

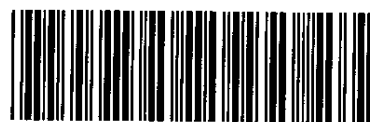
LIQ03

Notice of progress report in voluntary winding up



Companies House

FRIDAY



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16/03/2018

#210

COMPANIES HOUSE

1 Company details

Company number 00395292

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) Robert David

Surname Adamson

3 Liquidator's address

Building name/number Mazars House

Street Gelderd Road

Post town Gildersome

County/Region Leeds

Postcode LS27 7JN

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 45 Church Street

Street Birmingham

Post town B3 2RT

County/Region

Postcode

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 3	^m 0	^m 1	^y 2	^y 0	^y 1	^y 7
To date	^d 2	^d 2	^m 0	^m 1	^y 2	^y 0	^y 1	^y 8

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 1	^d 4	^m 0	^m 3	^y 2	^y 0	^y 1	^y 8
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LIQ03

Notice of progress report in voluntary winding up



Presenter information

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

Contact name	Julie Mills
Company name	Mazars LLP
Address	Mazars House
	Gelderd Road
Post town	Gildersome
County/Region	Leeds
Postcode	L S 2 7 7 J N
Country	
DX	
Telephone	0113 204 9797



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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

**Parry Group Limited
In Liquidation**

Joint Liquidators' progress report covering the period from 23 January 2017 to 22
January 2018

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Joint Liquidators' progress report

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E	Analysis of the Joint Liquidators' remuneration
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E3	Rates and Disbursements policy

Parry Group 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 22 January 2018.
- 1.2. On 5 December 2016 Lisa Jane Hogg and Kelly Burton of Wilson Field Limited were appointed Joint Administrators of the Company.
- 1.3. I was appointed Joint Liquidator of the Company together with RD Adamson 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. I am authorised to act as an Insolvency Practitioner in the UK by the Insolvency Practitioners Association and Mr S C Bevan is authorised in the UK by the Insolvency Practitioners Association.
- 1.4. 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 2017 to 22 January 2018 is attached at Appendix B. A comparison of the figures provided in the directors' statement of affairs from the Administration 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 £319,028, plus cash held in separate account in respect of the rent deposit of £13,334 plus VAT to be reclaimed of £20,885.
- 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:

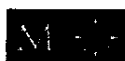
- 3.1. In accordance with Statement of Insolvency Practice 13, I would advise you that the following assets were sold by the former Administrators to Parry Catering Equipment (Midlands) Limited ("Midlands") a connected party, following their appointment as Administrators on 5 December 2016. Further details are provided below:

- 3.2. Creditors may recall that the director's Statement of Affairs stated that the Company's assets comprised:

Asset description	Estimated to Realise (£)	Realisations to Date (£)
Freehold Land & Property	940,000	NIL
Goodwill*	50,000	50,000
Intellectual Property*	5,000	5,000
Plant, Machinery & Equipment*	85,000	85,000
Stock*	250,000	250,000
Contracts and WIP*	15,000	15,000
Book Debts (net of amount due to Pulse Cashflow Finance)	49,937	449,791
Book Debts	0	57,223

3.3. Freehold Property

- 3.3.1. In addition to the assets detailed in the Statement of Affairs, in accordance with the Sale and Purchase Agreement ("SPA") entered into by Wilson Field Limited and Midlands dated 5 December 2016. Midlands was to pay rent on a monthly basis at a rate of £6,667 per month. I can confirm that the rental monies have been received in full as per the lease agreed at the same time as the SPA.
- 3.3.2. An option agreement was also entered into between the former Administrators and Midlands for a period of six months following the appointment of Administrators, following which the purchaser would lose the option to the purchase the property without further marketing.
- 3.3.3. Following our appointment as Liquidators, it became apparent that Midlands would not be able to raise the requisite funds to purchase the property within the timeframe stipulated and advice was sought from our agents Kumar & Co as to whether an extension to the option agreement would be appropriate in the circumstances.
- 3.3.4. On the basis of their advice, we agreed an initial extension of six months, solicitors acting for the Joint Liquidators, Mayer Brown International LLP ("Mayer Brown") prepared a new lease and Deed of Variation which allowed Midlands until 31 October 2017 to provide proof of funding.
- 3.3.5. In October 2017 Midlands requested a further 12 month extension as they still were not be in a position to purchase the property. Kumar & Co recommended that the lease be extended for a further twelve months, however the Joint Liquidators should commence marketing the property in June/July 2018 in order to allow the Joint Liquidators to explore the market for any investors who may be able to offer a sale and leaseback option to Midlands.
- 3.3.6. Mayer Brown have drafted a new lease commencing on 5 December 2017 and ending on 28 February 2019 with rent payable on 1 of each month. In addition, Midlands have provided a rent deposit equal to two months' rent in accordance with the rent deposit deed which has been signed, to provide the Liquidators with extra security in respect of the option agreement.



