

LIQ03

Notice of progress report in voluntary winding up



Companies House

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1 Company details

Company number 0 0 3 9 5 2 9 2

Company name in full Parry Group Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Patrick

Surname Lannagan

3 Liquidator's address

Building name/number Mazars LLP

Street

Post town One St Peters Square

County/Region Manchester

Postcode M 2 3 D E

Country

4 Liquidator's name ①

Full forename(s) Scott Christian

Surname Bevan

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

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6 Period of progress report

From date	^d 2	^d 3	^m 0	^m 1	^y 2	^y 0	^y 2	^y 0
To date	^d 2	^d 2	^m 0	^m 1	^y 2	^y 0	^y 2	^y 1

7 Progress report

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

8 Sign and date

Liquidator's signature	Signature X  X							
Signature date	^d 1	^d 9	^m 0	^m 3	^y 2	^y 0	^y 2	^y 1

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Julie Mills**

Company name **Mazars LLP**

Address **One St Peters Square**

Manchester

Post town **M2 3DE**

County/Region

Postcode

Country

DX

Telephone **T: +44(0) 161 238 9200**

**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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Parry Group Limited - In Liquidation

Joint Liquidators' progress report covering the period from 23 January 2020 to 22 January 2021

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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 22 January 2021 (‘the current period’).
- 1.2. On 5 December 2016 Lisa Jane Hogg and Kelly Burton of Wilson Field Limited were appointed Joint Administrators of the Company. Subsequently, Robert David Adamson was appointed Joint Liquidator of the Company together with Scott Christian Bevan following the Company’s move into Creditors’ Voluntary Liquidation from Administration pursuant to Paragraph 83 of Schedule B1 of the Insolvency Act 1986 on 23 January 2017.
- 1.3. Mr Adamson resigned from the partnership of Mazars LLP with the effect from 9 February 2018 and was removed from office as Joint Liquidator of the Company from 23 March 2018 and was replaced by Patrick Alexander Lannagan, on the same day by an Order of the High Court.
- 1.4. Mr Lannagan is authorised to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales and Mr Bevan is authorised in the UK by the Insolvency Practitioners Association.
- 1.5. Identification details relating to the Company and the Liquidators are attached at Appendix A.

2. Joint Liquidators’ Receipts and Payments

- 2.1. A summary of receipts and payments covering the period from 23 January 2020 to 22 January 2021 is attached at Appendix B. The receipts and payments account also covers the cumulative period from the date of appointment to 22 January 2021. A comparison of the figures provided in the directors’ Statement of Affairs to actual realisations made to date is included to assist creditors in assessing progress to date.
- 2.2. The receipts and payments account confirms that there is currently a balance in hand of £735,989.97 plus VAT receivable in the sum of £9,695.69.
- 2.3. An explanation of the assets realised and the expenses paid is provided below.

3. Asset Realisations and Details of Progress

- 3.1. Asset realisations made during the current period are detailed below.

3.2. Refund of Bank Charges

- 3.2.1. A refund in the sum of £1,438 has been received during the period of this report from the Company’s bankers HSBC Bank Plc (“the Bank”). The refund represents fees incorrectly charged by them, while the Company was still trading. No further refunds are anticipated.

3.3. Credit from Pulse Cashflow Finance Limited

- 3.3.1. The Joint Liquidators intimated issuing a claim against Pulse Cashflow Finance Limited ("Pulse") which was vehemently disputed and contested by Pulse. After a period of negotiation, a settlement has been reached on confidential terms in satisfaction of all claims, which provides for Pulse crediting the amount of £60,000 + VAT to the Joint Liquidators without any admission of liability made by Pulse. It is a condition of the settlement agreement between the parties that the remaining terms are kept confidential between the parties.

3.4. Bank Interest

- 3.4.1. Interest of £1,307.42 has been received during the current period from Barclays Bank plc on funds held in the Joint Liquidators' account.

4. Matters Outstanding

- 4.1. All assets have now been realised.

- 4.2. Work that remains to be completed includes:

- Seeking creditor approval for the Liquidators' Revised Fees Estimate contained within this report;
- Continuing the investigations work;
- Obtaining tax clearance from HM Revenue & Customs in respect of the Liquidation period;
- Obtaining clearance from the Pensions Regulator for closure of the Liquidation;
- Issuing a Notice of Intended Dividend to all creditors who have yet to submit their claim in the Liquidation, providing a deadline for claims to participate in the second interim distribution (issued alongside this report) and the final distribution in due course;
- Adjudicating on any additional claims received, including assessing supporting evidence for claim amounts not capable of being agreed by reference to the Company records;
- Declaring and paying a second interim and a final distribution on agreed claims;
- Settling the remaining costs of Liquidation;
- Issuing the Liquidators' draft final account to creditors and reporting on the closure of the Liquidation to the Registrar of Companies.

- 4.3. It is anticipated that this work will be completed within 12 months.

5. Estimated Outcome Statement

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

- 5.1.1 A fixed and floating charge debenture over the Company's assets was granted in favour of Pulse. It was created on 3 November 2016 and was registered at Companies House on 4 November 2016. In addition, Pulse had the benefit of a fixed charge over the freehold property. As at 5 December 2016 (being the date of Administration), the indebtedness to Pulse totalled £666,627, comprising the balance due on their invoice finance facility.

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5.1.2 Since the move into Liquidation, Pulse has been repaid in full from book debt realisations & the surplus funds paid across to the Joint Liquidators. This position is highlighted in the estimated Outcome Statement ("EOS") included at Appendix C.

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

6. Liabilities

6.1. Secured Creditors

6.1.1. As detailed at 5.1.1, a fixed and floating charge debenture over the Company's assets was granted in favour of Pulse. The indebtedness to Pulse totalled £666,627, comprising the balance due on the invoice finance facility, and has been repaid 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. In this instance, all employees of the Company transferred to Parry Catering Equipment (Midlands) Limited as part of the pre-packaged sale of the business during the Administration. The Liquidators understand that this was a relevant transfer in the context of the TUPE Regulations. Therefore, no claims in respect of wages or holiday pay are anticipated.

