

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 4 8 4 8 0 5 0

Company name in full Able Tooling Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Scott Christian

Surname Bevan

3 Liquidator's address

Building name/number c/o Mazars LLP

Street 1st Floor

Post town Two Chamberlain Square

County/Region Birmingham

Postcode B 3 3 A X

Country

4 Liquidator's name ①

Full forename(s) Simon David

Surname Chandler

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number c/o Mazars LLP

Street 1st Floor

Post town Two Chamberlain Square

County/Region Birmingham

Postcode B 3 3 A X

Country

② Other liquidator

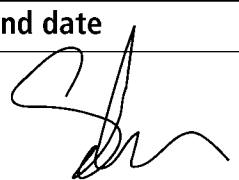
Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report												
From date	^d	2	^d	7	^m	0	^m	8	^y	2	^y	0	
To date	^d	2	^d	6	^m	0	^m	8	^y	2	^y	0	

7	Progress report											
	<input checked="" type="checkbox"/> The progress report is attached											

8	Sign and date												
Liquidator's signature	<div style="display: flex; align-items: center;"> <div style="text-align: center; margin-right: 20px;"> ^{Signature} X </div> <div style="text-align: center;">  </div> <div style="margin-left: 20px;"> X </div> </div>												
Signature date	^d	1	^d	3	^m	1	^m	0	^y	2	^y	0	

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 **Liam Flavell**

Company name **Mazars LLP**

Address **1st Floor**

Two Chamberlain Square

Post town **Birmingham**

County/Region

Postcode **B 3 3 A X**

Country

DX

Telephone **0121 232 9500**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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Able Tooling Limited - In Liquidation

Liquidators' progress report covering the period from 27 August 2020 to 26 August 2021

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Able Tooling Limited - In Liquidation ("the Company")

Progress Report to Creditors & Members

1. Introduction

- 1.1. This report is prepared pursuant to Rules 18.3 and 18.7 of the Insolvency (England and Wales) Rules 2016, the purpose of which is to provide creditors with details of the progress of the Liquidation during the 12 months to 26 August 2021.
- 1.2. I was appointed Joint Liquidator of the Company together with Simon Chandler of Mazars LLP by a deemed consent procedure on 27 August 2020. We are authorised to act as Insolvency Practitioners in the UK by the Insolvency Practitioners Association.
- 1.3. Identification details relating to the Company and the Liquidators are attached at Appendix A.

2. Liquidators' Receipts and Payments

- 2.1. A summary of receipts and payments covering the period from 27 August 2020 to 26 August 2021 is attached at Appendix B. A comparison of the figures provided in the Directors' Statement of Affairs to actual realisations made to date is included to assist creditors in assessing progress to date.
- 2.2. The Receipts and Payments Account confirms that there is currently a balance in hand of £63,750.74 and net VAT receivable of £9,447.17.
- 2.3. An explanation of the assets realised and the expenses paid is provided below.

3. Asset Realisations and Details of Progress

Connected Party Transactions:

- 3.1. In accordance with Statement of Insolvency Practice 13, I would advise you that the following assets were sold to a connected party following my appointment. Further details are provided below:
- 3.2. **Sale of unencumbered Plant & Machinery, Intellectual Property, Work In Progress and Stock Inventory**
 - 3.2.1. Following our appointment, the Agents marketed the assets located at the trading address. Interest in the assets was expressed by unconnected parties, however, no offers were forthcoming. An offer of £25,000 plus VAT for the unencumbered Plant & Machinery and Intellectual Property which included, Goodwill, Company Database, Work In Progress, Stock Inventory and the Customer Order Book, was received on 8 September 2020 from CSM Engineering Services Ltd a connected Company by a common directorship, Mr Carl Brazil. With no alternative offers, this offer was accepted based on the Agents advice as they could not guarantee to realise more after incurring further costs and the following payment schedule was agreed;

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£10k – Payable immediately upon sale

£10K – Payable 9th October 2020

£10k – Payable 9th November 2020

- 3.2.2. The first £10,000 instalment was received by the Agents and has subsequently been transferred to the liquidation bank account. Due to cash flow restrictions during the COVID-19 pandemic, we agreed to accept instalments for the remaining £20,000. To date, we have received a further £17,250 with £2,750 outstanding. Due to ongoing cash flow issues, we have been receiving payments of £250 per week. These unforeseen payment terms has had a subsequent effect on cashiering as additional internal requirements are essential in order to realise the remaining balance.
- 3.2.3. We are continuing to liaise with the purchaser on a regular basis for updates and timings of payments in order to clear the remaining balance outstanding. We forecast to receive the remaining balance in the next reporting period.

Unconnected Party Transactions:

- 3.3. Asset realisations made during the period covered by this report are detailed below.

3.4. Factored Book Debts

- 3.4.1. The Company's book debts were subject to a confidential invoice discounting facility with Hitachi Capital Invoice Finance ("Hitachi"). The outstanding Debtor ledger was estimated to have a book value of £221,576.08, in the Directors' Statement of Affairs, with an estimated realisable value of £177,260.86 (which included a 20% provision for bad debt). It was therefore anticipated that Hitachi would be paid in full and there would be a surplus available to the Liquidation estate.
- 3.4.2. The ledger as at the date of Liquidation was confirmed by the Company's Bookkeeper at £205,662.88 following additional payments having been received. The ledger consisted of 19 Debtors.
- 3.4.3. On 10 September 2020, Hitachi confirmed to the balance owing to them was £14,720.50. Hitachi requested we attend to the Debtor collection following our appointment. Following our pursuit of the Debtor ledger, Hitachi directly received payments from various Debtors, and we have subsequently made payment of £9,772.88 in order to discharge Hitachi in full.
- 3.4.4. Formal re-assignment of the outstanding ledger to the Liquidators took place on 17 November 2020.
- 3.4.5. Significant Debtor work has been undertaken to date to achieve realisations for the benefit of the creditors. After exhausting our own efforts to collect the debts, solicitors Higgs LLP ("Higgs") were instructed to assist with the collection of the remaining debtor ledger. Following Higgs instruction further collections of £2,800.00 were received. Pursuit of the debtors ceased due to the advice that future costs of pursuit would likely outweigh further realisations. It was therefore not in the creditors best interest to continue with legal action.
- 3.4.6. Total debtor collections amount to £142,884.80, with no further realisations anticipated.

	£
Debtor ledger as at date of Liquidation	205,662.88
Realisations to the date of this report	(142,884.80)
Disputed/Written off	(45,799.80)
Debtor/Creditor Set-off	(6,382.28)
Debtors paid to Hitachi	(7,836.00)
Debtors paid to Company Bank Account	(2,760.00)
Remaining Debtor ledger to pursue	Nil

- Disputed/Written off debts - £45,799.80 was disputed. Upon receipt of disputes, we have liaised with the Director/Bookkeeper to understand the nature of the disputes and whether they are deemed valid before finalising the position with the Debtors. As per section 3.4.5. Higgs ceased pursuit of any remaining debtors and subsequently written off.
- Debtor/Creditor Set-off – £6,382.28 has not been realised due to two of the Debtors having a greater claim in the liquidation as a creditor.
- Paid to Hitachi - £7,836.00 has been advised to have already been paid to Hitachi prior to Liquidation. We have received confirmation from Hitachi of these receipts.
- Paid to Company Bank Account - £2,760.00 has been advised to have already been paid to the Company bank account. This consists of one Debtor. The Bank statements have been reviewed and the receipt confirmed.

With the debts proving unrecoverable a VAT Bad Debt Relief Claim ("VAT BDR") has been explored. Following a review of VAT invoices, VAT Returns and amounts outstanding to HM Revenue & Customs, we do not believe a VAT BDR claim is viable.

3.5. Non factored Book Debts

- 3.5.1. The Company's outstanding Debtor ledger was estimated to have a book value of £50,327.40, in the Directors' Statement of Affairs, with an estimated realisable value of £40,261.92 (which included a 20% provision for bad debt). The ledger consisted of nine Debtors.
- 3.5.2. Since Liquidation, we have written to all debtors and also utilised email addresses and made phone calls where possible. We have had continued assistance from the Director and Bookkeeper in relation to queries which has enabled us to understand the ledger and resolve issues where possible in order to maximise realisations for creditors.
- 3.5.3. Higgs were instructed to assist with the recovery of the one remaining outstanding debtor. Following Higgs instruction, pursuit of the debt ceased due to the advice that future costs of pursuit would outweigh further realisations. It was therefore not in the creditors best interest to continue with legal action.
- 3.5.4. Total debtor collections amount to £33,546.20, with no further realisations anticipated.

