

WU07

Notice of progress report in a winding-up by the court



Companies House

FRIDAY



A18 *A8FEEQFV* #428
04/10/2019
COMPANIES HOUSE

1 Company details

Company number 0 2 6 9 5 4 0 0

Company name in full Frazer-Nash Research Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Frank

Surname Wessely

3 Liquidator's address

Building name/number 81 Station Road

Street Marlow

Post town Bucks

County/Region

Postcode S L 7 1 N S

Country

4 Liquidator's name ①

Full forename(s) Chris

Surname Newell

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 81 Station Road

Street Marlow

Post town Bucks

County/Region

Postcode S L 7 1 N S

Country

② Other liquidator

Use this section to tell us about
another liquidator.

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6 Period of progress report

From date	^d 0	^d 9	^m 0	^m 8	^y 2	^y 0	^y 1	^y 8
To date	^d 0	^d 8	^m 0	^m 8	^y 2	^y 0	^y 1	^y 9

7 Progress report

The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X 

X

Signature date

^d 0	^d 3	^m 1	^m 0	^y 2	^y 0	^y 1	^y 9
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 **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 **Kerry Whalley**

Company name **Quantuma LLP**

Address
81 Station Road
Marlow

Post town **Bucks**

County/Region

Postcode **S L 7 1 N S**

Country

DX

Telephone **01628 478100**

 **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

Frazer-Nash Research Limited

(In Compulsory Liquidation)

("the Company")

THE JOINT LIQUIDATORS' PROGRESS REPORT

30 September 2019

This report has been prepared for the sole purpose of updating the members and creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by members and creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

Frank Wessely and Chris Newell of Quantuma LLP, 81 Station Road, Marlow, Bucks, SL7 1NS were appointed Joint Liquidators of Frazer-Nash Research Limited on 6 November 2018.

Frank Wessely is licensed to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales and Chris Newell is licensed to act as an Insolvency Practitioner by the Insolvency Practitioners Association

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ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used:

"the Act"	Insolvency Act 1986
"the Rules"	Insolvency (England and Wales) Rules 2016
"the Joint Liquidators"	Frank Wessely and Chris Newell of Quantuma LLP
"the Company"	Frazer-Nash Research Limited (in Liquidation)
"SIP"	Statement of Insolvency Practice (England & Wales)
"Review Period"	Period covered by the report from 9 August 2018 to 8 August 2019

1. INTRODUCTION

This report has been prepared to provide members and creditors with an update on the progress of the Liquidation of the Company since the appointment of Liquidators on 9 August 2018.

A schedule of statutory information in respect of the Company is attached at Appendix 1.

Details of the appointment of the Joint Liquidators

Following the Winding Up Order made on 25 July 2018, Mr Andrew Whelan of WSM Marks Bloom was appointed Liquidator of the Company on 9 August 2018 by the Secretary of State.

This firm was originally instructed by Kamkorp Limited, the shareholder of the Company and a Company of which Kamal Siddiqi is also a director, in order to consider the financial affairs of the Company and advise on the options and processes available to the Company in order to propose a Company Voluntary Arrangement.

Frank Wessely and Chris Newell of Quantuma LLP were subsequently appointed Joint Liquidators of the Company on 6 November 2018 at a meeting of the Company's creditors.

Prior to our nomination as Joint Liquidators, it was concluded that there were no known conflict issues and no self-interest or self-review threats which would prevent the appointment of Liquidators from Quantuma LLP over the Company.

The Joint Liquidators confirm that they are authorised to carry out all functions, duties and powers by either one or both of them.

2. THE PROGRESS OF THE LIQUIDATION

The Joint Liquidators' receipts and payments account

Attached at Appendix 2 is a receipts and payments account covering the Review Period.

We have summarised the main asset realisations during the Review Period and an estimation of the those assets yet to be realised, together with details of costs incurred but as yet remaining unpaid.

Administrative, Statutory & Regulatory Tasks

The Joint Liquidators have met a considerable number of statutory and regulatory obligations. Whilst many of these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the Liquidation, which has ensured that the Joint Liquidators and their staff have carried out their work to high professional standards.

During the Review Period, primarily these tasks have included:

- Informing all relevant persons of the appointment of Joint Liquidators, including filing statutory documents at Companies House and meeting statutory advertising requirements;
- Liaising with the former Liquidator to arrange the handover of the cases files and control of the assets;
- Drafting and issuing the progress report to creditors;
- Consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
- Maintaining electronic case files, which must include records to show and explain the Liquidation and any decisions made by the Joint Liquidators that materially affect the Liquidation;

- Monitoring and maintaining an adequate statutory bond;
- Conducting periodic case reviews to ensure that the Liquidation is progressing efficiently, effectively and in line with the statutory requirements;
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments; and
- Completing periodic tax returns.

Realisation of assets

Company Voluntary Arrangement (“CVA”)

On our appointment the initial strategy discussed with the director of the Company was for the Joint Liquidators to propose a CVA pursuant to Section 1.1(b) of the Insolvency Act 1986. The basis of the CVA funds were to come from one of two sources. A loan which is repayable from a company that is to be floated on the Stock Exchange (see below for further details surrounding this matter) and settlement funds due from a Company debtor. The director anticipated that the funds generated from either of these sources would be sufficient to pay all independent creditors in full.