6.2.3. In respect of pension contributions, Dalriada Trustees have confirmed that there is no preferential claim against the Company in respect of unpaid pension contributions. Accordingly, there are no preferential creditors in this case.

6.3. Unsecured Creditors

6.3.1. According to the directors' Statement of Affairs, the Company had 228 unsecured creditors with debts totalling £2,617,266. Claims received to date total £10,883,204 from 108 creditors.

6.3.2. Creditors will note that there has been a significant increase in the amount due to creditors in comparison to the Statement of Affairs. This increase is due to the amount due to the WJ Parry Pension Scheme increasing from an estimated claim of £2,500,000 to the final claim of £9,740,000.

6.3.3 A first dividend of 9.49 pence in the pound was paid on agreed claims to all creditors who had proved their claim against the Company as at 27 September 2017. In addition, an equalising dividend has been paid to those creditors whose claims were received after the first dividend was paid & to the Trustees of the WJ Parry Pension Scheme in respect of the increase in their agreed claim from £2,500,000 to £9,740,000 (the final claim).

6.3.4 The Joint Liquidators are issuing a Notice of Intended Dividend to those creditors who have not yet submitted a claim in the Liquidation alongside this report and intend to distribute £500,000 of the funds they are currently holding, to all creditors who have proved their claims in the Liquidation once the Notice of Intended Dividend has expired.

6.3.5 The rate of the second interim dividend is dependant on the amount of the additional claims received. However, based on claims received and agreed to date and the estimated claims according to the Statement of Affairs, which have not yet been received or proved, it is

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currently estimated that circa 4.5 pence in the £ will be distributed shortly and that the final dividend will achieve a rate of circa 1.70 pence in the £ (the previous estimate was a combined 6.46p in the £). The principal reasons for the slight deterioration in the anticipated further dividend rate are; the Joint Liquidators' further fee request (see Section 9), the legal costs associated with the Pulse credit (see Section 3.3.1), increased legal costs associated with regulatory compliance and the offset of these costs provided by the Pulse credit.

- 6.3.6 The Joint Liquidators do not intend distributing the remaining funds to creditors until their investigations in respect of the Company have been concluded (see Section 8).
- 6.3.7 The overall return to creditors is predicted to be in the region of 15.69 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 the Company granted a floating charge to Pulse on 3 November 2016, the provision of the Prescribed Part do apply in this matter. However, since Pulse have recovered their lending in full from the funds under their control, there is no longer a requirement to set aside the Prescribed Part fund.

8. Investigations

- 8.1. In accordance with the Company Directors Disqualification Act 1986, the Administrators were required to investigate the affairs of the Company and the conduct of the directors during the three years prior to the commencement of Administration and they submitted a confidential report was submitted to the Insolvency Service on 13 January 2017. The Joint Liquidators are required to report to the Insolvency Service on any additional matters that they become aware of during the Liquidation.
- 8.2. Creditors will be aware from previous reports that the Liquidators have undertaken a review of various matters, including but not limited to the pre-packaged sale transaction, associated costs and securities, and the impact on creditors of the change in invoice finance provider prior to the Administration.
- 8.3. The Joint Liquidators have yet to conclude their investigations into the Company and a further update will be provided in the Joint Liquidators' next report to creditors.
- 8.4. Should creditors have any information or be aware of any further matters which they consider should be brought to the attention of the Liquidators, please provide details in writing to this office. This request for information forms part of this firm's 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. Joint Liquidators' Remuneration

- 9.1. A decision was made by the creditors on 20 July 2017 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 £87,551.50 plus VAT, issued to creditors on 27 June 2017.
- 9.2. Appendix E1 provides a comparison of the Joint Liquidators' Fees Estimate to actual time costs for the period from 23 January 2020 to 22 January 2021 (which total £34,902, representing 125.10 hours at an average hourly rate of £278.99) and cumulative time costs since appointment to 22 January 2021 (which total £186,869.30, representing 930.10 hours at an average hourly rate of £200.91). The original Fee Estimate has been exceeded as a result of work required during the course of the Liquidation which was not anticipated within the Fee Estimate as set out at section 9.7 below.
- 9.3. Appendix E2 provides a narrative summary of the Joint 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. To date, the sum of £80,000 has been drawn against the Joint Liquidators' time costs in respect of the Liquidation, all of which has been drawn in previous periods.
- 9.5. Based on the time costs incurred to date and the estimated time costs for the future work expected to be undertaken to completion of the Liquidation, the Joint Liquidators now estimate their overall total time costs will be in the region of £217,751, which exceeds the original Fees Estimate by some £130,200.
- 9.6. The Liquidators are not able to draw remuneration in excess of the Fee Estimate, unless approval for a revised fee estimate is obtained from the body of creditors who approved the original Fee Estimate. Accordingly, further fee approval is now being sought from the unsecured creditors. The Joint Liquidators' original Fee Estimate is provided at Appendix E3 for ease of reference, and their Revised Fees Estimate is set out at Appendix E4, including information on the additional work already undertaken and still to be carried out and the anticipated cost of that work.
- 9.7. In summary, the time costs have exceeded the Original Fee Estimate in the following areas, where additional work has been required which was not anticipated at the outset:
- Further investigation work has been undertaken following the initial review of the Company's affairs and events leading up to the Administration and in response to creditor queries. This work has involved extended correspondence with various parties including the Administrators, the directors, the Company accountants, Pulse, the Pension Protection Fund, The Pensions Regulator and close liaison with Mayer Brown Solicitors
 - The Purchaser of the business had entered into an option period in respect of the freehold property and this period was agreed at six months by the Administrators. However, in Liquidation, the Purchaser was not in a position to exercise the option and requested an extension to the option period, which was agreed and the property sale eventually completed in November 2018, some 18 months after the end of the original option period. This extended period involved additional work by the Liquidators and their staff in liaising with the Purchaser, solicitors and agents in

relation to the property strategy, the legal documents required to extend the option period and agree the terms of occupation, and monitoring the receipt of the rental instalments.