	£
Debtor ledger as at date of Liquidation	50,327.40
Realisations to the date of this report	(33,546.20)
Disputed/Written off	(13,709.20)
Debtor/Creditor Set-off	(2,742.00)
Debtors paid to Company Bank Account	(330.00)
Remaining Debtor ledger to pursue	Nil

- Disputed/Written off debts - £13,709.20 was disputed. Upon receipt of disputes, we have liaised with the Director/Bookkeeper to understand the nature of the disputes and whether they are deemed valid before finalising the position with the Debtors. As per section 3.5.3. Higgs ceased pursuit of any remaining debtor and has subsequently been written off.
- Debtor/Creditor Set-off – £2,742.00 has not been realised due to two of the Debtors having a greater claim in the liquidation as a creditor.
- Paid prior to the Liquidation - £330.00 has been advised to have already been paid into the Company bank account prior to Liquidation. This consists of one Debtor. The Bank statements have been reviewed and the receipts confirmed.

With the debts proving unrecoverable a VAT BDR claim has been explored. Following a review of VAT invoices, VAT Returns and amounts outstanding to HM Revenue & Customs, we do not believe a VAT BDR claim is viable.

3.6. Hire Purchase Assets

- 3.6.1. The Haas CNC machine financed with Lloyds Bank Commercial Finance ("Lloyds CF") was understood to have equity of £8,856.05 in the Directors' Statement of Affairs, following settlement with Lloyds CF. Since our appointment, with consent of Lloyds CF, the Agent marketed this asset which was subsequently sold to a non connected party for £25,000 plus VAT. The outstanding balance of £21,196.92 (including VAT) was discharged to Lloyds CF and the surplus was received into the Liquidation estate on 10 November 2020.
- 3.6.2. Both the Plant & Machinery financed with Close Asset Finance Limited and the Haas VF financed with Societe Generale Asset Finance was valued by the Agent and confirmed to have no equity as anticipated in the Directors' Statement of Affairs. As these assets do not hold any benefit to the liquidation estate, they have subsequently been novated to CSM Engineering Services Ltd.

3.7. Insurance Refund

- 3.7.1. An insurance refund of £343.05 was received on 17 February 2021.

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4. Assets still to be realised

4.1. Assets still to be realised comprise:

4.2. Cash at Bank

4.2.1. The Company operated a current account with Lloyds Bank Plc with the credit balance estimated to be £113.84 as per the Directors' Statement of Affairs. Following our appointment, Lloyds have confirmed there is a bounce back loan of £50,000 outstanding to them. It is currently uncertain if the credit balance held will be transferred. We anticipate this to be resolved in the next reporting period.

4.3. Sale of unencumbered Plant & Machinery, Intellectual Property, Work In Progress and Stock Inventory

4.3.1. As detailed in section 3.2.3, we are continuing to liaise with the purchaser to settle the remaining balance outstanding.

4.3.2. Further updates will be provided in the next reporting period.

4.4. Intercompany Debtor

4.4.1. As per the Directors' Statement of Affairs there is an outstanding loan due to the Company from its parent company Able Tooling Holdings Limited ("Holdings") in the sum of £408,980. As Holdings have no assets, other than its investment in Able Tooling Limited, we do not anticipate to recover any of the balance due.

5. Estimated Outcome Statement

5.1. An estimate of the outcome of the Liquidation is attached at Appendix C.

5.2. Based on expected realisations and payments, a preferential dividend of 100p in the £ has been declared and it is expected that there will be sufficient funds to enable a return to unsecured creditors.

5.3. Based on claims received to date, it is anticipated that the return to unsecured creditors will be 6.9 pence in the £.

5.4. Further details on the expected outcome for each class of creditor is provided below.

6. Liabilities

6.1. Secured Creditors

6.1.1. A fixed and floating charge debenture over the Company's assets was granted in favour of Hitachi Capital (UK) Plc ("Hitachi"). It was created on 5 April 2019 and was registered at Companies House on 8 April 2019. As at date of liquidation, the indebtedness to Hitachi totalled £19,667.

6.1.2. Hitachi have directly received payments from various Debtors, and we have subsequently made payment of £9,772.88 in order to discharge Hitachi in full.

6.2. Preferential Creditors

- 6.2.1. Preferential claims arise from arrears of wages and accrued, unpaid holiday pay due to the former employees of the Company who did not receive their full entitlements on redundancy, prior to the Liquidation.
- 6.2.2. The Company employed 15 employees who were made redundant prior to the Liquidation.
- 6.2.3. As per the Directors' Statement of Affairs, preferential claims were estimated to be in the region of £34,846. Employees have submitted claims with the Redundancy Payments Service ("RPS") for these entitlements up to the statutory limit of £538 per week. The RPS will have a subrogated preferential claim in the Liquidation and any amounts owing to employees in excess of the statutory limits will be claimed in the Liquidation.
- 6.2.4. A claim has also been submitted to the RPS in respect of unpaid pension contributions in the sum of £8,998.47.
- 6.2.5. I can confirm a first and final preferential dividend of 100p in the £ has been declared on 5 July 2021. The total amount distributed to preferential creditors is £42,816.37.

6.3. Unsecured Creditors

- 6.3.1. According to the Directors' Statement of Affairs, the Company had 115 unsecured creditors with debts totalling £672,723.55. Claims received to date total £301,754.44 from 49 creditors.
- 6.3.2. Creditors will note from the Estimated Outcome Statement included at Appendix C, assuming that realisations and expenses are as anticipated, there will be sufficient funds to enable a return to creditors, currently estimated at 6.9 pence in the £.

7. Prescribed Part

- 7.1. In accordance with Section 176A of the Insolvency Act 1986, a proportion of the Company's net assets are to be set aside for the benefit of the Company's unsecured creditors where the Company has granted a floating charge after 15 September 2003. This is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter, subject to a maximum fund of £600,000. Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential creditors' claims.
- 7.2. As Hitachi have recovered their debt in full under their fixed charge, the prescribed part will not apply.

8. Investigations

- 8.1. In accordance with the Company Directors Disqualification Act 1986, the Joint Liquidators are required to investigate the affairs of the Company and the conduct of the Directors during the three years prior to the Liquidation. The Joint Liquidators can confirm that this obligation has been complied with and a confidential report was submitted to the Insolvency Service on 23 November 2020.
- 8.2. An initial investigation into the Company's affairs has also been undertaken by the Liquidators in accordance with Statement of Insolvency Practice 2. The purpose of these investigations

is to establish whether there are any potential asset recoveries or conduct which requires further investigation.

- 8.3. Following this initial review, no further assets or actions were identified which would lead to a recovery for creditors. Therefore, no additional time in respect of investigations has been incurred in this period.
- 8.4. Should creditors have any information which they consider may assist the Liquidators in carrying out their investigations, or be aware of any matters which they believe should be brought to the attention of the Liquidators, please provide details in writing to this office. This request for information forms part of our usual investigation procedures and does not imply that there may be any cause of action lying against any person concerned in the Company's affairs.

9. Liquidators' Remuneration

- 9.1. On 19 February 2021, a decision was made by the creditors following a decision procedure by a decision by correspondence, enabling the Liquidators to draw remuneration by reference to the time properly spent by the Liquidators and their staff in dealing with the matters arising during the Liquidation, subject to the Fees Estimate of £56,958.16, issued to creditors on 28 January 2021.
- 9.2. Attached at Appendix E1 is a comparison of the Liquidators' Fees Estimate to actual time costs for the period from 27 August 2020 to 26 August 2021, which total £63,773.00, representing 328.1 hours at an average hourly rate of £194.37.
- 9.3. Attached at Appendix E2 is a narrative summary of the Liquidators' time costs, which provides further information on the work carried out during the current reporting period, why the work was necessary and whether the work has provided a financial benefit to creditors.
- 9.4. As at 26 August 2021, an amount of £56,958.16. has been drawn against the Liquidators' time costs in respect of the Liquidation.
- 9.5. Based on time costs incurred to date and expected future work for the completion of the Liquidation, it is expected that the Liquidators' total time costs will be £84,577.55 which exceeds the original Fees Estimate by an amount of £27,619.39. Further information as to why the costs have exceeded the fee estimate as at 28 January 2021 are provided below. Remuneration taken must not exceed the Fee Estimate, unless approval for a revised fee estimate is obtained.
- 9.6. The fee estimate approved by creditors on 19 February 2021 utilised assumptions that underestimated both the method and time it would take to realise the remaining assets, in particular the proceeds from the sale of Plant & Machinery, Intellectual property, Work in progress and Stock. Significant extra work has therefore been undertaken get in the property to the estate including interaction and negotiations with the purchaser for payment. The length of time taken and the higher level of transactions has also increased the cashiering and other internal requirements which are essential in order to realise the remaining balance.
- 9.7. The process has also delayed the processing of an unsecured dividend and caused additional costs to be incurred in dealing with creditor queries that have arisen.

