

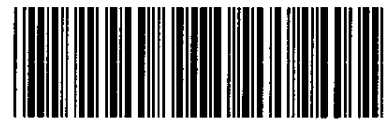
# AM10

## Notice of administrator's progress report



Companies House

SATURDAY



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18/01/2020

#138

COMPANIES HOUSE

### 1 Company details

Company number 0 0 3 6 9 0 4 9

Company name in full A Draw F Limited (Formerly Fairhurst Ward Abbots Limited)

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

### 2 Administrator's name

Full forename(s) Jamie

Surname Taylor

### 3 Administrator's address

Building name/number The Old Exchange

Street 234 Southchurch Road

Post town Southend on Sea

County/Region

Postcode S S 1 2 E G

Country

### 4 Administrator's name Ⓢ

Full forename(s) Kirstie Jane

Surname Provan

Ⓢ Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address Ⓢ

Building name/number 31st Floor

Street

Post town 40 Bank Street

County/Region London

Postcode E 1 4 5 N R

Country

Ⓢ Other administrator  
Use this section to tell us about  
another administrator.

AM10  
Notice of administrator's progress report

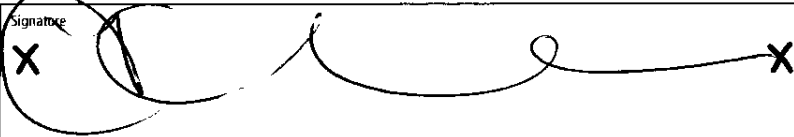
**6** Period of progress report

From date	<sup>d</sup> 0	<sup>d</sup> 1	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9	
To date	<sup>d</sup> 3	<sup>d</sup> 1	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9	

**7** Progress report

<input checked="" type="checkbox"/> I attach a copy of the progress report	
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**8** Sign and date

Administrator's signature	 X								
Signature date	<sup>d</sup> 0	<sup>d</sup> 9	<sup>m</sup> 0	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	

# AM10

## Notice of administrator's progress report

### 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 **Jamie Taylor**

Company name **Begbies Traynor (Central) LLP**

Address **The Old Exchange  
234 Southchurch Road**

Post town **Southend on Sea**

County/Region

Postcode 

S	S	1		2	E	G
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Country

DX **southend@begbies-traynor.com**

Telephone **01702 467255**

### Checklist

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

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

### Important information

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

### Where to send

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

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

### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

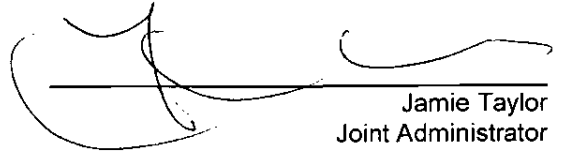
**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

**A Draw F Limited (Formerly Fairhurst Ward Abbotts Limited)**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 01/07/2019 To 31/12/2019 £	From 01/07/2015 To 31/12/2019 £	
	<b>SECURED ASSETS</b>		
650,000.00	Applications/Debtors/WIP and retentio	NIL	1,416,910.54
	Business Name and Trademarks	NIL	5,000.00
431,933.00	Cash at Bank - right of set off	NIL	NIL
	Contribution to legals re name sale	NIL	1,512.50
1,000,000.00	Freehold - St. Lukes chapel	NIL	774,265.00
(473,933.00)	Natwest Bank Plc	NIL	NIL
NIL	shares in subsidiaries (all non trading)	NIL	NIL
		NIL	2,197,688.04
	<b>COSTS OF REALISATION</b>		
	Agents/Valuers Fees	NIL	26,397.35
	Ground Rent	NIL	125.00
	IT Consultancy Fees	NIL	6,660.00
	Legal Fees Re Bus. Name Sale	NIL	2,260.42
	Premises costs	NIL	33,024.31
	Server Costs	NIL	9,208.56
	Service Charges	NIL	1,242.79
		NIL	(78,918.43)
	<b>SECURED CREDITORS</b>		
	Natwest Bank plc	NIL	41,321.62
(614,727.00)	RBS Invoice Finance	NIL	1,274,237.44
		NIL	(1,315,559.06)
	<b>GENERAL SECURED GROUP</b>		
	Award of costs	174,000.00	174,000.00
	DWF LLP	(169,650.12)	(169,650.12)
		4,349.88	4,349.88
	<b>ASSET REALISATIONS</b>		
	Accident Loss Claim	NIL	6,243.15
	Bank Interest Gross	128.16	1,244.04
	Book Debts	NIL	110,494.24
	Cash at Bank	NIL	5,064.81
3,650.00	Fixtures, Fittings & Equipment	NIL	7,200.00
	Insurance Refund	NIL	355.73
Uncertain	litigation with offshore SPV	NIL	(12,500.00)
800.00	Motor Vehicles	NIL	NIL
	NHBC Deposit Refund	NIL	5,000.00
	Rates Refund	NIL	196.18
	Refund of deposit monies	NIL	2,536.97
	Rent	NIL	30,605.57
	Retentions	NIL	55,649.59
	Shares & Investments	NIL	3,000.00
	SPA re: London Stone	NIL	20,000.00
	SPA re: Szerelmey (excl. retentions).	NIL	3,000.00
	SPA Szerelmey - retentions only	NIL	116,997.20
	Sundry Refund	NIL	13,132.89
	Surplus From RBS Invoice Finance	NIL	48,901.16
	Third party contribution to Legal Costs	NIL	4,458.00
		128.16	421,579.53
	<b>COST OF REALISATIONS</b>		
	Agents/Valuers Fees - Other	5,900.00	31,415.00
	Agents/Valuers Fees- Eddisons	NIL	19,720.00
	Bank Charges	NIL	15.00

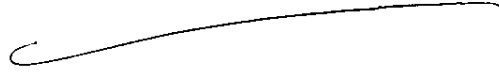
**A Draw F Limited (Formerly Fairhurst Ward Abbotts Limited)**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 01/07/2019 To 31/12/2019 £	From 01/07/2015 To 31/12/2019 £
	NIL	600.00
	152.19	170.19
	NIL	58,718.75
	NIL	3,088.00
	NIL	0.64
	10,430.00	34,648.50
	18,888.00	150,048.00
	7,591.20	51,151.60
	NIL	3,088.00
	236.60	5,084.77
	NIL	485,400.00
	NIL	13,550.00
	NIL	1,000.00
	817.60	7,139.18
	NIL	29,917.50
	NIL	2,400.00
	NIL	151.57
	NIL	1,670.00
	NIL	25,023.12
	NIL	720.00
	NIL	4,638.26
	NIL	154.00
	4,356.00	40,130.61
	NIL	12,869.35
	<u>(48,371.59)</u>	<u>(982,512.04)</u>
	<b>PREFERENTIAL CREDITORS</b>	
(99,800.00)	NIL	NIL
(160,487.00)	NIL	NIL
	NIL	NIL
	<b>UNSECURED CREDITORS</b>	
(278,524.00)	NIL	NIL
(910,000.00)	NIL	NIL
(450,000.00)	NIL	NIL
(5,000,000.00)	NIL	NIL
(884,512.00)	NIL	NIL
(13,400,585.68)	NIL	NIL
	NIL	NIL
	<b>DISTRIBUTIONS</b>	
100,000.00	NIL	NIL
	NIL	NIL
<u>(20,086,185.68)</u>	<u>(43,893.55)</u>	<u>246,627.92</u>
	<b>REPRESENTED BY</b>	
		197,859.25
		(2,000.00)
		33,930.02
		1,600.70
		(3,479.40)
		18,717.35
		<u>246,627.92</u>



Handwritten signature of Jamie Taylor, consisting of a stylized 'J' and 'T' followed by a horizontal line and a flourish.