- The further time that has been required to complete this additional work has resulted in extra time costs in respect of additional statutory reporting and tax returns, additional cashing work, and additional case reviews over and above those originally anticipated in the Fee Estimate.

- 9.8. The original Fees Estimate assumed that the case would remain open for no less than two years in view of the time required to realise the deferred consideration and the freehold property. However, the terms of the deferred consideration and option to purchase the property led the Liquidators to expect a period of 12 months would be required for this.
- 9.9. The original Fees Estimate also assumed that there would be no adverse findings during the course of the statutory investigations. As noted above, several avenues were identified for further investigation and a substantial amount of work has been undertaken in this area on which the additional time in the Revised Fees Estimate is based.
- 9.10. Routine administration of the Liquidation has been dealt with by more 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.
- 9.11. 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. 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 is attached at Appendix E5. Specialist departments within our Firm such as Tax and VAT have charged time to this case when their expert advice is required. The rate ranges provided incorporate these different rates. Further information on the work carried out during the current reporting period in respect of the realisation of assets is provided in Section 3 and 4 of the report and also within the narrative summary attached at Appendix E2.

10. Joint Liquidators' Disbursements

- 10.1. Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. There are two categories of disbursements, including Category 1 (payments directly to independent third parties) and Category 2 (costs incurred by the Joint Liquidators or the firm that can be allocated to the case on a proper and reasonable basis).
- 10.2. Category 2 disbursements require approval in the same manner as remuneration and creditors will recall that a resolution was passed on 20 July 2017 by creditors in agreement of the anticipated Category 2 disbursements of the Joint Liquidators.
- 10.3. There have been no disbursements incurred or paid during the current reporting period.

11. Expenses

- 11.1. 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. This also includes a comparison to the original Expense Estimate. Details of expenses paid during the period of the report are shown in the receipts and payments account at Appendix B.
- 11.2. Creditors will note that the legal fees incurred are significantly more than anticipated in the original Expense Estimate. This is due to the increased time spent on areas under investigation than originally anticipated at the outset of Liquidation. No further legal fees are currently anticipated.
- 11.3. The Liquidators have reviewed these expenses and the legal costs in detail and they are satisfied that the expenses are reasonable in the circumstances of the case.

12. Creditors' Rights

12.1. Further Information

- 12.1.1. 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 Joint 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 Joint Liquidators' fees in a copy of the publication "A creditors guide to Joint 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>.

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Patrick Lannagan

Dated 18 March 2021

Joint Liquidator

Authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in
England and Wales 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](http://www.mazars.co.uk/Legal-and-privacy).

PARRY GROUP LIMITED – IN LIQUIDATION IDENTIFICATION DETAILS

Details relating to the Company

Company name	Parry Group Limited
Previous names	W. J. Parry & Co. (Nottingham) Limited
Trading name	N/A
Company number	00395292
Registered office	c/o Mazars LLP, 5th Floor, 3 Wellington Place, Leeds, LS1 4AP
Trading address	Town End Road, Draycott, Derby, DE72 3PT

Details relating to the Liquidators

Date of appointment	23 January 2017
Joint Liquidators	Patrick Alexander Lannagan of Mazars LLP, One St Peters Square, Manchester, M2 3DE Scott Christian Bevan of Mazars LLP, 45 Church Street, Birmingham, B3 2RT IP No(s) 009590 and 009614
Previous Liquidator	Robert David Adamson IP No. 009380
Joint Liquidators' address	Mazars LLP, One St Peters Square, Manchester, M2 3DE
Joint Liquidators' contact telephone number	T: +44(0) 161 238 9200

Parry Group Limited - in Liquidation
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 23/01/2020 To 22/01/2021 £	From 23/01/2017 To 22/01/2021 £
	SECURED ASSETS		
940,000	Freehold Land & Property	NIL	939,994.30
50,000	Goodwill	NIL	33,333.36
5,000	Intellectual Property	NIL	3,333.36
716,564	Book Debt Ledger	NIL	441,424.55
	Rental Income	NIL	143,733.16
		NIL	621,824.43
	SECURED CREDITORS		
(666,627)	Pulse Cashflow Finance	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
85,000	Plant, Machinery & Equipment	NIL	61,666.64
250,000	Stock	NIL	229,166.64
15,000	Contracts and WIP	NIL	10,000.00
	Book Debts	NIL	76,280.04
	Surplus from Administration	NIL	11,006.73
	VAT on Termination Fees	NIL	29,342.74
	Bank Interest Gross	1,307.42	5,161.99
	Insurance Refund	NIL	3,998.78
	Refund of Charges	72,000.00	72,000.00
	Rates Refund	NIL	6,050.55
	Sundry Receipt	NIL	12,802.65
	Refund of HSBC Bank Charges	1,437.82	2,053.32
		74,745.24	1,459,524.38
	COST OF REALISATIONS		
	Agent's Commission	NIL	1,512.64
	Debt Collection Fees	NIL	4,952.28
	Joint Liquidators' Remuneration	NIL	80,000.00
	Joint Liquidators' Disbursements	NIL	1,685.07
	Joint Administrators' Disbursements	NIL	27,586.05
	Legal Fees & Disbursements	44,375.47	156,630.64
	Statutory Advertising	NIL	169.20
	Insurance of Assets	NIL	29,632.76
	Insurance Premium Tax	NIL	1,661.51
	Bank Charges	NIL	65.00
		(44,375.47)	(303,895.15)
	UNSECURED CREDITORS		
	Trade & Expense Creditors	437.30	81,854.03
	Redundancy Payment Service	1,415.62	1,415.62
(117,266)	HMRC re VAT	NIL	24,172.19
(2,500,000)	Pension Fund	NIL	924,326.16
		(1,852.92)	(1,031,768.00)
	DISTRIBUTIONS		
(502,480)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,724,809)		28,516.85	745,685.66
	REPRESENTED BY		
	Floating Charge Current Account		735,989.97
	VAT Control Account		9,695.69
			745,685.66