- 9.8. Due to the COVID-19 pandemic, HMRC have experienced delays in dealing with claims and therefore further work has been required in dealing with VAT requirements. We anticipate this matter to be resolved in the next reporting period.
- 9.9. As a revision in our fees is required in order to deal with the work detailed above, further statutory requirements are required including an additional report and our internal procedures involved.
- 9.10. Accordingly, further fee approval is being sought from creditors, being the body of creditors who approved the basis of the Liquidators' remuneration on 19 February 2021. The Liquidators' original Fee Estimate is attached at Appendix E3, together with a Revised Fees Estimate at Appendix E4 which includes information on the additional work to be undertaken and the anticipated cost of that work.
- 9.11. Routine administration of the liquidation has been dealt with by junior staff wherever possible in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the Joint Liquidators. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the Joint Liquidators.
- 9.12. Charge out rates are reviewed annually on 1 September and, in common with other professional firms, may increase over the period of the administration of the case. The rates are appropriate to the skills and experience of the team member and the work that they perform. All staff that work on the case, including cashiers, support and any secretarial staff charge their time directly to the assignment. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.
- 9.13. The charge out rates of the team members employed on the assignment during the period covered by this report and details of changes from previous periods are provided below. Specialist departments within our Firm (such as Tax and VAT) have charged time to this case when their expert advice is required. The rate ranges provided incorporate these different rates.

Range (£)	Partner	Director	Manager	Administrator	Cashier	Support Staff
Current charge out rate per hour, effective from 1 September 2021	640 – 480	520 – 420	460 – 260	260 – 120	286 – 120	160 - 100
Previous charge out rate per hour, effective from 27 August 2020	550 – 440	450 – 390	400 – 245	230 – 160	205 – 100	140 - 90

10. Liquidators' Expenses

- 10.1. Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements.

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Disbursements are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.

10.2. Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

- **Category 1 expenses:** These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. Category 1 expenses can be paid without prior approval.
- **Category 2 expenses:** These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

10.3. Details of all expenses incurred during the period of the report and likely future expenses are provided in the Expenses Statement attached at Appendix D, together with an explanation as to why the expenses have been or will be incurred. This also includes details of the Liquidators' previous Expenses Estimate, for comparison purposes.

10.4. Further details of expenses paid during the period of the report are shown in the Receipts and Payments account at Appendix B.

10.5. I have reviewed the expenses incurred to date and I am satisfied that they are fair and reasonable and proportionate in the circumstances of the case.

10.6. Category 2 Expenses

10.6.1. Creditors will recall that a decision was made on 19 February 2021 by creditors in agreement of the anticipated Category 2 expenses. Details of the expenses incurred in the period is available in the attached Expenses Estimate. Further details on the nature of the expense is provided below.

Type of Category 2 Expense	Description
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Mileage	No category 2 expenses have been incurred during the reporting period.
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11. Matters outstanding

11.1. The following matters are currently preventing the conclusion of the liquidation:

- Realising the remaining assets as detailed in section 4 of the report.
- Prepare and process a distribution to unsecured creditors, allowing six months for the cheques to be banked.
- Obtain clearance from HMRC and commence closure proceedings.

12. Creditors' Rights

12.1. Further information

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

12.2. Apply to Court

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

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

12.3. Further guidance

12.3.1. In accordance with Statement of Insolvency Practice 9, creditors can find additional information on their rights relating to Liquidators' fees in a copy of the publication "A creditors guide to Liquidators' fees" which is available to download from the website: <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/> or, alternatively, will be provided free of charge upon written request to this office.

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



S C Bevan
Joint Liquidator

Dated 13 October 2021

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

Able Tooling Limited - In Liquidation

Identification Details

Details relating to the Company

Company name	Able Tooling Limited
Previous names	N/A
Trading name	N/A
Company number	04848050
Registered office	c/o Mazars LLP, 1st Floor, Two Chamberlain Square, Birmingham, B3 3AX
Trading address	83 Arthur Street, Lakeside, Redditch, B98 8JY

Details relating to the Liquidators

Date of appointment	27 August 2020
Liquidators	S C Bevan and S D Chandler of Mazars LLP, 1 st Floor, Two Chamberlain Square, Birmingham, B3 3AX IP No(s) 009614 and 008822
Liquidators' address	Mazars LLP, 1st Floor, Two Chamberlain Square, Birmingham, B3 3AX
Liquidators' contact telephone number	0121 232 9500

Statement of Affairs £		From 27/08/2020 To 26/08/2021 £	From 27/08/2020 To 26/08/2021 £
	SECURED ASSETS		
177,260.86	Factored Book Debts	142,884.80	142,884.80
Uncertain	Goodwill	NIL	NIL
		142,884.80	142,884.80
	SECURED CREDITORS		
(19,667.07)	Hitachi Capital Invoice Finance	9,772.88	9,772.88
		(9,772.88)	(9,772.88)
	HIRE PURCHASE		
30,000.00	Haas VF3 and Haas Minimill	25,000.00	25,000.00
(21,143.95)	Lloyds Bank Commercial Finance	(17,664.10)	(17,664.10)
75,000.00	Plant & Machinery	NIL	NIL
(76,910.51)	Close Asset Finance Limited	NIL	NIL
150,000.00	Haas VF	NIL	NIL
(156,029.00)	Societe Generale Asset Finance	NIL	NIL
		7,335.90	7,335.90
	ASSET REALISATIONS		
40,261.92	Book Debts	33,546.20	33,546.20
113.84	Cash at Bank	NIL	NIL
	Insurance Refund	343.05	343.05
NIL	Intercompany Debtor	NIL	NIL
1,500.00	Office Furniture & IT Equipment	NIL	NIL
12,000.00	Plant & Machinery	22,708.29	22,708.29
NIL	Stock	NIL	NIL
		56,597.54	56,597.54
	COST OF REALISATIONS		
	Agents Disbursements	134.00	134.00
	Agents Fees	4,776.17	4,776.17
	Insurance of Assets	1,350.72	1,350.72
	Legal Fees (1)	420.00	420.00
	Liquidator's Disbursements	490.94	490.94
	Liquidator's Fees	56,958.16	56,958.16
	Pension Agent's Fees	950.00	950.00
	Pre-appointment Costs	7,970.92	7,970.92
	Preparation of S. of A.	2,000.00	2,000.00
	Professional costs re debtors	5,000.00	5,000.00
	Specialist Employee Advice	410.00	410.00
	Storage Costs	170.17	170.17
	VAT Irrecoverable	400.00	400.00
		(81,031.08)	(81,031.08)
	PREFERENTIAL CREDITORS		
(34,846.69)	Employees Wage Arrears & Holiday Pay	20,292.10	20,292.10
	Redundancy Payment Service	22,524.27	22,524.27
		(42,816.37)	(42,816.37)
	UNSECURED CREDITORS		
(40,736.00)	Director's Loan Account	NIL	NIL
(110,652.10)	Employees: Notice & Redundancy Pay	NIL	NIL
(29,684.05)	HMRC re PAYE & NI	NIL	NIL
(49,635.89)	HMRC re VAT	NIL	NIL
(19,500.00)	Landlord: Able Properties	NIL	NIL
(50,000.00)	Lloyds Bank - Bounce Back Loan	NIL	NIL
(372,515.51)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL

Statement of Affairs £		From 27/08/2020 To 26/08/2021 £	From 27/08/2020 To 26/08/2021 £
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(495,284.15)		73,197.91	73,197.91
	REPRESENTED BY		
	Floating Charge Current		63,750.74
	VAT Payable Floating		(9,541.71)
	Vat Receivable		18,988.88
			73,197.91

ABLE TOOLING LIMITED – IN LIQUIDATION

Estimated outcome statement for Able Tooling - In Liquidation as at 26 August 2021

