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TO SHAREHOLDERS AND ALL KNOWN CREDITORS

Your ref:

Our ref: F0618LON/LJG/BN/290616

Please Contact: Barbara Nicholson

Telephone Number: 01273 916673

Email Address: Barbara.Nicholson@frpadvisory.com

Date: 29 June 2016



Dear Sirs

**FARAM LIMITED (IN LIQUIDATION) ("THE COMPANY")
IN THE HIGH COURT OF JUSTICE NO. 3727 OF 2014**

Further to my appointment as Joint Liquidator on 25 June 2014 I report on the progress of the liquidation for the period 25 June 2015 to 24 June 2016 ("the period") in accordance with the Insolvency Rules 1986.

I attach Statutory information

Receipts and payments account

Details of my firm's time costs incurred in the period, with my firm's charge out rates

Statement of expenses incurred in the period

1. Receipts and Payments

I attach at my receipts and payments account detailing both transactions for the period, and also since my appointment as Joint Liquidator, and confirm that I have reconciled my cash book with the account held by the Secretary of State.

2. Work Undertaken by the Liquidator During the Period

Faram Italy (in Liquidation)

Despite further correspondence being sent to the Trustee appointed in respect of Faram Italy (In Liquidation) I have been unable to obtain a copy of the creditors report or to establish whether there may be any distribution made to creditors.

Faram USA

As previously reported, my solicitors Wedlake Bell have been assisting me in verifying the position regarding the intercompany debt write off in respect of Faram USA. Despite further attempts no progress has been made.

Given the difficulties experienced in trying to obtain information regarding Faram Italy and Faram USA, and the potential expenses in investigating further without any guarantee of success, I have decided not to pursue matters further and bring my administration of the case to a close.

Bank interest of £6 90 has been received on the balance held in the Insolvency Service Account during the period of this report.

There are no matters outstanding, aside from statutory duties which include reconciling my cash book with the Secretary of State, to prepare my draft final report to creditors and to convene the final meeting of creditors and seek my release from office. Notice of the final meeting of creditors together with my draft final report will be circulated to creditors in due course.

3. Prescribed Part

In accordance with the Enterprise Act 2002, the prescribed part is an element of net realisations due to the floating charge holder which is made available for unsecured creditors (subject to the floating charge post-dating 15 September 2003) As there is no floating charge the prescribed part does not apply in this instance.

4. Dividend to Creditors

I can confirm that I have received preferential claims totalling £8,966.13 being employee arrears of pay and holiday pay, and claims totalling £125,707.32 from unsecured creditors who have proved their debts in these proceedings

In accordance with Rule 11.7 of the Insolvency Rules 1986, I would advise you that I have been unable to declare a dividend as the funds realised have already been distributed or used or allocated for defraying the expenses of the administration.

5. Liquidator's Remuneration, Disbursements and Expenses

Turning to my own costs in this matter, my remuneration as Liquidator is based on computerised records of all time spent on the administration of this case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in maximum of 6 minute units. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge out rates are reviewed at least annually, details of FRP Advisory LLP charge out rates are attached, together with a breakdown of our time costs and disbursements incurred during the period of this report (and also since appointment), in accordance with Statement of Insolvency Practice 9

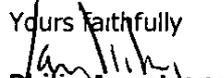
At the creditors meeting held on 11 June 2015 creditors passed a resolution that our remuneration should be calculated on a time cost basis. No fees have been drawn.

The Liquidators' disbursements are a recharge of actual costs incurred by the Liquidators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP Advisory at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursements incurred during the period of this report are attached. I also enclose a statement of expenses that have been incurred during the period covered by this report.

Creditors have a right to request further information from the Liquidator and further have a right to challenge the Liquidator's remuneration and expenses which are first disclosed in this report, under the Insolvency Rules 1986. (For ease of reference these are the expenses incurred in the reporting period as set out in the attached statement of expenses) Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link <http://creditors.frpadvisor.com/feesguide.htm> and select the one for liquidations. Alternatively a hard copy of the relevant guide will be sent to you on request. Please note there are time limits for requesting information of 21 days of receipt of the progress report for requesting further information and 8 weeks from receiving this report for a Court application that the remuneration or expenses are excessive.

If you have any queries about this report of the progress of the liquidation, please do not hesitate to contact Barbara Nicholson of this office.

Yours faithfully


Philip Armstrong
Joint Liquidator

Licensed in the United Kingdom by the Institute of Chartered Accountants in England & Wales and bound by the Insolvency Code of Ethics

FARAM LIMITED (IN LIQUIDATION)

Statutory Information

Company details.

