

LIQ03

Notice of progress report in voluntary
winding up



Companies House

THURSDAY



A97XYDGH

A21

25/06/2020

#93

COMPANIES HOUSE

1 Company details

Company number 0 3 1 1 5 2 8 6

Company name in full HAYMAN CONSTRUCTION LIMITED

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

2 Liquidator's name

Full forename(s) GILES RICHARD

Surname FRAMPTON

3 Liquidator's address

Building name/number RICHARD J SMITH & CO

Street 53 FORE STREET

Post town IVYBRIDGE

County/Region DEVON

Postcode P L 2 1 9 A E

Country

4 Liquidator's name

Full forename(s) LISA

Surname THOMAS

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

5 Liquidator's address

Building name/number NEVILLE & CO

Street BUCKLAND HOUSE

12 WILLIAM PRANCE ROAD

Post town PLYMOUTH

County/Region DEVON

Postcode P L 6 5 W R

Country

➋ 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 5	^m 0	^m 4	^y 2	^y 0	^y 1	^y 9
To date	^d 1	^d 4	^m 0	^m 4	^y 2	^y 0	^y 2	^y 0

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 22	^m 06	^y 20	^y 20
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LIQ03

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

Sam Bailey

Company name

Richard J Smith & Co

Address

53 Fore Street

Post town

Ivybridge

County/Region

Devon

Postcode

P L 2 1 9 A E

Country

DX

Telephone

01752 690101

**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

Liquidators' Annual Progress Report to Creditors & Members

**Hayman Construction Limited
- In Liquidation**

21 May 2020

HAYMAN CONSTRUCTION LIMITED - IN LIQUIDATION

CONTENTS

- 1** Introduction and Statutory Information
- 2** Progress of the Liquidation
- 3** Creditors
- 4** Liquidators' Remuneration
- 5** Creditors' Rights
- 6** Next Report

APPENDICES

- A** Receipts and Payments Account for the Period 15 April 2016 to 14 April 2020
- B** Richard J Smith & Co's Time & Disbursements Analysis for the Period 15 April 2016 to 14 April 2020
- C** Neville & Co's Time & Disbursements Analysis for the Period 15 April 2016 to 14 April 2020
- D** Additional information in relation to Liquidators' Fees, Expenses & Disbursements

HAYMAN CONSTRUCTION LIMITED - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, Giles Richard Frampton of Richard J Smith & Co, 53 Fore Street, Ivybridge, Devon, PL21 9AE, was appointed as Joint Liquidator of Hayman Construction Limited (the **Company**) on 15 April 2016. Lisa Thomas of Neville & Co, 12 William Prance Road, Plymouth PL6 5WR, was also appointed Joint Liquidator on 15 April 2016. This progress report covers the period from 15 April 2019 to 14 April 2020 (**the Period**) and should be read in conjunction with any previous progress reports which have been issued.
- 1.2 The principal trading address of the Company was Whiteoaks Court, Davids Lane, Ivybridge PL21 0DW.
- 1.3 The registered office of the Company has been changed to Richard J Smith & Co, 53 Fore Street, Ivybridge, Devon, PL21 9AE and its registered number is 03115286.

2 Progress of the Liquidation

- 2.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period and an explanation of the work done by the Liquidators and their staff. Lisa Thomas was tasked with conducting the statutory investigations and reporting on the conduct of the directors. Lisa Thomas also conducted investigations into the conduct of the directors with a view to assessing if any misfeasance or antecedent transactions had occurred that might be challenged by the Liquidators. All other aspects of the liquidation have been dealt with by myself and my staff.
- 2.2 At Appendix A is my Receipts and Payments Account for the Period.