3.4. Assets Subject to the SPA

- 3.4.1. These assets are identified in the table above by an asterisk and comprise goodwill, intellectual property, plant, machinery and equipment, stock, contracts and work in progress. The SPA detailed that the consideration be on a deferred basis over 12 months, with £33,750 being due each month.
- 3.4.2. I can confirm that Midlands has paid the deferred consideration in full. The first three instalments were paid direct to the former Administrators, thereafter payment has been made direct to the Joint Liquidators.

3.5 Unconnected Party Transactions:

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

3.6 Book Debt Surplus

- 3.6.1 Creditors will be aware that the Company was subject to an invoice finance facility in favour of Pulse Cashflow Finance Limited ("Pulse"). I can confirm that the ledger was reassigned to the Liquidators on 12 May 2017 following which an amount of £449,791 was paid into the Liquidation.

3.7 Surplus from the Administration

- 3.7.1 An amount of £11,007 was received from the former Joint Administrators following the Company's move into Liquidation.

3.8 Rental Income

- 3.8.1 We have received rental income from Midlands for their occupation of the freehold property in the sum of £94,434, of which £13,334 represents two months' rent to be held in a trust account in accordance with the rent deposit deed (as detailed above).

3.9 Book debts

- 3.9.1 The Company's book debts were subject to an invoice finance agreement with Pulse. Following recovery of the amount due to them Pulse reassigned the ledger to the Joint Liquidators on 12 May 2017.
- 3.9.2 Mazars Receivables Management ('MRM'), an associate of Mazars LLP, were instructed to assist with the collection of the Company's book debts. MRM were engaged on the basis of their experience in dealing with the collection of book debts in an insolvency scenario.
- 3.9.3 MRM have taken steps to obtain records, meet with the directors/Company staff to understand the ledger and undertaking an initial assessment of the recoverability of the ledger. After their initial assessment, MRM estimated that recoveries may total £73,308. Collections to date total £57,222 and MRM are continuing to pursue the outstanding ledger. Future realisations are expected to be £13,931.

3.9.4 Total costs for MRM's services are estimated to be £5,336 and further details are provided in the Expense Statement at Appendix D.

3.10 VAT on Pulse fees

3.10.1 The Joint Liquidators have reclaimed the VAT element of the fees the Company paid Pulse in respect of invoice finance charges. The VAT refund totalled £29,023 and has been received in full from HM Revenue & Customs.

3.11 Bank interest

3.11.1 Bank interest in the sum of £359 has been received on the funds deposited in the Joint Liquidators bank account.

3.12 Miscellaneous Income

3.12.1 A sundry insurance refund has been received during the period of this report in the sum of £599.

3.12.2 The Joint Liquidators instructed CAPA as their agents to investigate whether there were any rates refunds due to the Company. CAPA recovered the sum of £6,051 as a result of their investigations and these funds have been received in full by the Joint Liquidators.

3.12.3 In addition to the above, a receipt in the amount of £841 has been received from RBS Invoice Finance, which we have been unable to reconcile with the debtor ledger to date.

4 Assets still to be realised

4.1 Assets still to be realised comprise:

4.2 Freehold Property

4.2.1 As detailed above at point 3.3 an option agreement was also entered into between the former Administrators and Midlands which allowed Midlands the option of purchasing the freehold property belonging to the Company. This option was initially granted for a period of six months but has subsequently been extended.

4.2.2 Should Midlands not be in a position to purchase the property by June/July 2018 the Joint Liquidators will commence marketing the property for sale on the general market.

5 Estimated Outcome Statement

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

5.2 Secured creditors

5.2.1 A fixed and floating charge debenture over the Company's assets was granted in favour of Pulse Cashflow Finance Limited ("Pulse"). It was created on 3 November 2016 and was registered at Companies House on 4 November 2016. In addition, they had the benefit of a fixed charge over

the freehold property. As at 5 December 2016 (the date of Administration), the indebtedness to Pulse totalled £666,627, comprising the amount outstanding on their invoice finance facility.

