

1
LIQ03

Notice of progress report in voluntary winding up



Companies House

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

1 Company details

Company number 0 3 1 5 3 7 6 2
Company name in full European Textile Recycling Limited

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

2 Liquidator's name

Full forename(s) Isobel
Surname Brett

3 Liquidator's address

Building name/number 21 Highfield Road
Street
Post town Dartford
County/Region Kent
Postcode D A 1 2 J S
Country

4 Liquidator's name

Full forename(s)
Surname

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

5 Liquidator's address

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

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

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

From date	1	4	0	2	2	0	2	0
To date	1	3	0	2	2	0	2	1

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

0

9

0

4

2

0

2

1

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.

Isobel Susan Brett

Bretts Business Recovery Limited

21 Highfield Road

Dartford

Kent

Postcode

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DX

01474 532862

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

Important information

All information on this form will appear on the public record.

Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

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

All fields are mandatory unless specified or indicated by *

1

Appointment type

Tick to show the nature of the appointment:

- ☐ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2

Insolvency practitioner's name

Full forename(s)

Surname

3

Insolvency practitioner's address

Building name/number

Street

Post town

County/Region

Postcode

Country

EUROPEAN TEXTILE RECYCLING LIMITED
IN CREDITORS' VOLUNTARY LIQUIDATION

ANNUAL PROGRESS REPORT

For the period 14 February 2020 to 13 February 2021

Annual Progress Report of European Textile Recycling Limited in Creditors Voluntary Liquidation

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- Appendix 2 – Detailed list of work undertaken in the period
- Appendix 3 – Time cost information for the period 14 February 2020 to 13 February 2021 and for the period of Liquidation
- Appendix 4 – Time costs summary for period, cumulative & comparison with estimate
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Annual Progress Report of European Textile Recycling Limited in Creditors Voluntary Liquidation

1. INTRODUCTION

In accordance with The Insolvency (England and Wales) Rules 2016, I am required to provide Members and Creditors with an annual progress report. The purpose of this report is to detail my acts and dealings as Liquidator and summarises the progress of the Liquidation during the period 14 February 2020 to 13 February 2021 ("the Review Period") and which should be read in conjunction with my previous correspondence to Members and Creditors.

2. STATUTORY INFORMATION AND APPOINTMENT DETAILS

Company Details

Registered Name:	European Textile Recycling Limited
Registered Office:	21 Highfield Road, Dartford, Kent, DA1 2JS
Former Registered Office:	Tollgate Court Business Centre, Stafford, Staffordshire, ST16 3HS
Registered Number:	03153762
Other Trading Names:	Cash4clothes
Principal Activity:	Recycling new and used clothing

Appointment Details

Name of Liquidator:	Isobel Susan Brett
Address of Liquidator:	21 Highfield Road, Dartford, Kent, DA1 2JS
Date of Appointment of Liquidator:	14 February 2019
Change in Officeholder:	n/a

3. EXECUTIVE SUMMARY

A summary of key information in this report is detailed below.

Assets

Asset	Estimated to realise per Statement of Affairs	Realisations to date	Anticipated future realisations	Total anticipated realisations
Goodwill (subject to fixed charge)	Uncertain	8,613.60	0.00	8,613.60
Tangible Assets	16,250.00	17,350.00	0.00	17,350.00
Book Debts	11,786.00	0.00	0.00	0.00
Intercompany Loan	Uncertain	0.00	Uncertain	Uncertain
Cash at Bank	-	20,653.37	0.00	20,653.37
Cash on Hand	2,300.00	2,492.51	0.00	2,492.51
VAT Refund	Uncertain	0.00	0.00	0.00
Bank Interest Gross	0.00	78.77	2.35	81.12

Annual Progress Report of European Textile Recycling Limited in Creditors Voluntary Liquidation

Expenses

Expense	Amount per fees and expenses estimates	Expense incurred to date	Anticipated further expense to closure	Total anticipated expense
Fixed fee for placing Company into Liquidation	-	13,000.00	0.00	13,000.00
Fixed fee for assisting in the Preparation of the Statement of Affairs	-	2,000.00	0.00	2,000.00
Liquidator's Fees:				
Fixed fee of £15,000	-	12,000.00	3,000.00	15,000.00
20% of any intercompany loan realisations	-	0.00	uncertain	uncertain
10% of distributions to unsecured creditors	-	0.00	uncertain	uncertain
Time costs	21,560.00	12,629.50	8,930.50	21,560.00
Agents' fees	2,858.00	2,858.03	0.00	2,858.03
Legal Fees	300.00	0.00	300.00	300.00
Accountancy Fees	4,250.00	2,440.00	0.00	2,440.00
Open Cover Insurance	0.00	95.20	uncertain	95.20
Category 1 Expenses	671.00	1,390.82	0.00	1,390.82
Category 2 Expenses	964.00	961.51	0.00	961.51

Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend, based upon the above
Secured creditor	NIL	N/A
Preferential creditors	NIL	Uncertain
Unsecured creditors	NIL	Uncertain

Summary of Key Issue Outstanding

- Finalisation of the intercompany loan position and agreement of a repayment plan or settlement.

Closure

Due to the issue outstanding as detailed above, I am presently unable to estimate the timing of the closure of the Liquidation.

4. ADMINISTRATION AND PLANNING

I am required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration of the case, which ensures that work is carried out to high professional standards. A detailed list of these tasks may be found in Appendix 2.

I have met my statutory and regulatory duties to report to creditors, as listed below. In consideration of the need for transparency and engagement with creditors, care has been

Annual Progress Report of European Textile Recycling Limited in Creditors Voluntary Liquidation

taken to ensure that reports and other communications with creditors have provided useful details of the strategies pursued and the outcomes anticipated. During the Review Period, the following key documents have been issued:

- Progress report to creditors for the year to 13 February 2020.

Other Administration Tasks

During the Review Period, the following material tasks in this category were carried out:

- Case reviews;
- Periodic review of specific bonding requirements;
- Regular bank reconciliations;
- Corporation tax return;
- Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards.

5. RECEIPTS AND PAYMENTS ACCOUNT

My receipts and payments account for the Review Period and for the period of liquidation is attached at Appendix 1. The payments shown on the summary are in the main self-explanatory.

Estate funds have been banked in a designated interest-bearing client account with Handelsbanken. During the Review Period, gross bank interest of £2.35 has been received and £78.77 has been received for the period of Liquidation.

6. REALISATION OF ASSETS

Asset Summary

According to the Director's Statement of Affairs the assets of the Company had a total estimated value of £30,336 which comprised principally as below:

Asset Name	Est. To Realise £	Realised to Date £
Goodwill	Uncertain	8,613.60
Office Furniture & Equipment	1,500.00	1,500.00
Vehicles (inc Forklift Trucks and Trailers)	1,750.00	9,350.00
Plant & Machinery	13,000.00	3,500.00
Chattels	-	1,500.00
Stock	-	1,500.00
Book Debts	11,786.00	0.00
Intercompany Loan	Uncertain	0.00
Cash on Hand	2,300.00	2,492.51
VAT Refund	Uncertain	0.00
Cash at Bank	-	20,653.37
Total	30,366.00	49,109.48

Detailed below is key information about asset realisation and strategy, however, more details about the work undertaken may be found at Appendix 2. As Liquidator, I formulated and

Annual Progress Report of European Textile Recycling Limited in Creditors Voluntary Liquidation

worked through a realisation strategy that sought to maximise realisations net of costs. The financial benefit of those efforts is described further below.

Assets

Intercompany Loan

Creditors may recall from my previous report that there is a debt owed to the Company which is an intercompany loan with Weston Property Holdings Limited ("WPH"). WPH is a connected party. Draft managements accounts to 30 January 2019 showed £261,550 as outstanding. The estimated Statement of Affairs showed an uncertain realisable value.

The Company's accountant, as instructed, has provided management accounts to the date of Liquidation and has also produced a reconciliation of the intercompany loan. As a result of this, the accountant has confirmed that a total of £31,057.08 is outstanding after taking into account various trade debts WPH discharged on behalf of the Company.

During the Review Period, formal demand for payment of the intercompany loan has been made for £31,057.08. Communications are ongoing with WPH. However, due to difficult trading conditions against the backdrop of the Covid-19 Pandemic, WPH does not have sufficient trading income from which to make any payments towards discharging the balance. I have requested documentary evidence to substantiate this and will continue to monitor WPH's trading position, particularly as the economy reopens.

Trade Book Debts

As detailed in my previous report there was one book debt remaining for the sum of £1,004.40. The costs to continue to pursue this balance however would likely outweigh any recovery and I have therefore written off the debt. I am considering whether a claim for VAT bad debt relief can be made in relation to this write off.