Administration (including statutory compliance & reporting)

- 2.3 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated would need to be done in this area was outlined to the creditors' committee at the initial committee meeting.
- 2.4 This work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

Realisation of Assets

- 2.5 No assets have been realised in the period. Since the last progress report, the liquidators and their lawyer have continued to attempt to progress the collection of the debt in relation to work done at Thatchers Avenue.
- 2.6 Creditors will recall from the previous report that the only way the claim can be pursued is on a 'no win no fee' basis (a conditional fee) where the solicitors will pursue the claim and charge a 'success uplift' of 25% meaning that whilst around 75% of their base costs (before any uplift) would be recoverable as part of the claim, some of the recovery proceeds would be eroded by their uplift, and their irrecoverable base costs, and where no legal fees are incurred if a damages recovery is not achieved. This type of fee basis also requires downside costs insurance ('After The Event' insurance) to protect the liquidator against any costs liability in the event that the claim is unsuccessful.

HAYMAN CONSTRUCTION LIMITED - IN LIQUIDATION

- 2.7 In the period of this report the liquidators' lawyer has continued to try to encourage the Defendant's lawyers to negotiate a settlement of the debt. ATE insurance has also now been obtained, as has funding for the court fee for issuing a claim form.
- 2.8 Previously, as you may recall, the liquidator's lawyer issued a comprehensive letter of claim under the pre-action protocol in July 2019 and had made numerous attempts during the latter part of 2019 to encourage the Defendant's to engage with the claim. However, the Defendant and their lawyers did not respond substantively, presumably hoping that the claim may disappear.
- 2.9 In April 2020, after the funding to do so had been sourced from an independent third party funder, the liquidator's lawyer therefore issued a claim form at court, sending this to the Defendant's lawyers on 21 April (but not serving it), providing (in effect) a last chance for the Defendant to engage with the claim, with a view to mediation in the Autumn.
- 2.10 The Defendant had until 12 May within which to respond positively, and did so but has asked for further time to respond by 30 May 2020. In the absence of a response by that date a barrister will be instructed to prepare Particulars of Claim, the claim will be formally served at Court, and will be pursued through the Court. Independent funding has also been obtained for the barrister's fees.
- 2.11 Creditors will appreciate that whilst the successful application for ATE insurance, funding and professionals willing to work on a conditional basis corroborates the specialists' opinion that the debt is properly due, entering into litigation on this basis (which is the option available to creditors) is necessarily more expensive than the traditional basis of legal funding, because the solicitors, ATE insurers and independent funders fund the case and also take the risk that it may not be succeed.
- 2.12 As stated above, not all of the legal costs can therefore be recovered from the debtor. This also applies to the costs of ATE insurance, and to the interest costs of the third party funder. A return to unsecured creditors therefore cannot be guaranteed once the claim reaches a conclusion even with a successful outcome, once payment of litigation costs, liquidators' fees, preferential creditors and secured creditors has been satisfied. Any return to unsecured creditors will depend on the eventual level of damages recovery from the debtor, and the level of litigation, insurance and funding costs.
- 2.13 In addition to the work required to be undertaken by the liquidators' lawyer, the lawyer has identified that the former director, Tim Thomas, is going to be required to be heavily involved in proceedings. Mr Thomas has been very helpful to the liquidators in pursuing this case but his continued involvement is not viable on a pro bono basis. Mr Thomas has already spent a significant amount of time assisting lawyers and advisors in getting the case to this stage, and further input will be required. The liquidators have agreed that if certain conditions are met, one of which is that the case is successful, Mr Thomas may receive a payment of £7,500 to reflect the work that he will have done. The liquidators consider this to be a proper expense in the circumstances.

Creditors (claims and distributions)

- 2.14 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. A Liquidator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 2.15 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2.16 The above work will not necessarily bring any financial benefit to creditors generally, however a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid

HAYMAN CONSTRUCTION LIMITED - IN LIQUIDATION

to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidators in dealing with those claims.

2.17 I consider the following matters worth noting in my report to creditors at this stage:

- There is one secured creditor who is owed approximately £100,000;
- There are approximately 80 unsecured creditors with potential claims in the liquidation with a value per the director(s) statement of affairs of circa £415,000;
- Included within the unsecured creditor claims above are the claims of 10 former employees;
- I have received claims from preferential creditors totalling circa £9,000.