Jamie Taylor  
Joint Administrator



A long, horizontal, slightly curved handwritten flourish.

Jamie Taylor and Kirstie Jane Provan were appointed joint administrators on 1 July 2015

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

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**A Draw F Limited  
(Formerly Fairhurst Ward Abbotts Limited)  
(In Administration)**

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Progress report of the joint administrators

Period: 01 July 2019 to 31 December 2019

## **Important Notice**

This progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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## **Contents**

- Interpretation
- Statutory information
- Details of appointment of administrators
- Progress during the period
- Estimated outcome for creditors
- Remuneration and disbursements
- Expenses
- Assets that remain to be realised and work that remains to be done
- Other relevant information
- Creditors' rights
- Conclusion
- Appendices
  - 1. Account of receipts and payments
  - 2. Time costs information
  - 3. Statement of administrators' expenses



# 1. INTERPRETATION

<b><u>Expression</u></b>	<b><u>Meaning</u></b>
"the Company"	A Draw F Limited (Formerly Fairhurst Ward Abbotts Limited) (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 1 July 2015
"the administrators" "we" "our" and "us"	Jamie Taylor of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG and Kirstie Jane Provan of Begbies Traynor (Central) LLP, 31st Floor, 40 Bank Street, London, E14 5NR.
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and  (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

# 2. STATUTORY INFORMATION

Name of Company	A Draw F Limited (Formerly Fairhurst Ward Abbotts Limited)
Trading name(s):	Fairhurst Ward Abbotts
Date of Incorporation:	30 August 1941
Company registered number:	00369049

Company registered office: The Old Exchange, 234 Southchurch Road, Southend on Sea, Essex, SS1 2EG

### 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators: Jamie Taylor, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG  
and  
Kirstie Jane Provan, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 31st Floor, 40 Bank Street, London, E14 5NR.

Date of administrators' appointment: 1 July 2015

Date of administrators' resignation: n/a

Court: High Court of Justice, Chancery Division, Companies Court

Court Case Number: 4550 of 2015

Person(s) making appointment / application: RBS Invoice Finance Limited, Smith House, PO Box 50, Elmwood Avenue, Feltham, Middx, TW13 7QD

Acts of the administrators: The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.

EC Regulation on Insolvency Proceedings: The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.

Extensions of the administration period: The administration period was extended with the consent of creditors for a period of 12 months until 30 June 2017.

A further extension period of 24 months was granted by order of the court until 30 June 2019.

A further extension period of 18 months was granted by order of the Court until 31 December 2020.

## 4. PROGRESS DURING THE PERIOD

- 4.1 During the period, we have complied with our statutory duties and best practice guidelines in the administration of this insolvency. There are three aspects of activity in this Administration which are being progressed, these being a potential claim against a director, the ongoing litigation on the Culross Street debt and the continuing collection of book debts and retentions.
- 4.2 The Court case on the Culross Street litigation was listed for four days commencing 18 June 2019 and this took place as expected. We have spent a considerable amount of time in liaising with solicitors in readiness for the hearing. We are pleased to advise that we have been successful at the hearing with an order in favour of the Company in relation to the proceedings pursuant to the Part 8 claim to establish which contracting party was in breach. We were subsequently notified that the Defendant sought permission to appeal. Following this hearing, the permission to appeal was refused. We have now moved to the Part 7 proceedings element of the Company's claim which is to establish the quantum of the loss to the Company of the Defendant's breach of contract. Particulars of Claim have been issued recently and the Defendant has the opportunity now to file a Defence. These events will take place in the next reporting period.
- 4.3 In relation to the Director's claim, we have sought to make enquiries to trace the Director, who we understand has now made his permanent residence abroad. Matters have been unable to be progressed until he can be located. We will be engaging foreign tracing agents to undertake this.

### **Receipts and Payments**

- 4.4 Attached at Appendix 1 is our abstract of receipts and payments for the period from 01 July 2019 to 31 December 2019.

#### Receipts

- 4.5 The only direct receipt in the period was £128.16 bank interest accrued on funds held.
- 4.6 Following the successful outcome (and subsequent refusal of permission to appeal), the Defendant was ordered to pay costs and a sum of £174,000 was paid.

#### Payments

- 4.7 A sum of £169,350 has been paid to DWF LLP for Counsel's fees in relation to ongoing work on the Culross Street litigation. In addition, a £10,000 court fee has been paid for the lodgement of the Part 7 proceedings and £430 process servers charges.
- 4.8 Storage costs of £4,356 have been discharged for the storing of the Company's books and records.
- 4.9 The sum of £7,591.20 has been paid to Pinsent Masons LLP for their work in undertaking the necessary actions to obtain a further Court extension of the Administration.
- 4.10 HCR Sprecher Grier LLP were engaged to provide advice and assistance on the matters pertaining to the litigation and have been paid a sum of £2,000.
- 4.11 DLA Piper LLP have been paid a sum of £15,638 together with Counsels costs of £1,250 for their work to date in relation to the action against the Director.
- 4.12 Expenses have been recovered and these are detailed in the Appendices.
- 4.13 Corporation Tax has been paid in the sum of £152.19 for tax due in the 2018/2019 tax year.
- 4.14 CE Sourcing have been paid a sum of £5,900 in the period for their continuing assistance with debt collection.

4.9 There have been no other receipts or payments during the period.

**5. What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?**

5.1 Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details>. Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

5.2 The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only. Our previous reports contain details of the work undertaken since our appointment.

We detail below the items we consider to be of interest to creditors for the period in question. Additional work has been undertaken which we consider is routine and/or otherwise required by statute or best practice and in the interests of transparency and completeness, this is detailed briefly in Appendix 2A.

General case administration and planning

5.3 We have continued to prepare and liaise with instructed Solicitors, DWF LLP, on the litigation relating to 25 Culross Street. The Court hearing to consider our position took place between the scheduled dates of 18-21 June 2019. Further detail is above.

5.4 On this assignment, there will be an anticipated direct commercial benefit to creditors following the successful ruling on the Part 8 claim as this has eliminated the claim lodged against the Company by 25 Culross St. Further direct commercial benefit will result from the Part 7 quantum proceedings that have now been issued.

Compliance with the Insolvency Act, Rules and best practice

5.5 We have issued creditors with our progress report for the six months to 31 December 2019 during the period and sourced all necessary information for inclusion within the report.

5.6 There is no direct commercial benefit to creditors from this work but is required to be undertaken by Insolvency Act legislation.

Investigations and litigation

5.7 We have continued to further the investigations into the potential preference payment to one of the Company's directors. Solicitors have been engaged and have been in communication with solicitors instructed by the director and we have sought Counsel's opinion. We are now seeking to trace the director's whereabouts and establish the viability of pursuing further action. No realisations have yet been forthcoming and this matter continues.

5.8 The litigation against 25 Culross Street remains ongoing.

5.9 Further specific information will not be provided to creditors' at this time to reduce the risk of prejudicing any claims that may be brought or our position and strategy in relation to the Culross Street litigation.

5.10 On this assignment, there will be a direct commercial benefit to creditors in relation to the above matters if any rights of action became viable during the course of the investigations and are pursued leading to recovery/contributions to estate assets.

