to the assignment. Time is recorded in 6-minute units with supporting narrative to explain the work undertaken.
- 9.5.3. The charge out rates of the team members employed on the assignment during the period covered by this report can be found at Appendix E5. Specialist departments within our Firm (such as Tax and VAT have charged time to this case when their expert advice is required. The rate ranges provided incorporate these different rates.

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10. Liquidators' Expenses

- 10.1. Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.
- 10.2. Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).
- Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. Category 1 expenses can be paid without prior approval.
 - Category 2 expenses: These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.
- 10.3. Details of all expenses incurred during the period of the report and likely future expenses are provided in the Expenses Statement attached at Appendix D, together with an explanation as to why the expenses have been or will be incurred. This also includes details of the Liquidators' previous Expenses Estimate, for comparison purposes.
- 10.4. Further details of expenses paid during the period of the report are shown in the Receipts and Payments Account at Appendix B.
- 10.5. I have reviewed the expenses incurred to date and I am satisfied that they are fair and reasonable and proportionate in the circumstances of the case.
- 10.6. **Category 2 Expenses**
- 10.6.1. As noted above, Category 2 Expenses require approval in the same manner as an office holder's remuneration before being paid.
- 10.6.2. There have been no Category 2 expenses incurred or paid during the current reporting period.

11. Matters outstanding

- 11.1. Matters preventing the conclusion of the liquidation include:
- a. Adjudication of claims and payment of prescribed part dividend to creditors, allowing six months for the cheques to be banked.
 - b. Reporting and statutory and compliance functions.
 - c. Tax and VAT compliance, including preparing tax computations and returns in respect of the Liquidation period and seeking final tax clearance prior to closure.

12. Creditors' Rights

12.1. Further information

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12.1.1. I would advise you that, pursuant to Rule 18.9 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors or an unsecured creditor with permission of the Court, may, within 21 days of receipt of this progress report, ask the Liquidators for further information about the remuneration and expenses set out in this progress report.

12.2. **Apply to Court**

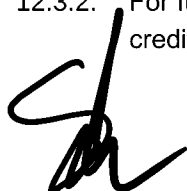
12.2.1. Additionally, pursuant to Rule 18.34 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 10% in value of the unsecured creditors or an unsecured creditor with the permission of the Court may, within 8 weeks of the receipt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

- a. That the remuneration charged by the Liquidators, or
- b. That the basis fixed for the Liquidators' remuneration, or
- c. That the expenses incurred by the Liquidators,
is, in all of the circumstances, excessive or inappropriate.

12.3. **Further guidance**

12.3.1. In accordance with Statement of Insolvency Practice 9, creditors can find additional information on their rights relating to Liquidators' fees in a copy of the publication "A creditors guide to Liquidators' fees" which will be provided free of charge upon written request to this office.

12.3.2. For further general information regarding a creditor's role throughout an insolvency process, creditors are reminded that they can also visit <http://www.creditorinsolvencyguide.co.uk>.



S C Bevan
Joint Liquidator

Dated 15 October 2021

Authorised to act as an insolvency practitioner in the UK by the Insolvency Practitioners Association and bound by the Insolvency Code of Ethics.
Where personal data is required to be processed, this will be dealt with in accordance with the Mazars LLP Insolvency Services Privacy Statement which can be accessed at: www.mazars.co.uk/Legal-and-privacy.

Academy Steels Limited - In Liquidation

Identification Details

Details relating to the Company

Company name	Academy Steels Limited
Previous names	N/A
Trading name	N/A
Company number	02920875
Registered office	c/o Mazars LLP, 1st Floor, Two Chamberlain Square, Birmingham, B3 3AX
Trading address	New Works, Park Lane, Halesowen, B63 2QP

Details relating to the Liquidators

Date of appointment	19 August 2019
Liquidators	S C Bevan and S D Chandler of Mazars LLP, 1st Floor, Two Chamberlain Square, Birmingham, B3 3AX IP No(s) 009614 and 008822
Liquidators' address	Mazars LLP, 1st Floor, Two Chamberlain Square, Birmingham, B3 3AX
Liquidators' contact telephone number	0121 232 9500

Statement of Affairs £	From 19/08/2020 To 18/08/2021 £	From 19/08/2019 To 18/08/2021 £
SECURED ASSETS		
64,313.00 Debtor Ledger	NIL	NIL
(62,346.00) HSBC IF Cross Guarantee Funds	NIL	NIL
	NIL	NIL
SECURED CREDITORS		
(1,967.00) HSBC IF	NIL	NIL
	NIL	NIL
ASSET REALISATIONS		
Bank Interest Gross	6.92	28.85
18,848.00 Cash at Bank	NIL	NIL
NIL Intercompany Loan - HS Pitt & Co Limited	NIL	NIL
60,000.00 Plant & Equipment	NIL	69,998.00
Uncertain Stock	NIL	NIL
Subrogated Claim	38,942.03	38,942.03
	38,948.95	108,968.88
COST OF REALISATIONS		
Accountants Fees	NIL	750.00
Agents/Valuers Disbursements	NIL	4,722.50
Agents/Valuers Fees	NIL	5,109.17
Asset Storage Costs	NIL	4,000.00
Legal Fees (1)	1,250.00	1,250.00
Liquidator's Fees	9,000.00	33,000.00
Pension Agent's Costs	1,675.00	2,025.00
Pre Appointment Fees	NIL	4,894.00
Preparation of S. of A.	NIL	1,500.00
Storage Costs	25.09	25.09
	(11,950.09)	(57,275.76)
PREFERENTIAL CREDITORS		
(3,953.11) Employees	4,736.85	4,736.85
(3,073.29) Employees Holiday Pay	NIL	NIL
Redundancy Payment Service	335.57	335.57
	(5,072.42)	(5,072.42)
FLOATING CHARGE CREDITORS		
(54,457.28) HSBC IF under Cross Guarantee	15,000.00	15,000.00
	(15,000.00)	(15,000.00)
UNSECURED CREDITORS		
(65,597.37) Employees	NIL	NIL
(17,321.00) HMRC re Corporation Tax	NIL	NIL
(14,631.00) HMRC re PAYE & NI	NIL	NIL
(17,853.00) HMRC re VAT	NIL	NIL
(97,849.00) Intercompany Loan - Boswell & Co.	NIL	NIL
(58,282.00) Trade & Expense Creditors	NIL	NIL
	NIL	NIL
DISTRIBUTIONS		
(100.00) Ordinary Shareholders	NIL	NIL
	NIL	NIL
(254,269.05)	6,926.44	31,620.70
REPRESENTED BY		
Floating Charge Current		20,165.55
Vat Receivable		11,455.15
		31,620.70

