

LIQ14

Notice of final account prior to dissolution in CVL



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 1 2 1 8 1 8 0 3

Company name in full Eunoia Digital Ltd

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

2 Liquidator's name

Full forename(s) Martin Richard

Surname Buttriss

3 Liquidator's address

Building name/number 2 Harcourt Way

Street Meridian Business Park

Post town

County/Region Leicester

Postcode L E 1 9 1 W P

Country

4 Liquidator's name ①

Full forename(s) Carolynn Jean

Surname Best

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 2 Harcourt Way

Street Meridian Business Park

Post town

County/Region Leicester


Postcode L E 1 9 1 W P

Country

② Other liquidator
Use this section to tell us about
another liquidator.

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6	Liquidator's release	
	<input type="checkbox"/> Tick if one or more creditors objected to liquidator's release. :	
7	Final account	
	<input checked="" type="checkbox"/> I attach a copy of the final account.	
8	Sign and date	
Liquidator's signature	<div>Signature</div> <div>X  X</div>	
Signature date	<div> <div>d 0 d 4</div> <div>m 1 m 2</div> <div>y 2 y 0 y 2 y 3</div> </div>	

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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 **Charlene Haycock**

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

Address **2 Harcourt Way**

Meridian Business Park

Post town

County/Region **Leicester**

Postcode **L E 1 9 1 W P**

Country

DX

Telephone **0116 406 2965**



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

Eunoia Digital Ltd
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments
From 26 October 2022 To 4 December 2023

Statement of Affairs £		£	£
	ASSET REALISATIONS		
1,600.00	Computer Equipment	945.36	
1,400.00	Stock	1,590.64	
NIL	Cash at Bank	NIL	
4,800.00	Cash in Hand	4,800.00	
			7,336.00
	COST OF REALISATIONS		
	Specific Bond	18.00	
	Statement of Affairs Fee	4,000.00	
	Liquidators' Fees	2,172.76	
	Agents/Valuers Fees (1)	965.64	
	Statutory Advertising	179.60	
			(7,336.00)
	PREFERENTIAL CREDITORS		
(1,149.39)	Employees re Arrears/Hol Pay	NIL	
			NIL
	SECONDARY PREFERENTIAL CREDITORS		
(58.35)	HMRC	NIL	
			NIL
	UNSECURED CREDITORS		
(243.00)	Employees	NIL	
(41,784.04)	Banks/Institutions	NIL	
(100.00)	HMRC (CT)	NIL	
(90.94)	HMRC (EmpR's NIC)	NIL	
			NIL
(35,625.72)			(0.00)
	REPRESENTED BY		
			NIL

Note:

All sums shown are net of any VAT. Any VAT payable, recoverable or suffered is disclosed separately.

Eunoia Digital Ltd (In Creditors' Voluntary Liquidation)

Final report and account of the liquidation

Period: 26 October 2022 to 06 October 2023

Important Notice

This report has been produced solely to comply with our statutory duty to report to creditors and members of the Company pursuant to Section 106 of the Insolvency Act 1986. This report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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 - 2. Liquidators' time costs and expenses
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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Eunoia Digital Ltd (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 26 October 2022.
"the liquidators", "we", "our" and "us"	Martin Richard Buttriss of Begbies Traynor (Central) LLP, 2 Harcourt Way, Meridian Business Park, Leicester, LE19 1WP and Carolynn Jean Best of Begbies Traynor (Central) LLP, 2 Harcourt Way, Meridian Business Park, Leicester, LE19 1WP
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England & Wales) Rules 2016
"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 Act

2. COMPANY INFORMATION

Trading name(s):	None
Company registered number:	12181803
Company registered office:	Begbies Traynor, 2 Harcourt Way, Meridian Business Park, Leicester, LE19 1WP
Former trading address:	85 Great Portland Street, First Floor, London, W1W 7LT

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	26 October 2022
Date of liquidators' appointment:	26 October 2022
Changes in liquidator (if any):	None

4. PROGRESS SINCE APPOINTMENT

This is our final report and account of the liquidation.

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 26 October 2022 to 04 December 2023.

Receipts

Cash at Bank

The Company banked with Starling Bank who provided a current account and a Bounce Back Loan to the Company. At the date the Company ceased to trade the Company had an estimated credit balance of £117.34 and it was anticipated that this amount would be offset against the outstanding Bounce Back Loan and I can confirm that no credit balance has been received from Starling Bank.

Cash in Hand

The sum of £4,800.00 was received from the Company as a contribution towards the costs of the Liquidation and these funds were held in the Begbies Traynor Client account prior to the Liquidation and transferred to the estate account upon appointment.

Computer Equipment & Stock

The Company's Computer Equipment & Stock were professionally valued by Eddisons Commercial Limited ("Eddisons"), a party which is part of the Begbies Traynor Group and is therefore connected to Begbies Traynor (Central) LLP, and it was anticipated that the assets would achieve £1,600.00 and £1,400.00 respectively. Following the Liquidation Eddisons were instructed to conduct a sale of the Company's assets and the majority of the assets were sold by online auction with a small amount of computer equipment sold to a connected party, further details on this sale are provided below in section 9 of this report.