### Realisation of assets

- 5.11 We continue to liaise with Leslie Keats on the debtor ledger and expected further realisations, although no further realisations have been forthcoming in this period.
- 5.12 On this assignment, the continued recovery of debtors presents a direct commercial benefit to creditors.

### Tax and VAT

- 5.13 This work is detailed in Appendix 2A.
- 5.14 On this assignment, the above work has been necessary to enable a recovery of VAT from which there may be a direct commercial benefit to creditors. We are required to account for capital gains tax in accordance with UK Tax and VAT legislation. This will not have a direct commercial benefit for creditors but will assist in mitigating (or eliminating) further expenses from the estate.

## 6. ESTIMATED OUTCOME FOR CREDITORS

- 6.1 Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals.
- 6.2 On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

### **Secured creditors**

- 6.3 All secured creditors have been discharged in full.

### **Preferential creditors**

- 6.4 We consider that there are likely to be sufficient funds for a dividend to be paid to preferential creditors. The level of dividend is largely dependant on the outcome of the outstanding matters mentioned earlier.
- 6.5 To date, we have received and agreed the claim of the Redundancy Payments Service in the sum of £143,955.
- 6.6 There are 247 recorded employees who may have additional preferential claims. Agreement has not yet taken place due to the uncertainty of the availability of funds to pay a dividend.

### **Prescribed Part for unsecured creditors pursuant to Section 176A of the Act**

- 6.7 Details of how the prescribed part for unsecured creditors is calculated were provided in our statement of proposals and in previous progress reports.
- 6.8 To the best of the our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

### **Unsecured creditors**

- 6.9 The position remains unchanged from our last progress report. There are 1,530 listed potential unsecured claims (including employees) with estimated claims of £22,269,366.
- 6.10 To date, we have received the claims of 778 creditors and have agreed 524 unsecured creditor claims (excluding employees) in the sum of £12,063,835.51. A further 254 creditors (including employees) have

submitted claims totalling £5,306,908.67 which are pending agreement should sufficient funds become available from which to pay a dividend to the unsecured non-preferential creditors.

#### **Effect of administration on limitation periods under the Limitation Act 1980**

- 6.11 As we have previously confirmed, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

## **7. REMUNERATION & DISBURSEMENTS**

- 7.1 Our remuneration has been fixed at the initial meeting of creditors held on 09 September 2015, by reference to the time properly given by us (as administrators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration. We are also authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9), in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.
- 7.2 Our time costs for the period from 01 July 2019 to 31 December 2019 amount to £28,506.50 which represents 67.0 hours at an average rate of £425.47 per hour.
- 7.3 The office holders have been using the services of BTG Contentious Insolvency Division ("the CID") during the course of the case. BTG CID is a specialist department of the office holder's firm which provides forensic accounting services. No time has been recorded by BTG CID during the period.
- 7.4 The following further information in relation to our time costs and disbursements is set out at Appendix 2:
- 7.5 Time Costs Analysis for the period 01 July 2019 to 31 December 2019
- 7.6 Time Costs Analysis for the period 01 July 2019 to 31 December 2019 in respect of the CID
- 7.7 Begbies Traynor (Central) LLP's charging policy
- 7.8 To 31 December 2019, we have drawn the total sum of £485,400 on account of our remuneration, against total time costs of £630,071 (inclusive of the CID's time) incurred since the date of our appointment.
- 7.9 Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only.

#### **Disbursements**

- 7.10 In the period to 31 December 2019, we have not drawn any disbursements.

#### **Why have subcontractors been used?**

- 7.11 No subcontractors have been used during the period.

#### **Category 2 Disbursements**

- 7.12 No disbursements falling into the category have been incurred during the period.
- 7.13 A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2015 which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be

obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides). Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

## 8. ADMINISTRATORS' EXPENSES

- 8.1 A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. A cumulative statement of expenses also appears at Appendix 3 which details the expenses incurred since the date of our appointment.

## 9. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

### **Book Debts/Retentions**

- 6.1 The remaining book debts and retentions due continue to be pursued by Leslie Keats on the Company's behalf. Their latest report indicates that there are potentially maximum collectible debtors/retentions of £196,375 in the best case, and no further realisations in the worst case.

### **Litigation with offshore SPV**

- 9.2 Information in this regard is contained earlier in this report.

### **Potential preference claim**

In section 5 of this report it was indicated that the Joint Administrators were continuing their enquiries to establish and pursue a potential preference claim against an associated party. DLA Piper LLP are assisting us with our enquiries and are in correspondence with solicitors acting for the associated party. We are currently reviewing the position and engaging foreign tracing agents to establish the whereabouts of the director before considering further steps. This matter remains ongoing.

## 10. What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

### **General case administration and planning**

- 10.1 The preparation, drafting and issue of this report and subsequent reports;
- 10.2 Obtaining up to date estimates from agents instructed in relation to their costs;
- 10.3 Updating and ongoing consideration to case strategy plan;
- 10.4 Update of case compliance checklists;
- 10.5 File notes;
- 10.6 Review and completion of case-specific 'diary lines' – a reminder system for due dates to ensure compliance with statute and best practice;
- 10.7 Review and reconciliation of receipts and payments;
- 10.8 General correspondence to creditors and members;
- 10.9 Seeking responses to outgoing correspondence;
- 10.10 Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories;
- 10.11 General case updates to include internal meetings on case strategy and effecting instruction;
- 10.12 Ongoing maintenance of up to date information on the electronic case information;
- 10.13 Periodic reviews of the case generally;
- 10.14 Overseeing and controlling the work undertaken on this engagement by junior staff;
- 10.15 Completion of six monthly compliance and progression checklists;

- 10.16 Ensure time recording data is compliant with Statement of Insolvency Practice 9;
- 10.17 On this engagement, the work identified above does not hold a direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

**Compliance with the Insolvency Act, Rules and best practice**

- 10.18 Reviewing the adequacy of the specific penalty bond periodically;
- 10.19 Ongoing consideration to ethical practice;
- 10.20 Ongoing consideration to money laundering regulations;
- 10.21 Updating case checklists and statutory diaries where necessary;
- 10.22 Submission of forms to Companies House;
- 10.23 Maintain accurate account of receipts and payments;
- 10.24 Issuing progress reports for submission at Companies House and copies sent to all known creditors;
- 10.25 Undertaking necessary advertising in the London Gazette.
- 10.26 Banking:
- 10.27 Maintaining and managing the insolvent estate bank account.
- 10.28 Maintaining and managing the officer holders' cash book on this assignment.
- 10.29 Undertaking regular bank reconciliations of the estate bank account.
- 10.30 Complying with risk management procedures;
- 10.31 Accounting for accruing interest on the cash book;
- 10.32 Preparing and processing cheque requisition forms for the payment of post-appointment invoices;
- 10.33 Preparing and processing remittance advises for incoming funds;
- 10.34 Processing of BACS/electronic payments where applicable;
- 10.35 Closure
- 10.36 Exit route as prescribed by proposals;
- 10.37 Preparing, reviewing and issuing final report to members and creditors;
- 10.38 Filing of final returns at Companies House;
- 10.39 Update physical and electronic case records following closure;
- 10.40 On this engagement, the work identified above does not hold direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

**Investigations**

- 10.41 Ongoing activity to establish and pursue the potential preference claim against an associated party;
- 10.42 Continued liaison with solicitors and counsel where required;
- 10.43 Ongoing review of the Culross litigation claim and liaising with solicitors and counsel in relation to the steps to be taken;
- 10.44 There will be a direct commercial benefit to creditors in relation to the above matters if any rights of action became visible during the course of the investigations and are pursued leading to recovery/contributions to estate assets.