The work detailed above and within Appendix 2 is necessary in order to ensure that all Company assets were identified, secured and realised in order to maximise asset realisations for the benefit of the Liquidation and any direct financial benefit to creditors will be dependent on any recoveries made in respect of the intercompany loan.

7. CREDITORS' CLAIMS AND DIVIDEND PROSPECTS

During the Review Period, the case administrator has maintained creditor information on the system and dealt with creditor correspondence and telephone conversations.

Irrespective of whether sufficient realisations are achieved to pay a dividend to creditors, I, as Liquidator, have had to carry out key tasks which are detailed in the list at Appendix 2. The following sections explain the anticipated outcomes to creditors.

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Secured Creditors

The Company has granted the following security:

Type of charge	Date created	Beneficiary	Status
Debenture	02/07/2008	Barclays Bank Plc	Outstanding
Legal Charge	23/10/2003	Barclays Bank Plc	Satisfied 24/10/2006
Debenture	19/11/1997	Barclays Bank Plc	Satisfied 24/10/2006

The debt due to Barclays Bank Plc ("the Bank") at the date of my appointment was made up of various loans and overdrafts, the total quantum of which was approximately £129,147 excluding charges and accruing interest. It is understood that the Bank debt has been discharged by WPH under their cross-guarantee. I have written to the Bank to request confirmation that the debt has been settled in full.

ILaw Solicitors ("ILaw") were initially instructed to advise on the validity of the aforementioned outstanding charge. Unfortunately, due to the Solicitor dealing with the matter unexpectedly passing away it has been necessary for me to instruct another party to review the validity of the charge.

Preferential Creditors

Employees' Claims

The preferential creditors' claims are estimated to amount to £26,576, as reflected in the Statement of Affairs, and are in respect of employees' arrears of pay and holiday pay. These claims will be met in the first instance by the Redundancy Payments Service ("RPS") up to the statutory maximum weekly rate in force at the date of insolvency.

I have not yet received a preferential claim from the RPS.

It is presently unclear whether there will be sufficient funds to pay a dividend to preferential creditors which is dependent upon any realisations made in respect of the intercompany loan.

Unsecured Creditors

Prescribed Part Provisions

The prescribed part applies where the Company has granted a floating charge to a creditor after 15 September 2003. Where a floating charge over the Company's assets has been given, a prescribed amount of the Company's net property, after paying Liquidation costs and expenses and preferential creditors' claims, must be made available to the unsecured creditors.

Although the Company has granted a floating charge to Barclays Bank Plc after 15 September 2003 as detailed above, it is understood that balance due to the secured creditor has been discharged, in full, by Weston Property Holdings Limited and consequently the prescribed part provisions will not apply but this is subject to receiving the aforementioned confirmation from the Bank.

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Unsecured Creditors' Claims

The Statement of Affairs included 83 unsecured creditors with an estimated total liability of £258,167. As previously advised, the amounts shown on the Statement of Affairs were provided by the Directors and derived from the Company's records, which may not necessarily agree with your own records. Creditors may also be entitled to claim VAT Bad Debt Relief on their claims.

I have received claims from 37 creditors whose claims total £125,916.49. No claim agreement work has been undertaken.

Whilst claims received have generally been in keeping with the estimated figures included in the Statement of Affairs, I have received a claim from Barclaycard Commercial for the sum of £17,423.31, who were not included as a creditor in the Statement of Affairs.

HM Revenue & Customs

The Statement of Affairs reflected an amount of £19,441.88 owed to HM Revenue & Customs ("HMRC"). HMRC have not yet submitted a claim in the Liquidation.

Employees' Unsecured Claims

Employees' unsecured claims in respect of redundancy and unpaid notice pay entitlements were estimated to total £114,742 per the Statement of Affairs. I am awaiting details of the claim from the RPS.

Dividend Prospects

I am presently unable to state whether a dividend will become available for unsecured creditors. The likelihood of any dividend is dependent upon the level of realisations achieved in respect of the aforementioned intercompany loan and the level of preferential creditors' claims.

The work detailed above and within Appendix 2 may not result in a dividend being payable to either preferential or unsecured creditors and therefore may not provide a direct financial benefit to creditors. The work undertaken to date was necessary in order to ensure employees' claims are processed and settled by the RPS, unsecured creditors' claims are processed to enable claims for VAT bad debt relief to be applied for, an accurate record of the Company's indebtedness to be maintained and to deal with all creditors' enquiries.