ESTIMATED OUTCOME STATEMENT

Assets	SOA ETR	To-date	Future	Total
Fixed Charge Assets				
Book debts	64,313	Nil	Nil	Nil
<i>Less amount due to HSBC Invoice Finance</i>	<i>1,967</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
				<u>Nil</u>
Floating Charge Assets				
Cash at Bank	18,848	Nil	Nil	Nil
Intercompany Loan - H.S. Pitt & Co. Limited	Nil	Nil	Nil	Nil
Plant & Equipment	60,000	69,998	Nil	69,998
Subrogated Claim: H.S. Pitt & Co. Limited	Nil	38,942	Nil	38,942
Stock	Uncertain	Nil	Nil	Nil
Bank Interest		28	Uncertain	28
		<u>108,968</u>	<u>Nil</u>	<u>108,968</u>
Less Costs of Realisations				
Liquidators' Fees		(33,000)	(9,664)	(42,664)
Liquidators' Disbursements		Nil	(1,006)	(1,006)
Liquidators' Pre-Appointment Fee		(4,894)	Nil	(4,894)
Pre-Appointment Accountant's Fees		(1,500)	Nil	(1,500)
Accountant's Fees		(750)	Nil	(750)
Legal Fees		(1,250)	Nil	(1,250)
Agent's Fees		(5,109)	Nil	(5,109)
Agent's Disbursements		(4,723)	Nil	(4,723)
Pension Agent Fees		(2,025)	Nil	(2,025)
Storage and Site Costs		(4,000)	Nil	(4,000)
Books & Records Storage		(25)	(135)	(160)
Corporation Tax		<u>Nil</u>	<u>Uncertain</u>	<u>Uncertain</u>
Amount available to preferential creditors		51,692	(10,805)	40,887
Preferential Creditors				
Employees' Wages and Holiday Pay				(5,072)
Estimated deficiency/surplus as regards preferential creditors				<u>35,815</u>
Debts secured by floating charges pre 15 September 2003				Nil
Estimated prescribed part of net property (c/f)				<u>(10,163)</u>

Estimated total assets available for floating charge holders	25,652
Debts secured by floating charges post 14 September 2003	
HSBC Invoice Finance	(316,667)
Estimated deficiency/surplus of assets after floating charges	<u>(291,015)</u>
Amount available to unsecured creditors	
Estimated prescribed part of net property (b/d)	10,163
<i>Less costs associated with distributing the prescribed part</i>	(5,000)
Unsecured Creditors' claims	
Trade & Expense Creditors	(58,282)
HM Revenue & Customs	(49,805)
Arrears of Wages, Redundancy & Notice pay	(65,597)
Deficit to Unsecured Creditors	<u>(168,521)</u>
Return to unsecured creditors (p in the £)	2.97

EXPENSES STATEMENT

Type of Expenditure	Requirement for Expenditure	Original Expense Estimate (£)	Previously incurred (£)	Incurred during the Period (£)	Likely future estimate (£)	Revised Expense Estimate (£)
Category 1 Expenses						
Professional advisors' costs						
Legal fees and disbursements	Irwin Mitchell have been instructed to assist with the subrogated claims. Irwin Mitchell were chosen based on their experience in insolvency matters, their fees are agreed on a time cost basis.	1,000.00	Nil	1,250.00	Nil	1,250.00
Agent's fees and disbursements	Kumar & Company were instructed to provide a valuation and assist with the sale of the tangible assets. Kumar & Company have been instructed because of their experience in providing such valuations and services in an insolvency scenario. Their fees have been agreed on a time cost basis.	9,832.00	9,831.67	Nil	Nil	9,831.67
Accountancy fees	Wilkes Trantor were instructed to assist with the preparation of the P45s. Wilkes Trantor were also instructed to assist with the preparation of the Statement of Affairs. Their fees have been agreed on a fixed fee basis	750.00	750.00	Nil	Nil	750.00
Pre-appointment Accountancy costs	Wilkes Trantor were also instructed to assist with the preparation of the Statement of Affairs. Their fees have been agreed on a fixed fee basis	1,500.00	1,500.00	Nil	Nil	1,500.00
Pension Agents Fees	Clumber Consultancy were instructed to assist with the winding up of the pension scheme. Clumber Consultancy were instructed because of their experience in providing such services in an insolvency scenario. Their fees have been agreed on a fixed fee basis.	2,025.00	350.00	1,675.00	Nil	2,025.00
Other expenses						
Corporation tax	It is likely that corporation tax will be payable in respect of the interest accrued whilst surplus funds are held on an interest-bearing deposit account.	Uncertain	Uncertain	Uncertain	Uncertain	Uncertain
Storage and site costs	Costs were paid to H.S. Pitt & Co. Limited, an associated company, for	4,000.00	4,000.00	Nil	Nil	4,000.00