**Realisation of assets**

- 10.45 Liaising with instructed quantity surveyors and obtaining updates on their ongoing collection of the Company's outstanding book debts and retentions;
- 10.46 Accounting for bank interest.



- 10.47 On this assignment, the ongoing work detailed above will realise assets for the insolvent estate from which one or more class of creditors will directly benefit. The office holders are duty bound to realise and get in the Company's property and maximise asset realisations.

**Dealing with all creditors' claims (including employees), correspondence and distributions**

- 10.48 Creditors:
- 10.49 The issue of reports and associated required documents;
- 10.50 Updating schedules of preferential and unsecured creditor claims;
- 10.51 Receipt of creditor claims and input on internal case management software;
- 10.52 Review of creditor claim supporting information;
- 10.53 Taking and dealing with phone calls from creditors;
- 10.54 Acknowledgment of creditor claims correspondence and/or dealing with further queries on claims;
- 10.55 Receipt of, consideration of and response to creditor correspondence;
- 10.56 Where necessary, consideration of issues to reject claims and issue of appropriate letter to creditor(s) affected in accordance with statutory requirements concerning rejection of all or part claims;
- 10.57 Review of and adjudication on held and un-agreed claims preceding dividend;
- 10.58 Calculation and subsequent payment of dividend to one or more classes of creditors;
- 10.59 Potential instruction of third party specialists to review significant claims;
- 10.61 Updating address details on internal case management software.
- 10.62 On this engagement, the work detailed above will have a direct financial benefit to creditors where a dividend is paid. Claim agreement will be undertaken in accordance with the Insolvency Act and Rules together with best practice to ensure that all creditor claims will be correctly lodged and fairly adjudicated on. All creditors that have not claimed will have a fair chance to submit claims.
- 10.63 Employees:
- 10.64 Taking phone calls from employees in relation to the progress of the case and their claims.
- 10.65 Attending to any employee pension scheme related matters;
- 10.66 Agreeing preferential and unsecured claims from employees and RPO.
- 10.67 Payment of a dividend to the employees
- 10.68 On this engagement, the work detailed above is of a direct financial benefit to the employee creditors, both preferential and unsecured should a dividend be paid to those respective classes of creditor. The work is required to be done in order for the claims lodged by former employees of the business to be met by the redundancy payments office in the first instance, irrespective of the value of assets in the insolvent estate. The work is required to be done under Employment legislation and claim agreement in accordance with the Insolvency Act and Rules.

**Other matters which includes meetings, tax, litigation, pensions and travel**

- 10.69 The completion of VAT forms in order to reclaim outstanding VAT;
- 10.70 The completion of Corporation Tax returns;
- 10.71 Applications for new PAYE and UTR references should a dividend become payable;
- 10.72 Attending meetings that may arise along with travel to and from those meetings;
- 10.73 Filing of final Corporation Tax return;
- 10.74 Seeking closure clearance from HMRC;
- 10.75 Liaison with solicitors in relation to the potential preference claim;
- 10.76 Ongoing matters and furtherance of the litigation commenced by the Company prior to administration in relation to the Culross Street works;
- 10.77 If commenced, legal action in relation to the potential preference claim;
- 10.78 Any meetings required to discuss the litigation or potential preference claim;
- 10.79 Any work required to finalise the ERA claim in respect of the pension scheme;
- 10.80 Liaison with the instructed pension specialists;
- 10.81 Potential review of Company records in relation to the Company scheme.

Some of the above have no direct financial benefit to creditors but have to be done in order to comply with the Insolvency Rules such as creditors and members meetings, as well as a legal requirement, such as completion of corporation tax returns. Others do have a direct financial benefit to creditors. These include the provision of VAT returns after the liquidation as the majority of VAT will be recoverable and therefore an asset of the insolvent estate and the work relating to litigation furthers the goal of our Proposals and is directly necessary to the realisation of assets for the insolvent estate.

## 11. How much will this further work cost?

- 11.1 Creditors should be advised that although this report requires an estimate of future costs, it is difficult to quantify the costs of further work as it involves one current and one potential litigation.
- 11.2 On the assumption that the Part 7 claim is defended and proceeds to Court and taking into account all other works required to be done in the administration, we would estimate that further work will cost in the region of £88,000.

## 12. Expenses

- 12.1 Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are unchanged from the previous report and are as follows:

Statutory Advertising	£82.40
Postage	£2,760
Photocopying	£800
Legal fees	£uncertain
Storage charges	£2,178 per quarter.
QS Charges (debtors)	between £NIL and £39,275
Debtor collection assistance	£0-£15,000
Tracing Agents	£1,500

## 13. OTHER RELEVANT INFORMATION

### Extension of administration

- 11.3 The administration has been extended for a period of 12 months with the consent of creditors.
- 11.4 A further extension was obtained from the Court for 24 months.
- 11.5 A further extension has been granted by the Court for 18 months (to 31 December 2020).
- 11.6 Subject to how quickly all outstanding matters can be progressed, we would anticipate making an application to Court for a further extension.

### Proposed exit route from administration

- 11.7 In conjunction with the first application to Court to seek the extension of the Administration period, it was also requested that the Court give permission for us to pay dividends to unsecured creditors, where funds permit. The Court duly gave permission in this regard.
- 11.8 The Proposals envisaged a move to dissolution as the exit route from Administration. In light of the Court's agreement above, we believe that the exit route will remain as dissolution, although we continue to believe that we may be forced to seek a further extension due to the ongoing litigation.

### **Use of personal information**

- 11.9 Please note that in the course of discharging our statutory duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

## **14. CREDITORS' RIGHTS**

### **Right to request further information**

- 14.1 Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been incurred during the period of this progress report.

### **Right to make an application to court**

- 14.2 Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

## **15. CONCLUSION**

We will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner.

  
Jamie Taylor  
Joint Administrator

Dated: 09 January 2020

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# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 01 July 2019 to 31 December 2019