8. LIQUIDATION FEES AND EXPENSES

Pre-Appointment Fee - Fixed Fee Agreed with the Directors and Approved by Creditors.

I was engaged by the Directors to help place the Company into Creditors' Voluntary Liquidation and my engagement letter advised that I would be seeking a fixed fee of £15,000 plus VAT and disbursements, for placing the Company into Liquidation and assisting with the preparation of the Statement of Affairs.

The basis of this fee is to provide certainty for the Directors and creditors and is a fair and reasonable reflection of the work undertaken. When instructed it was unclear what amount of work would be required and this limited the fees sought where time-costs would most likely be

Annual Progress Report of European Textile Recycling Limited in Creditors Voluntary Liquidation

in excess of the fixed fees. It was necessary to undertake this work in order to comply with statutory requirements and required practice when placing the Company into Liquidation.

I sought approval from creditors to draw my pre appointment fee from assets realisations by way of a decision procedure on 24 September 2019 and the following resolution was approved:

“That Bretts Business Recovery Limited be paid the sum of £15,000 plus VAT and disbursements in respect of placing the Company into Liquidation, such fees to be paid from the assets of the Company. Included within this fee is £2,000 plus VAT which is to be paid to the Company Accountant, Lawton Bradford, for their assistance in preparing the Statement of Affairs.”

I have drawn £13,000 plus VAT in accordance with the above resolution and paid Lawton Bradford for their assistance in preparing the Statement of Affairs in the sum of £2,000 plus VAT.

Liquidator's Remuneration and Disbursements

It is the firm's practice to ensure that work is conducted by the appropriate staff member at the appropriate level of experience. Junior members of staff deal with the day to day administration on cases and a manager and Director then oversees the work undertaken. Where the issues are complex and litigious, the work will be closely supervised or undertaken by a Manager or Director.

The basis of my remuneration, as Liquidator, was approved by creditors by way of a decision procedure on 24 September 2019 and the following resolution was approved:

“That the Liquidator's post-appointment fees be fixed on the following bases:

- A fixed fee of £15,000 plus VAT for undertaking the administration work in the Liquidation, including statutory reporting;
- 20% of realisations regarding the outstanding intercompany loan account;
- 10% of distributions to unsecured creditors; and
- Time costs (estimated at £21,560 at a “blended” rate of £220 per hour) for undertaking the following categories of work in the Liquidation – namely investigations, realisations of assets (excluding work undertaken in respect of the intercompany loan account), and general dealing with Creditors (including the agreement and adjudication of creditors' claims).”

I consider that this is a more complex case, as highlighted above, and consider that after taking into account the nature and value of the assets involved, this demonstrates why the fixed fee produces a fair and reasonable reflection of the work that I anticipated would be necessary and properly undertaken. Fixing fees on this basis provides creditors with certainty as regards the fee irrespective of developments in the Liquidation (although I, as Liquidator, have a statutory right to seek creditors' approval to adjust the fee basis in the event that circumstances change significantly). As detailed above, there is still additional work to undertake and if my fees were charged on the alternative basis of time costs incurred by myself and my staff, this would result in a fee at least equal to, and very likely in excess of the fixed fee agreed. I consider that this also helps to explain and justify the fixed fee that I am charging in this case.

Time Costs

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The time costs for the period 14 February 2020 to 13 February 2021 total £849, representing 5.6 hours at an average hourly rate of £151.60. These time costs relate solely to investigations and creditors.

The total time costs during the period of appointment amount to £12,629.50 representing 61.10 hours at an average hourly rate of £206.70. These time costs relate to investigations, creditors and the realisation of the Company's assets, excluding work carried out in relation to the intercompany loan account.

Details of time costs incurred during the Review Period and for the period of Liquidation are provided at Appendix 3 and a comparison between the original fees estimate and time costs to date is provided at Appendix 4.

No fees have been drawn within the Review Period. I have drawn the sum of £12,000 plus VAT against my fixed fee of £15,000 in respect of undertaking the administration work in the Liquidation including statutory reporting. I have not drawn any fees in relation to the time-costs associated with investigations, realisations of assets (excluding work undertaken in respect of the intercompany loan account), and general dealing with Creditors (including the agreement and adjudication of creditors' claims). As there has been no realisation of the inter-company loan and no distributions to unsecured creditors, no fees have been drawn in relation to these matters.