As such, on their appointment the Joint Liquidators called for all creditors to prove their debts in the Liquidation. It has subsequently transpired that the quantum of creditors’ claims received were far in excess of what was anticipated by the director at the outset. The Joint Liquidators reviewed these claims and the majority of the smaller trade and expense creditor claims have been agreed. The only claims remaining to be agreed are numerous larger claims disputed by the director and are of a complex nature.

To date no funding has been received to enable the Liquidators to propose a CVA but in the event that sufficient funding is provided, once all creditor claims have been agreed, then it is still our intention to propose a CVA to creditors in satisfaction of their claims. Until this time the Liquidation will continue.

Plant, machinery & other tangible assets

The Joint Liquidators instructed Richard Birch and Co (“RBC”), who are professional independent agents with adequate professional indemnity insurance, to value the Company’s tangible assets.

After protracted discussions and negotiations, Bristol Automotive Group Limited (“BAG”) expressed an interest in purchasing the Company’s tangible assets. BAG is connected with the Company by way of a common director, Kamal Siddiqi.

RBC weighed up the advantages of a swift sale, which would avoid the ongoing costs of storing and marketing the assets, against the potential of attracting a better offer albeit that this would involve incurring additional costs. RBC concluded that BAG’s offer represented the best net realisation for the assets and they recommended to the Joint Liquidators that the offer be accepted.

Consequently, the Company’s plant, machinery and other tangible assets were sold to BAG on 2 August 2019 for £300,000, which was received in full on 5 August 2019 into our instructed solicitors client account. The consideration has now been forwarded to the Liquidation estate account.

Intellectual Property

The Company holds extensive Intellectual Property (“IP”) rights including patents, trademarks, designs and other data. This IP has yet to be valued as due to the complex nature of the assets. A specialist advisor will need to be instructed at an additional cost but it is anticipated the value of the IP could be significant.

As a part of the asset sale detailed above it was agreed to provide a short – term assignment of the Company's IP rights to BAG. There was an existing licence between the Company and a connected company called Ecotive Limited, granted in 2012. Ecotive subsequently agreed to the transfer of this licence agreement to BAG in order that the assignment could take place.

This assignment is for a fixed term of no longer than 12 months and at the end of the term if a CVA has yet to be proposed and approved by creditors then BAG must reassign all right, title and interest in the IP back to the Company for consideration of £1. In the event a CVA is proposed and approved by creditors but the Company fails to abide by the terms of the CVA and it subsequently fails then BAG must again reassign all right, title and interest in the IP back to the Company. In either scenario all IP would be valued and then sold for the benefit of the Liquidation.

Investments

The Company holds 1,083,591 shares in Ecotive Limited. Ecotive is a connected company as Mr Siddiqi is a majority shareholder of Ecotive and was a director until December 2018.

It was intended in October 2018 that Ecotive would propose an Initial Public Offering ("IPO") on the London Stock Exchange partly in order to repay the outstanding sums due to the Company in the sum of £12,035,079, plus accruing interest, which would in turn fund the proposed CVA. Due to an ongoing dispute and legal action between two other shareholders of Ecotive this IPO has not yet come to fruition. This matter is ongoing and I have instructed solicitors, Kingsley Napley LLP, to review the position and potential value of the shares.

Refunds

A refund was received from British Gas in the sum of £2,504 representing credit on the Company's electric account.

A refund was received from Fluidone Limited in the sum of £643 representing an overpayment on the Company's Vodafone account.

Estimated future realisations

The Joint Liquidators will continue to pursue the original strategy of proposing a CVA and when considered appropriate, adjudicate on all creditors' claims so that the quantum of the Company's liabilities can be established.

The Joint Liquidators will also continue to review the position and value of the Ecotive shares with their instructed solicitors with a view of realising these shares for the benefit of the Liquidation.

Payments

There were no payments made during the Review Period with the exception of the Official Receiver's fees which are detailed in the Receipts and Payments account at Appendix 2.

Costs incurred but remaining unpaid

Costs incurred during the Review Period, but which as yet remain unpaid. These costs are separately detailed below:

Cost Description	Amount (£)
Richard Birch & Co – Agents / Valuers fees	31,500
TOTAL	31,500

During the Review Period, the Joint Liquidators have also incurred timecosts and category 2 disbursements, not all of which have yet been discharged. Further details of these costs are set out below.

3. CREDITORS: CLAIMS AND DISTRIBUTIONS

Since our appointment, we have carried out the following main tasks in this category:

- Uploaded and maintained creditor information on the system;
- Dealt with numerous creditor correspondence and telephone conversations;
- Reviewed and dealt with claims received;
- Liaised with the director and former advisors regarding the creditor claims;
- Obtained legal advice surrounding the disputed and queried claims.

Although significant time costs have been incurred in adjudicating creditors' claims, this work has had a financial benefit for creditors as it will ensure that payments will only be made to parties who have a statutory right to a dividend.

Secured Creditor

There are no unsatisfied charges registered against the Company at Companies House.

Preferential creditors

At the time of our appointment it was not expected that there would be preferential claims in respect of employees wage arrears and holiday pay, as following legal advice taken by the Company on the presentation of the Winding Up petition all employee contracts were transferred to a connected company, Frazer-Nash Energy Systems Limited.

One employee who left the employment of the Company has subsequently made a claim for various entitlements with the Employment Tribunal ("ET") which the Joint Liquidators have defended as we do not believe that there are sums due to the employee. The ET hearing is scheduled for 4 December 2019.

