

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

TUESDAY



A14 \*A6XRZ309\*  
16/01/2018 #224  
COMPANIES HOUSE

### 1 Company details

Company number 0 3 1 4 9 8 5 1  
Company name in full The Derby Fireplace Company Limited

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

### 2 Liquidator's name

Full forename(s) Lucinda  
Surname Matkin

### 3 Liquidator's address

Building name/number 3 Greenhill  
Street Wirksworth  
Post town Matlock  
County/Region Derbyshire  
Postcode D E 4 4 E N  
Country

### 4 Liquidator's name ①

Full forename(s)  
Surname

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

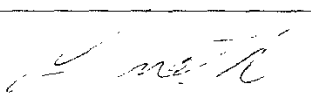
### 5 Liquidator's address ②

Building name/number  
Street  
Post town  
County/Region  
Postcode  
Country

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

LIQ03

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<b>6</b>	<b>Period of progress report</b>															
From date	d	2	d	7	m	0	m	6	y	2	y	0	y	1	y	6
To date	d	2	d	6	m	0	m	6	y	2	y	0	y	1	y	7
<b>7</b>	<b>Progress report</b>															
<input type="checkbox"/> The progress report is attached																
<b>8</b>	<b>Sign and date</b>															
Liquidator's signature	Signature X  X															
Signature date	d	0	d	4	m	0	m	9	y	2	y	0	y	1	y	7

# 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	Lucinda Matkin
Company name	The Derby Fireplace Company
	Limited - in CVL
Address	LM Insolvency & Advisory Ltd
	3 Greenhill
	Wirksworth
Post town	Matlock
County/Region	Derbyshire
Postcode	D E 4 4 E N
Country	Derbyshire
DX	
Telephone	07972928153



### 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)



## INSOLVENCY

LM Insolvency & Advisory Ltd  
1-3 Greenhill  
Wirksworth  
Matlock  
Derbyshire DE4 4FN

# THE DERBY FIREPLACE COMPANY LIMITED - IN CREDITORS VOLUNTARY LIQUIDATION ("the Company")

ANNUAL PROGRESS REPORT TO CREDITORS PURSUANT TO  
RULES 18.3 & 18.7 OF THE INSOLVENCY RULES (ENGLAND AND  
WALES) 2016 (AS AMENDED)

4 SEPTEMBER 2017

# FOREWORD

This report relates to the above appointment and has been prepared for the sole purpose of updating the Creditors for information purposes. The report is private and confidential and may not be relied upon, refereed to, reproduced or quoted from in whole or in part by Creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

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  5. Other matters and Information to assist creditors
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# APPENDICES

**Appendix 1** - Statutory Information

**Appendix 2** - Liquidator's receipts and payments account for the period 27 June 2016 to 26 June 2017

**Appendix 3** - Expenses

**Appendix 4** - Liquidator's remuneration

**Appendix 5** - Pre-appointment remuneration

# ABBREVIATIONS AND DEFINITIONS

For the purposes of this report the following abbreviations and definitions shall be used;

Abbreviation or definition	Meaning
"the Act"	Insolvency Act 1986 (as amended)
"the Rules"	Insolvency Rules (England and Wales) 2016 (as amended)
"IR 2016"	
"IR16"	
"the Liquidator"	Lucinda Matkin of LM Insolvency & Advisory Limited, 1-3 Greenhill,
"We"	Wirksworth, Matlock, Derbyshire DE4 4EN
"Our"	
"the Company"	The Derby Fireplace Company Limited
"LM Insolvency"	LM Insolvency & Advisory Ltd
"Firm"	
"SIP7 (E&W)"	Statement of Insolvency Practice 7 (England & Wales)
"SIP9 (E&W)"	Statement of Insolvency Practice 9 (England & Wales)
"CVL"	Creditors Voluntary Liquidation
"HMRC"	HM Revenue & Customs
"Prescribed Part"	The amount set aside for unsecured creditors from floating charge funds in accordance with Section 176A IA1986 and the Insolvency Act 1986 (Prescribed Part) Order 2003
"Secured creditors"	Creditors with security in respect of their debt, in accordance with Section 248 IA86
"Preferential creditors"	Generally, claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
"RPS"	Redundant Payment Service, an executive agency sponsored by the Department of Business, Energy and Industrial Strategy, which authorises and pays the statutory claims of employees of insolvent companies under the Employment Act 1996
"Unsecured creditors"	Creditors who are neither secured nor preferential

# 1. APPOINTMENT & CONTACT DETAILS

## The Proceedings

The Derby Fireplace Company Limited – in CVL ("the Company")

Registered Number: 03149851

## The Officeholder

Officeholder:	Lucinda Matkin, Lucinda Matkin is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales.
Appointment held:	Liquidator
Address of officeholder/Liquidator:	1-3 Greenhill, Wirksworth, Matlock, Derbyshire DE4 4EN
Email:	<a href="mailto:lucinda@linsolvency.co.uk">lucinda@linsolvency.co.uk</a>
Telephone:	07972918153

## Appointment

Date of appointment: 27 June 2016

There have been no changes in officeholder since appointment.

## Electronic communication with creditors

In accordance with section 246B of the Act and Rule 1.49 of the Rules, in an effort to reduce the costs of the Liquidation, all future communications with creditors, including updates and further progress reports, will be posted onto the website [www.myinsolvencyreport.com](http://www.myinsolvencyreport.com) which has been set up specifically for this purpose.

For your reference, Annual progress reports are due within 2 months of the anniversary of the commencement of the Liquidation.

## 2. LIQUIDATOR'S PROGRESS

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### Introduction

This report has been prepared in accordance with Rules 18.3 and 18.7 of the Rules to provide creditors with an update on the progress of the liquidation of the Company, and an explanation of the work done in the 12 months since my initial report to creditors

Given the information previously provided to creditors in my initial report to creditors, I have not included detailed background information in respect of the Company and I have focused on the progress of the liquidation during this period from 27 June 2016 to 26 June 2017.

#### **Details of appointment of Liquidator**

Lucinda Matkin was appointed Liquidator by the meeting of creditors held on 27 June 2017.

## 2.1 FINANCIAL PROGRESS

### Realisation of Assets

The main asset realisations and payments are summarised in Section 3 of this report and the receipts and payments account at Appendix 3. We provide further information on main asset realisations below;

In this section, I have summarised the main asset realisations during the 12-month period and an estimation of those assets yet to be realised, together with details of costs incurred but as yet unpaid.

Realisation of assets – Assets specifically pledged / subject to a fixed/ floating charge

#### **Property**

The Company's most significant asset was a property known as the Queens Hotel at 2 Arkwright Street, Nottingham NG2 2GD ("the Property") and an adjoining long leasehold car park (together "the Premises").

At the time of my appointment as liquidator, the property was being marketed by Savills, Enfield Chambers, 18 Low Pavement, Nottingham for offers in excess of £500k. The director advises that prior to liquidation an offer of £450k had been received but declined.

The Company banked with Lloyds Bank plc. The bank held security against the Company.



There were two charges registered against the Company which were outstanding at the date of appointment, these were;

- Mortgage Deed with Lloyds TSB Bank plc dated 15 April 2004 registered at Companies House on 22 April 2004; and
- Debenture Deed with Lloyds TSB Bank plc dated 8 April 2004 registered at Companies House on 15 April 2004

Keith and Tracy Harrison, the directors, had also provided a personal guarantee. A Personal Guarantee was provided to Lloyds Bank plc in respect of the Company mortgage and loan. As per the Statement of Affairs as at 21 June 2016, the balance of the overdraft was £135,370 and the balance of the loan was £126,160

#### Upon appointment

As mentioned, the property was being marketed for sale prior to my appointment as Liquidator, through Savills (UK) Ltd of Enfield Chambers, 18 Low Pavement, Nottingham, NG1 7 DG ("Savills"). Given the level of interest in the property over the previous months through Savills, Savills were instructed to continue marketing the premises with a view to selling.

Savills were originally instructed by the director to market the premises for offers in excess of £500k. With an original timeline which allowed for full marketing throughout July to September 2016, with final negotiations in October 2016 and completion in November 2016.

A revised marketing budget and updated strategy were requested to account for the insolvency. Based on the original report, updates and initial discussions with both Savills and other agents, the proposed timescales (keeping to the end of September timescale for firm offers), albeit subject to review each month end was put to Lloyds on 21 July 2016. The proposed strategy was adopted;

- Sole agency with Savills (UK) Limited until end of July 2016, based on agreed fees of 1.5% (plus VAT) on a no sale, no fee arrangement.
- Joint agency with John Pye & Sons Ltd of James Shipston House, Radford Road, New Basford, Nottingham NG7 8FQ from 1 August 2016, with the fees of 1.5% (plus VAT) being split 50:50, unless the sale is to an interested party already identified on the list and emails provided, which shall result in a fee solely for Savills.
- If no offer, or firm interest was received by end of September/October 2016, auction would be considered.
- We held vacate procession of the premises and proposed to continue on this basis. At this stage, we did not propose considering the lease option, as the focus was on the sale of the premises especially given the previous marketing.

#### Redevelopment

In August 2016 Savills informed us of a scheme to buy up properties in the area by the Council as city redevelopment, as such the original timescales for offers were adhered to, to prevent compulsory purchase which could be lower.

Savills also advised that redevelopment of this site would not necessarily be straight forward because the car park was held on a long leasehold and, therefore, any developer would need to engage with Nottingham City Council to extend the lease which expires in 2075.

### Leasing

In the early months, there was limited interest in leasing the premises from a neighbouring furniture store, King Furniture, that had been served notice to vacate, after the premises they occupied had been purchased for redevelopment.

As such the option of leasing, by way of parallel strategy to mitigate holding costs was considered. Albeit the focus on the sale of the property and not the leasing of the property was maintained due to possible compulsory purchase orders in the area and due to the assignment of the leasehold car park.

### Interested Parties

With both Savills and John Pye instructed to sell the property. John Pye received an offer of £450k unconditional on 11 August 2016 from Massarat Jan Alam, with a further offer of £455k on the 12th. Later that month Lloyds Bank plc ("Lloyds") agreed to release their charge over the premises based on this offer.

However, after the offer was accepted verbally there was no (or very little) contact with the purchaser or their solicitor despite efforts by agents and solicitors acting for the Liquidator. Pressure was put on them to progress the purchase, but the interested party pulled out of the purchase due to uncertainty around the leasehold car park, as the purchaser was unable to get the answers he wanted from Nottingham City Council ("the Council") in respect of the lease and his development plans.

Immediately upon confirmation of this interested party backing out of the purchase, John Pye advised that the Interested party, with the second highest offer was still available and that this interested party had now increased their offer to £470k to secure the property. Lloyds Bank plc were consulted on the offer and once again agreed to release their charge based on this offer.

In October 2016 the second sale process was progressing through agents, John Pye and solicitors Ellis Fermor of 8 Chapel Street, Belper DE56 1AR ("Ellis-Fermor"). Come November the original offer on an unconditional basis started to change to conditional, as the Purchaser wanted to introduce additional terms into the sale agreement.

A reduction in price of £15k back to £455k was considered to keep the sale moving, but it was not a matter of price. Instead the Purchaser wanted months (possibly more than a year) to allow for changes to the long-term leasehold of the car park, including the change of use.

Ellis-Fermor consulted with the Council, to establish the time required for the changes proposed by the Purchaser, however it was confirmed that the process could not be expediated. As such the sale stalled, with the Purchaser not moving to completion prior to the changes, albeit still interested in the premises.

By December 2016 we had received two offers through John Pye of £455k and then £470k, both were on the basis of unconditional offers, but whilst the terms of the sale agreement were being drafted both Purchaser's wanted to put conditions in place or wait for the Council to make changes

Existing agents John Pye and Savills were also instructed to revisit and consult with previous interested parties. An original offer through Savills from CHI Investments Limited of £350k appeared to still be available, and therefore Savills were instructed to follow up on the offer.

After negotiations and considering the option of auction, £353.5k was offered by CHI Investments Limited and accepted. The sale progressed through Savills with Ellis-Fermor, and finally completed on 31 March 2017.

### Validity of the Charge

Lloyds Bank plc were paid £266,458.19 on 31 March 2017.

### Taxation of the Property

Costs associated with the property

$$E = \{i \in \mathbb{N} : \exists j \in \mathbb{N} \text{ such that } (i, j) \in E\} = \{i \in \mathbb{N} : \exists j \in \mathbb{N} \text{ such that } (i, j) \in E\} = \{i \in \mathbb{N} : \exists j \in \mathbb{N} \text{ such that } (i, j) \in E\}$$

Legal costs associated with the sale of the property and assignment of the leasehold car park totaled £2,304.00 plus disbursements of £79.80 plus VAT.

On 4 April 2017, it was also agreed with Lloyds Bank plc that the liquidators fixed charge fees for dealing with the realisation of the property and associated property matters, should be equal to the time costs associated with that property of £35,722.00. These fees have been drawn by the Liquidator.

#### Other Property Matters and Property Maintenance

Upon appointment John Pye were instructed to secure the premises and to limit utility supplies. From appointment to completion the property was insured, and inspected regularly by agents and the Liquidator to comply with insurance requirements and to ensure the premises were secured.

John Pye were instructed in respect of property maintenance. A breakdown of the agreed costs are;

Task	Cost	Total Cost
Removal of rubbish following removal of saleable assets (i.e. stock) (Estimated 4 hours)	£75 per hour	£300
Skip hire for disposal of non-saleable assets	Approx. £240	Approx. £240
Disconnection of gas & electricity and drain down of water supply (Estimated 2 – 4 hours)	£75 per hour	£150 - £300
Bi-weekly inspection visits (Estimated 1 hour including travel time)	£45 per inspection	Final costs TBC

In addition, on vacating the site, the site was cleared for health and safety purposes, as well as years of old company records being removed. Controlled Demolition and 2 additional men carried out the work at a cost of £2700.00

Costs of the liquidation are covered in further detail in section 3 of this report.

Liquidators costs for dealing with the Company's fixed charged assets being the premises, were agreed by the fixed charge holder, Lloyds Bank plc, and were paid following completion. Further details on all of the liquidator's fees are covered in section 4 of this report.