**Parry Group Limited - in Liquidation
Estimated Outcome Statement as at 22 January 2021**

	To Date	Future	Total
	£	£	£
ASSETS SUBJECT TO A FIXED CHARGE			
Freehold Property	939,994	0	939,994
Rental Income	143,733	0	143,733
Goodwill	33,333	0	33,333
Intellectual Property	3,333	0	3,333
Due to Pulse Cashflow Limited	0		0
Surplus under fixed charge	1,120,393	0	1,120,393
ASSETS SUBJECT TO A FLOATING CHARGE			
Book Debts	517,705	0	517,705
Plant, Machinery & Equipment	61,667	0	61,667
Stock	229,167	0	229,167
Contracts & Work In Progress	10,000	0	10,000
Funds from Administration	11,007	0	11,007
Refunded Charges	72,000	0	72,000
Sundry Refunds	53,929	0	53,929
Bank Interest Gross	5,162	0	5,162
COSTS OF REALISATION			
Administration Costs	(27,586)	0	(27,586)
Joint Liquidators' Remuneration	(80,000)	(32,232)	(112,232)
Joint Liquidators' Disbursements	(1,685)	(344)	(2,029)
Legal Fees & Disbursements	(156,631)	0	(156,631)
Debt Collection Fees	(4,953)	(770)	(5,723)
Agent's Commission	(1,513)	0	(1,513)
Statutory Advertising	(169)	0	(169)
Insurance of Assets	(31,294)	0	(31,294)
Bank Charges	(65)	(30)	(95)
AVAILABLE TO PREFERENTIAL CREDITORS	1,777,134	(33,376)	1,743,758
Preferential Creditors			0
AVAILABLE TO UNSECURED CREDITORS			1,743,758
Unsecured Creditors			(11,110,552)
DEFECIT TO UNSECURED CREDITORS			(9,366,794)
RATE OF RETURN TO UNSECURED CREDITORS (p in the £)			15.69



PARRY GROUP LIMITED - IN LIQUIDATION

APPENDIX D

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in previous period (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses Estimate (£)
Professional advisors' costs The officeholder's choice of the professional advisors listed below was based on their perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.						
Legal fees and disbursements	Mayer Brown International LLP are to be instructed to provide advice on issues arising in the Liquidation. The estimate they have provided for their fees is ranges from £57,000 to £70,500. This firm of lawyers was chosen based on their experience in insolvency matters and because they are on the Pension Protection Fund's legal panel. For the purposes of the Expense Estimate, we used a figure in the middle of their fee estimate. However, it is apparent that legal fees have exceeded our estimate. This is due to the time spent on investigations, which were more complex than anticipated.	63,750.00	108,490.17	44,295.50	0	152,880.64
	HLW Keeble Hawson LLP were instructed to provide advice to the Liquidators in respect of indemnities required by the secured creditors (Pulse Cashflow Finance and the lease creditors). This firm of lawyers was chosen based on their experience in insolvency matters.	2,452.50	3,750.00	0	0	3,750.00
Agent's fees and disbursements	Kumar & Company were engaged to assist with the Company assets as they had already assisted the former Administrators in providing an independent professional valuation of the assets. They also are experienced in providing such valuations in an insolvency scenario. Kumar & Co has confirmed their independence to this firm and also to the Company. Kumar & Co confirmed that they anticipate that their costs would be in the region of 1.5% to 2.5%, therefore the estimate was calculated at 2% of sale price of £940,000 (as per the Administrators'	20,000.00	0	0	0	0



PARRY GROUP LIMITED - IN LIQUIDATION

APPENDIX D

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in previous period (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses Estimate (£)
	proposals and valuation) plus additional costs for marketing of around £1,200. As the sale of the property completed to Parry Catering Equipment (Midlands) Limited pursuant to the option agreement in November 2018, the Joint Liquidators were not required to instruct agents to sell the property and accordingly no agent's costs were incurred.					
Payments to associated entities of Mazars LLP						
Debt collection fees	Mazars Receivables Management ("MRM") have been instructed to assist with the collection of remaining debtors in order to maximise realisations for creditors. MRM is an associate of Mazars LLP and were chosen as they are experienced in collecting and monitoring book debts in insolvency scenarios. MRM's agreed fee was based on 7.5% of successful debtor collections, which concluded with £76,280.04 being received. To date MRM have only drawn £4,952.28 plus VAT.	7,045.13	5,722.00	0	0	5,722.00
Other expenses						
Corporation tax	It was initially estimated that Corporation tax may be payable in respect of the gain arising from the disposal of the property. The corporation tax return for the period covering the sale of the property has been submitted with no tax liability being due.	500.00	0	0	0	0
Statutory Advertising	Costs have been paid to Courts Advertising for statutory advertising requirements including London Gazette advertisements for notice of the appointment, notices of future decision-making procedures and creditors' claims.	338.40	169.20	0	0	169.20