<u>Assets</u>	SOA ETR	To-date	Future	Total
Secured Assets				
Factored Book Debts	177,261	142,885	Nil	142,884.80
Secured Creditors				
Hitachi Capital Invoice Finance	(19,667)	(9,773)	Nil	(9,773)
		133,111.92	Uncertain	133,111.92
Hire Purchase				
Haas VF3 and Haas Minimill	30,000	25,000	Nil	25,000.00
Lloyds Bank Commercial Finance	(21,144)	(17,664)	Nil	(17,664)
Plant & Machinery	75,000	Nil	Nil	0.00
Close Asset Finance Limited	(76,911)	Nil	Nil	0.00
Haas VF	150,000	Nil	Nil	0.00
Societe Generale Asset Finance	(156,029)	Nil	Nil	0
		7,336	Nil	7,335.90
Floating Charge Assets				
Plant & Machinery	12,000.00	22,708.29	2,291.71	25,000.00
Office Furniture & IT Equipment	1,500.00	Nil	Nil	Nil
Stock	Nil	Nil	Nil	0.00
Book Debts	40,261.92	33,546.20	Nil	33,546.20
Intercompany Debtor	Nil	Nil	Nil	0.00
Cash at Bank	113.84	Nil	Uncertain	0.00
Insurance Refund	-	343.05	Nil	343.05
		56,597.54	Uncertain	58,889.25
Costs of Realisations				
Professional costs re debtors		5,000.00	Nil	5,000.00
Agents Fees		4,776.17	Nil	4,776.17
Agents Disbursements		134.00	Nil	134.00
Insurnace of Assets		1,350.72	Nil	1,350.72
Pension Agent Fees		950.00	Nil	950.00
Liquidators' Fees		56,958.16	27,619.39	84,577.55
Liquidators' Disbursements		709.46	300.00	1,009.46
Pre Appointment Costs		7,970.92	Nil	7,970.92
Accountancy Fees		2,000.00	Nil	2,000.00
Legal Fees		420.00	Nil	420.00
Specialist Employee Advice		410.00	500.00	910.00
Storage Costs		170.17	336.62	506.79
Corporation Tax		Nil	Uncertain	0.00
Statutory Advertising		Nil	94.50	94.50
VAT Irrecoverable		400.00	Nil	400.00
		81,249.60	28,850.51	110,100.11
Amount available to preferential creditors				<u>89,236.96</u>

ABLE TOOLING LIMITED – IN LIQUIDATION

Preferential Creditors

Employees Wages and Holiday Pay	(20,292)
Redundancy Payment Service	(22,524)
	<u>(42,816)</u>

Estimated deficiency/surplus as regards preferential creditors	<u>46,421</u>
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Debts secured by floating charges pre 15 September 2003	Nil
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Estimated prescribed part of net property (c/f)	Nil
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Estimated total assets available for floating charge holders	<u>46,421</u>
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Assets secured by floating charges post 14 September 2003	Nil
	<u>0</u>

Estimated deficiency/surplus of assets after floating charges	46,421
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Estimated prescribed part of net property (b/d)	Nil
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Amount available to unsecured creditors	<u>46,421</u>
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Unsecured Creditors' claims (not yet agreed)

Trade & Expense Creditors	(372,516)
Employees: Notice & Redundancy	(110,652)
Director's Loan Account	(40,736)
Lloyds Bank - Bounce Back Loan	(50,000)
HMRC re VAT	(49,636)
HMRC re PAYE & NI	(29,684)
Landlord: Able Properties	(19,500)
	<u>(672,724)</u>

Deficit to Unsecured Creditors	(626,303)
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Return to unsecured creditors (p in the £)	<u>6.9</u>
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ABLE TOOLING LIMITED – IN LIQUIDATION

EXPENSES STATEMENT

Type of Expenditure	Requirement for Expenditure	Original Expense Estimate (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses estimate (£)
Category 1 Expenses					
Professional advisors' costs					
Agent's fees and disbursements	<p>Rajiv Kumar of Kumar & Company Limited ("the Agents") were instructed to provide an independent professional valuation of the assets and to market the assets for sale.</p> <p>The Agents were instructed because of their experience in providing such valuations in an insolvency scenario. The Agents has confirmed their independence to this firm and also to the Company.</p>	4,910.17	4,910.17	Nil	4,910.17
Legal fees	Higgs LLP ("Higgs") have been instructed to assist with the recovery of the remaining debtor ledger. Higgs were chosen based on their experience in insolvency matters.	Uncertain	420.00	Nil	420.00
Accountancy fees	French Ludlam & Co are to receive £2,000 plus VAT for assisting with the preparation of Statement of Affairs.	2,000.00	2,000.00	Nil	2,000.00
Pension Agent Fees	Clumber Consultancy Limited have been instructed to advise in respect of the Company's pension scheme and employees. Clumber Consultancy Limited have confirmed their independence to this firm and also to the Company.	850.00	950.00	Nil	950.00
Specialist Employee Advice	Clumber Consultancy Limited have been instructed to agree employees preferential claims. Clumber Consultancy Limited have confirmed their independence to this firm and also to the Company.	500.00	410.00	500.00	910.00
Professional costs re debtors	Professional costs have been incurred by CSM Engineering Services Limited, a connected Company, in respect of completing work for an outstanding debtor in order to maximise realisations and receive final payment.	5,000.00	5,000.00	Nil	5,000.00
Other expenses					

ABLE TOOLING LIMITED – IN LIQUIDATION

EXPENSES STATEMENT

Corporation tax	It is likely that corporation tax will be payable in respect of the interest accrued whilst surplus funds are held on an interest-bearing deposit account.	<i>Uncertain</i>	Nil	Uncertain	Uncertain
Statutory Advertising	Costs are to be paid to Courts Advertising for statutory advertising requirements including London Gazette advertisements for notice of the appointment and notice of resolutions passed which have been incurred as a disbursement. Additional advertising is expected to include notice for creditors' claims.	94.50	Nil	94.50	94.50
Storage Costs	This amount represents the amount paid to L&R Storage Limited for uplift and storage of the Company's books and records.	454.57	170.17	336.62	506.79
Insurance of assets	I am required to insure the Company's assets until they are disposed of. The value disclosed is based on a quote provided by my insurance brokers and covers the period from the date of appointment to 26 May 2021.	900.48	1,350.72	Nil	1,350.72
VAT Irrecoverable	This is in relation to an invoice raised pre-appointment that we are unable to reclaim VAT on.	-	400.00	Nil	400.00
Joint Liquidators' disbursements	Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. A breakdown of expenses incurred in this manner include: <ul style="list-style-type: none"> Postage - costs paid to third party provider, Postworks Limited for postage charges including circulars to creditors. Specific bond Statutory advertising Of these expenses incurred, £490.94 has been paid to date.	1,039.38	709.46 317.96 202.50 189.00	300.00 300.00 - -	1,009.46 617.96 202.50 189.00
Total Category 1 Expenses		15,749.10	16,320.52	1,231.12	17,551.64
Category 2 Expenses					
These expenses require approval in the same manner as the office holder's remuneration.					

ABLE TOOLING LIMITED – IN LIQUIDATION

EXPENSES STATEMENT

-	No Category 2 expenses have been incurred during the liquidation.	-	-	-	-
Total Category 2 Expenses		-	-	-	-
Mazars LLP Remuneration					
Joint Liquidators' pre-appointment costs	This amount represents the reasonable and necessary expenses in respect of the preparation of the Statement of Affairs and in respect of the deemed consent procedure to seek a decision from the company's creditors on the nomination of the liquidator, which have been drawn from the estate as an expense and as approved by creditors.	7,684.00	7,684.00	Nil	7,684.00
Joint Liquidators' pre-appointment disbursements	Pre-appointment costs have been incurred in regard to the costs associated with mailing via an independent third-part postprocessor.	286.92	286.92	Nil	286.92
Joint Liquidators' remuneration	To project manage the orderly winding up of the Company's affairs, and to perform those tasks required as dictated by statute, best practice and ethical requirements.	56,958.16	63,773.00 incurred with 56,958.16 drawn	20,804.55 to be incurred with 27,619.39 to be drawn	84,577.55 to be drawn
Total Mazars LLP Remuneration		64,929.08	64,929.08	27,619.39	92,548.47
Total		80,678.18	81,249.60	28,850.51	110,100.11

ABLE TOOLING LIMITED – IN LIQUIDATION**ANALYSIS OF TIME COSTS AND COMPARISON TO FEES ESTIMATE**

The following table provides details of the Joint Liquidators' actual time costs incurred in the current reporting period, compared to the estimated costs as per the Fees Estimate.