#### **Vehicle**

Vehicles were valued by independent agents John & Pye Sons of James Shipstone House, Radford Road, New Basford, Nottingham NG7 7EA for the purposes of the Statement of Affairs. One vehicle, a Fiat Doblo was subject to a hire purchase agreement with Black Horse Finance. This was estimated to realise equity of £1,516 as per the valuation and Statement of Affairs as at 21 June 2016.

The vehicle was sold at auction by agents and auctioneers, John Pye & Sons for £3,720.00 and outstanding finance of £2,103.65 was repaid in full.

## Realisation of assets – Assets not specifically pledged

### **Goodwill**

Goodwill has an estimated to realise value of nil in the Statement of Affairs, and no value has been realised.

### **Vehicles**

The Company owned 5 vehicles, all were collected on appointment by agents, John Pye & Sons. One was subject to finance as mentioned earlier in this report. The others were estimated to realise £12,240 as per the Statement of Affairs. They were sold at auction by John Pye & sons, realising a total of £10,970.00.

We are not aware of any other vehicles owned, hired or leased by the Company.

### **Stock and plant & machinery**

As per the statement of affairs, plant and machinery was estimated to realise £1,888, office fixtures and fittings were estimated to realise £537 and most significant asset (other than the property, 2 Arkwright Street), stock was estimated to realise £59,935, a total of £62,360.

*John Pye & Sons were instructed to remove all these assets from site and sale at auction.*

There was an extensive amount of display stock consisting of fireplaces, fires and decorative interior items held at the two showrooms at Wyvern Way, Derby and 2 Arkwright Street, Nottingham. With the Derby premises being leasehold and the risk of distraint from the landlord possible, this premise was vacated immediately, and the stock was removed by agents, John Pye & Sons. The director Keith Harrison, assisted extensively with descriptions and product knowledge for the sale of products later at auction. In addition, specialist gas fitters were also required to remove the fires and fireplaces. The removal of stock from Derby took a team of men over a week.

Stock from Nottingham was then also removed from site for sale at auction. Agents costs totaled £21,989.12 plus VAT including 15% commission, professional services of £9,607.50 plus VAT, disbursements of £1,834.57 plus VAT and proportional advertising of £1,133 plus VAT.

Professional costs primarily consisted of man hours to remove stock and set up for auction which was labour intensive given the amount of stock. Disbursements mainly consisted of the hire of 26t and 18t lorries to move stock and HPI checks on vehicles. Finally advertising costs covered the advertisement of the auction in the Auction News and local newspapers including the Derby Evening Telegraph, Leicester Mercury and Nottingham Evening Post, furthermore 230,000 registered bidders were also emailed in respect of the upcoming auctions.

The costs were queried, and as a result £8,310 of time costs were not charged.

The auctions realised a total of £51,074 plus VAT, with almost half of the stock in value being sold in the first auction on 13 July 2016. 99% of the stock was sold by 10 August 2016, with remaining lots being sold in the period 21 December 2016.

We are not aware of any other stock, plant and machinery or fixtures and fittings that remains to be sold.

#### Retention of Title Claims (ROT)

Retention of title claims were received from six creditors, all were invited to inspect stock, and prove their claim for retention of title. Site visits were undertaken at the company premises and auction house. Later, five of creditors decided not to continue with their claims, the sixth submitted a claim, but did not have valid terms with an all money clause, and were offered the opportunity to collect one stock item under a simple money clause, but declined.

We are not aware of any other retention of title claims, and given the time that has elapsed all stock has now been sold, we therefore do not envisage any further retention of title claims.

#### **Director's Overdrawn Loan**

As previously advised, the directors, Keith and Tracy Harrison have a loan account, however, this is not overdrawn, and the Company owes the directors funds totaling £334,525, as such rank as a unsecured creditor of the Company.

#### **Cash in Hand**

On appointment, cash in hand totaled £3,900, being payments from customers for works completed.

#### **Book Debts**

The Statement of affairs showed a further amount of £3,050 owed by debtors, and it was estimated that 50% would be realised. On review of Company records, the Company had a further four debtors totaling £4,877. £2,500 has been received to date from two of the debtors. The other two amounts totaling £2,377 remain outstanding.

We have not written off any book debts in the period, as such £2,377 remains a realisable asset of the Company.

#### **Court Case**

A contingent asset of £20,000 with a realisable value of nil was also identified on the statement of affairs. This related to court action by the company against a debtor.

In July 2016 notice was received from Company's former solicitors, Alexander and Co on the court case the Company were pursuing. However, the solicitors provided little evidence in order to assess the likely success of any such action, and thus we were unable to assess the cost versus the benefit.

As such contact was made with solicitors of the debtor, Mr Crosbie to determine, the stage of the court case and background, given lack of co-operation from Alexander and Co. As result, we instructed Tim Jones of Ellis Fermor in mid-August for independent opinion on the case, and as such ceased the services of Alexander and Co. Ellis Fermor assessed the case and concluded the likely success rate was too low compared to the costs of proceeding with such action. Unfortunately, having started legal action against the defendant the Company, and thus the Liquidator, was unable to simply walk away from the legal action. As such, Ellis Fermor progressed the case and successfully negotiated with the other side to look at settlement rather than costing the Company to close the case.

The outcome was an agreed settlement of £1500.00 payable to the Company, with a consent order filed at court.

A refund of court costs totaling £545.00 was also received.

The legal costs associated with assessing the case, and bringing it to a close out of court totaled £1,518.10 plus VAT, and court fee of £100, albeit more than the funds received, court costs would have been considerably higher.

### **Tax losses**

We shall review the position of any terminal loss claim in due course.

### **Refunds**

As mentioned earlier a refund of £545.00 in respect of court fees was received. In addition, DVLA have refunded £212.50 in respect of vehicle tax.

### **Bank Interest**

The only other asset realisation in the period relates to gross bank interest received, totaling £2.77

## **Our Receipts and payments account**

The liquidator's Receipts and Payments account has been prepared in accordance with Rules to provide an update from 27 June 2016 to 26 June 2017, and in accordance with SIP7 (E&W), showing £94,611.31 in hand, with £60,742.17 due in tax, leaving a balance £33,869.14.

## **Estimated future realisations**

Most assets have been realised, however as mentioned above, we are still in the process of collecting some book debts that remain outstanding.

### **Book Debts**

As mentioned earlier £2,377 of debts remain outstanding and currently deemed collectible. We are corresponding with the debtors.

### **Rates and Tax Refunds**

We shall review the rates position for all three properties in due course.

We are also currently in the process of gathering information to the Company position in respect of terminal loss relief claims.

## **Unrealised Assets**

There are currently no assets that we are classing as unrealised.

## Costs incurred but which yet remain unpaid

There are number of post appointment costs incurred during the period, but which as yet remain unpaid. These costs include property maintenance and utilities.

Further details in respect of the Liquidator's costs are included in Section 4 and Appendix 2.

## 2.2 NON-FINANCIAL PROGRESS

The work undertaken by the liquidator has been categorized into areas of work and sub categories;

### Statutory and compliance

A liquidator must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. This work includes the regulatory requirements associated with appointment such as reviewing and submission of bonding (an insurance to protect creditors and a statutory requirement), filing notices of appointment, statutory advertising, and reporting periodically to creditors, and the Registrar of Companies

During this period, the Liquidator has dealt with statutory matters on appointment and continued to report to creditors and the registrar of Companies

Creditors should note that this work will not necessarily bring any financial benefit to creditors, but is on every case by statute.

### Administration (including cashiering and taxation)

A liquidator must also complete a number of administrative tasks associated with appointment and case management, such as agreeing the strategy for the liquidation, monitoring and reviewing the case progress and strategy, general cashiering such as opening and maintaining the estate cash book and bank accounts and dealing with insurance, pensions and taxation matters.

During this period, the Liquidator has continued to manage the general administration of the liquidation, for the Company.

#### **Tax Matters**

The tax status of the property Queens Hotel has been verified, and VAT on the property will be paid to HM Revenue and Customs. The property sale is also being assessed for any chargeable gain, as information on the original purchase price and property improvements has been gathered from former accountants, The Tax Partnership.

#### **Tax Refund**

We have instructed the Company's former accountants, The Tax Partnership to assess a terminal loss relief claim for the Company. The review of the Company records by The Tax Partnership is ongoing.



# Employees

## Redundancies

The Company employed 11 members of staff including 3 directors. All staff were made redundant on appointment.

A liquidator must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation in order to enable employees to claim monies they are entitled to from Redundancy Repayments Office including Redundancy pay, pay in lieu of notice, arrears of wages and outstanding holiday pay. Information is gathered from the company to clarify and confirm the employees claims, as well as corresponding with the Redundancy Payments office to enable payment of an element from them. Employees may also claim further monies from the liquidation as a preferential and or unsecured creditor. As such this work does not bring financial benefit to the liquidation, but is essential to assess creditors' claims from the employees and government bodies, as well as providing valuable information to employees on what's happening their current position.

Trinity IP Solutions Limited of 22 Holly Close, Sutton Coldfield, were instructed to attend the premises of the Company upon appointment and assist with the redundancy of all employees, and to deal with any queries from employees whilst on site.

The cost of services provided by Trinity IP Solutions Limited was £250 for the site visit and £15 per employee for assisting with the redundancies, totaling £415 plus VAT.

After ERA specialists, Insol Group of 5 Aston Road North, Aston, Birmingham were instructed to deal with the redundancy claims for former employees and liaise with the Redundancy Payments Office.

All redundancy claims have been submitted by employees and processed by the Redundancy Payments Office.

In addition to dealing with redundancies, during the process of vacating premises, several employees assisted with the site clearance at various sites, as skilled gas fitters were required to remove the fireplaces and stoves fitted in the showrooms at Nottingham and Derby. The director Keith Harrison also provided valuable assistance in identifying and describing the stock assets to assist with the auction of the assets.

The cost of gas fitters' is included within the agents, John Pye & Sons disbursements mentioned earlier in the report. Whereas staff that assisted with site clearance were paid on an hourly basis. A success fee on a percentage basis, being 20% of the stock value (for the avoidance of doubt this excludes vehicles) was agreed with Keith Harrison, subject to funds being available. A success fee was deemed fair and reasonable, in order to incentivize the maximization of realisations through his assistance.

## Property

In addition to the company operating from freehold premises at the Queens Hotel, 2 Arkwright Street, Nottingham, the Company also operated from two leasehold premises.

### Leasehold Premises

The Company operated from leasehold premises at Wyvern Way, Wyvern Retail Park A52, Derby, Derbyshire and Unit 12, East Service Road, Raynesway, Spondon, Derby, which operated as a Derby showroom and marble workshop respectively.

## Wyvern

An extensive amount of display stock was held at the premises, which was removed by agents John Pye upon appointment for sale at auction. The landlord has co-operated with the liquidator and the lease was surrendered by an operation of law on 14 July 2016. We now consider all matters with leasehold premises to be finalised.

## Unit 12, East Service Road, Raynesway, Spondon, Derby

The property was used as a workshop, and store for marble. A significant amount of old marble stock and cut offs were stored in and around the premises, together with obsolete stock and general rubbish with numerous full skips present on site at the time of appointment, creating a significant hazard. Negotiations for their removal were undertaken for health and safety, and insurance reasons. Magfern Skips agreed to remove the skips, providing payment for removal would be covered. Due to the amounts of rubbish, a former employee was paid to assist with the clear up of the site.

Old saws were also stored at the premises, which were not fully secure on appointment, for health and safety reasons, these were also removed from site, and the door made secure.

The landlord has co-operated with the liquidator and the lease was surrendered by an operation of law on 6 July 2016. We now consider all matters with leasehold premises to be finalised.

## Creditors (Claims and distributions)

Further information on the anticipated outcome for creditors in this case can be found at section 4 of this report.

## Investigations and actions

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.

As part of the Liquidator's statutory duties, an investigation into the conduct of the Company, directors and shadow directors has been completed.

In this regard, a confidential final report was submitted to the Insolvency Service on 11 October 2016. As this is a confidential report, I am unable to disclose the contents. No further action is being taken against the directors.

Shortly after appointment, I made an initial assessment of whether there were 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. My investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors. There are no criminal proceedings or further ongoing investigations

### 3. LIQUIDATOR'S REMUNERATION & EXPENSES

#### Pre-appointment remuneration & expenses

##### **Basis of Remuneration**

The basis of the Liquidator's pre-appointment remuneration for assisting with the preparation of the Statement of Affairs and convening the meetings in respect of the Company was agreed and paid by the directors prior to my appointment.

A total fee of £4,500 was paid by the directors. £1,000 for assisting with the preparation of Statement of Affairs and £3,500 for convening the meetings in respect of the Company

##### **Remuneration**

The total time costs for pre-appointment advice and for assisting with the preparation of the Statement of Affairs and convening the meetings in respect of the Company, and other pre-appointment matters total £9,379, which represents 37.7 hours charged on this case at an average rate of £248.78 per hour.

The time costs for assisting with the preparation of the Statement of Affairs in respect of the Company total £1,147.50 The time costs for convening the meetings of members and creditors total £6,026.50

Additional time costs were incurred of £2,205 dealing with creditor, and employee queries as they arose in the period to appointment.

Time costs for pre-appointment remuneration are summarised at Appendix 5, albeit approved and paid on a fixed fee basis, as above.

To date none of the additional time costs have been approved or recovered by LM Insolvency & Advisory Limited, and **No resolution is currently proposed for pre-appointment time costs that exceed the pre-appointment fees already paid.**

This deemed to be **fair and reasonable**, honoring the fixed fee amount quoted and agreed with the directors prior to appointment

##### **Expenses**

Statutory advertising costs of £78.90 were incurred prior to appointment. These costs have been drawn.

Category 1 postage costs of £41.60 were also incurred prior to appointment. These costs have not been drawn to date, but shall be in due course.

Category 2 costs relating to printing and envelopes of £80.15 were also incurred prior to appointment, as there has been no resolution passed for the approval of pre-appointment Category 2 disbursements, these costs shall not be drawn.

[illegible]

\*The resolutions approving the fees are listed in Appendix 4

\*\* Details of the hours charged, hourly rates and the work undertaken are detailed in Appendix 4

\*\*\*Full details of the different percentage rates approved by creditors are listed in Appendix 4

Numerous activities have been undertaken by ourselves and our staff in dealing with the liquidation. A number of tasks are generic to every liquidation and a summarised list of these activities is attached in Appendix 4 for your information. There were also a number of issues specific to this case where we have spent additional time, and these are detailed in Section 2 of this report on the progress.