This matter is ongoing and as such it is currently uncertain if there will be any preferential claims in the Liquidation.

Prescribed Part

Under Section 176A of the Insolvency Act 1986, where after 15 September 2003 a company has granted to a creditor a floating charge, a proportion of the net property of the company must be made available purely for the unsecured creditors. This equates to:

- 50% of net property up to £10,000;
- Plus, 20% of net property in excess of £10,000.
- Subject to a maximum of £600,000.

The Company has not granted a floating charge to any creditor after 15 September 2003 and consequently there will be no prescribed part in this Liquidation.

Crown Creditors

The Statement of Affairs included £1,965,298 owed to HM Revenue & Customs ("HMRC"). A provisional unsecured claim of £11,327,898 has been received from HMRC. From the information made available to us at the outset it transpired the Company was a party to a First Tier tax tribunal with respect to historic tax returns, liabilities and penalties levied by HMRC in

relation to the Company's 2013 tax returns. Further, there were open enquiries into the Company's 2011 accounts.

In addition the Company submitted a claim for a Research and Development rebate which the Company had hoped would be set off against the sums due to HMRC. This claim was rejected as the Company did not meet the going concern criteria due to the Liquidation.

Discussions with HMRC are ongoing regarding their final claims.

HMRC petitioned for the Winding Up of the Company; as such they had outstanding petitioning costs totalling £2,475. These costs have been paid in full outside of the Review Period.

Unsecured creditors

Unsecured claims were estimated at £16,772,061 in the Statement of Affairs and to date 33 claims have been received from unsecured creditors totalling £32,983,518.

As advised earlier in this report, on their appointment the Joint Liquidators called for all creditors to prove their debts in the Liquidation. It transpired that the quantum of creditors' claims received were far in excess than what was anticipated by the director at the outset and numerous larger claims are disputed by the director. On a review of these claims the majority of the smaller trade and expense creditor claims have been agreed. The only claims remaining to be agreed are numerous larger claims disputed by the director and are of a complex nature. I have instructed solicitors Kingsley Napley LLP to assist with the adjudication of these claims.

A dividend to unsecured creditors is anticipated. The quantum of any distribution will be dependent on either the approval of a CVA by creditors or the level of asset realisations within the Liquidation, the final costs and the level of agreed claims.

Claims process

Due to the possible distribution to unsecured creditors, you are requested to submit claims to the address on the front of this report, marked for the attention of Kerry Whalley.

A Proof of Debt form is attached at Appendix 6.

4. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

Investigations

SIP2 - Initial Assessment of Potential Recoveries

As part of our duties as Joint Liquidators, we are obliged to review shortly after appointment all the information available to us and conduct an initial assessment of whether there are any matters which may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have past dealings with the Company.

The initial assessment identified matters that warranted further investigation and our investigations are currently ongoing.

SIP13 – Transactions with connected parties

Apart from the sale of the assets to Bristol Automotive Group Limited, of which Kamal Siddiqi is a director, we are not aware of any other sales of any of the Company's assets to connected parties since the our appointment.

Further Information

Creditors should note that the Joint Liquidators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. Further information can be viewed at the following link <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>. Additionally the Joint Liquidators are also bound by the regulations of their Licensing Bodies.

To comply with the Provision of Services Regulations, some general information about Quantuma LLP, including our complaints policy and Professional Indemnity Insurance, can be found at <http://www.quantuma.com/legal-information/>.

Information about this insolvency process may be found on the R3 website here <http://www.creditorinsolvencyguide.co.uk/>.

In compliance with the General Data Protection Regulation, creditors, employees, shareholders, directors and any other stakeholder who is an individual (i.e. not a corporate entity) in these insolvency proceedings is referred to the Privacy Notice in respect of Insolvency Appointments, which can be found at this link www.quantuma.com/legal-notices/.

5. THE JOINT LIQUIDATORS' REMUNERATION AND EXPENSES

A copy of 'A Creditors Guide to Liquidators' Fees' effective from 6 April 2017 together with the firm's current schedule of charge-out rates and chargeable disbursements may be found at <https://www.quantuma.com/guide/creditors-guide-fees/>.

A hard copy of both the Creditors' Guide and the firm's charge-out rate and disbursement policy may be obtained on request at no cost.

Joint Liquidators' Remuneration

The fees of the former Liquidator, Mr Andrew Whelan, were approved at the meeting of creditors held on 6 November 2018 in the sum of £13,408 plus VAT and disbursements. These fees have been paid in full outside the Review Period.

The basis of the Joint Liquidators' fees has not yet been fixed.

For a detailed schedule of work undertaken by the Joint Liquidators during the Review Period, see Appendix 3. A detailed narrative list of the work undertaken during the Review Period is provided at Appendix 4.

It is proposed that the Joint Liquidators' fees should be fixed on the following basis:

"That the basis of the Joint Liquidators' fees be fixed by reference to the time properly given by the Joint Liquidators and their staff in attending to matters as set out in the fees estimate, such time to be charged at the prevailing standard hourly charge out rates used by Quantuma LLP at the time when the work is performed, capped at £100,000.50 plus VAT."

Set out in Appendix 3 is a summary of the work that the Joint Liquidators propose to undertake.

Joint Liquidators' Expenses

My expenses may be divided into two categories.

Category 1 expenses are costs that can be specifically identified as relating to the administration of the case. These are charged to the estate at cost, with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums and properly reimbursed expenses. Legislation provides that Liquidators may discharge Category 1 expenses from the funds held in the insolvent estate without further recourse to creditors.