Expenses

Expenses are any payments made from the estate which are neither an office holder's remuneration nor a distribution to a creditor or member. Expenses also include disbursements which are payments first met by the office holder and then reimbursed from estate funds.

Expenses are split into Category 1 and Category 2 expenses. Category 1 expenses represent payments to persons providing the service to which the expense relates, who are not an associate of the office holder. These expenses may be paid without creditors' approval.

Category 2 expenses are payments to associates of the office holder or expenses which have an element of shared costs. Payment of these expenses require the approval of creditors whether paid directly from the estate or as a disbursement.

I have not incurred any category 1 expenses in the period covered by this report. Details of category disbursements incurred to date are included below:

Type of Expense	Total incurred in the Review Period (£)	Total incurred to date (£)
Statutory Advertising	0.00	174.12
Specific Penalty Bond	0.00	237.00
Computer Licence Fees	0.00	230.00
Postage	0.00	317.02
Storage Charges	0.00	52.41
Travel	0.00	127.70
Accommodation	0.00	202.97
Subsistence	0.00	49.60
Total	0.00	1,390.82

The sum of £607.09 has been paid to date.

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I have not incurred any category 2 expenses in the period covered by this report. Details of category 2 expenses incurred to date are included below:

Type of Expenses	Total incurred in the Review Period (£)	Total incurred to date (£)
Printing and Stationery	0.00	669.50
Travel Costs	0.00	292.01
Total	0.00	961.51

These may include an element of overhead charges in accordance with the decision approved by creditors on 24 September 2019 and the basis of calculation of this category of disbursement was disclosed to creditors prior to the decision being approved. I have not drawn any category 2 expenses to date.

In accordance with the revised Statement of Insolvency Practice 9 ("SIP9") (effective from 1 April 2021) no further category 2 expenses which include an element of overhead charges may be charged to the estate and the expenses detailed above will not be paid from estate funds. Creditors' approval to draw any future expenses defined as category 2 expenses in accordance with the revised SIP9 will be sought if required.

A summary of expenses is provided at Appendix 5 and includes a comparison of the expenses likely to be incurred in the Liquidation as a whole with the original expenses estimate, together with reasons where any expenses have exceeded that estimate. Category 2 expenses which have previously included an overhead charge have been noted as no longer chargeable.

Information about this insolvency process may be found on the R3 website at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors' Guide to Fees' together with the firm's charge-out rate and expenses policy may be found at www.brettsbr.co.uk/cglf. There are different versions of these guidance notes and in this case please refer to the version effective from 1 April 2017. A hard copy of both the Creditors' Guide and the firm's charge-out rate and expenses policy may be obtained on request and will be provided at no cost.

Agents and Valuers

WAPL were instructed as agents and valuers in relation to the sale of the Company's assets including stock, goodwill and some plant and machinery. Their costs have been agreed on the basis of their standard sales commission rate of 10% plus disbursements and VAT. Their fees, totalling £2,858.03 plus VAT, were paid out of realisations, prior to this Review Period, with the net balance forwarded to the Liquidation.

The choice of agent was based on my perception of their experience and ability to achievable the best realisable value for the assets. I confirm that they hold appropriate regulatory authorisations and I consider that the basis on which they have charged their fees represents value for money.

Accountants

Lawton Bradford Accountants were instructed to reconcile the Company's intercompany loan and to prepare management figures for the period 1 April 2018 to cessation. This work was necessary for me to reconcile the intercompany loan position and confirm if any amounts were due. The accountants originally provided a quote of £4,000 plus VAT for undertaking

Annual Progress Report of European Textile Recycling Limited in Creditors Voluntary Liquidation

this work and was based on their standard hourly rates. Upon completion of the work, an invoice of £2,250 plus VAT was received and paid in full.

The choice of accountant was based on my perception of their experience and ability to perform this type of work. It was also based on the complexity and nature of the assignment and their familiarity with the Company's affairs. I confirm that they hold appropriate regulatory authorisations and I consider that the basis on which they have charged their fees represents value for money.

Insurance

Aon Risk Solutions were instructed to put in place open cover for the assets of the Company following my appointment. I have received an invoice for £95.20 and am expecting a revised invoice following cancellation of the policy. The amount of which is uncertain as the period for which insurance cover was provided remains in question and I have therefore refrained from settling these invoices until I am confident that the correct amount has been charged by the insurance provider. Settlement of this matter has been delayed by the impact of the Covid 19 pandemic and will be concluded as soon as reasonably practicable.