	storage of the Company's assets whilst being marketed and sold.					
Books and records storage	Costs paid to L & R Storage for storing the Company's books and records as required by statute.	160.00	Nil	25.09	134.91	160.00
Joint Liquidators' disbursements	<p>Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds.</p> <p>Expenses incurred in this manner include:</p> <ul style="list-style-type: none"> • Specific bond 24.76 • Statutory advertising 174.96 • Courier • Travel costs 16.77 • Agents fees 350.00 • Insurance of assets 439.57 <p>These expenses have been incurred, but not yet paid.</p>	1,006.06	1,006.06	Nil	Uncertain	1,006.06
Category 2 Expenses						
These expenses require approval in the same manner as the office holder's remuneration.						
	It is unlikely that any Category 2 expenses will be incurred throughout the life of the case.	Nil	Nil	Nil	Nil	Nil
Remuneration						
Joint Liquidators' pre-appointment costs	This amount represents the reasonable and necessary expenses in respect of the preparation of the Statement of Affairs and in respect of the deemed consent procedure to seek a decision from the Company's creditors on the nomination of the liquidator, which have been drawn from the estate as an expense and as approved by creditors.	4,913.00	4,894.00	Nil	Nil	4,894.00
Joint Liquidators' remuneration	To project manage the orderly winding up of the Company's affairs, and to perform those tasks required as dictated by statute, best practice and ethical requirements.	38,920.50	25,340.50 incurred with £24,000 drawn.	16,251.00 incurred with £9,000 drawn.	6,072.50 incurred with £14,664 drawn.	47,664.00 to be drawn.
Total		64,106.56	47,672.23	19,201.09	6,207.41	73,080.73

Notes

1. Professional Advisors

The office holder's choice of the professional advisors listed above was based on their perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.

The office holders have reviewed the costs incurred to date and are satisfied that they are reasonable in the circumstances of the case.

2. Category 2 Expenses

The office holders have reviewed the expenses which have been or are likely to be incurred in this matter and do not consider that there are any instances where payments could reasonably be perceived as presenting a threat to the office holders' objectivity or independence by virtue of a professional or personal relationship, including to an associate, and which require approval as a Category 2 Expense, other than those listed above.

LIQUIDATORS' ANALYSIS OF TIME COSTS AND COMPARISON TO FEE ESTIMATE

The following table provides details of the Joint Liquidators' actual time costs incurred in the current reporting period, compared to the estimated costs as per the Fees Estimate. The table also includes the cumulative period from 19 August 2019 to 18 August 2021, which provides details of the Liquidators' total time costs since appointment.

Further information on the work undertaken in the current reporting period, including an explanation as to why the various tasks were required and whether the work provides a financial benefit to creditors is provided within the narrative summary of work undertaken at Appendix E2.

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

LIQUIDATORS' ANALYSIS OF TIME COSTS AND COMPARISON TO FEE ESTIMATE

Description of Work	Fees Estimate as at 6 April 2020			Actual time costs for the period 19 August 2020 to 18 August 2021			Cumulative time costs for the period 19 August 2019 to 18 August 2021		
	Total Time (hours) (£)	Total Costs (£)	Blended Hourly Rate (£)	Time incurred (hours) (£)	Total Costs (£)	Blended Hourly Rate (£)	Time incurred (hours) (£)	Total Costs (£)	Blended Hourly Rate (£)
Administration & Planning	17.0	4,770.00	280.59	5.8	1,514.50	261.12	19.9	5,287.00	265.68
Taxation	10.0	2,625.00	262.50	7.7	1,635.00	212.34	10.3	2,153.00	209.03
Investigations	13.6	2,905.50	213.64	0.2	46.50	232.50	14.5	3,100.00	213.79
Realisation of Assets	18.0	5,260.00	292.22	0.3	64.50	215.00	13.6	3,967.50	291.73
Employees	7.0	1,365.00	195.00	1.5	336.50	224.33	9.8	1,964.50	200.46
Creditors	14.0	3,500.00	250.00	7.5	2,036.00	271.47	17.4	4,346.50	249.80
Reporting	34.0	8,420.00	247.65	13.5	2,677.00	198.30	40.6	8,386.00	206.55
Distributions	7.0	1,945.00	277.86	7.9	1,920.00	243.04	7.9	1,920.00	243.04
Cashiering	15.0	4,040.00	269.33	13.4	2,631.50	196.38	22.8	4,408.00	193.33
Statutory & Compliance	18.0	4,090.00	227.22	14.9	3,389.50	227.48	28.4	6,059.00	213.35
Totals	153.6	38,920.50	253.39	72.7	16,251.00	223.54	185.2	41,591.50	224.58

NARRATIVE SUMMARY OF LIQUIDATORS' TIME COSTS FOR THE CURRENT PERIOD

Description of work

Administration and Planning

Work undertaken to date includes:

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

Future work to be undertaken includes:

- Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system.
- Case filing.
- Archiving Liquidators' working papers.
- Holding strategy meetings.