Category 2 expenses are costs that are also directly referable to the appointment in question but not to a payment to an independent third party. Payments may only be made in relation to Category 2 expenses after the creditors have approved the bases of their calculation. The Category 2 expenses that I propose to recover from the insolvent estate, such as the stationery and photocopying costs relating to the issuing of reports to creditors.

The expenses incurred to date are as follows:

Expenses	Actual expenses incurred to date £
Category 1 expenses:	
Postage	159.88
Land Registry Fee	6.00
Statutory Advertising	162.90
Storage Costs	25.18
Specific Bond	135.00
Insurance of Assets	14,983.81
Legal Costs – ERA Advisors	175.00
Legal Costs – Sale of assets	7,884.00
Agents / Valuers Fees	31,500.00
Category 2 expenses:	
Stationery	105.00
Photocopying	98.80
AML Electronic Identification Search	3.00
TOTAL	55,238.57

Set out in Appendix 3 are the estimated Category 1 & 2 expenses I anticipate during the Liquidation.

Other professional costs

Solicitors

Kingsley Napley LLP were instructed by the Joint Liquidators to advise on appropriate legal matters including the sale agreement for the assets and assignment of the Intellectual Property. Their costs have been agreed on the basis of their standard hourly charge out rates, plus disbursements and VAT. Their timecosts to date total £7,884 and they have been paid in full outside of the Review Period.

Employment Law In Action Limited were instructed by the Joint Liquidators to advise on matters surrounding the claim made to the Employment Tribunal by a former employee. Their costs were agreed as a fixed fee of £175 plus VAT. This fee has been paid in full.

Agents & Valuers

Richard Birch and Co were instructed as agents and valuers in relation to the Company's tangible and intangible assets. Their costs have been agreed on the basis of a fixed valuation fee of £1,500 plus VAT and their standard commission rate of 10% plus VAT of gross realisations. These fees have not yet been paid.

All professional costs are reviewed and analysed before payment is approved.

Creditors' right to request information

Any secured creditor, or unsecured creditor with the support of at least 5% in value of the unsecured creditors or with permission of the Court, may request in writing the Joint Liquidators to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report.

Creditors' right to challenge remuneration and/or expenses

Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the Court, may apply to the Court for one or more orders, reducing the amount or the basis of remuneration which the Joint Liquidators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of.

Please note that such challenges may not disturb remuneration or expenses disclosed in prior progress reports.

6. DECISION BY CORRESPONDENCE

Attached at Appendix 5 is a Notice of Decision Procedure, which sets out the following decisions that the Joint Liquidators are asking the creditors to consider:

- 1 That a Liquidation Committee be established if sufficient nominations are received.

The Joint Liquidators do not see a need for a Committee to be formed in this case.

Notwithstanding this, creditors are entitled to seek the formation of Committee, provided that there are sufficient nominations to form a Committee. At least three nominations would be required by the date specified in the Notice.

In the event that no Liquidation Committee is established, I would ask that the creditors consider the following decisions:

- 2 That the basis of the Joint Liquidators' fees be fixed by reference to the time properly given by the Joint Liquidators and their staff in attending to matters as set out in the fees estimate, such time to be charged at the prevailing standard hourly charge out rates used by Quantuma LLP at the time when the work is performed, capped at £100,000.50 plus VAT.
- 3 That the Joint Liquidators' be authorised to draw "Category 2" disbursements to be fixed as set out in Quantuma LLP's Current Schedule of Charge Out Rates & Chargeable Disbursements.

Creditors are invited to vote on these proposed decisions by completing and returning the enclosed voting form (Appendix 5) together with a proof of debt form (Appendix 6), if one has not already been submitted. The Joint Liquidators must receive completed forms by no later than 23.59 on 24 October 2019 to enable the vote to be counted.

Whilst a vote by correspondence is being sought, creditors who meet a statutory threshold as set out in the Notice attached at Appendix 5 can require that a physical meeting of creditors be convened. Such a request must be made to the Joint Liquidators within 5 business days of the date on which this report was delivered. If you wish to request a physical meeting, please set out in writing which of the decision(s) above you wish the meeting to consider.

A Notice of Invitation to Form a Liquidation Committee is attached at Appendix 7. The purpose of the Committee is to assist the Joint Liquidators in discharging their functions.

7. FUTURE OF THE LIQUIDATION

The administration of the Liquidation will continue in order to either propose a CVA to the Company's creditors or in the event a CVA is not possible realise the remaining Company assets for the benefit of creditors.

Should you have any queries in regard to any of the above please do not hesitate to contact Kerry Whalley on 01628 478100 or by e-mail at kerry.whalley@quantuma.com.

A handwritten signature in black ink, appearing to read 'Frank Wessely', with a stylized flourish at the end.