PARRY GROUP LIMITED - IN LIQUIDATION

APPENDIX D

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in previous period (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses Estimate (£)
Insurance of assets	The Liquidators are required to insure the Company's assets until they are disposed of. The value disclosed in the original fee estimate was based on a quote provided by insurance brokers and covered the period 23 January 2017 to 23 January 2018 (based on the property sale completing by this date). However, the property sale completed on 12 November 2018 and no further costs have been incurred since that date. In view of the nature of the property insurance cover, our insurers have obtained specialist cover which has substantially reduced the premium. Insurance Tax totalling £1,449 was paid on the premium.	17,420.78	31,294.27	0	0	31,294.27
Searches	It was anticipated that charges would be incurred for company searches to ascertain the legal status of the company and the nature of any securities. However, these costs have not been incurred for this information.	3.00	0	0	0	0
Land Registry fees	The cost of obtaining title documents and other documents from the Land Registry in respect of the Company's property. These searches have been undertaken by Mayer Brown solicitors and paid as a legal disbursement.	8.00	0	0	0	0
Agents Commission	CAPA was engaged to obtain any rates refunds due to the Company on behalf of the office holders. CAPA are experienced in the specific services they provide and so there is greater efficiency in outsourcing this work. As a result of their work CAPA recovered a rates refund of £6,050.55. There fees were agreed on a contingent basis with a commission payable of 25% of sums recovered.	0	1,512.64	0	0	1,512.64



PARRY GROUP LIMITED - IN LIQUIDATION

APPENDIX D

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in previous period (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses Estimate (£)
Outstanding Administrators' costs	The former Administrators had incurred costs of £27,586.05 in respect of agents' fees, which had remained outstanding following the Company's move into Liquidation. These were discharged in full by the Joint Liquidators once they were in funds to do so.	27,586.05	27,586.05	0	0	27,586.05
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. A decision was made by the creditors on 20 July 2017 enabling the Joint 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 £87,551.50, issued to creditors on 27 June 2017. The Joint Liquidators time costs have exceeded the fee estimate, and the Joint Liquidators intend requesting creditors to draw further funds of £24,680 bringing the total amount of their fees to £112,231.50.	87,551.50	151,967.30	34,902.00	30,882.65	217,751.95
*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. Please note that this does not include the specific bond which is included below. Future disbursements relate to the postage cost issuing a creditor circular via third party mailing house Postworks in respect of the creditor decision on the Revised Fees Estimate.	400.00	1,721.79	0	306.80	2,028.59



EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in previous period (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses Estimate (£)
*Bond premium	It is a legal requirement that I take out a specific bond in respect of the value of the assets. On the basis the assets recovered are likely to total £1,925,000 the bond paid to JLT Specialty Limited was £742.50. * This amount is included in Liquidators disbursements.	742.50				
Total		227,797.86	255,472.96	74,489.27	31,189.45	442,695.34

**LIQUIDATORS' ANALYSIS OF TIME COSTS
AND COMPARISON TO FEES ESTIMATE**

The Liquidators' total Fees Estimate as approved by creditors on 20 July 2017 was £87,551.50.

As detailed in Section 9 of the report, total costs incurred to date are £186,869. Creditors should note that although my time costs total £186,869 at this stage I have only drawn £80,000 of my original estimate of £87,551. I do however intend seeking creditors permission to draw a further £24,680 in addition to my original fee estimate, as detailed in the report.

The following table provides details of the Liquidators' actual time costs incurred in the current reporting period, 23 January 2020 to 22 January 2021, compared to the estimated costs as per the Fees Estimate. The table also includes the cumulative period from 23 January 2017 to 22 January 2021, which provides details of the Liquidators' total time costs since appointment.

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



PARRY GROUP LIMITED - IN LIQUIDATION

APPENDIX E1

LIQUIDATORS' ANALYSIS OF TIME COSTS
AND COMPARISON TO FEES ESTIMATE

Description of Work	Fees Estimate Approved on 20 July 2017			Actual time costs for the period 23 January 2020 to 22 January 2021			Cumulative time costs for the period 23 January 2017 to 22 January 2021		
	Total Time (hours)	Total Costs (£)	Blended Hourly Rate (£)	Time incurred (hours)	Total Costs (£)	Blended Hourly Rate (£)	Time incurred (hours)	Total Costs (£)	Blended Hourly Rate (£)
Admin & Planning	20.00	2,953.60	147.68	7.40	2,130.00	287.84	33.10	6,850.00	206.95
Taxation	33.00	6,105.00	185.00	8.00	2,198.00	274.75	51.00	9,931.30	194.73
Investigations	151	17,455.00	115.60	43.50	13,826.50	317.85	328.20	70,152.40	213.75
Realisation of Assets	76.00	13,450.20	176.98	0.60	150.00	250.00	90.40	18,855.80	208.50
Employees	6.00	1,269.50	211.58	1.30	318.50	245.00	21.10	4,110.60	194.82
Creditors	79.00	11,922.40	150.92	4.40	1,163.00	264.32	96.50	16,083.00	166.66
Reporting	74.00	11,255.80	152.08	31.60	7,934.50	251.09	124.60	26,643.80	213.83
Distributions	40.00	8,480.00	212.00	1.70	400.50	235.59	23.90	4,832.50	202.20
Cashiering	62.00	8,090.00	130.48	12.90	3367.00	261.01	75.20	13,764.30	183.04
Statutory compliance	41.00	6,572.00	160.29	13.60	3,394.00	249.56	86.00	15,625.60	181.69
Totals	582.00	87,551.50	150.43	125.10	34,902.00	278.99	930.10	186,869.30	200.91

NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT LIQUIDATORS FOR THE PERIOD 23 JANUARY 2020 TO 22 JANUARY 2021

<p>Introduction</p> <p>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.</p> <p>This summary should be read together with the Joint Administrators' Time Costs Analysis at Appendix E1. The costs incurred in relation to each category are set out in the attached Time Cost Analysis.</p>
<p>Work carried out in the current period</p>
<p><u>Administration and planning</u></p> <p>The Liquidators have undertaken the following work:</p> <ul style="list-style-type: none"> • Completing case strategy notes. • Holding strategy meetings. • Managing and maintaining the case on the firm's client systems and specialist insolvency software. <p>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.</p>
<p><u>Taxation</u></p> <p>The following activities were undertaken in order to ensure the Company is compliant with tax requirements:</p> <ul style="list-style-type: none"> • Submitting VAT claim for receivable VAT in line with the VAT Regulations. • Post-Liquidation Corporation Tax returns, as required by statute. • Liaising with VAT regarding the treatment of VAT on settlement received. <p>The majority of this work derived no financial benefit for creditors, however, it is required in accordance with tax legislation and the recovery of VAT incurred on Liquidation costs enhances the funds available to creditors in Liquidation estate.</p>
<p><u>Investigations</u></p> <p>Work undertaken in this category during the current period included:</p> <ul style="list-style-type: none"> • Corresponding with Pulse & the former Administrators. • Liaising with Mayer Brown solicitors to progress the recovery of funds. • Liaising with the Pension Protection Fund & The Pensions Regulator <p>Some of this work did provided a financial benefit for creditors.</p>
<p><u>Realisation of Assets</u></p> <p>The work undertaken in respect of the realisation of the Company's assets is detailed in Section 3 of the report. 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.</p>
<p><u>Employees / Pension</u></p> <p>The following work was undertaken in the current period in connection with the pension scheme:</p> <ul style="list-style-type: none"> • Corresponding with the Pension Protection Fund and The Pensions Regulator. <p>This work did not provide a financial benefit to creditors.</p>
<p><u>Creditors</u></p> <p>There are approximately 228 unsecured creditor claims. In order to ensure that creditors are dealt with appropriately, the following work has been undertaken:</p> <ul style="list-style-type: none"> • Responding to any queries which arise. • Tracing creditors <p>The majority of work in this category was to assist & trace creditors and so does not provide a direct financial benefit to creditors. However, as an interim dividend has been paid to unsecured creditors, work undertaken in dealing with creditors especially in updating creditor contact details will provide benefit as a further dividend will be paid.</p>
<p><u>Reporting</u></p> <p>Work undertaken in the current period to comply with reporting requirements prescribed by statute has included the following:</p>

NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT LIQUIDATORS FOR THE PERIOD 23 JANUARY 2020 TO 22 JANUARY 2021

- Preparing and issuing the January 2020 annual report to members & creditors.
- Reporting to key stakeholders in respect of case strategy and investigation work.
- Preparatory work for the January 2021 annual report.

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

Work undertaken during the current period in this category has facilitated the payment of an equalising distribution and included:

- Adjudication of creditor claims, requesting further information where necessary.
- Preparing dividend calculations.
- Processing and payment of distributions.

This work has provided a financial benefit to the creditors receiving the equalising distribution.

Cashiering

Cashiering work undertaken during the current period has included:

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

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the estate bank account is operated in accordance with guidance issued by my regulatory body.

Statutory and Compliance

The work undertaken during the current period as required by statute and this firm's internal procedures has involved:

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

This work has derived no financial benefit for creditors. However, this work is required in order to ensure that the case has been administered in accordance with regulatory requirements.

ORIGINAL FEES ESTIMATE

Description of work	Total Time (hours)	Total Cost (£)	Blended Hourly Rate (£)
<u>Administration and Planning</u> This type of work will involve: <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. This work is necessary to ensure that the case is administered correctly and in line with statutory requirements. The estimate above assumes that the case will be open for not less than two years. There is no financial benefit to creditors in performing this category of work, other than to ensure all records are up to date.	20.00	2,953.60	147.68
<u>Taxation</u> Taxation work to be completed will include: <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-Administration VAT account; deregistering the Company for VAT once all of the taxable assets have been sold in line with the VAT regulations. Preparing post-Liquidation Corporation Tax and VAT returns, as required by statute. Review of potential Terminal Loss Relief Claim and submission of same to mitigate the HMRC debt. Given that it is likely that a dividend will be available to unsecured creditors such as HMRC the estimate above also includes the likely time required to complete any outstanding pre-appointment Tax Returns in order to correctly establish HMRC's claims. The estimate assumes that the case will be open for less than two years. The financial benefit to creditors will be in respect of any reclaims made for the benefit of the estate and in reducing HMRC's liability by utilising set-off where possible.	33.00	6,105.00	185.00
<u>Investigations</u> 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 the Liquidators' duty under the Company Directors Disqualification Act 1986. A summary of the work in this regard is provided below: <ul style="list-style-type: none"> Investigating the Company's affairs to include a review of the Company's books and records and in particular, the bank statements to identify any potential transactions that were outside the ordinary course of business. Correspondence with directors and relevant parties regarding the reasons for the Company's failure. Review of creditor questionnaires and investigation into any matters notified. Reporting to the Insolvency Service on the directors' conduct if additional information arises. Identifying whether there are any potential rights of action and taking steps to realise assets on behalf of creditors (where applicable). My estimate assumes that there are no adverse findings during my investigations. In the event that investigations reveal possible actions, then these may lead to additional realisations but the costs of pursuing these actions are likely to increase. If this arises, further information will be provided to creditors separately. The main purpose of this element is statutory however should my investigations uncover any potential rights of action, there may arise a financial benefit to creditors in due course.	151.00	17,455.00	115.60