Investigations

2.18 Some of the work the Liquidator is required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidator can pursue for the benefit of creditors.

2.19 I can confirm that a report has been submitted on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.

2.20 Shortly after appointment, Lisa Thomas 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 any information provided by creditors. Lisa Thomas' investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors.

Matters still to be dealt with

2.21 The matters to attend to are as follows:

- Determine if any recoveries can be made in respect of the final book debt that is still under consideration. If so;
- Collect in the book debt so far as is possible
- Agree creditor claims, secured and unsecured, and distribute residual funds after the payment of costs and expenses.

3 Creditors

Secured Creditors

3.1 National Westminster Bank Plc holds a fixed and floating charge over the Company's assets. At the date of the liquidation the indebtedness to the secured creditor was estimated at £99,471.54 and we have since received a claim in the sum of £99,874.84 to which interest will be added. There have been insufficient realisations in the liquidation to make any distributions in respect of this claim.

HAYMAN CONSTRUCTION LIMITED - IN LIQUIDATION

Preferential Creditors

- 3.2 I have received preferential claims amounting to £9,252.44, but these claims have not been agreed. There are insufficient funds with which to pay preferential creditors at this time.

Unsecured Creditors

- 3.3 I have received claims totalling £432,837.67 from 38 creditors. I have yet to receive claims from 33 creditors whose debts total £22,424.30 as per the Company's statement of affairs.
- 3.4 The Company granted a floating charge to National Westminster Bank Plc on 16 December 1997. Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors (known as the **Prescribed Part**), which only applies to charges created after 15 September 2003.
- 3.5 I would confirm that it is anticipated that there will be insufficient funds realised after defraying the expenses of the liquidation, and paying the claims of preferential and secured creditors, to pay a dividend to unsecured creditors.

4 Liquidators' Remuneration

- 4.1 The Creditors Committee have agreed the basis of the Liquidators' remuneration by way of a decision made by correspondence. The Creditors Committee agreed that the remuneration of the Joint Liquidators, Giles Frampton of Richard J Smith & Co and Lisa Thomas of Neville & Co, be agreed as a set amount of £20,000 and £5,500 respectively and that the Liquidators be authorised to draw remuneration on account of costs incurred as and when funds permit.
- 4.2 Irrespective of the fixed fee basis, I can advise that Richard J Smith & Co's time costs for the Period are £13,739. This represents 55.6 hours at an average rate of £247.10 per hour.
- 4.3 Richard J Smith & Co's time costs for the entire liquidation are £59,602.50. This represents 361.8 hours at an average rate of £164.74 per hour.
- 4.4 Attached as Appendix B is a Time and Disbursements Analysis, which provides details of the activity costs incurred by staff grade during the liquidation. To date, £0 has been drawn on account. Disbursements totalling £614.72 have been paid, as set out in Appendix B.
- 4.5 Neville & Co's time costs for the Period are £2,433. This represents 8.3 hours at an average rate of £293.13 per hour. Neville & Co's time costs for the entire liquidation are £18,651. This represents 78 hours at an average rate of £239.11 per hour.
- 4.6 Attached as Appendix C is a Time and Disbursements Analysis, which provides details of the activity costs incurred by staff grade during the liquidation by Lisa Thomas and her staff in managing the liquidation. To date, £0 plus disbursements of £0 has been drawn on account.
- 4.7 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from www.richardjsmith.com/creditors-guides
- 4.8 Attached as Appendix D is additional information in relation to the Liquidators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

5 Creditors' Rights

- 5.1 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) may request in writing that

HAYMAN CONSTRUCTION LIMITED - IN LIQUIDATION

the Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report.

- 5.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidators, as set out in this progress report, are excessive.

6 Next Report

- 6.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account.
- 6.2 If you have any queries in relation to the contents of this report, Sam Bailey can be contacted by telephone on 01752 690101 or by email at sam.bailey@richardjsmith.com.