Frank Wessely
Joint Liquidator

APPENDIX 1

**FRAZER-NASH RESEARCH LIMITED
(IN LIQUIDATION)**

STATUTORY INFORMATION

Company Name	Frazer-Nash Research Limited
Trading Address	Mytchett Place, Mytchett Place Road, Mytchett, Camberley, GU16 6DQ

Court	High Court of Justice
Court Number & Year	CR-2018-004097
Date of Appointment	6 November 2018
Joint Liquidators	Frank Wessely Chris Newell Quantuma LLP 81 Station Road, Marlow, Bucks, SL7
Registered office Address	c/o Quantuma LLP 81 Station Road, Marlow, Bucks, SL7 1NS
Company Number	02695400
Incorporation Date	10 March 1992
Former Office Holder	Andrew Whelan WSM Marks Bloom LLP 1c Becketts Place, Hampton Wick, Kingston Upon Thames KT1 4EQ

APPENDIX 2

**FRAZER-NASH RESEARCH LIMITED
(IN LIQUIDATION)**

**THE JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT
AS AT 8 AUGUST 2019.**

Frazer-Nash Research Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts and Payments
To 08 August 2019

RECEIPTS	Statement of Affairs (£)	Total (£)
Petition Deposit		1,600.00
Plant & Machinery	525,854.00	0.00
Motor Vehicles	29,884.00	0.00
Book Debts	12,016,122.00	0.00
Refund		3,146.27
		4,746.27
 PAYMENTS		
O.R. Company Liq and Admin Fee		5,000.00
O.R. General Fee		6,000.00
Bank Charges		88.00
Trade & Expense Creditors	(18,730,516.00)	0.00
		11,088.00
Net Receipts/(Payments)		(6,341.73)
 MADE UP AS FOLLOWS		
ISA NIB		(6,341.73)
		(6,341.73)

APPENDIX 3

**FRAZER-NASH RESEARCH LIMITED
(IN LIQUIDATION)**

FEE AND EXPENSES ESTIMATE AND SCHEDULE OF JOINT LIQUIDATORS' TIMECOSTS

**Estimate of Fees and Expenses for
Frazer-Nash Research Limited (In Liquidation)
To 30/09/2019 the entire Liquidation**

	Total Hours	Avg Hourly Rate £	Time Cost £	Disbursements £	Expenses £
Classification of Work Function					
Admin & Planning	155.10	230.18	35,701.13		
Cashiering	10.60	206.60	2,190.00		
Closing Procedures	7.10	171.83	1,220.00		
Creditors	196.68	185.97	36,577.25		
Investigations	36.34	248.20	9,019.63		
Realisation of Assets	61.70	247.85	15,292.50		
	<u>467.52</u>	<u>213.90</u>	<u>100,000.50</u>		
Disbursements					
Category 1 Disbursements				65,289.27	
Category 2 Disbursements				306.80	
				<u>65,596.07</u>	
Expenses (*)					
					<u>0.00</u>
Totals	<u>467.52</u>	<u>213.90</u>	<u>100,000.50</u>	<u>65,596.07</u>	<u>0.00</u>

(*) Details of the expenses the IP considers will be, or are likely to be, incurred during the period of this estimate.

Details of estimated disbursements that will be paid during the period of this estimate.

Category 1 Disbursements

Agents fees	31,500.00
Insurance of Assets	14,983.81
Land Registry Fee	6.00
Legal costs	18,059.00
Postage	209.88
Specific Bond	135.00
Statutory Advertising	270.40
Storage Costs	125.18
	<u>65,289.27</u>

Category 2 Disbursements

AML Electronic Identification Search	3.00
Photocopying	148.80
Stationery	155.00
	<u>306.80</u>

Notes:

1. Category 1 Disbursements are payable without prior approval as they are payments to independent third parties e.g. advertising, room hire, storage, travel expenses
2. Category 2 Disbursements are costs directly referable to the appointment e.g. Postage, Printing & Stationery, Mileage but as they are not to an independent third party they require approval in the same manner as the fee
3. The figures provided for Expenses are as accurate as possible based on the information available at this time. No prior approval is required for the payments of the expenses as they are regarded as a cost of the administration of the estate

**Estimate of Fees and Expenses for
Frazer-Nash Research Limited (In Liquidation)**

4. Further approval will be sought from the creditors' committee or creditors if the circumstances of the indicate that the above fee estimate is likely to be exceeded
5. The above estimates are all exclusive of VAT

**Estimate of Fees and Expenses for
Frazer-Nash Research Limited (In Liquidation)**

Explanatory Note:

FEE ESTIMATE

The office holders are seeking to be remunerated on a time cost basis. We use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform, recording time spent in 6 minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work. In this document the estimated time that will be spent undertaking the work in each category of work has been multiplied by the applicable charge out rate for each member of staff that it is anticipated will undertake work in that category to arrive at the estimated total time costs attributable to that category of work on the case. We have then divided that estimated total by the estimated number of hours to arrive at a blended hourly charge out rate for that category of work.

This estimate has been provided to creditors at an early stage in the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the office holders' current knowledge of the case and their knowledge and experience of acting as office holders in similar cases. As a result, the estimate does not take into account any currently unknown complexities or difficulties that may arise during the administration of the case.

This fee estimate covers the life of the case and it is currently not anticipated that the total fees during the life of the case will exceed the estimate. However since the office holders cannot draw remuneration in excess of this estimate without first obtaining approval to do so, should the fee estimate be exceeded and where the office holders consider it appropriate in the context of the case, they will seek a resolution to increase the fee. A full outline and explanation of the fees incurred against the fees that have been estimated below will be provided to creditors with this request.

The hourly charge out rates that it is anticipated will be used on the case are as follows:

	£
Partner	345.00 - 525.00
Senior Manager	265.00 - 395.00
Manager	210.00 - 295.00
Senior Administrator	185.00 - 270.00
Administrator	160.00 - 185.00
Assistant Administrator	105.00
Case Accountant	135.00

Please note that the rates quoted above will be used for each category of work outlined in the estimate and will be subject to periodic increase.