- 5.2.2 Since the move into Liquidation, Pulse has been repaid in full. This position is highlighted in the Estimated Outcome Statement ("EOS") included at Appendix C3, where the surplus received from Pulse is included. As there is now no liability owed to them, they have not been included in the EOS as a creditor.

5.3 Preferential creditors

- 5.3.1 Preferential claims ordinarily 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.

- 5.3.2 In this instance, all employees of the Company were transferred across to Midlands following the Administration and there are therefore no claims in respect of wages or holiday pay. Dalriada Trustees have confirmed that they do not have a preferential claim against the Company in respect of unpaid pension contributions and accordingly there are no preferential creditors in this case.

5.4 Unsecured creditors

- 5.4.1 A first dividend of 9.49 pence in the pound was paid to the unsecured creditors of the Company on 27 September 2017. Based on expected realisations and payments, it is expected that there will be a further dividend to creditors once a sale of the freehold property has completed.
- 5.4.2 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 5.2 above there is no outstanding liability due to the secured creditor.

6.2 Preferential Creditors

- 6.2.1 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 £4,354,714. Claims received to date total £10,764,886 from 100 creditors. 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 £9,740,000.
- 6.3.2 Creditors will note from the Estimated Outcome Statement included at Appendix C, assuming that realisations and expenses are as anticipated, a further return to unsecured creditors is anticipated.

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 There is no floating charge, the Prescribed Part does not apply in this instance.

8 Investigations

- 8.1 As successor office holders, the Joint Liquidators are not required to submit a report in accordance with the Company Directors Disqualification Act 1986.
- 8.2 Nevertheless, investigations are continuing to determine whether there are any further recoveries which can be made for the benefit of creditors.
- 8.3 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 Joint Liquidators' Remuneration

- 9.1 A resolution was passed by the creditors at a meeting held on 20 July 2017 by correspondence, 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.
- 9.2 Attached at Appendix E1 is a comparison of the Joint Liquidators' Fees Estimate to actual time costs for the period 23 January 2017 to 22 January 2018, which total £66,566.80, representing 435.5 hours at an average hourly rate of £152.85.
- 9.3 Attached at Appendix E2 is 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. As at 22 January 2018, an amount of £40,000 has been drawn against the Joint Liquidators' time costs in respect of the Liquidation.
- 9.4 Based on the current level of time costs and expected future work for the completion of the Liquidation, it is expected that the Joint Liquidators' total time costs will exceed the approved Fees Estimate of £87,551.50. However, at this stage, the Liquidators do not propose to seek approval for any amounts in excess of the Fees Estimate.
- 9.5 Details of the future work anticipated to be carried out by the Joint Liquidators includes:
- Realisation of the freehold property as detailed in Section 3.3 of the report.



- Finalising the submission of corporation tax and VAT returns to HMRC for the pre-appointment period.
 - Further investigations as detailed in Section 8 of the report.
 - Adjudication of claims and payment of an equalising and final dividend to unsecured creditors.
 - Reporting and statutory and compliance functions.
 - Tax and VAT compliance, including preparing tax computations and returns in respect of the Liquidation period and seeking final tax clearance prior to closure.
- 9.6 As indicated in the EOS attached at Appendix C, it is estimated that this future work (excluding the investigation work) will cost approximately £21,000, plus VAT in addition to the time costs already incurred.
- 9.7 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.
- 9.8 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.
- 9.9 The charge out rates of the team members employed on the assignment during the period covered by this report increased on 1 September 2017, details of the charge out rates for the period of this report are attached as Appendix E3.
- 9.10 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 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 Details of disbursements incurred in the period and whether they constitute Category 1 or Category 2 disbursements, is provided below. Details of disbursements paid during the period is provided within the attached receipts and payments account.

Type of Disbursement	Description	Amount incurred in period (£)
<u>Category 1</u>		
Specific bond	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.	742.50
Subsistence	These costs were incurred attending meetings in London with Mayer Brown	25.40
Total Category 1		767.90
<u>Category 2</u>		
Mileage	This expense represents the costs of travelling in respect of the Office Holders' staff. The costs of travel included travel to the former Administrators Wilson Field Ltd office and travel to Parry Catering Midlands Ltd.	342.25
Total Category 2		342.25
Total		1,110.15

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.
- 11.2 Further details of expenses paid during the period of the report are shown in the receipts and payments account at Appendix B.
- 11.3 I have reviewed the expenses incurred to date and I am satisfied that they are reasonable in the circumstances of the case.