### Exceeding Estimate

Details about the work I anticipated would need to be done for each of the areas of work, was outlined to creditors in my initial fees estimate/information.

All estimates were made on the assumption that the liquidation will be concluded within two years and represents the maximum fees that the Liquidator is allowed to charge unless further sanction is obtained from creditors. Where the basis of the Liquidator's fees are by reference to time properly spent, by my staff and I in managing the liquidation, if the actual time taken is less than the estimates, then only the time actually incurred will be billed and drawn. Equally, where the basis of the Liquidator's fees is on a percentage basis, if the actual time costs incurred are more, only those fees approved under the percentage basis can be billed and drawn.

A copy of that original estimate in respect of time costs from 1 August 2016 onwards under Resolution 2 is reproduced below and compares the estimated time costs for each work category with the actual costs incurred:

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £	Actual Hours	Average hourly rate £	Actual cost £
Statutory	23.8	256.30	6,100	18.5	241.16	4,461.5
Employee	10.5	248.33	2,607.5	5	252.00	1,260
Investigations	15	252.5	3,787.5	18.4	269.4	4,957.00
Administration and Planning (including cashing, and taxation)	63.5	239.16	15,186.75	65.4	271.61	17,763.5
<b>Total estimated fees</b>	<b>112.8</b>		<b>£27,681.75</b>	<b>107.3</b>		<b>£28,442</b>

The increase in time costs is due to;

- Primarily an increase in the firms charge out rates during the period.
- Additional administrative work in planning, strategy and control of the liquidation due to the protracted sale of the property, 2 Arkwright Street

Appendix 4 provides further details on the time costs.

### Further Approval of Fees

Despite the time cost/fixed fee estimate being exceeded we do not intend on seeking sanction to increase our fees. This is because I intend restricting the Liquidator's time costs to be drawn from the estate to the level of my estimate and as a result, any time incurred in excess of this will not be borne by creditors.

At the time of this report, we consider this to be fair and reasonable given the firms charge out rates increased during the period, after the fee estimate was agreed, and to enable a distribution to preferential creditors of 100p in £ and if possible a distribution to unsecured creditors (subject to final

costs other than liquidator's fees). Hence fees under Resolution 2 will remain capped at £27,681.75 to benefit creditors.

## Our expenses

We set out in Appendix 3 a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

The statement excludes any potential tax liabilities that we may need to pay as a liquidation expense in due course because amounts due will depend on the position at the end of the tax accounting period.

## Creditors Rights

Please also find a link to a "A Creditors' Guide to Liquidators' Remuneration" for your information (<https://www.icaw.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/liquidations-creditor-fee-guide-6-april-2017.aspx?la=en>). Please ensure you download the correct version for the date of appointment. Should you require a paper copy, please send your request in writing to the Liquidator at the address on the front of this report and this will be provided to you at no cost.

### **Creditors' right to request information**

Any secured creditor, or unsecured creditor with the support of at least 5% in value of the unsecured creditors or, with permission of the Court, may, in writing, request the Liquidator to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.4(1)(f)(i) and 18.9 of the Rules.

### **Creditors' right to challenge remuneration and/or expenses**

Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors or, with permission of the Court, may apply to the Court for one or more orders (in accordance with 18.4(1)(f)(ii) and 18.34 of the Rules), reducing the amount or the basis of remuneration which the Liquidator is entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report, detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.

## 4. DISTRIBUTION TO CREDITORS

### How much creditors may receive

The following table summarises the possible outcome for the preferential and unsecured creditors\*, based on what we currently know. Below we explain what recoveries the secured creditors are expected to make from assets subject to the security granted in their favour by the Company.

Class of creditor	Current estimate (p in £)	Previous estimate (p in £)
Secured creditors	100p	100p
Preferential creditors	100p	100p
Unsecured creditors	Nil - 1.9p**	50p

\*Please note this guidance on dividends is only an indication and should not be used as the main basis of any bad debt provision or debt trading

\*\*The estimate is subject to change, and will depend on the final liquidation costs and taxation

For the purposes of this report and until the matters regarding the extent of security entitlements have been resolved, we have assumed that only a prescribed part fund will be available for creditors

Further information for each class of creditor is provided below.

### Secured creditors

The Company granted a fixed and floating charge over all property and assets, present and future including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant and machinery by way of debenture dated 8 April 2004 to Lloyds TSB Bank plc

The Company also grant a fixed charge over the freehold property being Queens Hotel, 2 Arkwright Street, Nottingham, together with all buildings and fixtures, fixed plant and machinery and floating charge over moveable plant and machinery, fixture and fittings and goodwill by way of mortgage deed dated 15 April 2004 to Lloyds Bank plc.

As per the Statement of Affairs as at 21 June 2016, the balance of the overdraft was £135,370 and the balance of the loan was £126,160.

Keith and Tracy Harrison, the directors, had also provided a personal guarantee. A Personal Guarantee was provided to Lloyds Bank plc in respect of the Company mortgage and loan.

We instructed solicitors, Ellis-Fermor to review the validity of the security, and confirm whether the charges held are fixed or floating. The security review was concluded in March 2017, and the solicitor has confirmed that the security is valid and enforceable with the charge-holder, Lloyds Bank plc holding a fixed charge over the premises at 2 Arkwright Street.

Lloyds Bank plc has been repaid in full totaling £266,458.19 (being the balance of the loan and overdraft plus interest), from the sale of the property, during the period. Payments to the secured creditors are shown in the attached receipts and payments account.

## Preferential creditors

Preferential claims are limited to arrears of employees' wages (up to a maximum of £800 per person) and any outstanding holiday pay. This is currently believed to be £12,718. As mentioned earlier this does not affect the amount owing to employees and nor does it affect their claims.

In April 2017 the Redundancy Payments Office submitted a preferential claim of £10,990.02 (together with a non-preferential claim of £77,914.12).

The Liquidator has not received any preferential claims, in excess of the limits imposed by the Redundancy Payments Office from former employees.

The likelihood of any dividend being paid to any preferential creditor, depends on the finalization of liquidation costs and taxation.

## Prescribed Part

Pursuant to Section 176A of the Insolvency Act 1986, as amended, ("the Act") where a floating charge is created after 15 September 2003 a designated amount of a company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential unsecured creditors ("the Prescribed Part")

This provision shall not apply as Lloyds Bank plc were paid in full under their fixed charge, as such there are no outstanding liabilities due to a qualifying floating charge holder by the Company. Therefore, the Prescribed Part will not apply.

## Unsecured creditors

As at 21 June 2016 the Company's unsecured non-preferential creditors totaled £510,785 the largest being the directors loan account of £334,525, followed by redundancy costs (redundancy pay, pay in lieu of notice and arrears of wages) at £94,849.

Some creditors amounts shown may differ from the actual amount owed. This does not affect the ability of creditors to submit a different claim in the Liquidation.

Claims from unsecured creditors of the Company, have not yet been agreed. These will be agreed should funds become available for a distribution to unsecured creditors. However, I would confirm that it is anticipated there will be insufficient funds realised after defraying the expenses of the liquidation to pay a dividend to unsecured creditors

It is not my policy to routinely chase creditors that have not proved, unless there is likely to be a dividend.

### **Small Claim Scheme**

From April 2016, I have had the discretion to admit claims from creditors under £1,000 without receiving a proof of debt. As yet, I can confirm that no claims have been admitted under the small claim provisions.



Any creditor believing that the amount due to them is different from that shown above should contact this office as soon as possible to ensure that this is updated in my files.

## 5. WHAT REMAINS TO BE DONE

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### Assets

As per section 2 of this report, Estimated Future Realisations, the liquidator is still pursuing some outstanding book debts. The Liquidator will continue to pursue these debts, and will take appropriate action should the debtors not offer to discharge their liabilities.

### Next steps

The following is a summary of key issues remaining;

- Realise the remaining book debts
- Finalise the taxation on the sale of the property, and any terminal loss relief claims
- Settlement of outstanding professional fees and expenses;
- Agreement of preferential creditor claims and payment of a dividend to preferential creditors; and
- Should funds permit, agreement of unsecured creditor claims and payment of a dividend to unsecured creditors; and
- Finalise statutory and compliance matters such as tax returns (and clearance), creditor reports and closure of internal systems.

Appendix 4 provides further information on the tasks to be completed.

## 6. OTHER MATTERS

### Connected party transactions SIP 13 (E&W)

In accordance with the guidance given in SIP13 (E&W), I confirm that no transactions with connected parties have taken place during the period of this report.

### EC Regulations

Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

### Next Report

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

If you require any further information please contact the office on the front of this report, or email [Lucinda@lminsolvency.co.uk](mailto:Lucinda@lminsolvency.co.uk)

Yours faithfully  
For and on behalf of  
The Derby Fireplace Company - In CVL

**Lucinda Matkin**  
Liquidator

# APPENDIX 1 – Statutory Information

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Company name:	The Derby Fireplace Company Limited
Previous names:	N/a
Proceedings:	In Liquidation
Date of Appointment:	27 June 2016
Liquidator(s):	Lucinda Matkin LM Insolvency & Advisory Ltd 3 Greenhill Wirksworth Matlock Derbyshire DE4 4EN
Nature of business:	Retail
Date of Incorporation:	23 January 1996
Registered Number:	03149851
Trading names:	The Derby Fireplace Company Ltd
Registered office:	c/o LM Insolvency & Advisory Limited, 3 Greenhill, Wirksworth, Matlock Derbyshire DE4 4EN
Trading address:	<b>Formerly:</b> Wyvern Way, Wyvern Retail Park A52, Derby, Derbyshire DE21 6NZ Wyvern Way, Wyvern Retail Park A52, Derby, Derbyshire DE21 6NZ
Directors at date of Appointment:	Keith Harrison Michael Harrison Tracy L Harrison  Gavin G T Wride (resigned 29/01/2016)
Company Secretary:	Keith Harrison
Shareholders:	Keith Harrison – 3 Ordinary Share Michael Harrison – 1 Ordinary Share
Bankers:	Lloyds Bank plc
Auditors:	N/a





Site	-	-	TBC	-	TBC	TBC	-	TBC
Maintenance	-	-	TBC	-	TBC	TBC	-	TBC
Utilities	-	-	TBC	-	TBC	TBC	-	TBC
<b>Total</b>	<b>-</b>	<b>-</b>	<b>135,314</b>	<b>124,635</b>	<b>11,403</b>	<b>135,314</b>	<b>3,230</b>	<b>138,544</b>

*\*No sanction for an increase in Liquidators fees on a time cost basis are proposed. As such the approved fees are shown in the table above, as opposed to actual time costs which are higher*

*\*\* Liquidator's fees on a percentage basis are subject to asset realisations and creditor distributions, and assumes the realisation of £770 debtor, and distribution of £10,990 to preferential creditors and £9,771 to unsecured creditors, it does not account for site maintenance costs and utilities which are as yet to be confirmed.*

**Fee Resolution 1: Commencement of liquidation to 31 July 2016 – Administrative, Statutory, Investigations and Employees** - The Liquidator's time costs for the period 27 June 2016 to 31 July 2016 in respect of the Company, for dealing with Administration and Statutory matters, investigations and employees



total £6,197.00 plus VAT, which represents 27.3 hours charged on this case at an average rate of £227.00 per hour.

Remuneration charged during the period of this report is summarised in the section "Our hours and average rates".

Fees drawn under resolution 1 are £6,197.00

There are no further time costs or fees anticipated for the period 27 June 2016 to 31 July 2016, for dealing with administrative and statutory matters, dealing with the investigation and employees. (Time costs and fees after the 31 July 2016 for dealing with these matters is covered under Resolution 2 and are detailed below).

This resolution is deemed to be fair and reasonable, as it is based on the actual time costs in dealing with these matters.

## Resolution 2

**Fee Resolution 2: From 1 August 2016 to completion of the liquidation – Administrative, Statutory, Investigations and Employees** - – The Liquidator's time costs for the period 1 August 2016 to 26 June 2017 in respect of the Company, for dealing with Administration and Statutory matters, investigations and employees total £28,442.00 plus VAT, which represents 107.3 hours charged on this case at an average rate of £265.07 per hour.

Remuneration charged during the period of this report is summarised in the section "Our hours and average rates". Hourly rates were increased on 1 November 2016, as such the Liquidator's time costs are shown for the period 1 August 2016 to 30 October 2016 and 1 November 2016 to 26 June 2017.

## Total Time Costs

Our total time cost fees under resolution 1 and 2 are summarised in the table below:

Fee Basis	For dealing with	Estimated Fees approved* (£)	Actual/ incurred Time costs	Fees Drawn (£)	Approved fees not drawn £	Estimated Future Fees (£)	Anticipated total Fees (£)
<b>Resolution 1</b> - Time Cost Basis	Statutory and Compliance, Administration and Planning, Employees	6,179.00	6,179.00	6,179.00	Nil	Nil	6,179.00
<b>Resolution 2</b> - Time Cost Basis	Statutory and Compliance, Administration and Planning, Employees	27,681.75	£28,442.00 for the period of the report	£27,639.12	42.63	Nil	27,681.75
<b>Total estimated &amp; approved time costs</b>		<b>33,860.75</b>					
<b>Total time costs incurred to date</b>			<b>34,601</b>				
<b>Total fees drawn</b>				<b>33,818.12</b>			
<b>Total approved fees not drawn to date</b>					<b>42.63</b>		

In considering the remaining work to be done in this liquidation, I currently anticipate that my time costs for dealing with administration, statutory matters, investigations and employees to completion of the liquidation will be approximately a further £5.5k in respect of administration and planning and

£6k for statutory matters, being mainly annual reporting and closure. I will update creditors on this in my next progress report, albeit I do not propose on increasing my fee estimate, hence fees under resolution 2 will be capped at £27,681.75.