ORIGINAL FEES ESTIMATE

Description of work	Total Time (hours)	Total Cost (£)	Blended Hourly Rate (£)
<u>Realisation of Assets</u> The Company's assets comprise: <ul style="list-style-type: none"> Deferred consideration (in respect of sale proceeds from the "pre-pack" transaction) Book debts Freehold property Surplus from Administration Actions required to realise the Company's assets include: <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 the freehold property. Arranging insurance cover over assets and ensuring their security. Reviewing and obtaining any potential refunds on insurance policies paid up to a future period by the Company. In relation to specific assets in this case: <ul style="list-style-type: none"> <u>Surplus from Administration</u> Correspondence with the former Administrators and realisation of the remaining cash at bank balances held by them. <u>Land and Property</u> Reviewing valuations and advice on title received by the Administrators; agreeing strategy with Agents; review of offers and negotiation with purchasers; dealing with tenants; overseeing site clearances (if appropriate). It should be noted that the options agreement signed by the Administrators is currently being reviewed with a view to it being extended. <u>Rental Income</u> Collection of rental income in accordance with the lease and reviewing the lease with a view to an extended period being agreed. <u>Invoiced Debtors</u> Liaising with Pulse Cashflow Finance for the collection of funds from key customers; reviewing records for key documents, verifying the extent of collectable debts; pursuing the receivables, including legal action where necessary – it is anticipated that the bulk of this work will be carried out by Mazars Receivables Management. <u>Other Debtors</u> Agreeing amounts due from connected companies after set off, pursuing agreed debtor balances; monitoring receipts. <u>Refunds</u> General correspondence to relevant parties for the collection of account refunds and monitoring receipt. <u>Hire purchase/leased assets</u> A number of the Company's assets are/were subject to lease agreements and as such, this time relates to liaising with the relevant parties to notify them of the Liquidation and to arrange for the collection of their goods or novation of their agreements, as appropriate. <u>Retention of Title ("ROT")</u> In order to ensure that creditors are dealt with appropriately and that ROT claims are resolved, the following work will be required: <ul style="list-style-type: none"> ➤ Responding to any queries which arise; ➤ Assessing and dealing with any ROT claims should they arise; at present approximately 10 claims have been received. No further claims 	76.00	13,450.20	176.98

ORIGINAL FEES ESTIMATE

Description of work	Total Time (hours)	Total Cost (£)	Blended Hourly Rate (£)
<p>of this nature are anticipated however the claims received to date are still ongoing.</p> <p>The estimate assumes that the case will remain open for less than two years, that there are no issues in collecting the deferred consideration and rental income and that MRM carry out the debt collection process (fee to be paid separately for this – see the Expenses Statement). The financial benefit to creditors is derived from realising assets and a reduction in the unsecured creditor pool in the event that ROT creditors have successful claims, thus reducing their claims in the Liquidation.</p>			
<p><u>Employees</u></p> <p>All staff were transferred to the new business following the “pre-pack” transaction in the Administration, therefore no work is anticipated in respect of the employee claims. However, the Company operated a pension scheme and dealing with the pension scheme will fall under this category. Work that will be required in respect of the pension scheme will include:</p> <ul style="list-style-type: none"> • Liaising with the pension scheme trustees/the Pensions Regulator and the Pension Protection Fund in respect of statutory requirements pursuant to Sections 22 and 120 of the Pensions Act; • Ascertaining whether there are any arrears of contributions in respect of the pension scheme and dealing with any claims arising from this. <p>My estimate above assumes that there is a claim for arrears of contributions, the case will remain open for not less than two years and there will be no claims in respect of protective awards (dealt with by the Employment Tribunal). There is no direct financial benefit to creditors, apart from the pension scheme members who will have their claims for arrears of contributions dealt with as part of this process.</p>	6.00	1,269.50	211.58
<p><u>Creditors</u></p> <p>It is estimated that there are likely to be in the region of 300 unsecured creditor claims, in accordance with the Directors’ statement of affairs from the Administration. In order to ensure that creditors are dealt with appropriately, the following work will be required:</p> <ul style="list-style-type: none"> • Responding to any queries which arise. • Logging creditor claims. • Collating information from the Company records to assist with claim adjudication work. • Assessing and dealing with any retention of title (“ROT”) claims should they arise. At present it is understood there are approximately 10 such claims. • Corresponding with creditors in respect of decision making procedures/deemed consent. <p>In addition to this, as distributions are anticipated, the following work will be required to prepare the distributions:</p> <ul style="list-style-type: none"> • Preferential creditors – liaising with the Redundancy Payments Service to agree their claim and adjudication of any pension arrears paid out by the RPS; • Unsecured creditors – adjudication of claims, requesting further information where necessary and dealing with rejected claims. <p>Finally, as there was a secured creditor in place at appointment, time has also been spent in liaising with them to ensure that the reassignment of the ledger could be achieved. My estimate above assumes that no more than 300 claims will be received and an interim distribution then a final distribution will be paid and that the case will remain open for not less than two years. The financial benefit to creditors will be in respect of ensuring the claims are at the correct level to facilitate the highest dividend possible.</p>	79.00	11,922.40	150.92