12 Matters outstanding

- 12.1 Future work and matters preventing the conclusion of the liquidation are detailed at section 9.4.

13 Creditors' Rights

13.1 Further information

- 13.1.1 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.

13.2 Apply to Court

13.2.1 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:

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

13.3 Further guidance

13.3.1 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/media/documents/publications/professional/Liquidations%20Creditor%20Fee%20Guide%20April%202017.pdf> or alternatively will be provided free of charge upon written request to this office.

13.3.2 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 14 March 2018

Authorised to act as an insolvency practitioner in the UK by the Insolvency Practitioners Association and bound by the Insolvency Code of Ethics

**Parry Group Limited
In Liquidation**

Identification Details

Details relating to the Company

Company name	Parry Group Limited
Previous names	
Trading name	
Company number	00395292
Registered office	C/o Mazars LLP, Mazars House, Gelderd Road, Gildersome, Leeds, LS27 7JN
Trading address	Town End Road, Draycott, Derby, DE72 3PT

Details relating to the Liquidators

Date of appointment	23 January 2017
Liquidators	R D Adamson and S C Bevan of Mazars LLP Mazars House, Gelderd Road, Gildersome, Leeds, LS27 7JN and Mazars LLP 45 Church Street, Birmingham, B3 2RT IP Nos 009380 and 009614
Previous Liquidators	N/A
Joint Liquidators' address	Mazars LLP Mazars House, Gelderd Road, Gildersome, Leeds, LS27 7JN
Joint Liquidators' contact telephone number	0113 204 9797

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

Statement of Affairs	From 23/01/2017 To 22/01/2018	From 23/01/2017 To 22/01/2018
£	£	£
SECURED ASSETS		
940,000	Freehold Land & Property	NIL
50,000	Goodwill	33,333
5,000	Intellectual Property	3,333
716,564	Book Debt Ledger	NIL
	Rental Income	94,434
		<u>131,101</u>
		131,101
SECURED CREDITORS		
(666,627)	Pulse Cashflow Finance	NIL
		<u>NIL</u>
		NIL
ASSET REALISATIONS		
85,000	Plant, Machinery & Equipment	61,667
250,000	Stock	229,167
15,000	Contracts and WIP	10,000
	Book Debt Surplus	449,791
	Reassigned Book Debts	61,557
	Surplus from Administration	11,007
	VAT on termination fees	29,023
	Bank Interest Gross	359
	Insurance refund	599
	Miscellaneous Receipts	841
	Rates Refund	6,051
		<u>860,062</u>
		860,062
COST OF REALISATIONS		
	CAPA Commision	1,513
	Liquidators' Fees	40,000
	Liquidators' Disbursements	1,019
	Joint Administrators' Disbursements	27,586
	Legal Fees	36,160
	Legal Disbursements	15
	Statutory Advertising	169
	Insurance of Assets	17,558
	Bank Charges	10
	Insurance Premium Tax	213
		<u>(124,242)</u>
		(124,242)
UNSECURED CREDITORS		
	Trade & Expense Creditors	61,611
(117,266)	HMRC re VAT	24,172
(2,500,000)	Pension Fund	427,050
		<u>(512,833)</u>
		(512,833)
DISTRIBUTIONS		
(502,480)	Ordinary Shareholders	NIL
		<u>NIL</u>
		NIL
(1,724,809)		<u>354,088</u>
REPRESENTED BY		
	Vat Receivable	15,436
	Floating Charge Current IB	319,028
	Rent Deposit Account	13,334
	Vat Control Account float	5,448
		<u>353,247</u>

APPENDIX C

Parry Group Limited - in Liquidation
Estimated Outcome Statement as at 22 January 2018