## Fees approved on Percentage Basis

Resolutions 3 and 4 are on a percentage basis

### Resolution 3

#### Fee Resolution 3: Commencement of the liquidation to completion – Asset Realisations and Debtors -

The following scale was approved for fees on a percentage basis, in respect of asset realisations and debtors

Asset	Declared	Not Declared
Cash and equivalents, all fixed assets including Plant & Machinery, Vehicles, Stock and Work in Progress (which are unlikely to be disputed, but may need assistance from agents)	10%	15%
Other assets which are more difficult to realise and tend to take longer to deal with (such as book debts, including litigation)	20%	25%
Assets which are likely to need a lot of negotiation to realise or tend to be most likely to need court action so take the longest to deal with (such as money owed to the company by the director, employee or associated company)	30%	35%

The liquidator has made the following realisations upon which the creditors have approved a percentage be taken as remuneration. Details of the realisations to date and associated remuneration drawn on account of those realisations is summarised as follows;

Note	Asset category	Value of assets in S of A (£)	Remuneration % agreed	Estimated fees	Value of assets realised in period (£)	Total value of assets realised since appointment (£)	Total fees invoiced to date	Fees not yet drawn
1	Cash	3,900	10%	390	3,900	3,900	390	Nil
2	Stock	59,935	10%	5,993.5	50,074	50,074	5,007.4	Nil
3	Fixtures	537	10%	53.70				
4	Plant	1,888	10%	188.80				
5	Vehicles	12,240	10%	1,586	10,970	10,970	1,097	Nil
6	HP Asset	3,620	10%		3,720	3,720	372	Nil
7	Stock	Nil	15%		100	100	15	Nil
8	Refunds	Nil	15%		112.5	112.5	16.88	Nil
9	Debtors	1,525	20%	305	2,500	2,500	500	Nil
10	Debtors	Nil	30%		1,500	1,500	450	Nil
11	Contingent	Nil	30%		545	545	163.5	Nil
<b>Total estimated fees</b>				<b>8,517</b>				

<b>Total fees approved on percentage basis</b>	<b>8,011.78</b>	
<b>Total fees not drawn</b>		<b>114.12</b>
<b>Total approved fees on percentage basis, drawn to date</b>	<b>7,897.66</b>	

Notes:

- 1) Cash relates to cash and cheques in hand, charged at 10% as identified on the Statement of affairs
- 2-4) Actual realisation of stock also relate to plant and machinery and fixtures and fittings, which were all identified on the statement of affairs and sold at auction
- 5,6) Vehicles disclosed and sold at auction charged at 10%
- 7) relates to a fireplace for a customer that was sold later at auction, hence charged at 15%, as this disputed
- 8) relates to DVLA refunds, not identified at the time of the Statement of affairs
- 9) relates to trade debtors as per the statement of affairs
- 10) relates to additional debtors, being the contingent asset and the £1500 settlement of the court action hence charged at 30%
- 11) relates to the refund of the court fees which was not anticipated or disclosed at the time of the statement of affairs

Where applicable, further fees will be drawn as assets are realised, in accordance with the percentages previously approved by creditors when fixing the basis of the liquidator's remuneration.

The Liquidator's time costs for the period 27 June 2016 to 26 June 2017 in respect asset realisations and debtors total £6,212 plus VAT, which represents 22.4 hours charged on this case at an average rate of £277.32 per hour.

Time costs in respect of asset realisations during the period of this report is summarised in the section "Our hours and average rates". Hourly rates were increased on 1 November 2016, as such the Liquidator's time costs are shown for the period 27 June 2016 to 30 October 2016 and 1 November 2016 to 26 June 2017.

Further fees, will depend on the realisation of further assets, as some debtors remain outstanding.

This resolution is deemed to be fair, as it is based on percentage basis, to act as an incentive to maximise realisations, furthermore current fees are below those estimated.

#### **Resolution 4**

##### **Fee Resolution 4: Commencement of the liquidation to completion – Dividends/Distributions and Creditors**

- The Liquidator's fees for dealing with Dividends/ Distributions and all Creditors (excluding fixed charge holder) be calculated by reference a percentage of distributions to preferential and unsecured creditors (at 10%) in attending to these matters arising in the insolvency from commencement of the liquidation to completion, and the Liquidator be authorised to draw fees on account, as and when funds permit, if available.

The Liquidator's time costs for the period 27 June 2016 to 26 June 2017 in respect dealing with creditors and distribution to creditors total £2,672.00 plus VAT, which represents 11.2 hours charged on this case at an average rate of £238.57 per hour.

Time costs in respect of creditors during the period of this report is summarised in the section “*Our hours and average rates*”. Hourly rates were increased on 1 November 2016, as such the Liquidator’s time costs are shown for the period 27 June 2016 to 30 October 2016 and 1 November 2016 to 26 June 2017.

Further fees, will depend on the dividend distributions to creditors. We estimate that preferential creditors will be paid in full and a small dividend may be paid to unsecured creditors, resulting in further fees in the region of £2,072 being approved under this resolution. Additional time costs will however also be incurred in adjudicating claims and processing any distribution.

This resolution is deemed to be fair, as it is based on percentage basis, to act as an incentive to maximise distributions to creditors, furthermore any estimated fees that would be approved under this resolution will be lower than those on a time cost basis, given the time costs already incurred.

## Our hours and average rates

Our hours and average rates are shown for each area of work as approved under the different resolutions,

### **Resolution 1**

**THE DERBY FIREPLACE COMPANY LTD - IN CVL Liquidators time costs from 27 June 2016 to 31 July 2016**

	Units			Cost (£)			Total Sum of Units	Total Sum of Total	Average hourly rate (£)
	Secretarial & Support	Case Administrator	Insolvency Practitioner	Secretarial & Support	Case Administrator	Insolvency Practitioner			
<b>Admin &amp; Planning</b>									
P - Case review		1.9	0.1		427.50	37.50	2	465.00	232.50
P - Case set up, checklists etc		0.6	0.4		135.00	120.00	1	255.00	255.00
P - Cashflow etc		0.2			45.00		0.2	45.00	225.00
P - Company information, Admin	2.5	2.2		275.00	495.00		4.7	770.00	163.83
P - Insurance		1.7	0.6		382.50	225.00	2.3	607.50	264.13
P - Strategy planning & Control	0.3	0.3	1.2	33.00	67.50	450.00	1.8	550.50	305.83
P - Tax		0.3			67.50		0.3	67.50	225.00
<b>Admin &amp; Planning</b>	<b>2.8</b>	<b>7.2</b>	<b>2.3</b>	<b>308.00</b>	<b>1,620.00</b>	<b>832.50</b>	<b>12.3</b>	<b>2,760.50</b>	<b>224.43</b>
<b>Asset Realisations</b>									
A - Contingent Assets / Legal Cases		0.2	0.2		45.00	75.00	0.4	120.00	300.00
A - Intangible Assets		0.1			22.50		0.1	22.50	225.00
A - Other Tangible Assets	0.3			33.00			0.3	33.00	110.00
A - Plant & Machinery			0.8			300.00	0.8	300.00	375.00
A - Sale of Business		0.2			45.00		0.2	45.00	225.00
A - Stock & WIP	2.6	2.7	0.6	286.00	637.50	225.00	5.9	1,148.50	194.66
A - Vehicles		0.6			135.00		0.6	135.00	225.00
<b>Asset Realisations</b>	<b>2.9</b>	<b>3.8</b>	<b>1.6</b>	<b>319.00</b>	<b>885.00</b>	<b>600.00</b>	<b>8.3</b>	<b>1,804.00</b>	<b>217.35</b>
<b>Creditors</b>									
C - HP Creditor		0.2			45.00		0.2	45.00	225.00
C - ROT Creditors	0.8	4	1	88.00	900.00	375.00	5.8	1,363.00	235.00
C - Secured Creditor Correspondence		0.5	0.6		112.50	225.00	1.1	337.50	306.82
C - Unsecured Creditor Correspondence		2			450.00		2	450.00	225.00
<b>Creditors</b>	<b>0.8</b>	<b>6.7</b>	<b>1.6</b>	<b>88.00</b>	<b>1,507.50</b>	<b>600.00</b>	<b>9.1</b>	<b>2,195.50</b>	<b>241.26</b>
<b>Debtors</b>									
D - Debtor Correspondence	0.6		0.2	66.00		75.00	0.8	141.00	176.25
D - Identifying Debtors	0.3	0.5		33.00	112.50		0.8	145.50	181.88
<b>Debtors</b>	<b>0.9</b>	<b>0.5</b>	<b>0.2</b>	<b>99.00</b>	<b>112.50</b>	<b>75.00</b>	<b>1.6</b>	<b>286.50</b>	<b>179.06</b>
<b>Employees</b>									
E - Correspondence with Employees	0.6	0.2	0.2	66.00	45.00	75.00	1	186.00	186.00
E - Insol		1.3	0.3		292.50	112.50	1.6	405.00	253.13
E - Other EE matters	0.4			44.00			0.4	44.00	110.00
E - Redundancies		1.2	0.4		270.00	150.00	1.6	420.00	262.50
E - Redundancy claims / RPO		0.6			135.00		0.6	135.00	225.00
<b>Employees</b>	<b>1</b>	<b>3.3</b>	<b>0.9</b>	<b>110.00</b>	<b>742.50</b>	<b>337.50</b>	<b>5.2</b>	<b>1,190.00</b>	<b>228.85</b>
<b>Freehold/Leasehold</b>									
F - Correspondence with agents		3.5	0.5		787.50	187.50	4	975.00	243.75
F - Leasehold Information / Correspondence		0.2	0.1		45.00	37.50	0.3	82.50	275.00
F - Other Property Matters	1.9	3	1.3	209.00	720.00	487.50	6.2	1,416.50	228.47
F - Surrender / Disclaimer		1.2	0.2		270.00	75.00	1.4	345.00	246.43
<b>Freehold/Leasehold</b>	<b>1.9</b>	<b>7.9</b>	<b>2.1</b>	<b>209.00</b>	<b>1,822.50</b>	<b>787.50</b>	<b>11.9</b>	<b>2,819.00</b>	<b>236.89</b>
<b>Investigations</b>									
I - Correspondence with Directors	0.3	1.1	0.1	33.00	247.50	37.50	1.5	318.00	212.00
I - Review of records		0.1			22.50		0.1	22.50	225.00
<b>Investigations</b>	<b>0.3</b>	<b>1.2</b>	<b>0.1</b>	<b>33.00</b>	<b>270.00</b>	<b>37.50</b>	<b>1.6</b>	<b>340.50</b>	<b>212.81</b>
<b>Statutory</b>									
S - Appointment Documents		0.1	0.1		22.50	37.50	0.2	60.00	300.00
S - Bonding		0.2	0.1		45.00	37.50	0.3	82.50	275.00
S - Creditors Meetings	1.4		1.4	154.00		525.00	2.8	679.00	242.50
S - Ethical checks etc		0.3	0.2		67.50	75.00	0.5	142.50	285.00
S - Notices	0.6	1.6	0.5	66.00	360.00	172.50	2.7	598.50	221.67
S - Reports to Creditors	0.6	0.9	0.2	66.00	202.50	75.00	1.7	343.50	202.06
<b>Statutory</b>	<b>2.6</b>	<b>3.1</b>	<b>2.5</b>	<b>286.00</b>	<b>697.50</b>	<b>922.50</b>	<b>8.2</b>	<b>1,906.00</b>	<b>232.44</b>
<b>Grand Total</b>	<b>13.2</b>	<b>33.7</b>	<b>11.3</b>	<b>1,452.00</b>	<b>7,657.50</b>	<b>4,192.50</b>	<b>58.2</b>	<b>13,302.00</b>	<b>228.56</b>

Time costs for dealing with Admin & Planning from 27 June 2016 to 31 July 2016

12.30 2,760.50 224.43

Time costs for dealing with Employees from 27 June 2016 to 31 July 2016

5.20 1,190.00 228.85

Time costs for dealing with Investigations from 27 June 2016 to 31 July 2016

1.60 340.50 212.81

Time costs for dealing with Statutory from 27 June 2016 to 31 July 2016

8.20 1,906.00 232.44

**Total time costs under Fee Resolution 1**

**27.3 6,197.00 227.00**

**Total fees drawn under Fee Resolution 1 during the period 27 June 2016 to 26 June 2017**

**6,197.00**

## Resolution 2

THE DERBY FIREPLACE COMPANY LTD - IN CVL, Liquidators time costs from 1 August 2016 to 31 October 2016									
In respect of Administration, Employees, Investigations and Statutory matters									
	Units			Cost (£)			Total Sum of Units	Total Sum of Total	Average hourly rate (£)
	Secretarial & Support	Case Administrator	Insolvency Practitioner	Secretarial & Support	Case Administrator	Insolvency Practitioner			
<b>Admin &amp; Planning</b>									
P - Case review		2.1	0.5		472.50	187.50	2.6	660.00	253.85
P - Case set up, checklists etc		1.0			225.00		1.0	225.00	225.00
P - Cashiering etc	3.4	6.2	2.8	374.00	1,395.00	1,050.00	12.4	2,819.00	227.34
P - Company information, Admin	4.1	4.7	1.8	451.00	1,057.50	675.00	10.6	2,183.50	205.99
P - Insurance		0.5	0.5		112.50	187.50	1.0	300.00	300.00
P - Strategy planning & Control	0.3	1.9	11.3	112.50	502.50	4,237.50	13.5	4,852.50	359.44
P - Tax		0.1	0.2		22.50	75.00	0.3	97.50	325.00
<b>Admin &amp; Planning Total</b>	<b>7.8</b>	<b>16.5</b>	<b>17.1</b>	<b>937.50</b>	<b>3,787.50</b>	<b>6,412.50</b>	<b>41.4</b>	<b>11,137.50</b>	<b>269.02</b>
<b>Employees</b>									
E - Correspondance with Employees		0.4	0.2		120.00	75.00	0.6	195.00	325.00
E - Insol		1.0			225.00		1.0	225.00	225.00
E - Other EE matters		2.1	0.5		472.50	187.50	2.6	660.00	253.85
E - Redundancies		0.5			112.50		0.5	112.50	225.00
E - Redundancy claims / RPO		0.3			67.50		0.3	67.50	225.00
<b>Employees Total</b>		<b>4.3</b>	<b>0.7</b>		<b>997.50</b>	<b>262.50</b>	<b>5.0</b>	<b>1,260.00</b>	<b>252.00</b>
<b>Investigations</b>									
I - Other EE matters		0.2			45.00		0.2	45.00	225.00
I - CDDA & Reports	0.2	4.2	2.2	22.00	945.00	825.00	6.6	1,792.00	271.52
I - Correspondance with Directors			0.9			337.50	0.9	337.50	375.00
I - Financial review & Investigation (s238 etc)		3.5	1.2		787.50	450.00	4.7	1,237.50	263.30
I - Review of records		4.7	1.3		1,057.50	487.50	6.0	1,545.00	257.50
<b>Investigations Total</b>	<b>0.2</b>	<b>12.6</b>	<b>5.6</b>	<b>22.00</b>	<b>2,835.00</b>	<b>2,100.00</b>	<b>18.4</b>	<b>4,957.00</b>	<b>269.40</b>
<b>Statutory</b>									
S - Appointment Documents		0.2			45.00		0.2	45.00	225.00
S - Bonding		0.6	0.4		135.00	150.00	1.0	285.00	285.00
S - Notices	0.9	3.5	1.0	99.00	787.50	375.00	5.4	1,261.50	233.61
S - Other		1.7	0.4		382.50	150.00	2.1	532.50	253.57
S - Reports to Creditors	0.5	7.1	0.2	55.00	1,597.50	75.00	7.8	1,727.50	221.47
S - Statement of Affairs		0.2	0.3		45.00	112.50	0.5	157.50	315.00
<b>Statutory Total</b>	<b>1.4</b>	<b>13.3</b>	<b>2.3</b>	<b>154.00</b>	<b>2,992.50</b>	<b>842.50</b>	<b>17.0</b>	<b>4,009.00</b>	<b>235.82</b>
<b>Grand Total</b>	<b>9.4</b>	<b>46.7</b>	<b>25.7</b>	<b>1,113.50</b>	<b>10,612.50</b>	<b>9,637.50</b>	<b>81.8</b>	<b>21,363.50</b>	<b>261.17</b>