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

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

ABLE TOOLING LIMITED – IN LIQUIDATION
ANALYSIS OF TIME COSTS AND COMPARISON TO FEES ESTIMATE

<i>Fees Estimate approved on 19 February 2021</i>				Actual time costs for the period 27 August 2020 to 26 August 2021		
Description of Work	Total Costs (£)	Total Time (hours) (£)	Blended Hourly Rate (£)	Total Costs (£)	Time incurred (hours) (£)	Blended Hourly Rate (£)
Administration & Planning	1,867.40	10.8	172.91	2,559.50	14.4	177.74
Taxation	2,930.00	14.4	203.47	1,783.00	8.3	214.82
Investigations	5,356.06	24.7	216.84	5,222.50	23.9	218.51
Realisation of Assets	22,825.40	114.6	199.17	23,483.00	114	205.99
Employees	2,891.50	18.1	159.75	3,178.50	17.1	185.88
Creditors	2,993.40	17.8	168.17	6,535.50	37.1	176.16
Reporting	3,987.50	18.7	213.24	4,494.50	20.8	216.08
Distributions	1,327.20	6.8	195.18	527.00	3.2	164.69
Cashiering	6,352.10	34.9	182.01	9,395.00	54.3	173.02
Statutory & Compliance	6,427.60	31.2	206.01	6,594.50	35.0	188.41
Totals	56,958.16	292.0	195.06	63,773.00	328.1	194.37

ABLE TOOLING LIMITED – IN LIQUIDATION
NARRATIVE SUMMARY OF WORK UNDERTAKEN

Introduction

The summary provides a proportionate overview of the work carried out in light of the specific circumstances of the case and includes details of the work that has been done during the period, why it was done and whether the work provides a financial benefit to creditors.

This summary should be read together with the Time Costs Analysis at Appendix E1. The costs incurred in relation to each category are set out in the attached Time Cost Analysis.

Work carried out in the current period

Administration and planning

The following work has been undertaken:

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

Future work to be undertaken will include:

- Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system.
- Case filing.

The majority of this work derived no financial benefit for creditors. However, appropriate case administration and planning ensures that the case is managed coherently and efficiently, with minimisation of costs and avoidance of duplication of work. A clear case strategy and strong internal processes aid to add value through the efficient management of the case. This work is also required in order to appropriately document and record how the case has been administered in accordance with regulatory requirements.

Taxation

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

- Notifying HM Revenue & Customs ("HMRC") of my appointment and establishing whether they have any outstanding claims or ongoing investigations. Such enquires will assist with my own investigations.
- Reviewing the Company's VAT position; finalising the pre-appointment VAT account.
- Preparing internal RS Tax and VAT checklists and issuing to local specialist Mazars team for further analysis
- Discussions with HMRC regarding my appointment and requesting VAT returns to be provided.
- Reviewing possibility of any VAT Bad Debt Relief claim if any debts are not recoverable.

Future work to be undertaken will include:

- Deregistering the Company for VAT once all of the taxable assets have been sold in line with the VAT regulations.
- Removing Company from VAT Group and chasing HMRC for updates and timing of removal.
- Discussions with HMRC confirming deregistration date via telephone.
- Consider viability with RS Tax team of a Terminal Loss Relief claim to be submitted to HMRC.
- Preparing post-appointment Corporation Tax and VAT returns, as required by statute.
- Obtaining clearance from HM Revenue & Customs.

ABLE TOOLING LIMITED – IN LIQUIDATION
NARRATIVE SUMMARY OF WORK UNDERTAKEN

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

Investigations

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

A summary of the work undertaken to date is as follows:

- Issuing and review of Director's questionnaires and investigation into any matters notified.
- Liaising with Lloyds Bank plc for closing statements.
- Liaising with Storage Agent regarding timing for Company records to be uplifted and taken to storage.
- Investigating the Company's affairs to include a review of the bank statements to identify any potential transactions that were outside the ordinary course of business.
- Correspondence with Directors regarding the reasons for the Company's failure.
- Investigations into Intercompany loan account and understanding nature of sale agreement.
- Reporting to the Insolvency Service on the directors' conduct.

Future work to be undertaken will include:

- Investigating the Company's affairs to include a review of the Company's physical books and records to identify any potential transactions that were outside the ordinary course of business.
- Preparing delayed investigation file note following review of the Company's books and records.
- Reporting to the Insolvency Service on any new information identified from the Company's books and records if applicable.

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

Realisation of Assets

The Company's assets comprise Factored Book Debts, Assets subject to Hire Purchase, Unencumbered: Plant & Machinery, Office Furniture & IT Equipment and Stock, Book Debts and Cash at Bank.

Work undertaken to realise the Company's assets include:

- Obtaining a professional valuation of the Company's assets to ensure the most appropriate offer is accepted and liaising with the agents in respect of their views as to the offers received.
- Negotiations with interested parties and agreeing sale of assets.
- Discussions with the Agent to discuss formal offer for financed assets and of the equity position of the hire purchase assets.
- Arranging insurance cover over assets and ensuring their security.
- Liaising with Lloyds Bank plc for credit balance and timing of transfer.
- Reviewing and obtaining any potential refunds on insurance policies paid up to a future period by the Company.
- Regular discussions with purchaser requesting update and timing of payments for the sale of business assets.
- Analysis of VAT Bad Debt Relief claim. Review of debts/ invoices and amount outstanding to HMRC.
- Book Debts

ABLE TOOLING LIMITED – IN LIQUIDATION

NARRATIVE SUMMARY OF WORK UNDERTAKEN

- Liaising with Directors/bookkeeper for the final debtor ledger upon Liquidation; verifying the extent of collectable debts; pursuing the receivables by issuing first and second letter to debtors; and liaising with outstanding customers via email and telephone.
- Significant work has been undertaken in the debt collection process due to the availability in contacting the correct personnel in order to discuss payment and outstanding balances.
 - Emailed the debtors with available email address.
 - Called the Debtors who failed to respond to our letters.
 - Issued chaser emails to debtors who have not yet responded.
 - Continuing pursuit of debtor ledger.
 - Discussions with Hitachi regarding outstanding ledger, total balance to be transferred to discharge them in full and formal reassignment of ledger.
 - Reconciling debtor ledger provided by Hitachi with pre appointment ledger received from bookkeeper.
 - Liaising with Director/ bookkeeper regarding debt position, disputes and requesting further information/ details to continue pursuit of debtor ledger.
 - Discussions with Director regarding proposed action.
 - Reviewing latest debt position.
 - Liaising with outstanding customers via email and telephone as necessary.
 - Continued review of debtor position and discussions with Director/bookkeeper regarding disputes.
 - Instruction of Solicitors to assist with the pursuit of debtors where appropriate
 - Liaising with Solicitors regarding disputed debt and issues raised.
 - Finalising debtor ledger and ceasing pursuit via Solicitors.
- Cash at Bank
 - Liaising with Lloyds bank to discuss credit balance on account and timing of transfer.
 - Further discussions with Lloyds to discuss timing of any transfer.
- Unencumbered Business Assets
 - Discussions with the purchaser requesting updates and timing of remaining payments for the sale of business assets.

Future work to be undertaken will include:

- Unencumbered Business Assets
 - Discussions with the purchaser requesting updates and timing of remaining payments for the sale of business assets.

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

Employees

The Company employed 15 employees who were all made redundant prior to our appointment. Work undertaken to date includes:

- Dealing with any queries that arose from employees regarding payment from the Redundancy Payments Service.
- Submitting forms RP14 and RP14a to the Redundancy Payments Service.
- Liaising with the Redundancy Payments Service regarding employees entitlements.
- Discussions with employees regarding entitlements and amending claim following confirmation from bookkeeper.
- Notifying Pensions Regulator, Pension Protection Fund and Trustee regarding occupational pension scheme.

ABLE TOOLING LIMITED – IN LIQUIDATION

NARRATIVE SUMMARY OF WORK UNDERTAKEN

- Instructing Clumber Consultancy Limited to review outstanding pension matters and deal with outstanding pension claims with the RPS.
- Dealing with any further queries that may arise from employees.
- Reviewing any unpaid pension contributions with Clumber Consultancy Limited and providing information in order to make payment.
- Liaising with the Redundancy Payment Service and submitting form RP15 in relation to employees unpaid pension contributions.