Assets subject to Fixed Charge	Notes	Per Statement of Affairs	To Date £	Future £	Total £
Freehold Property	1	940,000	-	940,000	940,000
Rental income	2	-	81,100	80,000	161,100
Goodwill	3	50,000	33,333	-	33,333
Intellectual Property	3	5,000	3,333	-	3,333
			117,767	1,020,000	1,137,767
Assets subject to Floating Charge					
Reassigned Ledger from Pulse Cashflow Finance	4	49,937	449,791	-	449,791
Plant, Machinery & Equipment	3	85,000	61,667	-	61,667
Stock	3	250,000	229,167	-	229,167
Contracts and Work in Progress	3	15,000	10,000	-	10,000
Book Debts	4	-	57,223	13,931	71,154
Surplus from Administration		-	11,007	-	11,007
VAT on termination fees		-	29,023	-	29,023
Bank Interest Gross		-	359	-	359
Insurance refund		-	599	-	599
Rates Refund		-	6,051	-	6,051
			854,886	13,931	868,817
Costs of Liquidation					
CAPA Commission	6		1,513	-	1,513
Joint Liquidators' remuneration	5		40,000	47,552	87,552
Joint Liquidators' disbursements	6		1,019	124	1,143
Outstanding Administrators' Costs	6		27,586	-	27,586
Legal Fees	6		36,160	31,089	67,249
Agents' Costs	6		-	20,000	20,000
Debt Collection Fees	6		-	5,337	5,337
Statutory Advertising	6		169	-	169
Insurance of Assets	6		17,421	17,421	34,842
Searches	6		-	11	11
Corporation Tax	6		-	500	500
Bank charges			10	10	20
Insurance Premium Tax	6		213	-	213
			124,090	122,043	246,133
Assets Available for Preferential Creditors					1,760,451
Less Preferential Creditors					-
Assets Available for Unsecured Creditors					1,760,451
Unsecured Creditors					
Trade & Expense Creditors					(1,070,822)
HM Revenue & Customs					(135,795)
W J Parry Pension Scheme					(9,740,000)
					(10,946,617)
Deficit to Unsecured Creditors					(9,186,166)
Return to Unsecured Creditors	7				16 p in the £

Notes

1. The freehold property is subject to the Option Agreement - the estimated to realise value relates to that given in the Administrators' proposals.
2. Rental income is based on the lease being extended for a further 12 months at the same rate as previously.
3. These amounts are the deferred consideration which has been received by the Joint Liquidators, in accordance with the Sale and Purchase Agreement dated 5 December 2016. The balance of the amount due was received by the Joint Administrator prior to my appointment. The total amount due has been paid in full.
4. As the book debt ledger has been reassigned to the Joint Liquidators from Pulse Cashflow Finance Ltd, the figure included above for book debts is split between the amount received from Pulse following the ledger reassignment as the book debt surplus and the debtors which are currently being collected by Mazars Receivables Management. Future realisations are based on an estimate provided by MRM.
5. The Liquidators' remuneration is based on the Fee Estimate of £87,552.
6. Expenses incurred as per the Expenses Estimate.
7. The overall return to unsecured creditors includes an interim dividend of 9.49 pence in the pound, which was paid on 27 September 2017.

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate	Incurred in current period	Likely future expenses	Revised Expenses estimate
		(£)	(£)	(£)	Total Expenses (£)
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 have used a figure in the middle of their fee estimate.	63,750.00	44,200.60	19,549.40	63,750.00
	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	3,500.00	0	3,500.00

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate	Incurred in current period	Likely future expenses	Revised Expenses estimate
		(£)	(£)	(£)	Total Expenses (£)
Agent's fees and disbursements	<p>I instructed Kumar & Company 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.</p> <p>Kumar & Co has confirmed their independence to this firm and also to the Company. In the event that the new company does not wish to purchase the property, another firm of agents may be instructed to provide a second opinion on the valuation, if the Liquidators deem that it is reasonable to do so.</p> <p>Kumar & Co have confirmed that they anticipate that their costs will be in the region of 1.5% to 2.5%, therefore the estimate has been calculated at 2% of sale price of £940,000 (as per the Administrators' proposals and valuation) plus additional costs for marketing of around £1,200.</p>	20,000.00	0	20,000.00	20,000.00

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate	Incurred in current period	Likely future expenses	Revised Expenses estimate
		(£)	(£)	(£)	Total Expenses (£)
Payments to associated entities of Mazars LLP					
Debt collection fees	<p>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.</p> <p>MRM have been chosen as they are experienced in collecting and monitoring book debts in insolvency scenarios. MRM's proposed fee arrangement is based on 7.5% of successful collection of funds reassigned to the Liquidation by Pulse Cash Flow Finance, which is estimated at £93,935.</p> <p>In the current period, no payments have been made to MRM.</p>	7,045.13	4,291.65	1,044.82	5,336.47
Other expenses					
Corporation tax	<p>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.</p> <p>Corporation tax will be payable in respect of the gain arising from the disposal of the property. The estimate here is based on tax arising throughout the course of the liquidation.</p>	500.00	0	500.00	500.00
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	169.20