9. CREDITORS' RIGHTS

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

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

10. EC REGULATIONS (WHETHER PROCEEDINGS ARE MAIN PROCEEDINGS OR TERRITORIAL)

I confirm that the Company's centre of main interest is in the UK. Accordingly the Council Regulations (EC) No 1346/2000 of 29 May 2000 on insolvency proceedings will apply which is replaced and superseded by Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings. The EU Insolvency Regulation (EC/1346/2000) will continue to govern insolvency proceedings that are opened in the EU before 26 June 2017.

11. OTHER MATTERS

As an Insolvency Practitioner, when carrying out all professional work relating to an insolvency appointment, I am bound by the Insolvency Code of Ethics, as well as by the regulations of my professional body. More details about these matters, Provision of Services Regulations and general information about Bretts Business Recovery Limited that is of relevance to creditors can be found at <http://www.brettsbr.co.uk/insolvency-rules/servicesregulations/>.

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Bretts Business Recovery Limited uses personal information in order to fulfil the legal obligations of our Insolvency Practitioner under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. The General Data Protection Regulation requires that individuals whose data is being held be provided with information about their rights and you can find more information on how Bretts Business Recovery Limited uses your personal information on our website at <http://www.brettsbr.co.uk/privacy-policy/>.

12. CONCLUSION

The administration of the case will be continuing to finalise the following outstanding matter that are preventing this case from being closed:

- Finalisation of the intercompany loan position and agreement of a repayment plan or settlement;

If you require any further information, please contact Laura Harris, of this office.

A handwritten signature in black ink, appearing to read 'Isobel Brett', with a long horizontal line extending to the right.

**Isobel Brett
Liquidator**

Appendix 1
Receipts and Payments account for the period 14 February 2020 to 13 February 2021

S. of A.		14/02/20 To 13/02/21	From 14/02/19 To 13/02/21
FIXED CHARGE REALISATIONS			
1.00	Goodwill	0.00	8,613.60
		0.00	8,613.60
FIXED CHARGE CREDITORS			
(143,000.00)	Barclays Bank Plc	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
16,250.00	Tangible Assets	NIL	17,350.00
11,786.00	Book Debts	NIL	NIL
	Cash at Bank	NIL	20,653.37
	Bank Interest Gross	2.35	78.77
	Bank Transfer	NIL	45,583.77
2,300.00	Cash on Hand	NIL	2,492.51
		2.35	86,158.42
COST OF REALISATIONS			
	Statement of Affairs Fee	NIL	(15,000.00)
	Office Holders Fees	NIL	(12,000.00)
	Agents/Valuers Fees (1)	NIL	(2,858.03)
	Corporation Tax	(14.44)	(14.44)
	Statutory Advertising	NIL	(174.12)
	Bank Charges	NIL	(15.00)
	Accommodation	NIL	(202.97)
	Accountancy Fees	NIL	(2,440.00)
	Bank Transfer	NIL	(45,583.77)
	Licence Fees	NIL	(230.00)
		(14.44)	(78,518.33)
PREFERENTIAL CREDITORS			
(26,576.61)	Employee	NIL	NIL
		NIL	NIL
FLOATING CHARGE CREDITORS			
(142,999.00)	Barclays Bank Plc	NIL	NIL
		NIL	NIL
UNSECURED CREDITORS			
(114,844.64)	Employee	NIL	NIL
(19,440.88)	HM Revenue & Customs	NIL	NIL
(122,280.44)	Trade Creditor	NIL	NIL
		NIL	NIL
		(12.09)	16,253.69
REPRESENTED BY			
	Fixed Ch Vat Payable		(1,722.72)
	Vat Payable		1,052.72
	Vat Receivable		6,581.01
	I Brett Liq of European Textile Recyling Ltd		10,342.68
			16,253.69

Appendix 2

Detailed list of work undertaken for European Textile Recycling Limited in Creditors' Voluntary Liquidation for the Review Period 14 February 2020 to 13 February 2021