It is not expected that this work will result in a direct financial benefit for creditors. However, appropriate case administration and planning ensures that the case is managed coherently and efficiently, with minimisation of costs and avoidance of duplication of work. A clear case strategy and strong internal processes aid to add value through the efficient management of the case. This work is also required in order to appropriately document and record how the case has been administered in accordance with regulatory requirements.

Taxation

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

Work undertaken to date includes:

- Notifying HM Revenue & Customs ("HMRC") of my appointment and establishing whether they have any outstanding claims or ongoing investigations. Such enquires will assist with my own investigations.
- Reviewing the Company's VAT position; finalising the pre-appointment VAT account; deregistering the Company for VAT once all of the taxable assets have been sold in line with the VAT regulations.
- Preparing post-appointment Corporation Tax and VAT returns, as required by statute.

Future work to be undertaken includes:

- Obtaining clearance from HM Revenue & Customs.
- Preparing post-appointment Corporation Tax and VAT returns, as required by statute.

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

Investigations

Investigations are required in accordance with Statement of Insolvency Practice 2, so as to identify whether any assets have been dissipated and what recoveries can be made so as to enhance the funds available to distribute. They also assist with Appointment taker(s) duty under the Company Directors Disqualification Act 1986.

Work undertaken to date includes:

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

Future work to be undertaken includes:

- No further work is expected for this category.

My estimate assumes that there are no adverse findings during my investigations. In the event that investigations reveal possible actions, then these may lead to additional realisations but the costs of pursuing these actions are likely to increase. If this arises, further information will be provided to creditors separately.

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

Realisation of Assets

The Company's assets comprise of Book Debts, Plant & Equipment, Cash at Bank, Subrogated Claim.

Work undertaken to date includes:

- Obtaining a professional valuation of the Company's assets to ensure the most appropriate offer is accepted and liaising with the agents in respect of their views as to the offers received.
- Negotiations with interested parties and agreeing sale of assets.
- Arranging insurance cover over assets and ensuring their security.
- Reviewing and obtaining any potential refunds on insurance policies paid up to a future period by the Company.
- Disclaiming interest in lease.
- Calls with interested parties.
- Liaising with Agent regarding the Company's trading premises.
- Liaising with insurance provider regarding assets and site visit.

Future work to be undertaken includes:

- No further work is expected for this category.

The work undertaken has added value for the benefit of creditors by enabling the realisation of funds in the estate. The costs associated with the recovery are considered appropriate in the circumstances.

Employees

The Company employed five employees who were all made redundant pre appointment. Further information regarding employees' claims is included within Section 6 of the report. It is expected that a dividend will be paid to employees.

Work undertaken to date includes:

- Dealing with any queries employees may have in respect of their claims.
- Submission of RP14 and RP14A to the Redundancy Payments Service ("RPS").
- Investigating the potential claims in respect of unpaid pension contributions.
- Liaising with pension agent regarding the closure of the Company's pension scheme.
- Completing and issuing S.120 notices.

Future work to be undertaken includes:

- No further work is expected for this category.

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors. However, it is expected that a dividend will be paid to preferential creditors and in this regard, the work involved in assessing and adjudicating employee claims does have a financial benefit to employees.

Creditors

There are approximately 15 unsecured creditor claims. In order to ensure that creditors are dealt with appropriately, the following work has been undertaken:

Work undertaken to date includes:

- Responding to enquiries from creditors and dealing with any correspondence.
- Logging creditors' claims.
- Seeking approval from creditors in respect of a decision procedure.
- Emailing the RPS for their claim.
- Reviewing preferential claims received.
- Updating secured creditor on outcome of case.

Future work to be undertaken includes:

- Logging and reviewing further creditor claims.
- Responding to enquiries from creditors and dealing with any correspondence.

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors.

Distributions

It is expected that a distribution will be paid to unsecured creditors via the Prescribed Part.

Work undertaken to date includes:

- Preferential creditors – adjudication of creditor claims, requesting further information where necessary or dealing with rejected claims.
- Preparing dividend calculations.
- Processing and payment of distributions.

Future work involved in this regard will include:

- Unsecured creditors – adjudication of creditor claims, requesting further information where necessary or dealing with rejected claims.
- Preparing dividend calculations.
- Processing and payment of distributions.

My estimate assumes that only one dividend will be paid to claimants and that no more than 100 claims will be received. It also assumes that none of the claims will require any substantial verification.

Reporting

Reporting requirements as prescribed by statute are as follows:

Work undertaken to date includes:

- Drafting a fee request to creditors, with an update on the progress of the Liquidation.
- Drafting Estimated Outcome Statements linking all three associated companies in order to establish forecasted outcomes.

Future work to be undertaken includes:

- Preparing and issuing annual progress and revised fee resolution report as required in accordance with The Insolvency Act and Rules to provide creditors with an update on the progress of the Liquidation.
- Drafting and issuing a final report to all known members and creditors.

It is not expected that this work will result in a direct financial benefit for creditors. However, it is required in order to ensure that the case has been administered in line with regulatory requirements.

Cashiering

Cashiering work is required to ensure that the estate bank account is operated in accordance with guidance issued by my regulatory body. Work in this regard is likely to involve:

Work undertaken to date includes:

- Establishing set up of case details on our insolvency software system.
- Setting up bank accounts, including deposit accounts as necessary.
- Bank account maintenance, including periodic reconciliations.
- Issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions.