Giles Richard Frampton
Joint Liquidator

**IN THE MATTER OF THE INSOLVENCY ACT 1986
AND IN THE MATTER OF
HAYMAN CONSTRUCTION LIMITED
SUMMARY OF THE LIQUIDATORS' RECEIPTS AND PAYMENTS FOR
THE PERIOD FROM 15 APRIL 2016 TO 14 APRIL 2020**

	Estimated as per S of A £	Realisations 15/4/16 to 14/4/19 £	Reporting Year Realisations 15/4/19 to 14/4/20 £	Realisations to date £
Receipts				
Cash at Bank and in Hand	6,016	6,218.54		6,218.54
Final Accounts	35,310			-
Debtors	164,690			-
Plant & Machinery	1,850	1,850.00		1,850.00
Pre-Liquidation VAT Refund	8,013			-
Bank Interest		3.76	0.90	4.66
VAT		1,349.00		1,349.00
	<u>215,879</u>	<u>9,421.30</u>	<u>0.90</u>	<u>9,422.20</u>
Payments				
Admin & Preparation Cost				
Pre Liquidation Disbursements		202.41		202.41
Liquidators Remuneration				-
Liquidators Disbursements		614.72		614.72
Liquidators Bond		396.00		396.00
Statutory Advert		317.60		317.60
Storage Costs		512.07	162.83	674.90
Postal Redirection		175.00		175.00
Meeting Room Hire		144.80		144.80
Agents Costs		1,961.36	292.12	2,253.48
Agents Commissions		185.00		185.00
Solicitors Costs		2,717.20		2,717.20
Accountants Costs		200.00	(200.00)	-
Corporation Tax		0.38	0.35	0.73
VAT		1,435.50	32.56	1,468.06
		<u>8,862.04</u>	<u>287.86</u>	<u>9,149.90</u>
Balance Held on Interest Bearing Account				
Reserved for Storage & Destruction on closure		378.15		
Current Account		181.11	(286.96)	272.30
		<u>9,421.30</u>	<u>0.90</u>	<u>9,422.20</u>

Dated this 20th day of May 2020

Giles Frampton

G R Frampton
Joint Liquidator

Time Analysis for the Period 15 April 2016 to 14 April 2020

Classification of work function	Hours					Total Hours	Time Costs	Average hourly rate
	Partner	Manager	Other Senior Professionals	Cashier	Assistants & Support Staff			
Admin & Planning	9.20	6.70	47.00	0.00	24.80	87.70	10,436.50	119.00
Reporting & Meetings	28.90	12.20	22.70	5.00	7.30	76.10	13,344.50	175.35
Investigation	2.10	1.80	0.20	0.00	0.30	4.40	858.50	195.11
Forensic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assets (Fixed)	0.20	1.60	2.20	0.00	0.00	4.00	548.00	137.00
Assets (Floating/Other)	4.60	7.00	1.10	0.00	0.00	12.70	2,302.50	181.30
Book Debts	71.40	20.90	0.60	0.00	0.00	92.90	21,699.50	233.58
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Monitoring	0.00	0.00	0.00	0.00	0.30	0.30	19.50	65.00
Finance Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Preferential Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HMRC/Crown Creditors	0.00	0.00	1.10	0.00	0.00	1.10	126.50	115.00
Unsecured Creditors	4.90	2.30	11.20	0.00	2.90	21.30	3,035.00	142.49
Employees & Pensions	0.00	1.80	4.20	0.00	0.00	6.00	757.50	126.25
Estate Cashiering	0.00	0.00	0.00	20.10	1.70	21.80	2,756.50	126.44
Other/General Typing	3.80	5.30	0.00	2.00	22.40	33.50	3,718.00	110.99
Total hours	125.10	59.60	90.30	27.10	59.70	361.80	59,602.50	164.74
Total fees claimed (£)	32,299.00	8,940.00	10,602.00	3,542.00	4,219.50	59,602.50		