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate	Incurred in current period	Likely future expenses	Revised Expenses estimate
		(£)	(£)	(£)	Total Expenses (£)
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.	742.50	742.50	0	742.50
Insurance of assets	<p>I am required to insure the Company's assets until they are disposed of.</p> <p>The value disclosed in my original fee estimate was based on a quote provided by my insurance brokers and covered the period 23 January 2017 to 23 January 2018 (based on the property sale completing by this date).</p> <p>It is anticipated that the sale of the property will not now complete until January 2109. Accordingly the estimated costs of insuring the property have increased to allow for a further year of insurance cover.</p> <p>It should be noted that due to the insurance costs, our insurers have obtained specialist cover which has substantially reduced the premium.</p> <p>Further costs are estimated at £17,557 and cover the anticipated period until the property is disposed of.</p> <p>Insurance Tax totalling £212.50 has been paid during the period of the report.</p>	17,420.78	17,770.22	17,770.22	35,540.44

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate	Incurred in current period	Likely future expenses	Revised Expenses estimate
		(£)	(£)	(£)	Total Expenses (£)
Searches	It was anticipated that I may incur charges for company searches to ascertain the legal status of the company and the nature of any securities. To date it has not been necessary to undertake such a search.	3.00	0	3.00	3.00
Land Registry fees	The cost of obtaining title documents and other documents from the Land Registry in respect of the Company's property.	8.00	0	8.00	8.00
CAPA	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. The fees incurred to date have been reviewed and I am satisfied that they are reasonable in the circumstances of the case.	0	1,512.64	0	1,512.64
Outstanding Administrators' pre-appointment 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	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.	87,551.50	66,566.80	20,984.00	87,551.50

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	<i>Original Expense Estimate</i>	<i>Incurred in current period</i>	<i>Likely future expenses</i>	<i>Revised Expenses estimate</i>
		(£)	(£)	(£)	Total Expenses (£)
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. Further information on disbursements is provided within the report. Please note that this does not include the specific bond which is included above.	400.00	276.14	124.00	400.00
Total		227,797.86	166,615.80	79,983.44	246,599.80

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 £66,566.80.

The following table provides details of the Liquidators' actual time costs incurred in the current reporting period, 23 January 2017 to 22 January 2018, 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 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.



MAZARS

PARRY GROUP LIMITE - 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 2017 to 22 January 2018		
	Total Time (hours)	Total Costs (£)	Blended Hourly Rate (£)	Time incurred (hours)	Total Costs (£)	Blended Hourly Rate (£)
Admin & Planning	20.00	2,953.60	147.68	15.00	2,322.00	154.80
Taxation	33.00	6,105.00	185.00	24.30	3,986.80	164.07
Investigations	151.00	17,455.00	115.60	175.10	27,505.90	157.09
Realisation of Assets	76.00	13,450.20	176.98	47.10	7,318.30	155.38
Employees	6.00	1,269.50	211.58	7.30	1,122.60	153.78
Creditors	79.00	11,922.40	150.92	70.10	9,639.00	137.50
Reporting	74.00	11,253.80	152.08	23.70	3,352.30	141.45
Distributions	40.00	8,480.00	212.00	14.00	2,476.00	176.86
Cashiering	62.00	8,090.00	130.48	24.30	3,872.30	159.35
Statutory and compliance	41.00	6,572.00	160.29	34.60	4,971.60	143.69
Totals	582.00	87,551.50	150.43	435.50	66,566.80	152.85



**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT LIQUIDATORS'
FOR THE PERIOD 23 JANUARY 2017 TO 22 JANUARY 2018**

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 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.

Work carried out in the current period**Administration and planning**

The Liquidators have undertaken the following work:

- Case acceptance and ethical reviews.
- Completing case strategy notes.
- Holding strategy meetings.

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.

Time spent during the period is 15 hours at a total time cost of £2,322.00, with an average hourly charge out rate of £154.80.

Taxation

The following activities were 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-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-Administration/Liquidation Corporation Tax and VAT returns, as required by statute.

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

Time spent during the period is 24.3 hours at a total time cost of £3,986.80, at an average rate of £164.07 per hour.