Explanations are given below in relation to each category of work outlined in the estimate. A list of the activities under those categories that it is anticipated will be carried out is also provided.

Administration and planning

This represents the work that is involved in the routine administrative functions of the case by the office holders and their staff, together with the control and supervision of the work done on the case by the office holders and their managers. It does not give direct financial benefit to the creditors, but ensures that the case is managed in a professional and methodical manner and has to be undertaken by the office holders to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Initial Statutory and General Notifications & Filing e.g. Advertising the appointment, undertaking statutory notifications to Companies House, HMRC, the Pension Protection Fund, preparing the documentation and dealing with other notification of appointment
- Obtaining a specific penalty bond
- Recovering & Scheduling the company's books and records
- Setting up electronic case files and electronic case details on IPS
- General Administration - Dealing with all routine correspondence and emails relating to the case
- Case strategy & completing file reviews at 1 month, 2 months, 6 months and 6 months thereafter

Estimate of Fees and Expenses for Frazer-Nash Research Limited (In Liquidation)

-VAT & Corporation Tax matters and returns

Creditors

Employees - The office holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the Redundancy Payments Office (RPO). That work will include dealing with queries received from both the ex-employees and the RPO to facilitate the processing of the claims. The office holder is required to undertake this work as part of his statutory functions.

Claims of creditors - the office holder needs maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

Dividends - the office holder has to undertake certain statutory formalities in order to enable him to pay a dividend to creditors. This include writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.

- Employees - obtaining information from records about employee claims and dealing with employee correspondence/calls regarding their claims
- Preparing the documentation and dealing with initial appointment notification to creditors
- Dealing with creditor correspondence, emails and telephone conversations
- Dealing with Pension Schemes
- Payment of Dividends - calculating, paying a dividend to creditors & issuing the declaration notice
- Notice of Intended Dividend - issuing a notice of intended dividend to creditors and advertising where appropriate
- Reviewing and adjudicating creditors' claims - adjudicating claims & requesting additional information in support of claims
- Dealing with HMRC claims
- Annual/Progress Reports
- Initial Appointment Notification to Creditors - Preparing the documentation & sending out initial appointment notification to creditors

Investigations

The insolvency legislation gives the office holders powers to take recovery action in respect of what are known as antecedent transactions eg where assets have been disposed of prior to the commencement of the insolvency procedure (and also in respect of matters such as misfeasance and wrongful trading). The office holders are required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holders will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and the office holders will provide an estimate of that benefit if an increase in fees is necessary. The office holder is unable to quantify the benefit to creditors of these investigations at present but will include such information in their statutory report to creditors once the position is clear.

-SIP 2 Review - Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.

Realisation of Assets

This is the work that needs to be undertaken to realise the known assets in the case. If this work is undertaken, the office holder anticipates that the assets will realise the estimated to realise amounts provided to creditors.

- Intellectual Property
- Investments

Estimate of Fees and Expenses for Frazer-Nash Research Limited (In Liquidation)

Cashiering

The office holders must ensure that estate bank accounts are opened and maintained in accordance with legislation and SIPs. Bank reconciliations are performed on all bank accounts and statutory receipts and payments accounts are filed at Companies House & Court.

- Opening, maintaining and managing the Office Holders' cashbook and bank account.
- Dealing with cheque requisitions
- Dealing with deposit forms
- Bank Reconciliations
- Preparing & Filing statutory Receipts & Payments accounts

Closing Procedures

The office holders are required by statute to effect an orderly end to the case and although this has no direct financial benefit to the creditors it is necessary so that where applicable final meetings are advertised and held and final reports are filed at Companies House and Court.

- Preparing Final Account
- Filing final statutory returns at Companies House/Court

EXPENSE ESTIMATE

Full details of Quantuma LLP's charging policy in relation to disbursements can be found at <http://www.quantuma.com/guide/creditors-guide-fees/> or alternatively a hard copy can be requested free of charge from the Quantuma LLP office dealing with this case.

Time Entry - SIP9 Time & Cost Summary

6003721 - Frazer-Nash Research Limited
 Project Code: POST
 To: 08/08/2019

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	8.30	25.49	40.70	20.60	95.09	18,794.25	197.65
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashiering	0.00	0.10	1.70	2.60	4.40	643.50	146.25
Closing Procedures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	7.10	53.60	35.50	18.00	114.20	22,946.50	200.93
Investigations	0.00	8.60	5.05	5.20	18.85	3,379.75	179.30
Pre Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	3.60	35.10	4.30	0.00	43.00	10,047.00	233.65
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	19.00	122.89	87.25	46.40	275.54	55,811.00	202.55
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