Total: 59,602.50

Invoiced: 0.00

Un-Invoiced: 59,602.50

	Time invoiced in Period		Time incurred in Period		Cumulative	
	£	Hours	£	Hours	£	Hours
Year 1	0.00	0.00	29,428.50	219.00		
Year 2	0.00	0.00	6,806.00	42.70	36,234.50	261.70
Year 3	0.00	0.00	9,629.00	44.50	45,863.50	306.20
Year 4	0.00	0.00	13,739.00	55.60	59,602.50	361.80
Year 5	0.00	0.00	0.00	0.00	0.00	0.00

Time Analysis for the Period 15 April 2019 to 14 April 2020

Classification of work function	Hours					Total Hours	Time Costs	Average hourly rate
	Partner	Manager	Other Senior Professionals	Cashier	Assistants & Support Staff			
Admin & Planning	1.70	0.00	0.00	0.00	0.00	1.70	442.00	260.00
Reporting & Meetings	9.60	0.00	0.00	0.70	0.00	10.30	2,609.00	253.30
Investigation	2.10	0.00	0.00	0.00	0.00	2.10	546.00	260.00
Forensic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assets (Fixed)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assets (Floating/Other)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Book Debts	35.30	0.00	0.00	0.00	0.00	35.30	9,358.00	265.10
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Monitoring	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Finance Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Preferential Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HMRC/Crown Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unsecured Creditors	0.20	0.00	0.00	0.00	0.00	0.20	52.00	260.00
Employees & Pensions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Estate Cashiering	0.00	0.00	0.00	3.00	0.40	3.40	486.00	142.94
Other/General Typing	0.00	0.00	0.00	0.20	2.40	2.60	246.00	94.62
Total hours	48.90	0.00	0.00	3.90	2.80	55.60	13,739.00	247.10
Total fees claimed (£)	12,902.00	0.00	0.00	585.00	252.00	13,739.00		

Time incurred in Period

Total: **13,739.00**

HAYMAN CONSTRUCTION LIMITED - IN LIQUIDATION

Expenses & Disbursements Analysis for the Period 15 April 2016 to 14 April 2019

	Estimated (Fee Resolution) £	Paid in prior Period £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
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Expenses

Agents Costs/Commission		1,961.36	292.12		2,253.48
Solicitors Costs		2,717.20			2,717.20
Accountants Costs					-
External Storage of books & records		512.07	162.83	15.07	689.97
Hire of Meeting Room		144.80			144.80
Re-direction of Post		175.00			175.00
Statutory Advertising		317.60			317.60
Bond		396.00			396.00
Total Expenses:	-	6,224.03	454.95	15.07	6,694.05

Category 1 Disbursements

Case related Travel/Subsistence					-
IVA/CVA Registration					-
Postage 1		138.71	-	50.47	189.18
Postage 2		104.77	-	2.29	107.06
Searches		19.00	-	-	19.00
Parking & Toll		-	-	-	-
Monthly Bank Charges		45.00	-	63.00	108.00
Sundry Disbursements		54.24	-	-	54.24
Total:	-	361.72	-	115.76	477.48

Category 2 Disbursements

Faxes IN/OUT		-	-	-	-
Photocopying		11.94	-	2.52	14.46
Virtual Cabinet Software Charges		44.12	-	-	44.12
Business Mileage		-	-	-	-
Stationery		196.94	-	51.69	248.63
Total:	-	253.00	-	54.21	307.21

Total of Category 1 & 2 Disbursements

-	614.72	-	169.97	784.69
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Time Entry - SIP9 Time & Cost Summary + Cumulative

HAY001 - Hayman Construction Limited
All Post Appointment Project Codes
From: 16/04/2019 To: 15/04/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Senior Manager	Total Hours	Time Cost (£)	Average Hourly Rate (£)	Total Hours Cum (POST Only)	Total Time Costs Cum (POST Only)
Admin & Planning	0.00	0.00	0.00	0.30	0.80	1.10	273.00	248.18	19.70	4,251.00
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	1.10	1.10	330.00	300.00	11.00	2,345.00
Investigations	0.00	0.00	0.00	0.00	0.10	0.10	30.00	300.00	30.70	7,171.00
Realisation of Assets	0.00	0.00	0.00	0.00	6.00	6.00	1,800.00	300.00	16.60	4,884.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours / Costs	0.00	0.00	0.00	0.30	8.00	8.30	2,433.00	293.13	78.00	18,651.00
Total Fees Claimed							0.00			
Total Disbursements Claimed							0.00			

HAYMAN CONSTRUCTION LIMITED - IN LIQUIDATION

Additional Information in Relation to the Liquidators' Fees, Expenses & Disbursements

APPENDIX D

1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 We are not proposing to utilise the services of any sub-contractors in this case.