THE DERBY FIREPLACE COMPANY LTD - IN CVL, Liquidators time costs from 1 November 2016 to 26 June 2017									
In respect of Administration, Employees, Investigations and Statutory matters									
	Units			Cost (£)			Total Sum of Units	Total Sum of Total	Average hourly rate (£)
	Secretarial & Support	Case Administrator	Insolvency Practitioner	Secretarial & Support	Case Administrator	Insolvency Practitioner			
<b>Admin &amp; Planning</b>									
P - Case review		1.9	0.6		513.00	255.00	2.5	768.00	307.20
P - Case set up, checklists etc		0.3			67.50		0.3	67.50	225.00
P - Cashiering etc	4.9	6.7	2.4	612.50	1,809.00	1,020.00	14.0	3,441.50	245.82
P - Company information, Admin		0.9	0.3		236.50	127.50	1.2	366.00	305.00
P - Insurance		1.2	0.4		315.00	170.00	1.6	485.00	303.13
P - Strategy planning & Control		2.2	2.0		594.00	850.00	4.2	1,444.00	343.81
P - Tax		0.2			54.00		0.2	54.00	270.00
<b>Admin &amp; Planning Total</b>	<b>4.9</b>	<b>13.4</b>	<b>5.7</b>	<b>612.50</b>	<b>3,591.00</b>	<b>2,422.50</b>	<b>24.0</b>	<b>6,626.00</b>	<b>276.08</b>
<b>Statutory</b>									
S - Bonding	0.1	0.7	0.3	12.50	189.00	127.50	1.1	329.00	299.09
S - Ethical checks etc		0.3	0.1		81.00	42.50	0.4	123.50	308.75
<b>Statutory Total</b>	<b>0.1</b>	<b>1.0</b>	<b>0.4</b>	<b>12.50</b>	<b>270.00</b>	<b>170.00</b>	<b>1.5</b>	<b>452.50</b>	<b>301.67</b>
<b>Grand Total</b>	<b>5.0</b>	<b>14.4</b>	<b>6.1</b>	<b>625.00</b>	<b>3,861.00</b>	<b>2,592.50</b>	<b>25.5</b>	<b>7,078.50</b>	<b>277.59</b>

Note: Time costs for dealing with Administration, Employees, Investigations and Statutory matters for the period 27 June 2016 to 31 July 2017 have been accounted for and drawn under Fee Resolution 1 (and are covered separately in this report).

**Total time costs under Fee Resolution 1** 27.3 6,197.00 227.00

**Total fees drawn under Fee Resolution 1 during the period 27 June 2016 to 26 June 2017 (as approved)** 6,197.00

Time costs for the period 1 August 2016 to 31 October 2016 for dealing with Administration, Employees, Investigation and Statutory matters 81.8 21,363.50 261.17

Time costs for the period 1 November 2016 to 26 June 2017, for dealing with Administration, Employees, Investigation and Statutory matters 25.5 7,078.50 277.59

**Total time costs under Fee Resolution 2** 107.3 28,442.00 265.07

**Total fees drawn under Fee Resolution 2 during the period 1 August 2016 to 26 June 2017** 27,639.12

**Total Fees approved under Resolution 2** 27,681.75

Whilst we have no statutory requirement to provide the information for the areas of work covered by percentage or fixed fee basis, we make this information available for transparency and completeness.

THE DERBY FIREPLACE COMPANY LTD - IN CVL, Liquidators time costs from 1 November 2016 to 26 June 2017									
In respect of Asset realisation (Excluding property) and Debtors									
	Units			Cost (£)			Total Sum of Units	Total Sum of Total	Average hourly rate (£)
	Secretarial & Support	Case Administrator	Insolvency Practitioner	Secretarial & Support	Case Administrator	Insolvency Practitioner			
Asset Realisations									
A - Third party		0.3			81		0.3	81	270
Asset Realisations Total		0.3			81		0.3	81	270
Grand Total		0.3			81		0.3	81	270

### Resolution 4

Whilst we have no statutory requirement to provide the information for the areas of work covered by percentage or fixed fee basis, we make this information available for transparency and completeness.

[illegible]

**THE DERBY FIREPLACE COMPANY LTD - IN CVL, Liquidators time costs from 1 November 2016 to 26 June 2016**

**In respect of Creditors**

	Units			Cost (£)			Total Sum of Units	Total Sum of Total	Average hourly rate (£)
	Secretarial & Support	Case Administrator	Insolvency Practitioner	Secretarial & Support	Case Administrator	Insolvency Practitioner			
<b>Creditors</b>									
C - Unsecured Creditor Correspondance		0.6		148.50			0.6	148.50	247.50
<b>Creditors Total</b>		<b>0.6</b>		<b>148.50</b>			<b>0.6</b>	<b>148.50</b>	<b>247.50</b>
<b>Grand Total</b>		<b>0.6</b>		<b>148.50</b>			<b>0.6</b>	<b>148.50</b>	<b>247.50</b>

Time costs for the period 27 June 2016 to 31 October 2016, for dealing with Creditors 10.6 2523.5 238 066

Time costs for the period 1 November 2016 to 26 June 2017, for dealing with Creditors 0.6 148.50 247.50

**Total time costs under Fee Resolution 4 11.2 2,672.00 238.57**

## Fixed Charge Fees and Times Costs

Fixed charge Liquidator Fees for dealing with the property 2 Arkwright street on behalf of the charge-holder and corresponding with the fixed charge holder, were approved by the fixed charge holder, Lloyds Bank plc on 4 April 2017. It was also agreed with Lloyds Bank plc that the liquidators fixed charge fees for dealing with the realisation of the property and associated property matters, should be equal to the time costs associated with that property of £35,722.00. These fees have been drawn by the Liquidator. Creditors were informed in the remuneration report that these fees would be agreed with the charge-holder.

The Liquidator's time costs for the period 27 June 2016 to 31 March 2017 in respect dealing with fixed charge assets total £35,722.00 plus VAT, which represents 106.6 hours charged on this case at an average rate of £335.10 per hour.

Time costs is as follows:

**THE DERBY FIREPLACE COMPANY LTD - IN CVL, Fixed Charge Fees**

	Units			Cost (£)			Total Sum of Units	Total Sum of Total	Average hourly rate (£)
	Secretarial & Support	Case Administrator	Insolvency Practitioner	Secretarial & Support	Case Administrator	Insolvency Practitioner			
<b>Asset Realisations</b>									
A - Sale of Property	0.3	3.2	35.1	37.50	760.50	14,072.50	38.6	14,870.50	385.25
<b>Asset Realisations Total</b>	<b>0.3</b>	<b>3.2</b>	<b>35.1</b>	<b>37.50</b>	<b>760.50</b>	<b>14,072.50</b>	<b>38.6</b>	<b>14,870.50</b>	<b>385.25</b>
<b>Creditors</b>									
C - Secured Creditor Correspondance	0.1	6.0	10.3	11.00	1,350.00	3,997.50	16.4	5,358.50	326.74
<b>Creditors Total</b>	<b>0.1</b>	<b>6.0</b>	<b>10.3</b>	<b>11.00</b>	<b>1,350.00</b>	<b>3,997.50</b>	<b>16.4</b>	<b>5,358.50</b>	<b>326.74</b>
<b>Freehold/Leasehold</b>									
F - Correspondance with agents	0.2	5.6	5.3	22.00	1,260.00	2,212.50	11.1	3,494.50	314.82
F - Insurance of Charged Property		1.3	0.4		333.00	160.00	1.7	493.00	290.00
F - Leasehold Information / Correspondance		0.2	0.1		45.00	37.50	0.3	82.50	275.00
F - Other Property Matters		13.9	5.1		3,280.00	2,077.50	19	5,357.50	281.97
F - Site clearance, security & maintenance		11.0	5.5		2,781.00	2,332.50	16.5	5,113.50	309.91
F - Taxation of Property		1.7	1.3		409.50	542.50	3	952.00	317.33
<b>Freehold/Leasehold Total</b>	<b>0.2</b>	<b>33.7</b>	<b>17.7</b>	<b>22.00</b>	<b>8,108.50</b>	<b>7,362.50</b>	<b>51.6</b>	<b>15,493.00</b>	<b>300.25</b>
<b>Grand Total</b>	<b>0.6</b>	<b>42.9</b>	<b>63.1</b>	<b>70.50</b>	<b>10,219.00</b>	<b>25,432.50</b>	<b>106.6</b>	<b>35,722.00</b>	<b>335.10</b>

No further fees, will be drawn in respect of fixed charge assets.

These fees are fair and reasonable as it is the time costs incurred.



## Our time charging policy and hourly rates

In accordance with the guidance given in SIP9 (E&W), details of our charge out rates and policy is provided below.

Set out below are our hourly rates with effect from 1 November 2014 to date, excluding VAT;

<b>Grade / Skill Level</b>	<b>£</b>
Insolvency Practitioners & Directors	375
Case Administrators	225
Secretarial & Support	110

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases. The charge out rates were increased on 1 November 2016, as such set out below are hourly rates with effect from 1 November 2016 to date, excluding VAT;

<b>Grade / Skill Level</b>	<b>£</b>
Insolvency Practitioners & Directors	425
Case Administrators	270
Secretarial & Support	125

The time charged to the Liquidation is by reference to the time properly given by the Liquidator and their staff in attending to matters arising.

It is the Liquidator's policy to charge the Insolvency Practitioner (and staff), at the appropriate skill level (at the rates detailed above) required for a particular task, based on the complexity and responsibility associated with that task, so as to maximize the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by directors / the insolvency practitioners themselves.

Time spent working on the case is recorded on the firm's time recording system. The time charged is recorded in six minute units, by reference to actual work carried out on the assignment. There is no allocation of any general costs or overheads.

Our work carried out in the period 27 June 2016 to 26 June 2017

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
<b>Statutory</b> - Reporting to Creditors	<ul style="list-style-type: none"> <li>• S98 Report to creditors following the meeting of creditors</li> <li>• Creditors questionnaire</li> <li>• Loading reports onto online system and notification to creditors of new report by mail</li> <li>• Preparation and circulation of remuneration report to creditors for the approval of fees</li> <li>• Reporting on the outcome of the meeting by correspondence for fee approval</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with mandatory statutory and other obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute/regulations</li> </ul>
<b>Statutory</b> - Receipts & Payments	<ul style="list-style-type: none"> <li>• Preparation of the receipts and payments as part of creditors reports</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with mandatory statutory and other obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute/regulations</li> </ul>
<b>Statutory</b> - Bonding	<ul style="list-style-type: none"> <li>• Review of estimated outcome statement for bonding purposes and Bond submission</li> <li>• Regular review of the bonding level</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute/regulations</li> </ul>
<b>Statutory</b> - Appointment Documents	<ul style="list-style-type: none"> <li>• Documentation for the appointment of Liquidator including;               <ul style="list-style-type: none"> <li>◦ Documentation for members meeting</li> <li>◦ Documentation of s98 meeting</li> <li>◦ Engagement letter pre-appointment</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• To comply with mandatory statutory and other obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute/regulations</li> </ul>
<b>Statutory</b> - Ethical Checks	<ul style="list-style-type: none"> <li>• Ethical checks on the directors and shareholders</li> <li>• Identity checks</li> <li>• Anti-money laundering checks</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with mandatory statutory and other obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute/regulations</li> </ul>
<b>Statutory</b> - Notices	<ul style="list-style-type: none"> <li>• Notices of meeting by correspondence to creditors, including, the outcome of</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with mandatory</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute/regulations</li> </ul>

	<p>any procedure, In this case used for the approval of remuneration</p> <ul style="list-style-type: none"> <li>• Filing statutory notices at Companies House, including notice of appointment and special resolutions</li> <li>• Statutory advertising of any meetings, including notice of appointment, special resolution passed and meeting by correspondence for remuneration approval in the London Gazette</li> <li>• Notice of liquidation to PPF</li> <li>• Notice of liquidation to members</li> </ul>	statutory and other obligations	
<b>Statutory – Statement of affairs</b>	<ul style="list-style-type: none"> <li>• Filing the Statement of affairs at Companies House</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with mandatory statutory and other obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute/regulations</li> </ul>
<b>Statutory – Other</b>	<ul style="list-style-type: none"> <li>• Updating case records</li> <li>• Internal compliance procedures</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with mandatory statutory and other obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute</li> </ul>
<b>Employees - Employees correspondence / enquiries</b>	<ul style="list-style-type: none"> <li>• Receive and follow up employee enquiries via telephone, email and post</li> <li>• Review and prepare correspondence to creditors and their representatives via email and post</li> <li>• Preparation of letters to employees advising of their entitlements and options available</li> <li>• Receive and prepare correspondence in response to employees' objections to leave entitlements</li> </ul>	<ul style="list-style-type: none"> <li>• To properly record employee details</li> <li>• To keep employees abreast of developments</li> <li>• To enable employees to claim redundancy and other entitlements</li> </ul>	<ul style="list-style-type: none"> <li>• Ensures information is up to date for statutory reporting and redundancy purposes</li> </ul>
<b>Employees - Insol / Trinity</b>	<ul style="list-style-type: none"> <li>• Instruct agents, Trinity IP Solutions to attend site, and answer initial enquiries from employees, and gather employee information</li> <li>• Instruct agents, Insol Group to assess employment position, deal with redundancy claims and submit RP14 and RP14A to redundancy Payments Office</li> <li>• Liaise with agents, Insol Group to assess employment position, deal with redundancy claims</li> </ul>	<ul style="list-style-type: none"> <li>• To enable employees to claim redundancy and other entitlements</li> </ul>	<ul style="list-style-type: none"> <li>• No financial benefit to creditors as a whole, but enables employees to claim redundancy and other entitlements</li> </ul>