Future work to be undertaken includes:

- Bank account maintenance, including periodic reconciliations.
- Issuing payments and banking receipts and preparing the appropriate paperwork for such transactions.
- Issuing payments.

It is not expected that this work will result in a direct financial benefit for creditors. However, it is required in order to ensure that the estate bank account is operated in accordance with guidance issued by my regulatory body.

Statutory and Compliance

Statutory and compliance work as required by statute or our internal procedures involves:

Work undertaken to date includes:

- Preparation and lodgement of statutory appointment documents.
- Initial notices following appointment.
- Case monitoring and statutory compliance, including internal case reviews.
- Case bordereau.
- Internal case reviews.
- Reviewing diary lines on IPS

Future work to be undertaken includes:

- Case monitoring and statutory compliance, including internal case reviews.

It is not expected that this work will result in a direct financial benefit for creditors. However, this work is required in order to ensure that the case has been administered in accordance with regulatory requirements.

ORIGINAL FEES ESTIMATE AS AT 6 APRIL 2020

My total Fees Estimate as at 6 April 2020 to conclude this matter was £38,920.50. I have provided below a breakdown of how these costs will be split between the different functions my staff and I are likely to perform on this case.

Description of Work	Total Time (hours)	Total Costs (£)	Blended Hourly Rate (£)
Administration & Planning	17.0	4,770.00	280.59
Taxation	10.0	2,625.00	262.50
Investigations	13.6	2,905.50	213.64
Realisation of Assets	18.0	5,260.00	292.22
Employees	7.0	1,365.00	195.00
Creditors	14.0	3,500.00	250.00
Reporting	34.0	8,420.00	247.65
Distributions	7.0	1,945.00	277.86
Cashiering	15.0	4,040.00	269.33
Statutory & Compliance	18.0	4,090.00	227.22
Total	153.6	38,920.50	253.39

Attached to this Fees Estimate is a detailed summary of the work anticipated, together with an explanation as to why the various tasks are required.

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

Not all of the work which I am required to perform will provide a direct financial benefit to creditors. Some of the work to be undertaken is required because statute dictates that I must perform this task, or because guidance issued by the Insolvency Service or my regulatory body requires such. However, a large proportion of the work will be dealing with securing and realising assets, with a view to maximising the funds available to creditors.

On this case, assuming realisations are as anticipated in the attached Estimated Outcome Statement, the above work is likely to provide a financial benefit to preferential creditors who would receive payment in full and also unsecured creditors, who would receive a dividend of 0.4p in the £ based on current realisations

Exceeding the Fees Estimate

The Fees Estimate has been based on previous examples of cases of a similar size and complexity to this case, together with our current knowledge of the case and the work which we anticipate will be necessary.

The above estimate also assumes that this case will remain open for less than 12 months. This assumption has been made due to the length of time we anticipate for the realisation of the Company's assets in particular the timing to deal with the book debts and, instructing Solicitors to assist with the recovery of the remaining disputed debts. In the event that further work is required in respect of the above and/or the case extends beyond the estimated timeframe, it is likely that the Fees Estimate asset realisations category will be exceeded, at which point it will be necessary to seek further approval for an increase.

REVISED FEE ESTIMATE

Attached at Appendix A2 is a copy of the original Fees Estimate dated 6 April 2020, totalling £38,920.50.

This Appendix provides information on the Revised Fees Estimate. Further approval is being sought for time costs in excess of the original Fee Estimate in the sum of £8,743.50, plus VAT. The table below provides a summary of the total Revised Fee Estimate, with total costs estimated at £47,664.

Total Revised Fee Estimate			
Description of Work	Total Time (hours)	Total Costs (£)	Blended hourly rate (£)
Administration & Planning	23.0	5,689.00	247.35
Taxation	15.5	3,022.00	194.97
Investigations	14.5	3,100.00	213.79
Realisation of Assets	13.6	3,967.50	291.73
Employees	9.8	1,964.50	200.46
Creditors	21.1	5,036.50	238.70
Reporting	50.8	10,060.00	198.03
Distributions	11.4	2,640.00	231.58
Cashiering	26.6	5,056.50	190.09
Statutory & Compliance	33.8	7,128.00	210.89
Total	220.1	47,664.00	216.56

A detailed breakdown of the anticipated future work to be undertaken and the associated costs in excess of the original Fee Estimate is provided on the following page, together with an explanation as to why the estimate has been or is likely to be exceeded.

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

Not all of the work which I am required to perform will provide a direct financial benefit to creditors. Some of the work to be undertaken is required because statute dictates that I must perform this task, or because guidance issued by the Insolvency Service or my regulatory body requires such. However, a large proportion of the work will be dealing with securing and realising assets, with a view to maximising the funds available to creditors.

On this case, assuming realisations are as anticipated in the attached Estimated Outcome Statement, the above work is likely to provide a financial benefit to preferential creditors who would receive payment in full and also unsecured creditors, who would receive a dividend of 2.9p in the £ depending on realisations.

Further revision of the Fees Estimate

The Revised Fees Estimate has been based on the work completed to-date and also the anticipated work to finalise the remaining tasks and close the Liquidation. Further details of additional work completed and anticipated can be found below.

The main reason for revising the fee increase is predominantly due to the case being extended for a year more than initially anticipated. The additional year to conclude the case is needed due to the delays in receiving the subrogated claim from HS Pitt. As this case will remain open for longer than originally envisaged, there will be an increase to certain statutory requirements such as; additional reporting, case reviews, additional tax returns, further administration and cashiering.