APPENDIX 4

**FRAZER-NASH RESEARCH LIMITED
(IN LIQUIDATION)**

**DETAILED NARRATIVE LIST OF WORK UNDERTAKEN BY THE JOINT LIQUIDATORS DURING
THE REVIEW PERIOD**

Description of work undertaken	Includes
ADMINISTRATION & PLANNING	
Initial Statutory and General Notifications & Filing e.g. Advertising the appointment, undertaking statutory notifications to Companies House, HMRC, the Pension Protection Fund, preparing the documentation and dealing with other notification of appointment	Filing of documents to meet statutory requirements Advertising in accordance with statutory requirements
Obtaining a specific penalty bond.	
Recovering & Scheduling the company's books and records.	Collection and making an inventory of company books and records
Setting up electronic case files and electronic case details on IPS.	
General Administration - Dealing with all routine correspondence and emails relating to the case.	
Case strategy & completing file reviews at 1 month, 2 months & 6 months.	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
VAT & Corporation Tax matters and returns.	Preparation and filing of VAT Returns Preparation and filing of Corporation Tax Returns
CREDITORS	
Employees - obtaining information from records about employee claims and dealing with employee correspondence/calls regarding their claims	Corresponding with former employees. Obtaining legal advice re position of former employee and Employment Tribunal claim
Dealing with creditor correspondence, emails and telephone conversations.	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via email and post
Dealing with Pension Schemes	Corresponding with the PPF and the Pensions Regulator to confirm if there was a scheme
Reviewing and adjudicating creditors' claims - adjudicating claims & requesting additional information in support of claims	Agreeing allocation of realisations and costs between fixed and floating charges Receipt of POD Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication Seeking solicitors' advice on the validity of complex claims.
Dealing with HMRC claims	
Annual/Progress Reports	Preparing, circulating and filing progress reports. Disclosure of sales to connected parties
Initial Appointment Notification to Creditors - Preparing the documentation & sending out initial appointment notification to creditors	

INVESTIGATIONS	
SIP 2 Review - Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.	Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reconstruction of financial affairs of the company Reviewing company's books and records Review of specific transactions and liaising with directors regarding certain transactions
REALISATION OF ASSETS	
Plant & Machinery & Other Tangible Assets	Liaising with valuers, auctioneers and interested parties Reviewing asset listings Liaising with solicitors regarding sale agreement
Intellectual Property	Liaising with agents and solicitors regarding assignment
Investments	Reviewing position of shares
Arranging & Monitoring Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers
CASHIERING	
Opening, maintaining and managing the Office Holders' cashbook and bank account.	Preparing correspondence opening and closing accounts Requesting bank statements Correspondence with bank regarding specific transfers Maintenance of the estate cash book
Dealing with cheque requisitions	Issuing cheques/BACS payments as appropriate
Dealing with deposit forms	Banking remittances as appropriate
Bank Reconciliations	
Preparing & Filing statutory Receipts & Payments accounts	Preparing and filing statutory receipts and payments accounts at Companies House

Current Charge-out Rates of the staff working on the case

Time charging policy

Support staff and executive assistants do not charge their time to each case except when the initial set up is being performed or when a sizeable administrative task or appropriate ad hoc duty is being undertaken

Support staff include secretarial and administrative support.

The minimum unit of time recorded is 6 minutes.

Rates are likely to be subject to periodic increase.

Staff	Charge out rates £
Partners	£345.00 - £525.00
Directors	£315.00 - £475.00
Senior Manager	£265.00 – £395.00
Manager	£210.00 - £295.00
Assistant Manager	£195.00 – £280.00
Senior Administrator	£185.00 – £270.00
Administrator	£160.00 – £185.00
Assistant Administrator	£105.00
Support Staff/Executive Assistant	£100.00 – £135.00

**FRAZER-NASH RESEARCH LIMITED
(IN LIQUIDATION)**

NOTICE OF DECISION PROCEDURE AND VOTE BY CORRESPONDENCE

NOTICE OF DECISION PROCEDURE BY CORRESPONDENCE

Company Name: Frazer-Nash Research Limited (In Liquidation) ("the Company")
Company Number: 02695400
In the High Court of Justice CR-2018-004097

This Notice is given under Rule 15.8 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Joint Liquidator of the Company, Frank Wessely, of Quantuma LLP, 81 Station Road, Marlow, Bucks, SL7 1NS (telephone number 01628 478100), who was appointed by creditors.

It is proposed that the following decisions be made:

1. That a Liquidation Committee be established if sufficient nominations are received
2. That the basis of the Joint Liquidators' fees be fixed by reference to the time properly given by the Joint Liquidators and their staff in attending to matters as set out in the fees estimate, such time to be charged at the prevailing standard hourly charge out rates used by Quantuma LLP at the time when the work is performed capped at £100,000.50 (plus VAT).
3. That the Joint Liquidators be authorised to recover all Category 2 disbursements, calculated on the bases detailed in Quantuma LLP's Summary.

Also provided is a voting form on which creditors may signify their decisions on the above matters. All voting forms, together with a proof of debt if one has not already been submitted, must be completed and returned to the Joint Liquidator by one of the methods set out below:

By post to: Quantuma LLP, 81 Station Road, Marlow, Bucks, SL7 1NS
By email to: marlowvoting@quantuma.com

Please note that, if you are sending votes by post, you must ensure that you have allowed sufficient time for the forms to be delivered to the address above by the time set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

All voting forms and proofs of debt must be delivered by 23.59 on 24 October 2019

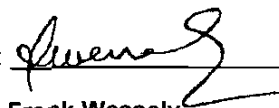
If the Joint Liquidator has not received a proof of debt by the time specified above (whether submitted previously or as a result of this Notice), that creditor's vote will be disregarded. Any creditor whose debt is treated as a small debt in accordance with Rule 14.31(1) of the Rules must still deliver a proof if the creditor wishes to vote. A creditor who has opted out from receiving notices may nevertheless vote if the creditor also provides a proof by the time specified above.