<b>Employees - Other Employee Matters</b>	<ul style="list-style-type: none"> <li>• Liaising with employees on assistance post-appointment with site clearance and removal of assets from the three premises</li> </ul>	<ul style="list-style-type: none"> <li>• To enable tasks to be completed on site for the winding down of the Company</li> <li>• To comply with statutory obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Ensures efficient management of the liquidation and exit from three premises, as well as realisation of assets</li> </ul>
<b>Employees - Redundancies</b>	<ul style="list-style-type: none"> <li>• Completion and submission of RP14 and RP14A to redundancy Payments Office</li> <li>• Issue Redundancy letters</li> <li>• Support Insol Group in processing information on redundancies</li> </ul>	<ul style="list-style-type: none"> <li>• To enable employees to claim redundancy and other entitlements</li> </ul>	<ul style="list-style-type: none"> <li>• No financial benefit to creditors as a whole, but enables employees to claim redundancy and other entitlements</li> </ul>
<b>Employees - Redundancies claims / RPO</b>	<ul style="list-style-type: none"> <li>• Liaising with any employees, insol and RPO on redundancy claims</li> <li>• Reviewing employee files and company's books and records</li> <li>• Support Insol Group in reviewing claims calculated</li> <li>• Support agents in reviewing employee files and company's books and records</li> </ul>	<ul style="list-style-type: none"> <li>• To enable employees to claim redundancy and other entitlements</li> </ul>	<ul style="list-style-type: none"> <li>• No financial benefit to creditors as a whole, but enables employees to claim redundancy and other entitlements</li> </ul>
<b>Investigation - Correspondence with directors</b>	<ul style="list-style-type: none"> <li>• Review of specific transactions and liaising with directors regarding certain transactions</li> <li>• Liaising with directors for Company records</li> <li>• Asking directors to confirm the directors loan account, and how this had accrued</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory obligations</li> </ul>	<ul style="list-style-type: none"> <li>• No financial benefit unless potential antecedent transactions and other claims identified during the investigation</li> </ul>
<b>Investigation - Review Records</b>	<ul style="list-style-type: none"> <li>• Collection of company books and records</li> <li>• Reviewing company's books and records</li> <li>• Conducting and summarising statutory searches</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory obligations</li> </ul>	<ul style="list-style-type: none"> <li>• No financial benefit unless potential antecedent transactions and other claims identified during the investigation</li> </ul>
<b>Investigation - CDDA &amp; Report</b>	<ul style="list-style-type: none"> <li>• Preparing statutory investigation reports</li> <li>• Liaising with The Insolvency Service</li> <li>• Assessment of information under CDDA for reporting purposes</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory obligations</li> </ul>	<ul style="list-style-type: none"> <li>• No financial benefit unless potential antecedent transactions and other claims identified during the investigation</li> </ul>

<b>Investigation -</b> Financial review & Investigation (i.e. Antecedent transactions)	<ul style="list-style-type: none"> <li>• Preparation of deficiency statement</li> <li>• SIP 2 Review</li> <li>• Assess whether there has been any antecedent transaction</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory obligations</li> </ul>	<ul style="list-style-type: none"> <li>• No financial benefit unless potential antecedent transactions and other claims identified during the investigation</li> </ul>
<b>Administration &amp; Planning - Case Review</b>	<ul style="list-style-type: none"> <li>• File reviews</li> <li>• Week one, then three and six monthly reviews</li> <li>• Cost monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• For proper management of the case</li> </ul>	<ul style="list-style-type: none"> <li>• Controls time costs and ensures efficient case progression</li> </ul>
<b>Administration &amp; Planning - Case set up, Checklists</b>	<ul style="list-style-type: none"> <li>• Completing checklists on progression of liquidation</li> <li>• Set up of case records for monitoring and controlling the case.</li> </ul>	<ul style="list-style-type: none"> <li>• For proper management of the case</li> </ul>	<ul style="list-style-type: none"> <li>• Controls time costs and ensures efficient case progression</li> </ul>
<b>Administration &amp; Planning - Cashiering</b>	<ul style="list-style-type: none"> <li>• Opening bank account</li> <li>• Bank account reconciliations</li> <li>• Accounting for all receipts and Payments</li> <li>• Bank reconciliations</li> <li>• Maintaining ledger of transactions within the liquidation</li> </ul>	<ul style="list-style-type: none"> <li>• To manage the Company's bank accounts</li> </ul>	<ul style="list-style-type: none"> <li>• Ensures proper financial control of cash</li> <li>• Required by statute and regulations</li> </ul>
<b>Administration &amp; Planning - Company information, Administration</b>	<ul style="list-style-type: none"> <li>• Payment of professional fees</li> <li>• Collecting Company books and records</li> <li>• Reviewing records on site</li> <li>• Corresponding the Company accountants for information and access to online records</li> <li>• Obtaining access to Company records online</li> <li>• Assessing online records through Quick books</li> <li>• Dealing with records in storage</li> <li>• Sending job files to storage</li> </ul>	<ul style="list-style-type: none"> <li>• For proper management of the case</li> <li>• For investigation purposes</li> </ul>	<ul style="list-style-type: none"> <li>• Minimises the risk of matters not being identified that need dealing with in the liquidation</li> </ul>
<b>Administration &amp; Planning - Insurance</b>	<ul style="list-style-type: none"> <li>• Correspondence with insurer regarding initial and ongoing insurance requirements</li> <li>• Reviewing insurance policies</li> <li>• Correspondence with previous brokers</li> </ul>	<ul style="list-style-type: none"> <li>• To protect the assets</li> </ul>	<ul style="list-style-type: none"> <li>• To protect the assets</li> </ul>
<b>Administration &amp; Planning - Strategy Planning &amp; Control</b>	<ul style="list-style-type: none"> <li>• Review of overall position of the liquidation</li> <li>• Analysis of options and strategy documentation.</li> <li>• Budgets and cost monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• For the proper management of the case</li> </ul>	<ul style="list-style-type: none"> <li>• Controls time costs and ensures efficient case progression</li> </ul>
<b>Administration &amp; Planning - Tax</b>	<ul style="list-style-type: none"> <li>• Correspondence with HMRC</li> <li>• Vat de-registration, and submitting VAT 769</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with legal requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute or other legal requirement</li> <li>• Ensures any available tax and VAT recoveries are</li> </ul>

<b>Debtors - Correspondence with debtors</b>	<ul style="list-style-type: none"> <li>Correspondence with debtors, requesting payment</li> <li>Reviewing reasons for non-payment</li> </ul>	<ul style="list-style-type: none"> <li>To properly record debtor details</li> <li>To enable debtors to put their side of events forward</li> </ul>	<ul style="list-style-type: none"> <li>made for the benefit of the Liquidation</li> <li>Ensures information is up to date for debtor collections</li> <li>Any debtor collections will improve the dividend position for Company creditors</li> </ul>
<b>Debtors - Identifying debtors</b>	<ul style="list-style-type: none"> <li>Reviewing and assessing debtors' ledgers</li> <li>Obtaining copy invoices and statements</li> </ul>	<ul style="list-style-type: none"> <li>To properly record debtor details</li> <li>To enable debtors to put their side of events forward</li> </ul>	<ul style="list-style-type: none"> <li>Ensures information is up to date for debtor collections,</li> <li>Any debtor collections will improve the dividend position for Company creditors</li> </ul>
<b>Debtors - Receipts</b>	<ul style="list-style-type: none"> <li>Receive payment of book debts</li> <li>Updating debtors' records</li> </ul>	<ul style="list-style-type: none"> <li>To account for receipts from debtors</li> </ul>	<ul style="list-style-type: none"> <li>Debtor collections will improve the dividend position for Company creditors</li> </ul>
<b>Assets - Plant and Equipment</b>	<ul style="list-style-type: none"> <li>Reviewing asset listings and ensure all assets identified</li> <li>Instructing and liaising with agents to collect and sell plant and machinery at auction</li> <li>Sale of assets and invoicing</li> </ul>	<ul style="list-style-type: none"> <li>To agree sale of assets and maximise realisations for the benefit of the liquidation</li> </ul>	<ul style="list-style-type: none"> <li>Protects realisations for the benefit of the Liquidation</li> <li>Asset realisations will improve the dividend position for Company creditors</li> </ul>
<b>Assets - Vehicles</b>	<ul style="list-style-type: none"> <li>Reviewing asset listings and ensure all assets identified</li> <li>Identify any outstanding finance, and assess the return or settlement of outstanding finance</li> <li>Assess the position of one vehicle on finance with Black Horse for equity</li> <li>Instructing and liaising with agents to collect and sell the 5 vehicles at auction</li> <li>Settlement of Black Horse finance</li> <li>Sale of assets and invoicing</li> </ul>	<ul style="list-style-type: none"> <li>To agree sale of assets and maximise realisations for the benefit of the liquidation</li> </ul>	<ul style="list-style-type: none"> <li>Protects realisations for the benefit of the Liquidation</li> <li>Asset realisations will improve the dividend position for Company creditors</li> </ul>
<b>Assets - Stock / WIP</b>	<ul style="list-style-type: none"> <li>Reviewing stock values</li> <li>Instructing and liaising with agents to collect and sell</li> </ul>	<ul style="list-style-type: none"> <li>To agree sale of assets and maximise realisations for the</li> </ul>	<ul style="list-style-type: none"> <li>Protects realisations for the benefit of the Liquidation</li> </ul>

	<ul style="list-style-type: none"> <li>stock from the three premises at auction</li> <li>Identifying any work in progress, the current status and potential revenue generation</li> <li>Liaising with one particular customer regarding finishing work or auctioning fireplace</li> <li>Assess the cost v benefit of completing work in progress</li> <li>Sale of assets and invoicing</li> </ul>	benefit of the liquidation	<ul style="list-style-type: none"> <li>Asset realisations will improve the dividend position for Company creditors</li> </ul>
<b>Assets - Third Party Assets</b>	<ul style="list-style-type: none"> <li>Identify any third-party assets</li> <li>Review proof of ownership</li> <li>Deal with collection of third party assets by the owners</li> <li>Liaising with agents in respect of third party assets</li> </ul>	<ul style="list-style-type: none"> <li>To ensure the legal ownership of assets is established, so all company assets are realised for the benefit of the liquidation, and third-party assets are returned to the rightful owner.</li> </ul>	<ul style="list-style-type: none"> <li>Protects realisations for the benefit of the Liquidation</li> </ul>
<b>Assets - Other Tangible Assets</b>	<ul style="list-style-type: none"> <li>Identify any other tangible assets for sale</li> <li>Assess any value in website with valuers, John Pye to identify any value in assets</li> </ul>	<ul style="list-style-type: none"> <li>To agree sale of assets and maximise realisations for the benefit of the liquidation</li> </ul>	<ul style="list-style-type: none"> <li>Protects realisations for the benefit of the Liquidation</li> <li>In this case it provided no additional financial benefit.</li> </ul>
<b>Assets - Intangible Assets</b>	<ul style="list-style-type: none"> <li>Consider whether any intangible assets for sale</li> <li>Liaising with valuers, John Pye re any intangible value.</li> </ul>	<ul style="list-style-type: none"> <li>To agree sale of assets and maximise realisations for the benefit of the liquidation</li> </ul>	<ul style="list-style-type: none"> <li>Protects realisations for the benefit of the Liquidation</li> <li>In this case it provided no additional financial benefit.</li> </ul>
<b>Assets - Litigation / Antecedent transactions</b>	<ul style="list-style-type: none"> <li>Assess the current position of any litigation, the costs and benefit</li> <li>Obtain legal advice on the prospect of a beneficial outcome of any legal action</li> <li>Proceed with the solicitors to settle out of court</li> </ul>	<ul style="list-style-type: none"> <li>To agree sale of assets and maximise realisations for the benefit of the liquidation</li> </ul>	<ul style="list-style-type: none"> <li>Protects realisations for the benefit of the Liquidation</li> <li>Asset realisations will improve the dividend position for Company creditors</li> </ul>
<b>Asset – Sale of Property</b>	<ul style="list-style-type: none"> <li>Meetings and correspondence with solicitors in relation to this matter</li> <li>Updates and progression meetings / conference calls with solicitors and agents</li> </ul>	<ul style="list-style-type: none"> <li>To agree terms of sale</li> <li>To determine the validity of the charge</li> </ul>	<ul style="list-style-type: none"> <li>Ensures legally binding sale</li> <li>Protects realisations for the benefit of the Liquidation</li> </ul>