**A Draw F Limited (Formerly Fairhurst Ward Abbotts Limited)**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 01/07/2019 To 31/12/2019 £	From 01/07/2015 To 31/12/2019 £
	<b>SECURED ASSETS</b>		
650,000.00	Applications/Debtors/WIP and retentions	NIL	1,416,910.54
	Business Name and Trademarks	NIL	5,000.00
431,933.00	Cash at Bank - right of set off	NIL	NIL
	Contribution to legals re name sale	NIL	1,512.50
1,000,000.00	Freehold - St. Lukes chapel	NIL	774,265.00
(473,933.00)	Natwest Bank Plc	NIL	NIL
NIL	shares in subsidiaries (all non trading)	NIL	NIL
			2,197,688.04
	<b>COSTS OF REALISATION</b>		
	Agents/Valuers Fees	NIL	26,397.35
	Ground Rent	NIL	125.00
	IT Consultancy Fees	NIL	6,660.00
	Legal Fees Re Bus. Name Sale	NIL	2,260.42
	Premises costs	NIL	33,024.31
	Server Costs	NIL	9,208.56
	Service Charges	NIL	1,242.79
			(78,918.43)
	<b>SECURED CREDITORS</b>		
	Natwest Bank plc	NIL	41,321.62
(614,727.00)	RBS Invoice Finance	NIL	1,274,237.44
			(1,315,559.06)
	<b>GENERAL SECURED GROUP</b>		
	Award of costs	174,000.00	174,000.00
	DWF LLP	(169,650.12)	(169,650.12)
		4,349.88	4,349.88
	<b>ASSET REALISATIONS</b>		
	Accident Loss Claim	NIL	6,243.15
	Bank Interest Gross	128.16	1,244.04
	Book Debts	NIL	110,494.24
	Cash at Bank	NIL	5,064.81
3,650.00	Fixtures, Fittings & Equipment	NIL	7,200.00
	Insurance Refund	NIL	355.73
Uncertain	litigation with offshore SPV	NIL	(12,500.00)
800.00	Motor Vehicles	NIL	NIL
	NHBC Deposit Refund	NIL	5,000.00
	Rates Refund	NIL	196.18
	Refund of deposit monies	NIL	2,536.97
	Rent	NIL	30,605.57
	Retentions	NIL	55,649.59
	Shares & Investments	NIL	3,000.00
	SPA re: London Stone	NIL	20,000.00
	SPA re: Szerelmey (excl. retentions).	NIL	3,000.00
	SPA Szerelmey - retentions only	NIL	116,997.20
	Sundry Refund	NIL	13,132.89
	Surplus From RBS Invoice Finance	NIL	48,901.16
	Third party contribution to Legal Costs	NIL	4,458.00
		128.16	421,579.53
	<b>COST OF REALISATIONS</b>		
	Agents/Valuers Fees - Other	5,900.00	31,415.00
	Agents/Valuers Fees- Eddisons	NIL	19,720.00
	Bank Charges	NIL	15.00

**A Draw F Limited (Formerly Fairhurst Ward Abbotts Limited)**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 01/07/2019 To 31/12/2019 £	From 01/07/2015 To 31/12/2019 £
Brokers Commission	NIL	600.00
Corporation Tax	152.19	170.19
Debtor/Retention Collection costs	NIL	58,718.75
Easy Build Costs	NIL	3,088.00
Irrecoverable VAT	NIL	0.64
Legal Fees - DWF LLP	10,430.00	34,648.50
Legal Fees - Other	18,888.00	150,048.00
Legal Fees- Pinsent Masons LLP	7,591.20	51,151.60
License & Support Fees re EasyBuild	NIL	3,088.00
Office Holders Expenses	236.60	5,084.77
Office Holders Fees	NIL	485,400.00
Pension Costs	NIL	13,550.00
Petitioners Costs	NIL	1,000.00
Postage	817.60	7,139.18
Pre-Administration Costs	NIL	29,917.50
QS Fees - Burke Hunter Adams	NIL	2,400.00
Rates	NIL	151.57
Re-Direction of Mail	NIL	1,670.00
Rents Payable	NIL	25,023.12
Specific Bond	NIL	720.00
staff wages and tax	NIL	4,638.26
Statutory Advertising	NIL	154.00
Storage Costs	4,356.00	40,130.61
Subsidiary Company Liquidations	NIL	12,869.35
	<u>(48,371.59)</u>	<u>(982,512.04)</u>
<b>PREFERENTIAL CREDITORS</b>		
(99,800.00) Employees re Arrears/Hol Pay	NIL	NIL
(160,487.00) RPO re Arrears/Holiday Pay	NIL	NIL
	NIL	NIL
<b>UNSECURED CREDITORS</b>		
(278,524.00) Emps- Pay in Lieu, u/s arrears	NIL	NIL
(910,000.00) HMRC (non VAT)	NIL	NIL
(450,000.00) HMRC (VAT)	NIL	NIL
(5,000,000.00) Potential counterclaims - contract debt	NIL	NIL
(884,512.00) RPO- redundancy, Pay in Lieu, u/s arre	NIL	NIL
(13,400,585.68) Trade Creditors	NIL	NIL
	NIL	NIL
<b>DISTRIBUTIONS</b>		
100,000.00 Ordinary Shareholders	NIL	NIL
	NIL	NIL
<b>(20,086,185.68)</b>	<b>(43,893.55)</b>	<b>246,627.92</b>
<b>REPRESENTED BY</b>		
Bank 1 Current		197,859.25
Fixed Charge VAT Payable		(2,000.00)
Fixed Charge VAT Receivable		33,930.02
Vat Control Account		1,600.70
Vat Payable		(3,479.40)
Vat Receivable		18,717.35
		<u><b>246,627.92</b></u>



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## TIME COSTS INFORMATION

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 01 July 2019 to 31 December 2019
- c. Cumulative Time Costs Analysis for the period from 1 July 2015 to 31 December 2019.

## BEGBIES TRAYNOR CHARGING POLICY

### INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance<sup>2</sup> indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

### EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

The following items of expenditure are charged to the case (subject to approval):

Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting;  
Car mileage is charged at the rate of 45 pence per mile;  
Storage of books and records (when not chargeable as a *Category 1 disbursement*).

In addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as *Category 2 disbursements*. The following items of expenditure which relate to services provided by entities within the Begbies Traynor Group are to be charged to the case (subject to approval):

#### ***Services provided by other entities within the Begbies Traynor group***

The following items of expenditure which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Instruction of Eddisons Commercial Limited to provide assistance with the sale of assets. Their charges will be based on a percentage of realisations plus disbursements.

Instruction of Eddisons Commercial Limited to provide a valuation of the Company's physical assets. Their charges will be based on a fixed fee to be agreed plus disbursements.

In addition to the services detailed above, it may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Instruction of Eddisons Insurance Services Limited to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Eddisons Insurance Services Limited is not paid from the assets of the estate for the services it provides. In accordance with standard insurance industry practice, Eddisons Insurance Services Limited will receive payment of commission for the services it provides directly from the open cover insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

#### ***Services provided by an entity in which an Office Holder has an interest***

The following items of expenditure which relate to services provided by an entity that a licensed insolvency practitioner within the firm has an interest in, are also to be charged to the case (subject to approval):

Storage of books and records (when not rechargeable as a *Category 1 expense*) is charged by Archive Facilities (Southend) Limited. The rates applying as at the date of this report are: Minimum charge of £40 per quarter for up to three boxes; Four to Two Hundred Boxes charged at £11 per quarter per box; over two hundred boxes are charged at half the aforementioned price, (£5.50 per box per quarter). Mileage for collection of books and records is charged at 55p per mile. Provision of cardboard box charged at £2.75 per box. Where Archive Facilities (Southend) Limited are required to physically pack the books and records, there is a minimum charge of 2 hours at £15 per hour per person required, and at £15 per hour for each hour thereafter. All figures stated are net.

The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

<sup>2</sup> Ibid 1



Telephone and facsimile, Printing and photocopying, Stationery

#### BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Southend-on-Sea as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour)	Charge-out rate (£ per hour)	Charge-out rate (£ per hour)
	1 May 2016 – until further notice	1 December 2018 – until further notice	18 March 2019 – until further notice
Partner	395-550	395-550	645-710
Director	395	395	515
Senior Manager	365	365	440
Manager	315	315	410
Assistant Manager	285	270-285	315
Senior Administrator	250	235-250	290
Administrator	220	185-220	220
Trainee Administrator	n/a	n/a	160
Junior Administrator	160	160	n/a
Support	n/a	160	160
cashier	160	160	n/a
secretarial	160	160	n/a

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

The office holder may use the services of BTG Contentious Insolvency Division during the course of the case. BTG Contentious insolvency Division is a specialist department of the office holder's firm which provides forensic investigating services. The current charge-out rates applying to work carried out by BTG Contentious Insolvency Division are included above.