Aside from this revised fee increase it is not expected that any further fee increase will be sought.

The above estimate also assumes that this matter will remain open for one further year. This assumption has been made due to the anticipated amount of time it is expected to make a first and final dividend to Unsecured creditors.

In the event that further work is required in respect of the above and/or this matter extends beyond the estimated timeframe, it is likely that the Fees Estimate will be exceeded, at which point it will be necessary to seek further approval for an increase.

DETAILED REVISED FEE ESTIMATE

Description of work	Total Time (hours)	Total Cost (£)	Blended Hourly Rate (£)
<p><u>Administration and Planning</u></p> <p>The fee estimate as at 6 April 2020 anticipated that 17 hrs would be spent on this category with a total cost being forecast of £4,770. It is also underestimated the timeframe in which the liquidation would be concluded, three years instead of the envisaged two. This had a subsequent effect on administrative work that is required.</p> <p>Work undertaken in this regards includes:</p> <ul style="list-style-type: none"> • Case acceptance and ethical reviews. • Completing case strategy notes. • Holding strategy meetings. • Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system. • Case filing. • Planning calls with Agent <p>Future work to be undertaken includes:</p> <ul style="list-style-type: none"> • Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system. • Case filing. • Archiving Liquidators' working papers. <p>After revising the fee estimate it was concluded that the fee estimate as at 6 April 2020 forecasted less time being spent on this category than was needed. As such the amount of time to be spent on this category has been increased, this has predominantly been due to the case being extended for a year more than initially anticipated.</p> <p>Accordingly, approval is being sought for an additional 6 hrs in excess of the fee estimated approved on 28 April 2020 of which 19.9 hrs of the revised 23 hrs have already been incurred.</p>	6.0	919	153.17
<p><u>Taxation</u></p> <p>The fee estimate as at 6 April 2020 anticipated that 10 hrs would be spent on this category with a total cost being forecast of £2,625.</p> <p>The original fee estimate underestimated the timeframe in which the liquidation would be concluded, three years instead of the envisaged two. This has had a subsequent effect on Taxation as more CT and VAT returns are required due to the increase in time the case has remained open.</p>	5.5	397	72.18

<p>Work undertaken in this regards includes:</p> <ul style="list-style-type: none"> · Notifying HM Revenue & Customs ("HMRC") of my appointment and establishing whether they have any outstanding claims or ongoing investigations. Such enquires assist with my own investigations. · Reviewing the Company's VAT position; finalising the pre-appointment VAT account; deregistering the Company for VAT once all of the taxable assets have been sold in line with the VAT regulations. · Preparing internal RS Tax and VAT checklists and issuing to local specialist Mazars team for further analysis. · Discussions with HMRC confirming deregistration date via telephone. <p>Future work to be undertaken includes:</p> <ul style="list-style-type: none"> · Preparing post-appointment Corporation Tax and VAT returns, as required by statute. · Obtaining clearance from HM Revenue & Customs. <p>After revising the fee estimate it was concluded that the fee estimate as at 6 April 2020 forecasted less time being spent on this category than was needed. As such the amount of time to be spent on this category has been increased, this has predominantly been due to the case being extended for a year more than initially anticipated.</p> <p>Whilst the majority of this work has derived no financial benefit for creditors to date, it is required to ensure that the liquidation has complied with its tax affairs.</p> <p>Accordingly, approval is being sought for an additional 5.5 hrs in excess of the fee estimated approved on 28 April 2020 of which 10.3 hrs of the revised 15.5 hrs have already been incurred.</p>			
<p><u>Investigations</u></p> <p>The fee estimate as at 6 April 2020 anticipated that 13.6 hrs would be spent on this category with a total cost being forecast of £2,905.50.</p> <p>Work undertaken in this regards includes:</p> <ul style="list-style-type: none"> · Issuing and review of Director's questionnaires and investigation into any matters notified. · Investigating the Company's affairs to include a review of the Company's bank statements to identify any potential transactions that were outside the ordinary course of business. · Correspondence with Directors regarding the reasons for the Company's failure. 	0.9	194.50	194.50

<ul style="list-style-type: none"> · Reporting to the Insolvency Service on the Directors' conduct. · Correspondence with the Directors regarding their respective overdrawn loan accounts. <p>Future work to be undertaken includes:</p> <ul style="list-style-type: none"> · No further work is expected for this category. <p>After revising the fee estimate it was concluded that the fee estimate as at 6 April 2020 forecasted marginally less time being spent on this category than was needed. As such the amount of time to be spent on this category has been slightly increased.</p> <p>The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the case has been administered in line with statute requirements.</p> <p>Accordingly, approval is being sought for an additional 0.9 hrs in excess of the fee estimated approved on 28 April 2020 of which 14.5 hrs of the revised 14.5 hrs have already been incurred.</p>			
<p><u>Realisation of Assets</u></p> <p>The fee estimate as at 6 April 2020 anticipated that 18 hrs would be spent on this category with a total cost being forecast of £5,260.</p> <p>Work undertaken in this regards includes:</p> <ul style="list-style-type: none"> · Obtaining a professional valuation of the Company's assets to ensure the most appropriate offer is accepted and liaising with the agents in respect of their views as to the offers received. · Negotiations with interested parties and agreeing sale of assets. · Arranging insurance cover over assets and ensuring their security. · Reviewing and obtaining any potential refunds on insurance policies paid up to a future period by the Company. · Calls with interested parties. · Liaising with insurance provider re assets and site visit. · Disclaiming interest in lease. · Liaising with ROT creditors, reviewing their respective claims and liaising with Agent regarding uplift where necessary. · Reviewing Directors' loan accounts and writing to them for repayment. · Liaising with Director regarding prepayments and fraud claim. 	(4.4)	(1,292.50)	(293.75)