Future work to be undertaken will include:

- Issuing final notification to Pensions Regulator, Pension Protection Fund and Trustee advising of closure of Liquidation.
- Receive confirmation from trustee that liquidator can obtain his release.
- Dealing with any further queries that may arise from employees.

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

Creditors

It is estimated that there are likely to be in the region of 115 unsecured creditor claims, in accordance with the Directors' Statement of Affairs. In order to ensure that creditors are dealt with appropriately, the following work has been undertaken to date:

- Responding to creditor queries.
- Logging creditor claims.
- Reviewing backing documentation received from creditors and saving on firms client system.
- Instructing Clumber Consultancy Limited to agree employee preferential claims. Clumber Consultancy Limited have confirmed their independence to this firm and also to the Company. .
- Seeking approval from creditors in respect of a decision procedure when appropriate and preparing a record of the decision.
- Preferential Creditors – issuing Notice of Intended Dividend
- Unsecured Creditors – partial adjudication of claims.

Future work to be undertaken will include:

- Seeking approval from creditors in respect of a decision procedure when appropriate and preparing a record of the decision.
- Unsecured Creditors – full adjudication of claims.
- Logging and reviewing further creditor claims.

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors, however, as it is expected that a dividend will be paid to unsecured creditors, work undertaken in dealing with creditor claims does have a financial benefit in enabling the correct adjudication of claims (as detailed further below).

Reporting

Reporting requirements during the period as prescribed by statute have included the following:

Work undertaken to date includes:

- Report to creditors in respect of obtaining a fee resolution.

ABLE TOOLING LIMITED – IN LIQUIDATION

NARRATIVE SUMMARY OF WORK UNDERTAKEN

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

Future work to be undertaken will include:

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

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the case has been administered in line with regulatory requirements.

Distributions

Distributions have currently been paid to preferential creditors (100p in the £). It is anticipated a dividend will be paid to unsecured creditors (6.9p in the £).

Work undertaken to date includes:

- Preferential Creditors – adjudication of preferential claims following assistance from Clumber Consultancy Limited, preparing and processing distribution.
- Unsecured Creditors – partial adjudication of unsecured claims, preparing and processing distribution.

Future work to be undertaken includes:

- Unsecured Creditors – full adjudication of unsecured claims, preparing and processing distribution.

The work involved in agreeing and paying creditor claims provides a financial benefit though ensuring that the level of claims admitted for dividend purposes is correct and in distributing funds to creditors.

Cashiering

Cashiering work is required to ensure that the estate bank account is operated in accordance with guidance issued by my regulatory body.

Work undertaken to date includes:

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

Future work to be undertaken includes:

- Bank account maintenance, including periodic reconciliations.
- Issuing payments and banking receipts and preparing the appropriate paperwork for such transactions.
- Issuing payments (including dividends to unsecured creditors).

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the case has been administered in line with regulatory requirements.

Statutory and Compliance

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

ABLE TOOLING LIMITED – IN LIQUIDATION**NARRATIVE SUMMARY OF WORK UNDERTAKEN**

- Preparation and lodgement of statutory appointment documents.
- Initial notices following appointment.
- Initial advertisements following appointment.
- Case monitoring and statutory compliance, including internal case reviews.
- Case bordereau.

Future work to be undertaken includes:

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

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

ABLE TOOLING LIMITED – IN LIQUIDATION

ORIGINAL FEES ESTIMATE AS AT 28 JANUARY 2021

My total Fees Estimate as at 28 January 2021 to conclude this matter is £56,958.16. I have provided below a breakdown of how these costs will be split between the different functions my staff and I are likely to perform on this case.

Description of Work	Total Time (hours)	Total Costs (£)	Blended Hourly Rate (£)
Administration & Planning	10.8	1,867.40	172.91
Taxation	14.4	2,930.00	203.47
Investigations	24.7	5,356.06	216.84
Realisation of Assets	114.6	22,825.40	199.17
Employees	18.1	2,891.50	159.75
Creditors	17.8	2,993.40	168.17
Reporting	18.7	3,987.50	213.24
Distributions	6.8	1,327.20	195.18
Cashiering	34.9	6,352.10	182.01
Statutory & Compliance	31.2	6,427.60	206.01
Total	292.00	56,958.16	195.06

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

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

Not all of the work which I am required to perform will provide a direct financial benefit to creditors. Some of the work to be undertaken is required because statute dictates that I must perform this task, or because guidance issued by the Insolvency Service or my regulatory body requires such. However, a large proportion of the work will be dealing with securing and realising assets, with a view to maximising the funds available to creditors. On this case, assuming realisations are as anticipated in the attached Estimated Outcome Statement, the above work is likely to provide a financial benefit to preferential creditors who would receive payment in full and also unsecured creditors, who would receive a dividend of 11.9p in the £ depending on realisations.

Exceeding the Fees Estimate

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

If I exceed my fees estimate or believe it is likely I will do so I will revert to creditors again. Given that it is not known how long it will take to collect the Company's books debts, the level of legal action that may be required and time it will take to make a claim to HMRC (if appropriate) for any VAT bad debt relief claim, it is possible that I will exceed my fee estimate, however at present I am unable to give an indication of by how much.

The above estimate also assumes that this case will remain open for less than two years. This assumption has been made due to the length of time we anticipate for the realisation of the Company's assets in particular the timing to deal with books debts, the level of legal action that may be required and time it will take to make a claim to HMRC (if appropriate) for any VAT bad debt relief claim.

ABLE TOOLING LIMITED – IN LIQUIDATION**ORIGINAL FEES ESTIMATE AS AT 28 JANUARY 2021**

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

ABLE TOOLING LIMITED – IN LIQUIDATION

REVISED FEES ESTIMATE

Attached at Appendix E3 is a copy of the original Fees Estimate dated 28 January 2021, totalling £56,958.16.

This Appendix provides information on the Revised Fees Estimate. Further approval is being sought for time costs in excess of the original Fee Estimate in the sum of £27,619.39, plus VAT. The table below provides a summary of the total Revised Fee Estimate, with total costs estimated at £84,577.55.

Total Revised Fee Estimate			
Description of Work	Total Time (hours)	Total Costs (£)	Blended hourly rate (£)
Administration & Planning	18.2	3,500.22	192.32
Taxation	27.8	5,633.07	202.63
Investigations	24.7	5,356.06	216.84
Realisation of Assets	119.3	24,540.63	205.71
Employees	25.0	4,382.08	175.28
Creditors	54.5	9,722.17	178.39
Reporting	40.9	8,628.94	210.98
Distributions	14.4	2,495.38	173.29
Cashiering	61.8	11,236.52	181.82
Statutory & Compliance	48.8	9,082.48	186.12
Total	435.4	84,577.55	194.25

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

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

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

On this case, assuming realisations are as anticipated in the attached Estimated Outcome Statement, the above work is likely to provide a financial benefit to preferential creditors who have received payment in full and also unsecured creditors, who would receive a dividend of 6.9 pence in the £ depending on realisations and expenses.

ABLE TOOLING LIMITED – IN LIQUIDATION**REVISED FEES ESTIMATE****Further revision of the Fees Estimate**

The Revised Fees Estimate has been based on previous example of cases of a similar size and complexity to this case, together with our current knowledge of the case and the work which we anticipate will be necessary. The time it has taken to realise the remaining assets in the liquidation in particular the sale of the Plant & Machinery, Office Furniture & IT Equipment and Stock is longer than originally anticipated. This has led to significant work in requesting updates and chasing the purchaser for timing of payments. As such further costs are incurred due to the further level of administrative and cashiering requirements needed.

This has delayed the processing of an unsecured dividend and as such additional costs are incurred due to the further level of work required in dealing with creditor queries.

Details of the reasoning for a further revision of the fee estimate have been set out in section 3.2 and 9 of the report, and are in brief due to:

- The time it has taken to realise the Plant & Machinery, Office Furniture & IT Equipment and Stock.
- As reported, due to COVID-19 HMRC are experiencing delays and therefore further work has been required in dealing with VAT requirements.

The above estimate also assumes that this matter will remain open for less than 12 months. This assumption has been made due to the time it will take to realise the remaining assets detailed in section 4, distribute to unsecured creditors and commence closure proceedings. The time involved in completing the aforementioned tasks will also have a subsequent effect on the work involved in dealing with creditor queries as more queries arise the longer the case remains open for.

In the event that further work is required in respect of the above and/ or this matter extends beyond the estimated timeframe, then a further fee estimate for approval may be required.