SIP9 Fairhurst Ward Abbotts Limited - Administration - 03FA083.ADM : Time Costs Analysis From 01/07/2019 To 31/12/2019

Staff Grade	Consultant/partner	Director	Sen Mgr	Mng	Analyst	Forensic	Sen Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	1.2									1.2	774.00	645.00
	Administration	2.5	0.5						3.2		6.2	2,344.50	378.15
	<b>Total for General Case Administration and Planning:</b>	<b>3.7</b>	<b>0.5</b>						<b>3.2</b>		<b>7.4</b>	<b>3,118.50</b>	<b>421.42</b>
Compliance with the Insolvency Act, Rules and best practice	Appointment												0.00
	Banking and Bonding	1.6						0.1	0.2	8.1	10.0	2,382.00	238.20
	Case Closure												0.00
Investigations	Statutory reporting and statement of affairs	0.2	1.5						4.0		15.4	6,624.50	417.18
	<b>Total for Compliance with the Insolvency Act, Rules and best practice:</b>	<b>1.8</b>	<b>1.5</b>					<b>0.1</b>	<b>4.2</b>	<b>8.1</b>	<b>28.4</b>	<b>8,006.50</b>	<b>348.71</b>
	CPDA and investigations												0.00
Realisation of assets	<b>Total for investigations:</b>												0.00
	Debt collection			0.2					0.9		1.1	247.00	224.55
	Property, business and asset sales												0.00
Trading	Retention of Title/Third party assets												0.00
	<b>Total for Realisation of assets:</b>			<b>0.2</b>					<b>0.9</b>		<b>1.1</b>	<b>247.00</b>	<b>224.55</b>
	Trading												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	<b>Total for Trading:</b>												0.00
	Secured												0.00
	Others		0.5				1.3		1.0		2.8	966.00	237.86
Other matters which includes seeking decisions of creditors, meetings, adj. litigation, pensions and travel	Creditors committee												0.00
	<b>Total for Dealing with all creditors claims (including employees), correspondence and distributions:</b>			<b>0.5</b>			<b>1.3</b>		<b>1.0</b>		<b>2.8</b>	<b>966.00</b>	<b>237.86</b>
	Seeking decisions of creditors												0.00
Total time cost by staff grade:	Meetings												0.00
	Other												0.00
	Tax												0.00
Total fees drawn to date £:	Litigation	1.3	1.4								30.3	15,688.50	517.11
	<b>Total for Other matters:</b>	<b>1.3</b>	<b>1.4</b>					<b>1.4</b>	<b>9.3</b>	<b>8.1</b>	<b>30.3</b>	<b>15,688.50</b>	<b>517.11</b>
	Total hours by staff grade:	6.8	3.9						9.3	8.1	67.0		
Average hourly rate £:	Total time cost by staff grade:	4,386.00	1,716.00					308.00	1,486.00	1,296.00		28,506.50	
	Total fees drawn to date £:	645.00	440.00				0.00	220.00	160.00	160.00			425.47

SIP9 Fairhurst Ward Abbotts Limited - Contentious Insolvency Division - 03FA083.CID : Time Costs Analysis From 01/07/2019 To 31/12/2019

Staff Grade	Consultant/Partner	Director	Snr Mngr	Mngr	Analyst - Forensic	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning												0.00
Case planning												0.00
Administration												0.00
<b>Total for General Case Administration and Planning:</b>												<b>0.00</b>
Compliance with the Insolvency Act, Rules and best practice												0.00
Appointment												0.00
Banking and Bonding												0.00
Case Closure												0.00
Statutory reporting and statement of affairs												0.00
<b>Total for Compliance with the Insolvency Act, Rules and best practice:</b>												<b>0.00</b>
Investigations												0.00
CDAs and investigations												0.00
<b>Total for Investigations:</b>												<b>0.00</b>
Realisation of assets												0.00
Debt collection												0.00
Property, business and asset sales												0.00
Retention of Title/Third party assets												0.00
<b>Total for Realisation of assets:</b>												<b>0.00</b>
Trading												0.00
Trading												0.00
<b>Total for Trading:</b>												<b>0.00</b>
Dealing with all creditors claims (including employees), claims, claims, claims and distributions												0.00
Secured												0.00
Others												0.00
Creditors committee												0.00
<b>Total for Dealing with all creditors claims (including employees), correspondence and distributions:</b>												<b>0.00</b>
Other matters which includes seeking decisions of creditors, meetings, meetings, pensions and travel												0.00
Seeking decisions of creditors												0.00
Meetings												0.00
Other												0.00
Tax												0.00
Litigation												0.00
<b>Total for Other matters:</b>												<b>0.00</b>
<b>Total hours by staff grade:</b>												
Total time cost by staff grade:												
Average hourly rate £:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total fees drawn to date £:</b>											0.00	

SIP9 Fairhurst Ward Abbotts Limited - Administration - 03FA083.ADM : Time Costs Analysis From 01/07/2015 To 31/12/2019