<ul style="list-style-type: none"> · Liaising with Agent regarding the Company's trading premises. <p>Future work to be undertaken includes:</p> <ul style="list-style-type: none"> · No further work is expected for this category. <p>After revising the fee estimate it was concluded that the fee estimate as at 6 April 2020 forecasted more time than was required on this category. As such the amount of time to be spent on this category has been decreased.</p> <p>Accordingly, the revised fee estimate has decreased 4.4 hrs at a cost of £1,292.50 for this category of work.</p>			
<p><u>Employees</u></p> <p>The fee estimate as at 6 April 2020 anticipated that 7 hrs would be spent on this category with a total cost being forecast of £1,365.00.</p> <p>Work undertaken in this regards includes:</p> <ul style="list-style-type: none"> · Dealing with any queries that arose from employees regarding payment from the Redundancy Payments Service. · Submitting forms RP14 and RP14a to the Redundancy Payments Service. · Liaising with the pension agent regarding the closure of the Company's pension scheme. · Completing and issuing S.120 notices. · Investigating the potential claims in respect of unpaid pension contributions. <p>Future work to be undertaken includes:</p> <ul style="list-style-type: none"> · No further work is expected for this category. <p>After revising the fee estimate it was concluded that the fee estimate as at 6 April 2020 forecasted marginally less time being spent on this category than was needed. As such the amount of time to be spent on this category has been slightly increased.</p> <p>Accordingly, approval is being sought for an additional 2.8 hr in excess of the fee estimated approved on 28 April 2020 of which 9.8 hrs of the revised 9.8 hrs have already been incurred.</p>	2.8	599.5	214.11
<p><u>Creditors</u></p> <p>The fee estimate as at 6 April 2020 anticipated that 14 hrs would be spent on this category with a total cost being forecast of £3,500.</p>	7.1	1,536.5	216.41

<p>It is also underestimated the timeframe in which the liquidation would be concluded, three years instead of the envisaged two. This had a subsequent effect on creditors work that is required.</p> <p>Work undertaken in this regards includes:</p> <ul style="list-style-type: none"> · Responding to enquiries from creditors and dealing with any correspondence. · Logging creditors' claims. · Seeking approval from creditors in respect of a decision procedure. · Emailing the RPS for their claim. · Reviewing and adjudicating preferential claims received. · Preparing preferential schedules to accompany NOID. · Querying preferential claims with the RPS. · RTI Submission. · Updating secured creditor on progress and outcome of the case. · Making an initial distribution to secured creditors. · Reviewing subrogated claim in HS Pitts and liaising with Irwin Mitchell. <p>Future work to be undertaken includes:</p> <ul style="list-style-type: none"> · Unsecured Creditors – adjudication of claims · Secured Creditors – Liaising with secured creditors and paying final distribution. · Seeking approval from creditors in respect of a decision procedure when appropriate and preparing a record of the decision. · Logging and reviewing further creditor claims. · Dealing with creditor queries. <p>After revising the fee estimate it was concluded that the fee estimate as at 6 April 2020 forecasted less time being spent on this category than was needed. As such the amount of time to be spent on this category has been increased. This is due to more time being spent on dealing with the dividend to preferential creditors and also more time than was anticipated updating Secured creditors with regards to the Liquidation's progression.</p> <p>Accordingly, approval is being sought for an additional 7.1 hrs in excess of the fee estimated approved on 28 April 2020 of which 17.4 hrs of the revised 21.1 hrs have already been incurred.</p>			
<p><u>Reporting</u></p> <p>The fee estimate as at 6 April 2020 anticipated that 34 hrs would be spent on this category with a total cost being forecast of £8,420.</p>	16.8	1,640	97.62

<p>It is also underestimated the timeframe in which the liquidation would be concluded, three years instead of the envisaged two. This had a subsequent effect on reporting work that is required.</p> <p>Work undertaken in this regards includes:</p> <ul style="list-style-type: none"> · Report to creditors in respect of obtaining a fee resolution. · Preparing and issuing annual progress and revised fee resolution report as required in accordance with The Insolvency Act and Rules to provide creditors with an update on the progress of the Liquidation. <p>Future work to be undertaken includes:</p> <ul style="list-style-type: none"> · Preparing and issuing annual progress and revised fee resolution report as required in accordance with The Insolvency Act and Rules to provide creditors with an update on the progress of the Liquidation. · Closure report is required to be issued in accordance with The Insolvency Act and Rules to provide creditors with an account of the Liquidation. · Issuing final account to Companies House. <p>After revising the fee estimate it was concluded that the fee estimate as at 6 April 2020 forecasted less time being spent on this category than was needed. As such the amount of time to be spent on this category has been increased, this has predominantly been due to the case being extended for a year more than initially anticipated which has resulted in an increase in the amount of reports required.</p> <p>Accordingly, approval is being sought for an additional 16.8 hrs in excess of the fee estimated approved on 28 April 2020 of which 40.6 hrs of the revised 50.8 hrs have already been incurred.</p>			
<p><u>Distributions</u></p> <p>The fee estimate as at 6 April 2020 anticipated that 7 hrs would be spent on this category with a total cost being forecast of £1,945.</p> <p>This is predominantly down to the time it has taken to distribute to preferential creditors and the anticipated time to take to declare and pay an unsecured dividend.</p> <p>Work undertaken in this regards includes:</p> <ul style="list-style-type: none"> · Preferential creditors – adjudication of creditor claims, requesting further information where necessary or dealing with rejected claims. · Preparing dividend calculations. 	4.4	695	157.95