2 Professional Advisors

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Michelmores LLP (legal advice)	Hourly rate and disbursements
Bond Dickinson LLP (legal advice)	Hourly rate and disbursements
Systech International (legal advice)	Conditional Fee Arrangement
Temple Bright LLP (Legal Advice)	Conditional Fee Arrangement
Lambert Smith Hampton (valuation & disposal)	Commission and disbursements
AUA Insolvency Risk Services (asset insurance)	Premiums

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

3 Liquidators' Expenses & Disbursements

- 3.1 Analyses of Richard J Smith & Co's and Neville & Co's expenses and disbursements are attached at Appendix B and Appendix C respectively.
- 3.2 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the appendices listed above.
- 3.3 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements incurred by Richard J Smith & Co and Neville & Co are set out at Appendix B and C respectively.

HAYMAN CONSTRUCTION LIMITED - IN LIQUIDATION

4 Charge-Out Rates

- 4.1 Richard J Smith & Co's current charge-out rates effective from 1 January 2019 are attached. Neville & Co's current charge-out rates effective from 1 November 2017 are also attached. Please note that both firms record their time in minimum units of 6 minutes.

**CHARGE OUT RATES & POLICY REGARDING THE RECHARGE OF DISBURSEMENT RECOVERY
PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9**

1 CHARGE-OUT RATES

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. Details of charge-out rates effective from 1 January 2019 are as follows:

Staff	(per hour) £
Senior Partner	300
Partner	260
Manager	190
Assistant Manager	175
Administrators	150
Secretarial support	90

2 DISBURSEMENT RECOVERY

In accordance with Statement of Insolvency Practice 9 (SIP9) disbursements are categorised as either Category 1 or Category 2.

2.1 Category 1 Disbursements

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Where these have initially been paid by Richard J Smith & Co and then recharged to the case, approval from creditors is not required. The amount recharged is the exact amount incurred. Category 1 disbursements can be drawn without prior approval, although an office holder should be prepared to disclose information about them in the same way as any other expenses.

Examples of Category 1 disbursements include postage, case advertising, specific bond insurance, company search fees, case management software system, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

2.2 Category 2 Disbursements

Category 2 disbursements include elements of shared or allocated costs incurred by Richard J Smith & Co and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration. When seeking approval, an office holder should explain, for each category of expenses, the basis on which the charge is being made. Examples of Category 2 disbursements are photocopying, all business mileage, internal room hire and internal storage.

The firm currently charges the following Category 2 disbursements:

Recharge	£
Stationery – per letter	0.65
Photocopying – per sheet	0.03
Fax - in	0.05
Fax - out	0.37
Mileage – per mile @ HMRC rate	0.45

All costs are subject to VAT, where applicable and reflect the actual cost of the materials or services utilised. All rates are subject to half-yearly review.



STANDARD CHARGEOUT RATES

The rates applying at our Plymouth office as at the date of this notice are as follows:

Position	Charge-out Rate from 1st September 2017 (£ per hour)
Proprietor	380
Senior Manager	300
Manager	250
Supervisor	180
Senior Administrator	140
Administrator/Cashier/Secretary	110

The minimum time units used are 6 minutes.

It is anticipated that the majority of work will be done by the Senior Manager and Supervisor.

Mileage at 70p per mile
Envelopes at 10p each
Storage at £10 per box per annum

These rates may be amended annually

Should the estimate per the attached schedule be approved, it is not anticipated that the Office Holder/s will need to seek further approval under the Insolvency (England and Wales) Rules 2016.