Below is detailed information about the tasks undertaken by the Liquidator

General Description	Includes
Statutory and General Administration	
Statutory/advertising	Filing of documents to meet statutory requirements including annual progress report Annual corporation tax returns Quarterly reviews of bonding levels
Document maintenance/file review/checklists	Filing of documents Periodic file reviews documenting strategy Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Books and records / storage	Dealing with records in storage Sending job files to storage
Pension scheme	Identifying whether there is a pension scheme Submitting the relevant notices if a pension scheme is identified Instructing agents to wind up any pension scheme Liaising and providing information to be able to finalise winding up the pension scheme
Reports	Preparing annual progress report to members and creditors
Realisation of Assets	
Debtors	Collecting supporting documentation Correspondence with debtors Reviewing and assessing debtors' ledgers
Creditors and Distributions	
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via email and post Deal with all general enquiries relating to the Liquidation Corresponding with the PPF and the Pensions Regulator
Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Corresponding with RPS regarding POD when not related to a dividend

Appendix 3

Time cost summary for the Review Period 14 February 2020 to 13 February 2021

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Investigations	0.00	0.00	0.30	0.00	0.30	57.00	190.00
Creditors	0.00	0.20	1.30	3.80	5.30	792.00	149.43
Total hours	0.00	0.20	1.60	3.80	5.60		
Time costs	0.00	56.00	247.00	489.00		849.00	
Average hourly rate	0.00	280.00	154.37	128.68			151.60

Summary of Fees

Time spent in administering the Assignment	Hours	5.60
Total value of time spent to 13 February 2021	£	849.00
Total Liquidator's fees charged to 13 February 2021	£	0.00

Time cost summary for the Review Period 14 February 2019 to 13 February 2021

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Investigations	1.00	6.10	0.30	8.80	16.20	3,430.00	211.73
Realisation of Assets	2.30	11.20	0.00	9.60	23.10	5,369.50	232.44
Creditors	0.30	4.00	1.60	15.90	21.80	3,830.00	175.69
Total hours	3.60	21.30	2.00	34.30	61.20		
Time costs	1,242.00	5,964.00	358.00	5,065.50		12,629.50	
Average hourly rate	345.00	280.00	179.00	147.68			206.36

Summary of Fees

Time spent in administering the Assignment	Hours	61.20
Total value of time spent to 13 February 2021	£	12,629.50
Total Liquidator's fees charged to 13 February 2021	£	0.00

Appendix 4

Time costs summary for period, cumulative & comparison with estimate for European Textile Recycling Limited In Creditors' Voluntary Liquidation

	Original fees estimate			Actual time costs incurred during the Review Period			Total time costs incurred to date		
Work category	Number of hours	Blended hourly rate £ per hour	Total fees £	Number of hours	Average hourly rate £ per hour	Total time costs £	Number of hours	Average hourly rate £ per hour	Total time costs £
Realisation of Assets	35.50	220.00	7,810.00	-	-	-	23.10	232.44	5,369.50
Investigations	35.60	220.00	7,150.00	0.30	190.00	57.00	16.20	211.73	3,430.00
Creditors	30.00	220.00	6,600.00	5.30	149.43	792.00	21.80	175.69	3,830.00
Total	101.10	220.00	21,560.00	5.60	151.60	849.00	61.10	206.70	12,629.50

Appendix 5

Expenses summary for period, cumulative & comparison with estimate for European Textile Recycling Limited in Creditors' Voluntary Liquidation

Below are details of the expenses incurred for the period under review and the total to date.

Expenses	Original expenses estimate £	Expenses incurred in the Review Period £	Expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Category 1 Expenses				
Statutory Advertising	174.00	0.00	174.12	
Specific Penalty Bond	237.00	0.00	237.00	
Computer Licence Fees	230.00	0.00	230.00	
Solicitors' Fees	300.00	0.00	0.00	
Accountancy Fees	4,250.00	0.00	2,440.00	
Agents' Fees	2,858.00	0.00	2,858.03	
Postage	-	0.00	317.02	Omitted from the original expense estimate as a category 1 expense – detailed in category 2 in error.
Storage Charges	30.00	0.00	52.41	
Travel	-	0.00	127.70	Direct travel costs (other than mileage) were not anticipated
Total	8,079.00	0.00	6,436.28	
Category 2 Expenses				
Printing and Stationery	332.00	0.00	669.50	No longer chargeable
Files and Indices	10.00	0.00	0.00	No longer chargeable
Travel	622.00	0.00	292.01	No longer chargeable
Total	964.00	0.00	961.51	