<ul style="list-style-type: none"> Processing and payment of distributions. <p>Future work to be undertaken includes:</p> <ul style="list-style-type: none"> Secured Creditors – preparing and processing distribution. Unsecured Creditors – adjudication of preferential claims, preparing and processing distribution. Preparing dividend calculations. Processing and payment of distributions. <p>After revising the fee estimate it was concluded that the fee estimate as at 6 April 2020 forecasted less time being spent on this category than was needed. As such the amount of time to be spent on this category has been increased. This is due to more time being spent on dealing with the dividend to preferential creditors.</p> <p>Accordingly, approval is being sought for an additional 4.4 hrs in excess of the fee estimated approved on 28 April 2020 of which 7.9 hrs of the revised 11.4 hrs have already been incurred.</p>			
<p><u>Cashiering</u></p> <p>The fee estimate as at 6 April 2020 anticipated that 15 hrs would be spent on this category with a total cost being forecast of £4,040.</p> <p>It is also underestimated the timeframe in which the liquidation would be concluded, three years instead of the envisaged two. This had a subsequent effect on cashiering work that is required.</p> <p>Work undertaken in this regards includes:</p> <ul style="list-style-type: none"> Establishing set up of case details on our insolvency software system. Setting up bank accounts, including deposit accounts as necessary. Bank account maintenance, including periodic reconciliations. Issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions. <p>Future work to be undertaken includes:</p> <ul style="list-style-type: none"> Bank account maintenance, including periodic reconciliations. Issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions. Issuing payments (including dividends to unsecured creditors). 	11.6	1,016.5	87.63

<p>After revising the fee estimate it was concluded that the fee estimate as at 6 April 2020 forecasted less time being spent on this category than was needed. As such the amount of time to be spent on this category has been increased, this has predominantly been due to the case being extended for a year more than initially anticipated which has resulted in an increase in the amount of cashiering required.</p> <p>Accordingly, approval is being sought for an additional 11.6 hrs in excess of the fee estimated approved on 28 April 2020 of which 22.8 hrs of the revised 26.6 hrs have already been incurred.</p>			
<p><u>Statutory and Compliance</u></p> <p>The fee estimate as at 6 April 2020 anticipated that 18 hrs would be spent on this category with a total cost being forecast of £4,090.</p> <p>It is also underestimated the timeframe in which the liquidation would be concluded, three years instead of the envisaged two. This had a subsequent effect on compliance work that is required.</p> <p>Work undertaken in this regards includes:</p> <ul style="list-style-type: none"> • Preparation and lodgement of statutory appointment documents. • Initial notices following appointment. • Initial advertisements following appointment. • Preparing initial strategy planning review. • Case monitoring and statutory compliance, including internal case reviews. • Case bordereau. • Internal case reviews. • Reviewing diary lines on IPS. <p>Future work to be undertaken includes:</p> <ul style="list-style-type: none"> • Case monitoring and statutory compliance, including internal case reviews. <p>After revising the fee estimate it was concluded that the fee estimate as at 6 April 2020 forecasted less time being spent on this category than was needed. As such the amount of time to be spent on this category has been increased, this has predominantly been due to the case being extended for a year more than initially anticipated which has resulted in an increase in the amount of compliance required.</p> <p>Accordingly, approval is being sought for an additional 15.8 hrs in excess of the fee estimated approved on 28 April 2020 of which 28.4 hrs of the revised 33.8 hrs have already been incurred.</p>	15.8	3,038	192.28

<u>Overall</u>	66.5	8,743.50	131.48

RATES AND EXPENSES POLICY

Charge-out rates

Details of the current charge-out rates of the personnel working on this case are set out below:

	Partner	Director	Manager	Administrator	Cashier	Support Staff
Range (£)	605 - 455	495 - 350	385 - 250	255 - 165	250 - 110	155 - 110

Charge-out rates are reviewed annually on 1 September and in common with other professional firms, may increase over the period of the administration of a case. The rates are appropriate to the skills and experience of the team member and the work that they perform. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

Specialist departments within our Firm, (such as Tax and VAT) may charge a number of hours if and when their expert advice is required. The rate ranges above incorporate these different rates.

Disbursements

Some of the expenses incurred on this matter are likely to be paid by this firm in the first instance and subsequently re-charged to the estate. Such disbursements fall into 2 categories as follows:

Category 1 disbursements: These are payments to independent third parties where there is specific expenditure directly referable to the case and as such can be drawn without prior approval.

Category 2 disbursements: These are costs that are directly referable to the case but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the Joint Liquidators or their firm, and that can be allocated to the case on a proper and reasonable basis. Such disbursements require approval in the same manner as remuneration.

It is proposed that the following Category 2 disbursements incurred in administering the case be charged:

- Mileage will be charged at relevant Inland Revenue rates, currently 45p per mile.

All other disbursements are to be reimbursed at cost.

The Joint Liquidators reserve the right to increase the charges applicable to mileage and photocopying during the course of the case in line with inflation or increases from our suppliers. Any material amendments will be advised to creditors in the next statutory report.