ABLE TOOLING LIMITED – IN LIQUIDATION

REVISED FEES ESTIMATE

Description of work	Total Time (hours)	Total Cost (£)	Blended Hourly Rate (£)
<p><u>Administration and Planning</u></p> <p>The fee estimate as at 28 January 2021 anticipated that 10.8 hrs would be spent on this category with a total cost being forecast of £1,867.40.</p> <p>The following work has been undertaken:</p> <ul style="list-style-type: none"> • Case acceptance and ethical reviews. • Completing case strategy notes. • Holding strategy meetings. • Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system. • Case filing. <p>Future work to be undertaken will include:</p> <ul style="list-style-type: none"> • Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system. • Case filing. <p>After revising the fee estimate it was concluded that the fee estimate as at 28 January 2021 forecasted less time being spent on this category that was needed. As such the amount of time to be spent on this category has been increased.</p> <p>Accordingly, approval is being sought for an additional 7.4 hrs in excess of the fee estimated approved on 19 February 2021 of which 14.4 hrs of the revised 18.2 hrs have already been incurred.</p>	7.4	1,632.82	220.65
<p><u>Taxation</u></p> <p>The fee estimate as at 28 January 2021 anticipated that 14.4 hrs would be spent on this category with a total cost being forecast of £2,930. It therefore underestimated the level of work that was envisaged for this category. Due to HMRC experiencing delays with dealing with claims, further work has been needed in relation to notifying HMRC of the liquidation, requesting VAT returns for completion and reviewing the possibility of a VAT Bad Debt Relief claim.</p> <p>Work undertaken in this regard includes:</p> <ul style="list-style-type: none"> • Notifying HM Revenue & Customs ("HMRC") of my appointment and establishing whether they have any outstanding claims or ongoing investigations. Such enquires will assist with my own investigations. • Reviewing the Company's VAT position; finalising the pre-appointment VAT account. 	13.4	2,703.07	201.72

ABLE TOOLING LIMITED – IN LIQUIDATION

REVISED FEES ESTIMATE

<ul style="list-style-type: none"> • Preparing internal RS Tax and VAT checklists and issuing to local specialist Mazars team for further analysis • Discussions with HMRC regarding my appointment and requesting VAT returns to be provided. • Reviewing possibility of any VAT Bad Debt Relief claim if any debts are not recoverable. <p>Future work to be undertaken will include:</p> <ul style="list-style-type: none"> • Removing Company from VAT Group and chasing HMRC for updates and timing of removal. • Deregistering the Company for VAT once all of the taxable assets have been sold in line with the VAT regulations. • Discussions with HMRC confirming deregistration date via telephone. • Requesting final Proof of Debt form from HMRC. • Requesting VAT returns from HMRC. • Consider viability with RS Tax team of a Terminal Loss Relief claim to be submitted to HMRC. • Preparing post-appointment Corporation Tax and VAT returns, as required by statute. • Obtaining clearance from HM Revenue & Customs. <p>Whilst the majority of this work has derived no financial benefit for creditors to date, it is required to ensure that the liquidation has complied with its tax affairs.</p> <p>Accordingly, approval is being sought for an additional 13.4 hrs in excess of the fee estimated approved on 19 February 2021 of which 8.3 hrs of the revised 27.8 hrs have already been incurred.</p>			
<p><u>Realisation of Assets</u></p> <p>The fee estimate as at 28 January 2021 underestimated the level of work that was needed for this category. It is also underestimated the timeframe it would take to realise the assets in the liquidation. This is predominantly down to the level of time it has taken to conclude realising the Company's assets, in particular the sale of Plant & Machinery, Office Furniture & IT Equipment and Stock, as further detailed in Section 3.</p> <p>Work undertaken in this regard includes:</p> <ul style="list-style-type: none"> • Obtaining a professional valuation of the Company's assets to ensure the most appropriate offer is accepted and liaising with the agents in respect of their views as to the offers received. • Negotiations with interested parties and agreeing sale of assets. 	4.7	1,715.23	364.94

ABLE TOOLING LIMITED – IN LIQUIDATION

REVISED FEES ESTIMATE

<ul style="list-style-type: none"> • Discussions with the Agent to discuss formal offer for financed assets and of the equity position of the hire purchase assets. • Arranging insurance cover over assets and ensuring their security. • Liaising with Lloyds Bank plc for credit balance and timing of transfer. • Reviewing and obtaining any potential refunds on insurance policies paid up to a future period by the Company. • Regular discussions with purchaser requesting update and timing of payments for the sale of business assets. • Analysis of VAT Bad Debt Relief claim. Review of debts/ invoices and amount outstanding to HMRC. • <u>Book Debts</u> <ul style="list-style-type: none"> - Liaising with Directors/bookkeeper for the final debtor ledger upon Liquidation; verifying the extent of collectable debts; pursuing the receivables by issuing first and second letter to debtors; and liaising with outstanding customers via email and telephone. - Significant work has been undertaken in the debt collection process due to the availability in contacting the correct personnel in order to discuss payment and outstanding balances. <ul style="list-style-type: none"> - Emailed the debtors with available email address. - Called the Debtors who failed to respond to our letters. - Issued chaser emails to debtors who have not yet responded. - Continuing pursuit of debtor ledger. - Discussions with Hitachi regarding outstanding ledger, total balance to be transferred to discharge them in full and formal reassignment of ledger. - Reconciling debtor ledger provided by Hitachi with pre appointment ledger received from bookkeeper. - Liaising with Director/ bookkeeper regarding debt position, disputes and requesting further information/ details to continue pursuit of debtor ledger. <ul style="list-style-type: none"> - Discussions with Director regarding proposed action. - Reviewing latest debt position. - Liaising with outstanding customers via email and telephone as necessary. - Continued review of debtor position and discussions with Director/bookkeeper regarding disputes. - Instruction of Solicitors to assist with the pursuit of debtors where appropriate - Liaising with Solicitors regarding disputed debt and issues raised. - Finalising debtor ledger and ceasing pursuit via Solicitors. 			
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ABLE TOOLING LIMITED – IN LIQUIDATION

REVISED FEES ESTIMATE

<ul style="list-style-type: none"> • <u>Cash at Bank</u> <ul style="list-style-type: none"> - Liaising with Lloyds bank to discuss credit balance on account and timing of transfer. - Further discussions with Lloyds to discuss timing of any transfer. • <u>Unencumbered Business Assets</u> <ul style="list-style-type: none"> - Discussions with the purchaser requesting updates and timing of remaining payments for the sale of business assets. <p>Future work to be undertaken will include:</p> <ul style="list-style-type: none"> • <u>Unencumbered Business Assets</u> <ul style="list-style-type: none"> - Discussions with the purchaser requesting updates and timing of remaining payments for the sale of business assets. <p>After reviewing the fee estimate as at 28 January 2021 it was concluded the estimate underestimated the charge out rate of Staff who would be needed to complete the work and the amount of work required in order to realise all assets in the liquidation. As such the amount of time to be spent on this category has been increased.</p> <p>Accordingly, approval is being sought for an additional 4.7 hrs in excess of the fee estimate approved on 19 February 2021 of which 114 hrs of the revised 119.3 hrs have already been incurred.</p>			
<p><u>Employees</u></p> <p>The fee estimate as at 28 January 2021 anticipated that 18.1 hrs would be spent on this category with a total cost being forecast of £2,891.50. This is predominantly down to the volume of employee queries and the time it has taken to deal with the Company's pension affairs as required by statute.</p> <p>Work undertaken in this regard includes:</p> <ul style="list-style-type: none"> • Dealing with any queries that arose from employees regarding payment from the Redundancy Payments Service. • Submitting forms RP14 and RP14a to the Redundancy Payments Service. • Liaising with the Redundancy Payments Service regarding employees entitlements. • Discussions with employees regarding entitlements and amending claim following confirmation from bookkeeper. • Notifying Pensions Regulator, Pension Protection Fund and Trustee regarding occupational pension scheme. 	6.9	1,490.58	216.03