Staff Grade	Consultant/partner	Director	Senior Mngt	Mngt	Asst Mngt	Senior Admin	Admin	Jr Admin	Support	Total Hours	Total Cost	Average hourly rate £
General Case Administration and Planning	14.3	7.0	0.3	12.8				3.8		38.2	14,231.50	372.55
Administration	28.1	9.0	0.5	95.5	0.5	1.9	12.0	109.5		246.0	54,946.00	284.01
<b>Total for General Case Administration and Planning:</b>	<b>40.4</b>	<b>16.0</b>	<b>0.8</b>	<b>194.3</b>	<b>0.5</b>	<b>1.9</b>	<b>12.0</b>	<b>104.3</b>		<b>284.2</b>	<b>76,177.50</b>	<b>278.60</b>
Compliance with the Insolvency Act, Rules and best practice	3.8	36.9				0.4		20.7		60.8	19,286.50	317.36
Banking and Bonding	26.5			0.3		2.1	54.0	1.4	40.6	124.9	25,934.50	237.77
Case Closure												0.00
Statutory reporting and statement of affairs	37.9	157.9	2.2	67.9		11.3	1.0	22.0		300.2	109,585.50	365.04
<b>Total for Compliance with the Insolvency Act, Rules and best practice:</b>	<b>68.2</b>	<b>193.8</b>	<b>2.2</b>	<b>68.2</b>		<b>13.8</b>	<b>65.0</b>	<b>44.1</b>	<b>40.6</b>	<b>483.8</b>	<b>158,916.50</b>	<b>328.23</b>
Investigations	1.1	9.7		5.0	0.5	6.4		12.2		34.9	9,492.50	271.99
<b>Total for Investigations:</b>	<b>1.1</b>	<b>9.7</b>		<b>5.0</b>	<b>0.5</b>	<b>6.4</b>		<b>12.2</b>		<b>34.9</b>	<b>9,492.50</b>	<b>271.99</b>
Realisation of assets	6.2	15.3	1.7	25.3		4.1	0.7	1.2		54.5	18,740.00	343.85
Debt collection												
Property, business and asset sales	18.2	105.9	1.7	28.2		0.8		2.0		154.8	55,546.00	364.66
Retention of Title/3rd party assets		5.6		14.7				53.3		73.6	15,370.50	208.84
<b>Total for Realisation of assets:</b>	<b>24.4</b>	<b>128.8</b>	<b>3.4</b>	<b>66.2</b>		<b>4.9</b>	<b>0.7</b>	<b>56.5</b>		<b>282.9</b>	<b>94,656.50</b>	<b>331.06</b>
Trading		3.9								3.9	1,540.50	395.00
<b>Total for Trading:</b>		<b>3.9</b>								<b>3.9</b>	<b>1,540.50</b>	<b>395.00</b>
Dealing with all creditors claims (including employees), correspondence and distributions	1.3	15.6								16.9	6,867.00	413.43
Secured												
Others	11.6	91.0	2.9	109.2		82.2	32.2	311.4		640.5	151,847.50	237.08
Creditors committee								8.1		8.1	1,288.00	160.00
<b>Total for Dealing with all creditors claims (including employees), correspondence and distributions:</b>	<b>12.9</b>	<b>106.6</b>	<b>2.9</b>	<b>109.2</b>		<b>82.2</b>	<b>32.2</b>	<b>319.5</b>		<b>666.5</b>	<b>160,135.50</b>	<b>240.62</b>
Other matters which includes seeking decisions of creditors, meetings, last litigation, pensions and travel		3.3								3.3	1,699.50	515.00
Seeking decisions of creditors												
Meetings	6.2							17.6		23.8	5,605.00	235.55
Other	5.9	9.2	1.1	5.8		7.8		14.9		44.7	12,734.50	284.89
Tax	1.0	5.5	1.2	19.2		3.6	1.0	16.1		47.6	13,006.50	273.25
Litigation	25.0	89.1	3.1	24.1		2.4				143.7	60,237.50	419.19
<b>Total for Other matters:</b>	<b>38.1</b>	<b>107.1</b>	<b>5.4</b>	<b>48.1</b>		<b>13.8</b>	<b>1.0</b>	<b>48.8</b>		<b>263.1</b>	<b>92,284.00</b>	<b>354.96</b>
<b>Total hours by staff grade:</b>	<b>185.1</b>	<b>563.9</b>	<b>14.7</b>	<b>406.0</b>	<b>1.0</b>	<b>123.0</b>	<b>100.9</b>	<b>583.2</b>	<b>40.6</b>	<b>2,020.4</b>		
<b>Total time cost by staff grade:</b>	<b>85,305.00</b>	<b>228,764.50</b>	<b>5,710.50</b>	<b>127,890.00</b>	<b>270.00</b>	<b>29,004.00</b>	<b>16,728.00</b>	<b>93,832.00</b>	<b>6,486.00</b>		<b>565,796.00</b>	
<b>Average hourly rate £:</b>	<b>460.86</b>	<b>403.68</b>	<b>388.47</b>	<b>315.00</b>	<b>270.00</b>	<b>233.80</b>	<b>163.59</b>	<b>160.00</b>	<b>160.00</b>		<b>0.00</b>	<b>294.89</b>
<b>Total fees drawn to date £:</b>											<b>0.00</b>	

SIP9 Fairhurst Ward Abbotts Limited - Contentious Insolvency Division - 03FA083.CID : Time Costs Analysis From 01/07/2015 To 31/12/2019

Staff Grade	Consultant/Partner	Director	Senior Mgr	Mgr	Asst Mgr	Senior Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average Hourly Rate £
General Case Administration and Planning												
Case planning												
Administration					7.7					7.7	2,079.00	270.00
<b>Total for General Case Administration and Planning:</b>					<b>7.7</b>					<b>7.7</b>	<b>2,079.00</b>	<b>270.00</b>
Compliance with the Insolvency Act, Rules and best practice												
Appointment												
Banking and Bonding	0.2									0.2	90.00	450.00
Case Closure												
Statutory reporting and statement of affairs												
<b>Total for Compliance with the Insolvency Act, Rules and best practice:</b>	<b>0.2</b>									<b>0.2</b>	<b>90.00</b>	<b>450.00</b>
Investigations												
CCDA and investigations	1.0		8.9		96.9					106.8	29,861.50	279.60
<b>Total for Investigations:</b>	<b>1.0</b>		<b>8.9</b>		<b>96.9</b>					<b>106.8</b>	<b>29,861.50</b>	<b>279.60</b>
Realisation of assets												
Debt collection												
Property, business and asset sales												
Retention of Title/Third party assets								0.2		0.2	32.00	160.00
<b>Total for Realisation of assets:</b>								<b>0.2</b>		<b>0.2</b>	<b>32.00</b>	<b>160.00</b>
Trading												
Trading												
<b>Total for Trading:</b>												<b>0.00</b>
Dealing with all creditors claims (including employees), correspondence and distributions												
Secured								0.7		0.7	112.00	160.00
Others												
Creditors committee												
<b>Total for Dealing with all creditors claims (including employees), correspondence and distributions:</b>								<b>0.7</b>		<b>0.7</b>	<b>112.00</b>	<b>160.00</b>
Other matters which includes seeking decisions of creditors, distributions, pension, pensions and travel												
Seeking decisions of creditors												
Meetings					0.5					0.5	136.00	270.00
Other												
Tax												
Litigation												
		5.8								5.8	2,610.00	450.00
<b>Total for Other matters:</b>	<b>5.8</b>				<b>0.5</b>					<b>6.3</b>	<b>2,746.00</b>	<b>435.71</b>
Total hours by staff grade:			8.9		105.1			0.9		121.9		
Total time cost by staff grade:			3,248.50		28,377.00			144.00		34,919.50		
Average hourly rate £:			365.00		270.00		0.00	160.00	0.00			265.45
<b>Total fees drawn to date £:</b>												<b>0.00</b>

## Appendix 2A

Below are details of work undertaken on this matter which are considered routine or otherwise are required to be undertaken according to statute or best practice. These are in addition to the details provided in the body of the accompanying report to creditors.

**What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?**

### **General case administration and planning**

- Updating case strategy plan;
- Update of case compliance checklists;
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories;
- General case updates to include internal meetings on case strategy and effecting instruction;
- Ongoing maintenance of up to date information on the electronic case information;
- Periodic reviews of the case generally;
- Overseeing and controlling the work undertaken on this engagement by junior staff;
- Completion of six monthly compliance and progression checklists;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9;
- Liaison with storage agent regarding Company records;
- Updating electronically held information regarding addresses;
- Re-issue of progress report to specific parties upon request.
- Work relating to files chosen for external review by compliance officer.
- Discharging invoices.

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

### **Compliance with the Insolvency Act, Rules and best practice**

- Reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;
- Submission of forms to Companies House;
- Preparation and issue of six monthly progress report to creditors;

#### Banking:

- Maintaining and managing the insolvent estate bank account.
- Maintaining and managing the officer holders' cash book on this assignment.
- Undertaking regular bank reconciliations of the liquidation bank account.
- Complying with risk management procedures;
- Accounting for accruing interest on the cash book;
- Preparing and processing cheque requisition forms for the payment of invoices;
- Preparing and processing remittance advises for incoming funds;
- Processing of BACS/electronic payments where applicable;

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

### **Investigations**

- Ongoing work relating to Culross Street litigation including preparation for Court.

On this assignment, there may be a direct commercial benefit to creditors in relation to the above matters if any rights of action became viable during the course of the investigations and are pursued leading to recovery/contributions to estate assets.

#### **Realisation of assets**

- Sourcing updates from Leslie Keats;
- Some elements of reviewing matters pertaining to investigations which may ultimately result in realisations;

On this assignment, the majority of the work detailed above has realised assets for the insolvent estate. The office holders are duty bound to realise and get in the Company's property and maximise asset realisations. In some cases this does not yield sufficient realisations to enable creditors to have a direct financial benefit.