Investigations

Further details of the investigation required to be carried out is provided within Section 8 of the report.

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

- 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 regarding the reasons for the Company's failure.
- Review of creditor questionnaires and investigation into any matters notified.
- Holding meetings with the former Administrators, PPF and Directors.
- Reviewing Administrators files.

The majority of this work derived no financial benefit for creditors to date. However, our investigations are continuing.

Time spent in this regard totals 175.1 hours at an average charge out rate of £157.09, totalling £27,505.90.

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT LIQUIDATORS'
FOR THE PERIOD 23 JANUARY 2017 TO 22 JANUARY 2018**

Realisation of Assets

The work undertaken in respect of the realisation of the Company's assets is detailed in Section 3 of the report. The main assets comprise stock, contracts, goodwill, intellectual property, freehold property, book debts further information is provided in Section 3.

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.

Time spent during the period is 47.10 hours at a total time cost of £7,318.30, representing an average hourly charge out rate of £155.38.

Employees

In this instance, all employees of the Company were transferred across to Midland following the Administration and there are therefore no claims in respect of wages or holiday pay. Dalriada Trustees have confirmed that they do not have a preferential claim against the Company in respect of unpaid pension contributions and accordingly there are no preferential creditors in this case.

The majority of work in this category was required for statutory purposes and to establish whether there were any outstanding pension contributions due so does not provide a direct financial benefit to creditors. However, a dividend has been paid to unsecured creditors and in this regard, the work involved in assessing and adjudicating employee claims does have a financial benefit to employees.

Time spent during the period is 7.30 hours at a total time cost of £1,122.60 at an average charge out rate of £153.78 per hour.

Creditors

There are approximately 230 unsecured creditor claims. In order to ensure that creditors are dealt with appropriately, the following work has been undertaken:

- 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, **however at present there are no such claims anticipated. ** At present it is understood there are x such claims.
- Convening and attending creditors' meetings and preparing minutes of these meetings.
- Convening and attending creditor committee meetings and preparing minutes in respect of such meetings.

In addition to this, as distributions are anticipated, further work as detailed in the Distributions work category, below, will be required in order to ensure that claims are adjudicated correctly and for the payment of the distributions:

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 a dividend has been 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.

Time spent during the period is 70.10 hours at a total time cost of £9,639.00 at an average charge out rate of £137.50 per hour.

Distributions

A distribution has been paid to the unsecured creditors of 9.49 pence in the £.

Work undertaken in respect of distributions include:

- Unsecured creditors – adjudication of creditor claims, requesting further information where necessary or dealing with rejected claims.
- Preparing dividend calculations.

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT LIQUIDATORS'
FOR THE PERIOD 23 JANUARY 2017 TO 22 JANUARY 2018**

- Processing and payment of distributions.

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.

Time spent during the period is 14.00 hours at a total time cost of £2,476.00 at an average charge out rate of £176.86 per hour.

Reporting

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

- Reporting to Creditors in respect of fee and expenses approvals.
- Reporting the outcome of any meetings.
- Reporting to the PPF in respect of strategy, investigations and fee estimates.

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.

Time spent during the period is 23.70 hours at a total time cost of £3,352.30, representing an hourly average charge out rate of £141.45.

Cashiering

Cashiering work undertaken 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, 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.

Time spent during the period is 24.30 hours at a total time cost of £3,872.30 at an average hourly charge out rate of £159.35.

Statutory and Compliance

The work undertaken as required by statute and our internal procedures involves:

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

The majority of this work 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.

Time spent during the period is 34.60 hours at a total time cost of £4,971.60, representing an average hourly charge out rate of £143.69.

APPENDIX E3

Parry Group Limited

Rates and Disbursements Policy

Charge-out rates

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

Grade of personnel	Range of Hourly Charge Out Rate (£)	
	Prior to 1 September 2017	From 1 September 2017
Partner	300 - 317	440 - 500
Director	227 - 250	390 - 400
Manager / Senior Manager	155 - 211	215 - 350
Senior Administrator / Assistant Manager	127 - 211	130 - 200
Junior Administrator / Administrator	85 - 115	90 - 100
Cashier	100 - 130	90 - 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.

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 liquidator or his 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 is proposed 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.
- Photocopying bulk circulars. Photocopying is charged at 3p per page.

All other disbursements are to be reimbursed at cost.

The Liquidators reserve the right to increase the charges applicable to mileage and photocopying 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.