ABLE TOOLING LIMITED – IN LIQUIDATION

REVISED FEES ESTIMATE

<ul style="list-style-type: none"> • Instructing Clumber Consultancy Limited to review outstanding pension matters and deal with outstanding pension claims with the RPS. • Dealing with any further queries that may arise from employees. • Reviewing any unpaid pension contributions with Clumber Consultancy Limited and providing information in order to make payment. • Liaising with the Redundancy Payment Service and submitting form RP15 in relation to employees unpaid pension contributions. <p>Future work to be undertaken will include:</p> <ul style="list-style-type: none"> • Issuing final notification to Pensions Regulator, Pension Protection Fund and Trustee advising of closure of Liquidation. • Receive confirmation from trustee that liquidator can obtain his release. • Dealing with any further queries that may arise from employees. <p>After revising the fee estimate it was concluded that the fee estimate as at 28 January 2021 forecasted less time being spent on this category that was needed. This is mainly down to the case remaining open for longer than anticipated and as such there has been an increase in the volume of employee queries.</p> <p>Accordingly, approval is being sought for an additional 6.9 hrs in excess of the fee estimate approved on 19 February 2021 of which 17.1 hrs of the revised 25.0 hrs have already been incurred.</p>			
<p><u>Creditors</u></p> <p>The fee estimate as at 28 January 2021 anticipated that 17.8 hrs would be spent on this category with a total cost being forecast of £2,993.40. It therefore underestimated the level of work that was needed for this category. This is predominantly down to the volume of creditor queries and the level of work required in order to agree creditors' claims.</p> <p>Work undertaken in this regard includes:</p> <ul style="list-style-type: none"> • Responding to creditor queries. • Logging creditor claims. • Reviewing backing documentation received from creditors and saving on firms client system. • Instructing Clumber Consultancy Limited to agree employee preferential claims. Clumber Consultancy Limited have confirmed their independence to this firm and also to the Company. 	36.7	6,728.77	183.35

ABLE TOOLING LIMITED – IN LIQUIDATION

REVISED FEES ESTIMATE

<ul style="list-style-type: none"> • Seeking approval from creditors in respect of a decision procedure when appropriate and preparing a record of the decision. • Preferential Creditors – issuing Notice of Intended Dividend • Unsecured Creditors – partial adjudication of claims. <p>Future work to be undertaken will include:</p> <ul style="list-style-type: none"> • Seeking approval from creditors in respect of a decision procedure when appropriate and preparing a record of the decision. • Unsecured Creditors – full adjudication of claims. • Logging and reviewing further creditor claims. <p>Accordingly, approval is being sought for an additional 36.7 hrs in excess of the fee estimate approved on 19 February 2021 of which 37.1 hrs of the revised 54.5 hrs have already been incurred.</p>			
<p><u>Reporting</u></p> <p>The fee estimate as at 28 January 2021 anticipated that 18.7 hrs would be spent on this category with a total cost being forecast of £3,987.50. It therefore underestimated the level of work that was needed for this category. This is predominantly down to a further fee request report needing to be completed. This has had a subsequent effect on reporting as more fee request reports were required than originally anticipated.</p> <p>Work undertaken in this regard includes:</p> <ul style="list-style-type: none"> • Report to creditors in respect of obtaining a fee resolution. • Drafting annual progress and revised fee resolution report as required in accordance with The Insolvency Act and Rules to provide creditors with an update on the progress of the Liquidation. <p>Future work to be undertaken will include:</p> <ul style="list-style-type: none"> • Preparing and issuing annual progress and revised fee resolution report as required in accordance with The Insolvency Act and Rules to provide creditors with an update on the progress of the Liquidation. • Drafting and issuing a final report to all known members and creditors. <p>The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the case has been administered in line with regulatory requirements.</p> <p>Accordingly, approval is being sought for an additional 22.2 hrs in excess of the fee estimate approved on 19 February 2021 of</p>	22.2	4,641.44	209.07

ABLE TOOLING LIMITED – IN LIQUIDATION

REVISED FEES ESTIMATE

which 20.8 hrs of the revised 40.9 hrs have already been incurred.			
<p><u>Distributions</u></p> <p>The fee estimate as at 28 January 2021 anticipated that 6.8 hrs would be spent on this category with a total cost being forecast of £1,327.20. It therefore underestimated the level of work that was needed for this category. This is predominantly down to the time it has taken to distribute to preferential creditors and the anticipated time to take to declare and pay an unsecured dividend.</p> <p>Work undertaken in this regard includes:</p> <ul style="list-style-type: none"> • Preferential Creditors – adjudication of preferential claims following assistance from Clumber Consultancy Limited, preparing and processing distribution. • Unsecured Creditors – partial adjudication of unsecured claims, preparing and processing distribution. <p>Future work to be undertaken includes:</p> <ul style="list-style-type: none"> • Unsecured Creditors – full adjudication of unsecured claims, preparing and processing distribution. <p>Accordingly, approval is being sought for an additional 7.6 hrs in excess of the fee estimate approved on 19 February 2021 of which 3.2 hrs of the revised 14.4 hrs have already been incurred.</p>	7.6	1,168.18	153.71
<p><u>Cashiering</u></p> <p>The fee estimate as at 28 January 2021 anticipated that 34.9 hrs would be spent on this category with a total cost being forecast of £6,352.10. It therefore underestimated the level of work that was needed for this category. This is predominantly down to the time it has taken to deal with cashiering requirements with realising the Company's assets in particular the sale of Plant & Machinery, Office Furniture & IT Equipment and Stock. Due to cash flow restrictions it was agreed that the remaining outstanding balance would be paid in instalments, this has had subsequent effect on cashiering requirements as more internal cashiering were required than originally anticipated.</p> <p>Work undertaken in this regard includes:</p> <ul style="list-style-type: none"> • Establishing set up of case details on our insolvency software system. • Setting up bank accounts, including deposit accounts as necessary. • Bank account maintenance, including periodic reconciliations. 	26.9	4,884.42	181.58

ABLE TOOLING LIMITED – IN LIQUIDATION

REVISED FEES ESTIMATE

<ul style="list-style-type: none"> • Issuing payments and banking receipts (mainly debtors) and preparing the appropriate paperwork for such transactions. • Issuing payments (including dividends to preferential creditors). <p>Future work to be undertaken includes:</p> <ul style="list-style-type: none"> • Bank account maintenance, including periodic reconciliations. • Issuing payments and banking receipts and preparing the appropriate paperwork for such transactions. • Issuing payments (including dividends to unsecured creditors). <p>Accordingly, approval is being sought for an additional 26.9 hrs in excess of the fee estimate approved on 19 February 2021 of which 54.3 hrs of the revised 61.8 hrs have already been incurred.</p>			
<p><u>Statutory and Compliance</u></p> <p>The fee estimate as at 28 January 2021 anticipated that 31.2 hrs would be spent on this category with a total cost being forecast of £6,427.60. It therefore underestimated the level of work that was needed for this category. This is predominantly down to the work that is required by statute.</p> <p>Work undertaken in this regard includes:</p> <ul style="list-style-type: none"> • Preparation and lodgement of statutory appointment documents. • Initial notices following appointment. • Initial advertisements following appointment. • Case monitoring and statutory compliance, including internal case reviews. • Case bordereau. <p>Future work to be undertaken includes:</p> <ul style="list-style-type: none"> • Case monitoring and statutory compliance, including internal case reviews. <p>After revising the fee estimate it was concluded that the fee estimate as at 28 January 2021 forecasted less time being spent on this category that was needed. This is mainly down to the case remaining open for longer than anticipated and as such more statutory work has been required.</p> <p>Accordingly, approval is being sought for an additional 17.6 hrs in excess of the fee estimate approved on 19 February 2021 of which 35.0 hrs of the revised 48.8 hrs have already been incurred.</p>	17.6	2,654.88	150.85

ABLE TOOLING LIMITED – IN LIQUIDATION

REVISED FEES ESTIMATE

<u>Overall</u>	143.4	27,619.39	192.60
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ABLE TOOLING LIMITED – IN LIQUIDATION

RATES AND EXPENSES POLICY

Charge-out rates

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

	Partner	Director	Associate Director / Manager	Senior Executive / Executive	Cashier	Support staff
Current charge out rate per hour effective from 1 September 2021 - Range (£)	640 - 480	520 - 420	460 - 260	260 - 120	286 - 120	160 - 100

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

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

Expenses

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements.

Disbursements are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.

Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

- **Category 1 expenses:** These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. Category 1 expenses can be paid without prior approval.

- **Category 2 expenses:** These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

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

- Mileage will be charged at relevant HM Revenue & Customs prevailing rates, currently 45p per mile.

The Joint Liquidators reserve the right to increase the charges applicable to mileage in accordance with any increases in the prevailing rate set by HM Revenue & Customs. Any material amendments will be advised to creditors in the next statutory report.