#### **Dealing with all creditors' claims (including employees), correspondence and distributions**

Creditors:

- Taking and dealing with phone calls and written queries from creditors and their enquiries;
- Updating creditor address details on internal case management software for letters returned to sender;
- Issuing hard copies of progress reports upon creditors' request.

On this engagement, the work detailed above during the period has not had a direct financial benefit to creditors. We are required to reply to communications from creditors in accordance with the Insolvency Act and Rules and deal with their enquiries if able to.

Employees:

- No work has been undertaken in the period relating to former staff.

On this engagement, the work detailed above has not had any direct financial benefit to the employee creditors. The work has been required to be done in order to satisfy requests for information from the RPO/former employees and update the Joint Administrator's internal records.

#### **Other matters which includes meetings, tax, litigation, pensions and travel**

Tax / VAT

- Post appointment tax compliance – submission of corporation tax return(s);
- Post appointment VAT compliance – submission of VAT returns;

On this assignment, the submission of VAT returns has enabled a reconciliation of the input and output VAT leading to a repayment of VAT charged on professional fees for the estate and constitutes a further realisation of assets. In this matter, one or more categories of creditors may directly benefit upon payments of dividends in due course as these dividends would be paid from all asset realisations. Office holders are required to comply with VAT and Tax legislation in relation to the insolvent entity. It is a statutory requirement of the office holders to complete and file tax and VAT returns until conclusion of the matter.

Litigation

- Liaison with instructed solicitors in respect of the Culross Street litigation including written and verbal communications;
- Internal review of strategy re Culross Street and other separate potential investigation/litigation points;
- Preparation for Court hearing, review of witness statements, etc.

Further specific information will not be provided to creditors' at this time to reduce the risk of prejudicing any claims that may be brought.

On this assignment, there may be a direct commercial benefit to creditors in relation to the above matters are progressed and result in recoveries being achieved.



## STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Legal fees	DWF LLP	59,329.00	NIL	59,329.00
Legal disbursements	DWF LLP*	2,171.10	0.00	2,171.10
DWF: re Counsels Fees	DWF LLP re James Bowling	36,977.77	27,902.77	9,075.00
CE Sourcing	Debt collection assistance	5,900.00	5,900.00	0.00
HMCTS	Court Fee	10,000.00	10,000.00	0.00
HMRC	Corporation Tax	0.00	152.19	0.00
DWF re: process server	DWF LLP	430.00	430.00	0.00
Legal fees and disbursements	DLA Piper LLP	0.00	16,888	0.00
Legal Fees	HCR Sprecher Grier	2,205.00	2,000.00	205.00
Legal Fees	Pinsent Masons LLP	7,591.20	7,591.20	0.00
QS expert charges	Burke Hunter Adams	≤13,000.00	≤13,000.00	0.00
HM Land Registry	Land registry search	0.00	3.00	0.00
Expenses incurred with entities within the Begbies Traynor Group ( <i>for further details see Begbies Traynor Charging Policy</i> )				
Photocopying	Begbies Traynor	0.00	233.60	0.00

\*= This figure does not include any potential costs of Counsel instructed through DWF LLP. Counsel is on a CFA basis.

## CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Expenses incurred with entities <b>not</b> within the Begbies Traynor Group		
Specific Penalty Bonding	Insolvency Risk Services	720.00
Toll	Dart Charge	19.17
Travel	TFL and London Black Cabs	73.70
Statutory advertising	The Stationery Office Limited	154.00
Postage	Royal Mail	7,515.99
Courier	<i>The Couriers Tribikes Limited</i>	300.75
Courier	3D Couriers	65.60
Agents fees re Property	Glenny LLP	7,750.00
Agents costs re Advertising	Glenny LLP	400.00
Debt Recovery	Leslie Keats LLP	264,032.01
Agents Fees re Rugby Tickets	ITC (South East) Limited	375.00
Rent re Huntingdon	Arthur and Llewellyn Property	16,226.08
Rent re Lichfield	Kingston Commercial Property Consultants Limited	8,797.04
Petitioning Costs	Jeffery Green Russell	1,000.00
Legal Costs	DLA Piper LLP	15,638.00
Legal Disbursements	DLA Piper LLP re: Counsels fees	1,250
Legal Costs re Offshore SPV	DWF LLP	187,520.56 of time costs (CFA Basis)
Legal disbursements re Offshore SPV	DWF LLP	22,056.00
Counsel's charges	DWF LLP re: James Bowling	187,800.12
Legal Costs	Pinsent Masons LLP	51,151.60
Legal Costs	BTMK Solicitors LLP	9,716.35
Legal Costs	HCR Sprecher Grier	2,205.00
Service Charges	Trinity Estates	1,242.79
Ground Rent	Inspired Property Management	125.00
IT Costs	Amco (FM) Limited	6,660.00
IT Costs	Easy Build	6,176.00
Staff Payments	Various staff – 5 former employees	4,638.26
IT lease costs	Societe Generale	9,208.56
Re-direction of Mail	Royal Mail Group Ltd	1,670.00
Rates	Huntingdon District Council / East Northamptonshire Council	151.57
Quantity surveyor	Burke Hunter Adams	≤15,400.00
Debtor/Retention Collection	C E Sourcing Ltd	8,750.00
Culross St litigation	C E Sourcing Ltd	20,290.00

Pension reporting	2020Trustees Ltd	13,300.00
Bank charges	Barclays bank	15.00
Corporation Tax	HM Revenue & Customs	18.00
EPC survey	Compliance 365	160.00
Land Registry Search	Land Registry	91.00
Legal Fees	Fenwick Elliott LLP	5,400.00
Premises cost - Utilities	Thames Water Utilities	389.48
Accountancy charges	Canwest Consultancy Ltd	2,000.00
Archive Facilities (Southend) Limited	Records storage	4,356.00
HM Courts & Tribunals Service	Court filing fee	10,000.00
DWF Re VTK Investigations Limited	Process server	430.00
Expenses incurred with entities within the Begbies Traynor Group <i>(for further details see Begbies Traynor Charging Policy)</i>		
Agent's fees re Property	Eddisons Commercial Limited	8,531.00
Agents fees re Retention of Title Dealings	Eddisons Commercial Limited	18,000.00
Agents fees re Dealing with Chattel Assets	Eddisons Commercial Limited	1,720.00
Agents fees re Insurance Costs	Eddisons Insurance Services Ltd	20,307.08
Agents Fees re Insurance Claim	Eddisons Insurance Services Ltd	600.00
Agent fees re: premises security	Eddisons Insurance Limited t/a remotezone	9,787.75
Survey report	Eddisons Commercial Limited	1,500.00
Insurance reinstatement report	Eddisons Commercial Limited	600.00
Locksmith	c/o Eddisons Commercial Limited	280.00
Storage Costs	Archive Facilities (Southend) Limited	22,706.61
Storage costs (mandatory final storage)	Archive Facilities (Southend) Limited	10,890.00
Statement of Affairs fee & Disbursements for Winding Up of Subsidiary Companies	Begbies Traynor (Central) LLP	12,869.35
Mileage	Begbies Traynor (Central) LLP	222.75
Faxes	Begbies Traynor (Central) LLP	1.50
Photocopying	Begbies Traynor (Central) LLP	3,977.60