Creditors who meet one or more of the statutory thresholds listed below may, within 5 business days from the date of the delivery of this Notice, require a physical meeting to be held to consider the matter.

Statutory thresholds to request a meeting:	10% in value of the creditors
	10% in number of the creditors
	10 creditors

A creditor may appeal a decision by application to the court in accordance with Rule 15.35 of the Rules. Any such appeal must be made not later than 21 days after the Decision Date.

Signed: _____


Frank Wessely
Joint Liquidator

Dated: 30 September 2019

VOTE BY CORRESPONDENCE

Frazer-Nash Research Limited (in Liquidation)

Name of Creditor: _____

Address: _____

Decisions:

1	That a Liquidation Committee be established if sufficient nominations are received.	*For / Against
2	That the basis of the Joint Liquidators' fees be fixed by reference to the time properly given by the Joint Liquidators and their staff in attending to matters as set out in the fees estimate, such time to be charged at the prevailing standard hourly charge out rates used by Quantuma LLP at the time when the work is performed capped at £100,000.50 (plus VAT).	*For / Against
3	That the Joint Liquidators be authorised to recover all Category 2 disbursements, calculated on the bases detailed in Quantuma LLP's Summary.	*For / Against

*** Please delete as applicable to indicate your voting instructions**

Signed: _____ Dated: _____

Name in capitals: _____

Position with, or relationship to, creditor or other authority for signature: _____

Are you the sole member/shareholder of the creditor (where it is a company)? Yes / No

Please complete this form and return it, along with a completed proof of debt if you have not submitted one previously, so that it is delivered by 23.59 on 24 October 2019 by:
Post: Quantuma LLP, 81 Station Road, Marlow, Bucks, SL7 1NS
Email: please scan in a signed copy of this form and attach it as a pdf to marlowvoting@quantuma.com

PROOF OF DEBT - GENERAL FORM

Frazer-Nash Research Limited

Date of winding-up: 25 July 2018

DETAILS OF CLAIM		
1.	Name of Creditor (if a company, its registered name)	
2.	Address of Creditor (i.e. principal place of business)	
3.	If the Creditor is a registered company: <ul style="list-style-type: none"> • For UK companies: its registered number • For other companies: the country or territory in which it is incorporated and the number if any under which it is registered • The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act 	
4.	Total amount of claim, including any Value Added Tax, as at the date of liquidation, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25	£
5.	If the total amount above includes outstanding uncapitalised interest, please state	YES (£) / NO
6.	Particulars of how and when debt incurred	
7.	Particulars of any security held, the value of the security, and the date it was given	
8.	Details of any reservation of title in relation to goods to which the debt relates	
9.	Details of any document by reference to which the debt can be substantiated. [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
10.	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986	Category Amount(s) claimed as preferential £
11.	If you wish any dividend payment that may be made to be paid in to your bank account please provide BACS details. Please be aware that if you change accounts it will be your responsibility to provide new information	Account No.: Account Name: Sort code:
AUTHENTICATION		
Signature of Creditor or person authorised to act on his behalf		
Name in BLOCK LETTERS		
Date		
If signed by someone other than the Creditor, state your postal address and authority for signing on behalf of the Creditor		
Are you the sole member of the Creditor?		YES / NO

APPENDIX 7

**FRAZER-NASH RESEARCH LIMITED
(IN LIQUIDATION)**

NOTICE OF INVITATION TO FORM A COMMITTEE

NOTICE OF INVITATION TO FORM A LIQUIDATION COMMITTEE

Company Name: Frazer-Nash Research Limited ("the Company") In Liquidation

Company Number: 02695400

This Notice is given under Rule 6.19 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Joint Liquidator of the Company, Frank Wessely of Quantuma LLP, 81 Station Road, Marlow, Bucks, SL7 1NS, who was appointed by creditors.

Creditors are invited to nominate creditors (which may include themselves) by completing the section below and returning this Notice to the Joint Liquidator by one of the following methods:

By post to: Quantuma LLP, 81 Station Road, Marlow, Bucks, SL7 1NS

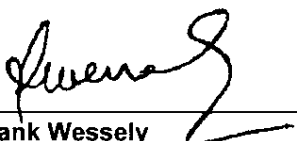
By email to: kerry.whalley@quantuma.com

Please note that, if you are sending nominations by post, you must ensure that you have allowed sufficient time for the Notice to be delivered to the address above by the date set out below. An email is treated as delivered at 9am on the next business day after it was sent.

All nominations must be delivered by: 23:59 on 24 October 2019

Nominations can only be accepted if the Joint Liquidators are satisfied as to the nominated creditor's eligibility under Rule 17.4 of the Rules.

For further information on the role of Creditors' Committees, go to <http://www.quantuma.com/guide/guide-creditors-committee/>.

Signed: 
Frank Wessely
Joint Liquidator

Dated: 30 September 2019

NOMINATIONS FOR MEMBERS OF A LIQUIDATION COMMITTEE

Company Name: Frazer-Nash Research Limited ("the Company") In Liquidation

On behalf of (name of Creditor): _____

at (address of Creditor): _____

I nominate the following creditor(s) to be member(s) of a Liquidation Committee (provide name(s) and address(es)):

1. _____

1. _____

2. _____

Signed: _____

Dated: _____

Name in capitals: _____

Position with, or relationship to, Creditor or other authority for signature: _____

Are you the sole member/shareholder of the Creditor (where it is a company)?

Yes / No