<b>Asset – Sale of Business</b>	<ul style="list-style-type: none"> <li>Review of sale agreement drafted by solicitors, Ellis Fermor for the various interested parties and ultimately the purchaser</li> <li>Completion of sale</li> <li>General enquiries from interested parties</li> </ul>	<ul style="list-style-type: none"> <li>To identify any interest</li> </ul>	<ul style="list-style-type: none"> <li>Protects realisations for the benefit of the Liquidation</li> </ul>
<b>Creditors – Secured Creditor Correspondence / Enquiries</b>	<ul style="list-style-type: none"> <li>Dealing with secured creditor correspondence and requests for updates via post, email and telephone</li> <li>Liaising with secured creditor regarding claim finalization</li> <li>Dealing with ad hoc creditor enquiries</li> <li>Correspondence with Lloyds Bank regarding the offers and agreement to release charge over 2 Arkwright Street</li> <li>Updating Lloyds Bank on the progress of the sale of 2 Arkwright Street</li> <li>Correspondence with Lloyds Bank fixed charge fees for liquidator</li> </ul>	<ul style="list-style-type: none"> <li>To keep creditors informed on the progress of the case</li> <li>For distribution of funds to secured creditor</li> </ul>	<ul style="list-style-type: none"> <li>Work is required by statute and for the proper administration of the case.</li> </ul>
<b>Creditors – Preferential Creditor Correspondence / Enquiries</b>	<ul style="list-style-type: none"> <li>Dealing with preferential creditor correspondence and requests for updates via post, email and telephone</li> <li>Review and prepare correspondence to creditors</li> <li>Dealing with ad hoc creditor enquiries</li> </ul>	<ul style="list-style-type: none"> <li>To keep creditors informed on the progress of the case</li> <li>For distribution of funds to preferential creditor</li> </ul>	<ul style="list-style-type: none"> <li>Work is required by statute and for the proper administration of the case.</li> </ul>
<b>Creditors – Unsecured Creditor Correspondence / Enquiries</b>	<ul style="list-style-type: none"> <li>Dealing with unsecured creditor correspondence and requests for updates via post, email and telephone</li> <li>Review and prepare correspondence to creditors</li> <li>Dealing with ad hoc creditor enquiries</li> </ul>	<ul style="list-style-type: none"> <li>To keep creditors informed on the progress of the case</li> </ul>	<ul style="list-style-type: none"> <li>Work is required by statute and for the proper administration of the case.</li> </ul>
<b>Creditors – Retention of Title Claims</b>	<ul style="list-style-type: none"> <li>Receive initial notification of creditor's intention to claim</li> <li>Receive completed retention of title claim form and assess the terms of retention of title clause</li> <li>Maintain retention of title file</li> <li>Meeting claimant on site to identify goods</li> <li>Adjudicate retention of title claim</li> </ul>	<ul style="list-style-type: none"> <li>To keep creditors informed on the claim and case in general</li> </ul>	<ul style="list-style-type: none"> <li>Work is required by statute and for the proper administration of the case.</li> </ul>



	<ul style="list-style-type: none"> <li>• Forward correspondence to claimant notifying outcome of adjudication</li> <li>• Calls, and emails with claimant who's claim was rejected on all money terms</li> </ul>		
<b>Creditors</b> - HP & Lease Creditors (if any)	<ul style="list-style-type: none"> <li>• Review leasing documents</li> <li>• Liaising with owners/lessors</li> <li>• Deal with the return of leased assets</li> <li>• Assess whether there is any equity in HP assets</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure assets are returned to the <i>rightful owner</i></li> <li>• To ensure any assets are identified</li> </ul>	<ul style="list-style-type: none"> <li>• Protects realisations for the benefit of the Liquidation</li> <li>• In this case it provided no additional financial benefit.</li> <li>• Ensures legally binding sale</li> </ul>
<b>Freehold /Leasehold Property</b> - Sale of Property	<ul style="list-style-type: none"> <li>• Meetings and correspondence with solicitors in relation to this matter</li> <li>• Updates and progression meetings / conference calls with solicitors and agents</li> </ul>	<ul style="list-style-type: none"> <li>• To agree terms of sale</li> <li>• To determine the validity of the charge</li> </ul>	
<b>Freehold /Leasehold Property</b> – Correspondence with agents	<ul style="list-style-type: none"> <li>• Reports / correspondence with banks</li> <li>• Ad hoc updates to the bank</li> </ul>	<ul style="list-style-type: none"> <li>• To keep the bank informed on the progress of the case</li> <li>• For distribution of funds to secured creditor</li> </ul>	<ul style="list-style-type: none"> <li>• Work is required by statute and for the proper administration of the case.</li> </ul>
<b>Freehold /Leasehold Property</b> – Insurance of charged assets	<ul style="list-style-type: none"> <li>• Liaising with insurers to insure the premises, 2 Arkwright Street</li> <li>• Cancellation of insurance once property sold</li> </ul>	<ul style="list-style-type: none"> <li>• To protect the assets</li> </ul>	<ul style="list-style-type: none"> <li>• Work required for proper management of assets</li> </ul>
<b>Freehold /Leasehold Property</b> – Leasehold correspondence / information	<ul style="list-style-type: none"> <li>• Gathering information on the leasehold car park from directors and accountants</li> <li>• Establishing the terms of the leasehold and title</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure assets are properly identified to maximize the sale</li> </ul>	<ul style="list-style-type: none"> <li>• Work required for proper management of assets and to maximise the sale proceeds for the benefit of creditors</li> </ul>
<b>Freehold /Leasehold Property</b> – Other Property Matters	<ul style="list-style-type: none"> <li>• Establish key holders, and changing locks</li> <li>• General correspondence with directors in respect of the property</li> <li>• Gathering property details including alarm details and provider</li> <li>• Gathering details on utilities for the property</li> </ul>	<ul style="list-style-type: none"> <li>• To protect the assets</li> </ul>	<ul style="list-style-type: none"> <li>• Work required for proper management of assets</li> </ul>
<b>Freehold /Leasehold Property</b> – Site clearance, security and maintenance	<ul style="list-style-type: none"> <li>• Site visits to check secure</li> <li>• Liaising with agents, John Pye to secure premises and conduct site visits</li> </ul>	<ul style="list-style-type: none"> <li>• To protect the assets</li> </ul>	<ul style="list-style-type: none"> <li>• Work required for proper management of assets</li> </ul>

<b>Freehold /Leasehold Property</b> – Taxation of property	<ul style="list-style-type: none"> <li>• Liaising with John Pye to cut off electricity and gas, other than for alarm</li> <li>• Clearance of the site with agents, <i>controlled demolition</i> on vacating the site</li> <li>• Responding to alarm and calls in respect of the security of the premises</li> </ul>		
	<ul style="list-style-type: none"> <li>• Gathering information on whether directors opted to tax 2 Arkwright street from directors and accountants</li> <li>• Consideration of capital gains tax</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure the correct price is achieved and invoiced</li> </ul>	<ul style="list-style-type: none"> <li>• To protect the financial benefit for creditors</li> <li>• Work required by statute</li> </ul>

## Our future work

We still need to do the following work in the liquidation

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
<b>Statutory</b> - Reporting to Creditors	<ul style="list-style-type: none"> <li>• Loading reports onto online system and notification to creditors of new report by mail</li> <li>• Circulation and preparation of the Annual Progress report for the liquidation</li> <li>• Circulation and preparation of the <i>Final report</i></li> </ul>	<ul style="list-style-type: none"> <li>• To comply with mandatory statutory and other obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute/regulations</li> </ul>
<b>Statutory</b> - Receipts & Payments	<ul style="list-style-type: none"> <li>• Preparation of the receipts and payments as part of creditors reports</li> <li>• Filing receipts and payments at Companies House.</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with mandatory statutory and other obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute/regulations</li> </ul>
<b>Statutory</b> - Bonding	<ul style="list-style-type: none"> <li>• Review of estimated outcome statement for bonding purposes and Bond submission</li> <li>• Regular review of the bonding level</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute/regulations</li> </ul>
<b>Statutory</b> – Consent and Opting	<ul style="list-style-type: none"> <li>• Record of consent to electronic delivery</li> <li>• Maintenance of electronic delivery schedules</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure efficient delivery of information to creditors</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute/regulations</li> <li>• To ensure efficient delivery of</li> </ul>

	<ul style="list-style-type: none"> <li>Record of creditors wishing to opt out</li> <li>Record of creditors revoking opting out</li> <li>Maintenance of opted out schedules</li> </ul>	<ul style="list-style-type: none"> <li>To save costs on delivery of information to creditors</li> <li>To properly record creditors wishes regarding communication</li> </ul>	<p>information to creditors and delivery cost savings</p>
<b>Statutory - Notices</b>	<ul style="list-style-type: none"> <li>Notices of decision procedures to creditors, including, but not limited to, the outcome of any decision. In this case to be used for the formation of a committee</li> <li>Filing statutory notices at Companies House</li> <li>Statutory advertising of any meetings</li> <li>Notice of closure of liquidation to PPF</li> <li>Filing statutory notices at Companies House</li> <li>Notice of closure</li> </ul>	<ul style="list-style-type: none"> <li>To comply with mandatory statutory and other obligations</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute/regulations</li> </ul>
<b>Statutory – Other</b>	<ul style="list-style-type: none"> <li>Updating case records</li> <li>Internal compliance procedures</li> <li>Case Closure</li> </ul>	<ul style="list-style-type: none"> <li>To comply with mandatory statutory and other obligations</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute</li> </ul>
<b>Statutory – Release and Removal</b>	<ul style="list-style-type: none"> <li>Final report and account</li> <li>Notice of release and removal from office</li> </ul>	<ul style="list-style-type: none"> <li>To comply with mandatory statutory and other obligations</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute</li> </ul>
<b>Employees - Employees correspondence / enquiries</b>	<ul style="list-style-type: none"> <li>Receive and follow up employee enquiries via telephone, email and post</li> <li>Review and prepare correspondence to creditors and their representatives via email and post</li> <li>Preparation of letters to employees advising of their entitlements and options available</li> <li>Receive and prepare correspondence in response to employees' objections to leave entitlements</li> </ul>	<ul style="list-style-type: none"> <li>To properly record employee details</li> <li>To keep employees abreast of developments</li> <li>To enable employees to claim redundancy and other entitlements</li> </ul>	<ul style="list-style-type: none"> <li>Ensures information is up to date for statutory reporting and redundancy purposes</li> </ul>
<b>Employees - Insol / Trinity</b>	<ul style="list-style-type: none"> <li>Liaise with agents to assess preferential creditor position, deal with redundancy claims</li> </ul>	<ul style="list-style-type: none"> <li>To enable employees to claim redundancy and other entitlements</li> </ul>	<ul style="list-style-type: none"> <li>No financial benefit to creditors as a whole, but enables employees to claim redundancy and other entitlements</li> </ul>

<b>Employees -</b> Redundancies claims / RPO	<ul style="list-style-type: none"> <li>• Liaising with any employees, insol and RPO on redundancy claims</li> <li>• Reviewing employee files and company's books and records</li> <li>• Support agents in reviewing claims calculated</li> <li>• Support agents in reviewing employee files and company's books and records</li> </ul>	<ul style="list-style-type: none"> <li>• To enable employees to claim redundancy and other entitlements</li> </ul>	<ul style="list-style-type: none"> <li>• No financial benefit to creditors as a whole, but enables employees to claim redundancy and other entitlements</li> </ul>
<b>Administration &amp; Planning - Case Review</b>	<ul style="list-style-type: none"> <li>• Annual reviews</li> <li>• Budgets and cost monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• For proper management of the case</li> </ul>	<ul style="list-style-type: none"> <li>• Controls time costs and ensures efficient case progression</li> </ul>
<b>Administration &amp; Planning - Case set up, Checklists</b>	<ul style="list-style-type: none"> <li>• Completing checklists on progression of liquidation</li> <li>• Closing the case records</li> </ul>	<ul style="list-style-type: none"> <li>• For proper management of the case</li> </ul>	<ul style="list-style-type: none"> <li>• Controls the progression of the case</li> </ul>
<b>Administration &amp; Planning - Cashiering</b>	<ul style="list-style-type: none"> <li>• Closing bank accounts</li> <li>• Bank account reconciliations</li> <li>• Accounting for all receipts and Payments</li> <li>• Bank reconciliations</li> <li>• Maintaining ledger of transactions within the liquidation</li> <li>• Dividend payment</li> <li>• Payment of professional fees</li> <li>• Dealing with unclaimed dividend cheques</li> </ul>	<ul style="list-style-type: none"> <li>• To manage the Company's bank accounts</li> </ul>	<ul style="list-style-type: none"> <li>• Ensures proper financial control of cash</li> <li>• Required by statute and regulations</li> </ul>
<b>Administration &amp; Planning - Company information, Administration</b>	<ul style="list-style-type: none"> <li>• Dealing with records in storage</li> <li>• Sending job files to storage</li> </ul>	<ul style="list-style-type: none"> <li>• To manage company records</li> </ul>	<ul style="list-style-type: none"> <li>• Work required for proper case management</li> </ul>
<b>Administration &amp; Planning - Strategy Planning &amp; Control</b>	<ul style="list-style-type: none"> <li>• Review of overall position of the liquidation</li> <li>• Analysis of options and strategy documentation.</li> <li>• Budgets and cost monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• For the proper management of the case</li> </ul>	<ul style="list-style-type: none"> <li>• Controls time costs and ensures efficient case progression</li> </ul>
<b>Administration &amp; Planning - Tax</b>	<ul style="list-style-type: none"> <li>• Correspondence with HMRC</li> <li>• Vat de-registration, and submitting VAT 100, VAT193 and VAT 426/7 forms</li> <li>• Submitting annual CT returns and accounting for any capital gains tax on the property</li> <li>• Complying with the Company's tax obligations including submission of annual returns</li> <li>• Requesting clearance from HMRC on all tax matters prior to closure</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with legal requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute or other legal requirement</li> <li>• Ensures any available tax and VAT recoveries are made for the benefit of the Liquidation</li> </ul>