Other trading names:	n/a
Date of incorporation:	23 November 1992
Company number:	02766976
Registered office:	2nd Floor 110 Cannon Street London EC4N 6EU
Previous registered office. Cowcross Street	30-31 Cowcross Studios 1st Floor Rear Building London EC1M 6DQ
Business address: Cowcross Street	30-31 Cowcross Studios 1st Floor Rear Building London EC1M 6DQ

Liquidator Details:

Liquidator(s).	Philip Lewis Armstrong Philip James Watkins
Address of Liquidator(s):	FRP Advisory LLP Suite 2 2nd Floor, Phoenix House 32 West Street Brighton BN1 2RT
Date of appointment of Liquidator(s):	25 June 2014
Court in which Liquidation proceedings were brought	In The High Court of Justice
Court reference number:	3727 of 2014

**Faram Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs £	From 25/06/2015 To 24/06/2016 £	From 25/06/2014 To 24/06/2016 £
	ASSET REALISATIONS	
10,000 00	NIL	NIL
	NIL	4,560.52
	NIL	132.50
600,000 00	NIL	NIL
	6 90	11 26
	<u>NIL</u>	<u>1,165.00</u>
	6.90	5,869.28
	COST OF REALISATIONS	
	1.10	1.10
	4.14	2,076.52
	NIL	2,400 00
	210.00	210.00
	1.39	2 26
	<u>88 00</u>	<u>176.00</u>
	(304 63)	(4,865 88)
<u>610,000.00</u>	<u>(297.73)</u>	<u>1,003.40</u>
		42.00
REPRESENTED BY		961 40
VAT Irrecoverable		<u>1,003.40</u>
ISA		



Faram Limited (In Liquidation)

Time charged for the period 25 June 2014 to 24 June 2016

(Total Hours)	Appointment takers /				Total Hours	Total Cost	£ Average Hly Rate £
	Partners	Managers / Directors	Other Professional	Junior Professional & Support			
Administration and Planning	1 25	4 00	9 85	2 50	17 60	4,448 75	252 77
Asset Realisation		1 35	7 89		9 24	2,207 80	238 94
Creditors	0 50	3 85	10 90	1 20	16 45	4,024 25	244 64
Investigation		0 90	17 90		18 80	4,277 00	227 50
Statutory Compliance	1 50	2 75	40 40	1 25	45 90	10,825 50	235 85
Total Hours	3 25	12 85	86 94	4 95	107 99	25,783 30	238 76
Total Cost £	1,608 75	4,369 00	19,113 05	692 50			
Average Hly Rate £	495 00	340 00	219 84	139 90			

**Disbursements for the period
25 June 2014 to 24 June 2016**

Category 1	Value £
Advertising	169 20
Postage	81 67
Bonding	430 00
Property	52 00
Mail Redirection	120 00
Grand Total	852 87

Mileage is charged at the HMRC rate prevailing at the time the cost was incurred

FRP Charge out rates	Grade	From	1st July 2013	1st May 2016
Appointment taker / Partner			395-495	450-495
Managers / Directors			320-455	340-465
Other Professional			175-275	200-295
Junior Professional & Support			100-150	125-175

CASE NAME: Faram Limited (In Bankruptcy)
Statement of Expenses for the period 25/06/2015 to 24/06/2016

Expenses	Expenses for the period 25/06/2015 to 24/06/2016
O.R Remuneration	0
Joint Liquidators Remuneration	4,430
Joint Liquidators Disbursements	3
Agents Fees	210
Secretary of State Fees	4
Corporation Tax	1
Company Liquidation Admin fee	0
Cheque fees	1
Bank charges	88
	4,737



Fararm Limited (In Liquidation)

Time charged for the period 25 June 2015 to 24 June 2016

Total Hours	Appointment Takers /			Total Hours	Total Cost £ Average Hrlly Rate £
	Partners	Managers / Directors	Other Professional		
Administration and Planning	0.25	0.35	2.90	3.50	893.75
Asset Realisation		0.65	0.85	1.50	421.00
Creditors			0.75	0.75	156.00
Investigation			3.70	3.70	814.00
Statutory Compliance		0.30	9.25	9.55	2,145.00
Total Hours	0.25	1.30	17.45	19.00	4,429.75
Total Cost £	123.75	442.00	3,864.00		
Average Hrlly Rate £	495.00	340.00	221.43		

**Disbursements for the period
25 June 2015 to 24 June 2016**

Category 1	Value £
Property	3.00
Grand Total	3.00

Mileage is charged at the HMRC rate prevailing at the time the cost was incurred

FRP Charge out rates	From	1st July 2013	1st May 2016
Grade			
Appointment taker / Partner		395-495	450-495
Managers / Directors		320-455	340-465
Other Professional		175-275	200-295
Junior Professional & Support		100-150	125-175