ORIGINAL FEES ESTIMATE

Description of work	Total Time (hours)	Total Cost (£)	Blended Hourly Rate (£)
<u>Reporting</u> Reporting requirements as prescribed by statute are as follows: <ul style="list-style-type: none"> Liquidation annual progress reports. Reporting to Creditors in respect of fee and expenses approvals. Reporting the outcome of any decision- making procedures or deemed consent. Reporting to the Pension Protection Fund in respect of strategy, asset realisations and fee estimates, such reports to be prepared on an ad hoc basis. Closure Reporting and issuing the Final Account. My estimate above assumes that the case will remain open for not less than two years, that no additional fee estimate will be required and that there will not be any further reporting required in respect of decision-making processes (following 6 April 2017). There will be no direct financial benefit to creditors from this category of work; the reporting requirements are in line with statute.	74.00	11,253.80	152.08
<u>Distributions</u> It is expected that a distribution will be paid to preferential creditors (in respect of pension scheme contribution arrears) and unsecured creditors. The work involved in this regard will include: <ul style="list-style-type: none"> Preparing dividend calculations. Processing and payment of distributions. My estimate assumes that only one dividend will be paid to preferential creditors and that two distributions will be made to unsecured creditors and that no more than 300 claims will be received. It also assumes that none of the claims will require any substantial verification. The financial benefit to creditors is derived directly from this category of work, as dividend payments will be made to creditors as a result of this work being carried out.	40.00	8,480.00	212.00
<u>Cashiering</u> Cashiering work is required to ensure that the estate bank account is operated in accordance with guidance issued by my regulatory body. Work in this regard is likely to involve: <ul style="list-style-type: none"> Establishing set up of case details on our insolvency software system. Setting up bank accounts, including deposit accounts as necessary. Bank account maintenance, including periodic reconciliations. Issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions. My estimate above assumes that the case will remain open for not less than two years. The financial benefit is derived from ensuring that funds are held on deposit accounts so that interest can be accrued, and to make sure that funds are held correctly.	62.00	8,090.00	130.48
<u>Statutory and Compliance</u> Statutory and compliance work as required by statute or our internal procedures involves: <ul style="list-style-type: none"> Preparation and lodgement of statutory appointment documents. Initial notices following appointment. Case monitoring and statutory compliance, including internal case reviews. Case bordereau. My estimate above assumes that the case will remain open for not less than two years and that there is no change in office-holder during that time. There is no financial benefit to creditors from performing this category of work; it is mainly to ensure that our work complies with statute.	41.00	6,572.00	160.29
<u>Overall</u>	582.00	87,551.50	150.43

REVISED FEES ESTIMATE AS AT 22 JANUARY 2021

Appendix E3 provides a copy of the Liquidators' original Fees Estimate dated 27 June 2017, totalling £87,551.50 plus VAT.

This Appendix provides information on the Liquidators' Revised Fees Estimate as set out in the table below, which totals £143,348.90. The Joint Liquidators are seeking further approval for time costs in excess of their original Fees Estimate in the sum of £24,680 plus VAT.

Total Revised Fee Estimate			
Description of Work	Blended Hourly Rate (£)	Total Time (hours)	Total Costs (£)
Administration & Planning	147.68	20.00	2,953.60
Taxation	185.00	33.00	6,105.00
Investigations	213.75	328.20	70,152.40
Realisation of Assets	176.98	76.00	13,450.20
Employees	211.58	6.00	1,269.50
Creditors	150.92	79.00	11,922.40
Reporting	166.13	86.40	14,353.80
Distributions	212.00	40.00	8,480.00
Cashiering	130.48	62.00	8,090.00
Statutory & Compliance	160.29	41.00	6,572.00
Total	185.78	771.60	143,348.90

A detailed breakdown of the work already undertaken and the anticipated future work to be undertaken and the associated costs in excess of the original Fee Estimate is provided below, together with an explanation as to why the estimate has been 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 the Liquidators and their staff are required to perform will provide a direct financial benefit to creditors. Some of the work undertaken is required because statute dictates that these tasks must be performed, or because guidance issued by the Insolvency Service or the Liquidators' regulatory bodies requires such. However, a proportion of the additional work has resulted in further realisations with a view to maximising the funds available to creditors.

In this case, assuming costs and realisations are as anticipated in the attached Estimated Outcome Statement at Appendix C, the additional work has provided a financial benefit to unsecured creditors, who will receive a total distribution in the region of 15.69 pence in the £.

Exceeding the Revised Fees Estimate

The Revised Fees Estimate is based on the additional time costs incurred to date plus estimated future costs not already included in the original Fees Estimate. It may be necessary to seek further approval in respect of an increase in the Revised Fee Estimate depending upon the further investigations in respect of the Company required to be carried out by the Joint Liquidators.

The Revised Fees Estimate assumes that the Liquidation will be closed within 12 months of this report and that no additional work is required beyond that set out in this Appendix and section 4 of the report. In the event that further work is required and this matter extends beyond the estimated timeframe, it is possible that the Revised Fees Estimate will be exceeded, at which point it may be necessary to seek further approval for an increase.

REVISED FEES ESTIMATE AS AT 22 JANUARY 2021

Description of work	Total Time (hours)	Total Cost (£)	Blended Hourly Rate (£)
This table provides a breakdown of the additional time costs included in the Revised Fees Estimate, i.e. the additional work that has been / is proposed to be done that wasn't included in the original Fee Estimate.			
<u>Investigations</u> The original Fees Estimate assumed that there would be no adverse findings during the course of the statutory investigations. However, initial investigation work identified several areas for further investigation, including a review of the actions taken by the former Joint Administrators, the level of fees charged by the Invoice Discounting provider (which have led to credit being received into the Liquidation), the pension deficit and the actions taken by the director.	177.20	52,697.40	297.39
<u>Reporting</u> The original Fees Estimate assumed no additional fee estimate would be required and that there would not be any further reporting required in respect of decision-making processes, The current report and associated decisions being sought from creditor by correspondence under separate cover are additional and the time incurred in preparing this report plus future time expected to be incurred in convening the decision procedure and reporting on the outcome are as set out.	12.40	3,100.00	250.00
<u>Overall</u>	189.60	55,797.40	294.29

RATES AND DISBURSEMENTS POLICY

Current Charge-out Rates

Details of the charge-out rates of the personnel working on this case with effect from 1 September 2020 are set out below:

	Partner	Director	Associate Director	Manager	Administrator	Cashier	Support Staff
Range (£)	455-650	405-495	350-440	250-385	165-255	130-155	110-135

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

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

Previous Charge-out Rates

Details of the previous charge-out rates of the personnel working on this case during the period from 1 September 2019 to 31 August 2020 are set out below:

	Partner	Director	Manager	Administrator	Cashier	Support Staff
Range (£)	440-500	390-450	245-400	150-230	100-205	90-140

Disbursements

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

Category 1 disbursements

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

Category 2 disbursements

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

It was agreed by creditors that the following Category 2 disbursements incurred in administering the case be charged:

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

All other disbursements are to be reimbursed at cost.

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