<b>Debtors -</b> Correspondence with debtors	<ul style="list-style-type: none"> <li>Submitting the final VAT return to HMRC</li> <li>Correspondence with debtors, requesting payment</li> <li>Reviewing reasons for non-payment</li> </ul>	<ul style="list-style-type: none"> <li>To properly record debtor details</li> <li>To enable debtors to put their side of events forward</li> </ul>	<ul style="list-style-type: none"> <li>Ensures information is up to date for debtor collections</li> <li>Any debtor collections will improve the dividend position for Company creditors</li> </ul>
<b>Debtors -</b> Agreeing debts	<ul style="list-style-type: none"> <li>Agree outstanding amount with debtors</li> <li>Checking bank statements where debtors claim payment prior to liquidation</li> <li>Calculate late payment and interest, if required</li> </ul>	<ul style="list-style-type: none"> <li>To realise assets</li> </ul>	<ul style="list-style-type: none"> <li>For the financial benefit of the case</li> </ul>
<b>Debtors -</b> Receipts	<ul style="list-style-type: none"> <li>Agree terms for payment</li> <li>Receive payment of book debts</li> <li>Updating debtors' records</li> </ul>	<ul style="list-style-type: none"> <li>To account for receipts from debtors</li> </ul>	<ul style="list-style-type: none"> <li>Debtor collections will improve the dividend position for Company creditors</li> </ul>
<b>Debtors -</b> VAT Bad Debt	<ul style="list-style-type: none"> <li>Where book debts cannot be realised, assess VAT Bad Debt relief claim</li> <li>Submit VAT Bad Debt Relief claim</li> <li>Correspondence with HMRC</li> </ul>	<ul style="list-style-type: none"> <li>To claim funds the company is entitled to, and to maximise funds</li> </ul>	<ul style="list-style-type: none"> <li>For financial benefit to the case</li> </ul>
<b>Asset –</b> Sale of Property	<ul style="list-style-type: none"> <li>Liaise with lawyers to ensure all matters finalised</li> </ul>	<ul style="list-style-type: none"> <li>For clearance before closure</li> </ul>	<ul style="list-style-type: none"> <li>Work is required for proper management of the case</li> </ul>
<b>Creditors –</b> Secured Creditor Correspondence / Enquiries	<ul style="list-style-type: none"> <li>Dealing with secured creditor correspondence and requests for updates via post, email and telephone</li> <li>Review and prepare correspondence to creditors</li> <li>Liaising with secured creditor regarding claim finalization</li> <li>Dealing with ad hoc creditor enquiries</li> </ul>	<ul style="list-style-type: none"> <li>To keep creditors informed on the progress of the case</li> <li>For distribution of funds to secured creditor</li> </ul>	<ul style="list-style-type: none"> <li>Work is required by statute and for the proper administration of the case.</li> </ul>
<b>Creditors –</b> Preferential Creditor Correspondence / Enquiries	<ul style="list-style-type: none"> <li>Dealing with preferential creditor correspondence and requests for updates via post, email and telephone</li> <li>Review and prepare correspondence to creditors</li> <li>Liaising with preferential creditor regarding claim finalization</li> <li>Dealing with ad hoc creditor enquiries</li> </ul>	<ul style="list-style-type: none"> <li>To keep creditors informed on the progress of the case</li> <li>For distribution of funds to preferential creditor</li> </ul>	<ul style="list-style-type: none"> <li>Work is required by statute and for the proper administration of the case.</li> </ul>

<b>Creditors – Unsecured Creditor Correspondence / Enquiries</b>	<ul style="list-style-type: none"> <li>• Dealing with unsecured creditor correspondence and requests for updates via post, email and telephone</li> <li>• Review and prepare correspondence to creditors</li> <li>• Dealing with ad hoc creditor enquiries</li> </ul>	<ul style="list-style-type: none"> <li>• To keep creditors informed on the progress of the case</li> </ul>	<ul style="list-style-type: none"> <li>• Work is required by statute and for the proper administration of the case.</li> </ul>
<b>Creditors - Agreeing claims</b>	<ul style="list-style-type: none"> <li>• Processing Proofs of Debt (POD) &amp; Reviewing creditors' claims, if and when a dividend to creditors can be paid, including;</li> <li>• Preparation of correspondence to potential creditors inviting lodgement of POD</li> <li>• Receipt of POD</li> <li>• Maintain POD register</li> <li>• Adjudicating POD</li> <li>• Request further information from claimants regarding POD</li> <li>• Preparation of correspondence to claimant advising outcome of adjudication</li> </ul>	<ul style="list-style-type: none"> <li>• To determine the claims of creditors prior to any dividend</li> </ul>	<ul style="list-style-type: none"> <li>• Work is required by statute and for the proper administration of the case.</li> </ul>
<b>Creditors - Dividend distribution</b>	<ul style="list-style-type: none"> <li>• Preparation of correspondence to creditors advising of intention to declare dividend</li> <li>• Advertisement of intention to declare dividend</li> <li>• Preparation of dividend calculation</li> <li>• Preparation of correspondence to creditors announcing declaration of dividend</li> <li>• Advertise announcement of dividend</li> <li>• Preparation of distribution</li> <li>• Preparation of dividend file</li> <li>• Preparation of payment vouchers to pay dividend</li> <li>• Preparation of correspondence to creditors enclosing payment of dividend</li> </ul>	<ul style="list-style-type: none"> <li>• Essential to provide creditors with their distribution</li> <li>• Required by statute</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution of funds to respective category of creditor as required by statute</li> </ul>
<b>Creditors - Processing Claims</b>	<ul style="list-style-type: none"> <li>• Correspondence with employees, Insol &amp; RPO regarding dividend</li> <li>• Correspondence with RPO regarding proof of debt</li> <li>• Calculating dividend rate</li> <li>• Preparing dividend file</li> </ul>	<ul style="list-style-type: none"> <li>• Essential to provide creditors with their distribution</li> <li>• Required by statute</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution of funds to respective category of creditor as required by statute</li> </ul>

	<ul style="list-style-type: none"> <li>• Advertising dividend notice</li> <li>• Preparing distribution</li> <li>• Receipting POD</li> <li>• Adjudicating POD</li> <li>• Ensuring PAYE is remitted to HMRC</li> </ul>		
<b>Freehold / Leasehold Property – Other Matters</b>	<ul style="list-style-type: none"> <li>• To finalise the property costs associated with the property with agents, rates and utilities</li> <li>• To instruct agents assess any rates refund and liaising with them, providing property details to trace refund possibilities</li> </ul>	<ul style="list-style-type: none"> <li>• Essential to discharge costs of the liquidation</li> <li>• Required to assess any further asset to realise in respect of refunds</li> </ul>	<ul style="list-style-type: none"> <li>• Work required for proper management of the case</li> </ul>

## Our expense policy

The Liquidator's firm's expenses policy allows for all properly incurred expenses to be recharged to the case. Disbursements are charged to the assignment as follows:-

### Direct Expenses - Category 1 Disbursements (Creditor approval not required)

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

Disbursement	Amount
Postage	As per current postal charges
Other disbursements i.e. Advertising, bonding, professional and legal costs	At cost
Company and Individual searches	At cost
Room hire where required for Statutory Meetings (Whether meetings are attended or not)	At cost
Other third-party expenses incurred directly in connection with the case	At cost
Travel & accommodation costs as required	At cost (Hotels, Air Travel, Rail, Taxis, Public Transport, Parking, Subsistence etc.).
Mileage	45p per mile

### Indirect Expenses - Category 2 Disbursements (Creditor approval required)

It is our normal practice to also charge the following indirect disbursements ("Category 2 disbursements" as defined by SIP9) to the case, where appropriate:

Disbursement	Amount
Photocopying (only charged for circulars to creditors or for exceptional amounts of copying)	10p per sheet
Envelopes (only charged for circulars to creditors)	25p each

Storage (when stored internally)	£1.30 per box per month
Archive Boxes	£1.50 per box

## Storage and Archiving Charges

Where we use a commercial archiving company for storage facilities for companies records and papers. This is recharged to the estate at cost, along with their cost for collection. Alternatively, we may collect and store the companies records and papers at our storage facility, this is charged at a lower rate of £1.30 per box per month for storage and an initial cost of £1.50 per box is charged for archive boxes were required. We also use our own personnel and vehicle for collection of the Books and records for which we charge £45 per hour.

## Travel

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

## Disbursements

We do not need get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying etc. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approve our fees.

Our expense policy (detailed above) allows for all properly incurred expenses to be recharged to the liquidation and have been approved by creditors where required.

The following disbursements arose in the period of this report.

Category	Cost	Provider	Costs incurred £
1	<b>Postage</b> – postage costs for issuing circulars of reports and notices (as above, at cost)	Royal Mail	£123.52
1	<b>Bonding</b> – statutory insurance	IRS	£3,600
1	<b>Statutory Advertising</b>	TMP Reynells	£394.51
1	<b>Mileage</b> – staff attending site for site inspections and ROT visits (at 45p per mile)	-	£189.18
1	<b>Redirection of Mail</b> (charged at cost)	Royal Mail	Fixed price of £175.00
1	<b>Couriers</b> to transfer legal documents to lawyers (charged at cost)	-	2 times at fixed fee of £50, total £100
1	<b>Energy Efficiency Rating</b> – rating for the sale of the property	BEC	Fixed price of £265
1	<b>Site Clearance</b> at Raynesway	S Spencer	£420.00, time costs
1	<b>Site Clearance</b> at Raynesway	M Tucker	£70.00, time costs
1	<b>Storage</b>	L& R Storage	£10
1	<b>Online reporting</b> – use of online website for uploading reports	My Insolvency Report	£20.93 per case



The Liquidator has paid the expenses but has not been reimbursed for all these costs. Appendix 2 provides full details on the expenses incurred and paid in the period under review and the in the liquidation.

## Legal and other professional firms

We've instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
The removal of assets from 3 premises, the valuation and auction of assets	John Pye & Sons	Qualified valuers, specializing in liquidated stock and local auction house	Commission of 20% plus time costs and disbursements for removal of assets, totaling £21,989.12 (with an element written off)
Sale agreement for the freehold property and leasehold car park, and assistance on removing car parking operatives from site	Ellis Fernor	Expertise	Time costs
Marketing and sale of property	Savills	Prior knowledge of the property and expertise	1.5% commission plus marketing costs of £705
Site clearance of 2 Arkwright street prior to sale	Controlled demolition	Available at short notice prior to sale, secure disposal if required	£2500 plus £200 for additional labour
Insurance of premises and assets	IRS	Specialise in insurance for insolvency cases	£4771.03
Clearance of skips at Raynesway	Magfern Skips	Prior knowledge and provider of skips originally	£525.00
ERA Services at appointment	Trinity IP Solutions	Specialise in ERA expertise	£250 site visit and £15 per employee, total £415
ERA services for processing redundancy claims	Insol Group	Specialist ERA providers	£500 based on 11 employees
Legal services for dealing with ongoing court case, assessing the likely outcome and negotiating a settlement out of court	Ellis Fernor	Expertise in litigation	£2,618.10

## Our relationships

### Details of subcontracted work

In addition, the director, Keith Harrison agreed to assist with sale of assets in particular stock, providing valuable knowledge for listing of assets and auction, and identifying various components to make up a lot for sale. It was agreed a success fee on a percentage basis, being 20% of the stock value (for the avoidance of doubt this excludes vehicles) would be paid, subject to funds being available. A

success fee was deemed fair and reasonable, in order to incentivise the maximization of realisations through his assistance.

## **Consultants**

From time to time, the firm may engage the services of self-employed or freelance consultants to assist in the administration of a case.

Where such consultants are engaged, their time is charged and recorded on the firm's time recording system at the level commensurate with their experience and at the same grade as equivalently experienced and directly employed staff fulfilling that role.

No consultants have been instructed during the period of this report.

# APPENDIX 5 – Pre-appointment remuneration

The table below shows the time costs for the pre-appointment period.

THE DERBY FIREPLACE COMPANY LTD - IN CVL Pre-appointment time costs									
	Units			Cost (£)			Total Sum of Units	Total Sum of Total	Average hourly rate (£)
	Secretarial & Support	Case Administrator	Insolvency Practitioner	Secretarial & Support	Case Administrator	Insolvency Practitioner			
<b>Admin &amp; Planning</b>									
P - Case set up, checklists etc		1.1	0.4		247.50	150.00	1.5	397.50	265.00
P - Company information, Admin	0.8	3.6	1.2	88.00	810.00	450.00	5.6	1,348.00	240.71
P - Strategy planning & Control		0.6	1.3		180.00	487.50	2.1	667.50	317.86
<b>Total Admin &amp; Planning</b>	<b>0.8</b>	<b>5.3</b>	<b>2.9</b>	<b>88.00</b>	<b>1,237.50</b>	<b>1,087.50</b>	<b>9.2</b>	<b>2,413.00</b>	<b>262.28</b>
<b>Asset Realisations</b>									
A - Securing Assets		1.5	1		337.50	375.00	2.5	712.50	285.00
A - Stock & WP		0.7			157.50		0.7	157.50	225.00
<b>Asset Realisations</b>		<b>2.2</b>	<b>1</b>		<b>495.00</b>	<b>375.00</b>	<b>3.2</b>	<b>870.00</b>	<b>271.88</b>
<b>Creditors</b>									
C - ROT Creditors		0.9			202.50		0.9	202.50	225.00
C - Unsecured Creditor Correspondence		0.7			157.50		0.7	157.50	225.00
<b>Creditors</b>		<b>1.6</b>			<b>360.00</b>		<b>1.6</b>	<b>360.00</b>	<b>225.00</b>
<b>Employees</b>									
E - Gathering information		0.5			112.50		0.5	112.50	225.00
E - Insol		1.5			337.50		1.5	337.50	225.00
E - Other EE matters		0.3	1.1		67.50	412.50	1.4	480.00	342.86
<b>Employees</b>		<b>2.3</b>	<b>1.1</b>		<b>517.50</b>	<b>412.50</b>	<b>3.4</b>	<b>930.00</b>	<b>273.53</b>
<b>Freehold/Leasehold</b>									
F - Correspondence with agents		0.2			45.00		0.2	45.00	225.00
<b>Freehold/Leasehold</b>		<b>0.2</b>			<b>45.00</b>		<b>0.2</b>	<b>45.00</b>	<b>225.00</b>
<b>Statutory</b>									
S - Appointment Documents		3.2	1		765.00	375.00	4.2	1,140.00	271.43
S - Ethical checks etc		0.5	0.2		112.50	75.00	0.7	187.50	267.86
S - Members Meetings	0.8		0.5	88.00		187.50	1.3	275.50	211.92
S - Notices	1.3	2.4	0.4	143.00	540.00	150.00	4.1	833.00	203.17
S - Reports to Creditors		4.4	0.5		990.00	187.50	4.9	1,177.50	240.31
S - Statement of Affairs		4.3	0.6		967.50	180.00	4.9	1,147.50	234.18
<b>Statutory</b>	<b>2.1</b>	<b>14.8</b>	<b>3.2</b>	<b>231.00</b>	<b>3,375.00</b>	<b>1,155.00</b>	<b>20.1</b>	<b>4,761.00</b>	<b>236.87</b>
<b>Grand Total</b>	<b>2.9</b>	<b>26.6</b>	<b>8.2</b>	<b>319.00</b>	<b>6,030.00</b>	<b>3,030.00</b>	<b>37.7</b>	<b>9,379.00</b>	<b>248.78</b>