Eddisons were able to realise the sum of £945.36 and £1,590.64 respectively and no further realisations will be made in this matter.

Payments

Agents/Valuers Fees

The sum of £965.64 plus VAT has been paid to Eddisons in relation to fees and expenses for services in providing a valuation, conducting a public online auction and sale by private treaty and arranging for the storage and collection of the assets upon receipt of the sale funds.

Liquidators' Fees

The sum of £2,172.76 plus VAT has been invoiced by Begbies Traynor (Central) LLP in relation to the Joint Liquidators remuneration as agreed by creditors on 1 December 2022. Further details of this are provided later within this report.

Specific Bond

Following appointment, the Joint Liquidators are required to obtain a specific bond in relation to the assets of the liquidation estate and the sum of £18.00 plus VAT was paid in relation to obtaining the Bond.

Statement of Affairs Fee

The sum of £4,000.00 plus VAT has been invoiced by Begbies Traynor (Central) LLP in relation to the statement of affairs fee approved by creditors on 25 August 2022.

Statutory Advertising

The sum of £179.60 plus VAT has been paid in relation to adverts placed in the London Gazette which are required in accordance with the Act and the Rules.

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?

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.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2.

The details below relate to the work undertaken in the period of the report only.

General case administration and planning

Insolvency Practitioners are required to maintain records to demonstrate how the case is administered, and to document any decisions that materially affect the case.

At the onset of the case we formed a strategy for how the case will be managed. This took into consideration the level of assets to be realised, how those assets will be realised, and whether there will be sufficient realisations to make a distribution to the Company's creditors.

The case has been subject to regular reviews at 1 month, 3 months and 6 months to ensure that case progression is being maintained and that the files are kept up to date and to amend case strategy as necessary.

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliant progression of the liquidation, which ensures that the joint liquidators and their staff carry out their work to high professional standards.

Compliance with the Insolvency Act, Rules and best practice

Insolvency Practitioners are governed by the Insolvency Act and Rules, together with following best practice guidelines known as Statements of Insolvency Practice. We have certain statutory obligations and duties to fulfil whilst in office which include the regular filing of progress reports with Companies House and the filing of a final report at the end of the period. We are also required to notify various bodies of our appointment, including creditors, Companies House, and advertise our appointment in the London Gazette.

We are also duty bound to correspond with creditors and issue notice of the insolvency event to the likes of the pensions departments, banks and other parties who would have an interest in the proceedings. There is also the duty to investigate the directors' conduct, bond the case appropriately and instruct professionals such as property agents and solicitors to assist where necessary.

Since appointment we have issued a report to creditors notifying of our appointment as Joint Liquidators, advertised our appointment in The London Gazette and notified all relevant parties of the liquidation as required and have also obtained an insolvency bond

This work does not benefit creditors financially but is necessary in accordance with the Insolvency Act, Rules and best practice.

Investigations

Within three months of our appointment, we are required to submit an online conduct report in accordance with the Company Directors Disqualification Act. In order to fulfil this duty, we sort to recover the Company books and records, both hard copy and electronic, from the directors in order to carry out our investigations. Any person who is or has been a director or was considered as a de facto or shadow director of the Company in the three years prior to the insolvency event were also asked to complete a questionnaire to assist with our investigations.

We have a duty to examine the conduct of the Company and its directors in order to identify what assets may be available for realising, including any actions against directors or other parties which may lead to further recoveries into the estate. Such investigations included an analysis of the Company's bank statements, reviewing information provided by third parties and analysis of the Company's management accounting systems.

Creditors or other parties were asked to come forward with information that they believed to be relevant but, to date, no matters have been brought to my attention.

Following appointment an initial review of the position was undertaken in accordance with best practice and we can confirm that our report on the conduct of the directors has been submitted as required and our investigations in this matter have now been concluded.

This work has not had any financial benefit for creditors but was necessary in accordance with the Company Directors Disqualification Act and best practice.

Realisation of assets

Insolvency Practitioners are required to maximise realisations for the benefit of the Company's creditors.

All work carried out in respect of the asset realisation is for the purpose of realising property and assets for the benefit of the creditors generally.

In this case, based upon the Statement of Affairs, the Company had realisable assets in relation to Cash In Hand, Computer Equipment & Stock

Full details of the steps taken and realisations made to date have been provided earlier in this report.

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

Following appointment we have corresponded with creditors and responded to correspondence received from creditors in a timely manner in accordance with best practice.

In this case we submitted Forms RP14 and RP14A to The Redundancy Payments Office in relation to employee claims against the Company.

We have also received and reviewed proof of debt forms received from creditors during the course of the reporting period.

To date claims received have not been adjudicated upon and this will be done in the event that funds become available to make a distribution to creditors, however, based upon current information a distribution is not anticipated.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedures), tax, litigation, pensions and travel

During the administration of this case, the Liquidators have sought decisions from creditors on the basis of our remuneration and whether a creditors committee is formed.

We have also submitted notifications of insolvency and returns to HM Revenue & Customs where necessary.

There has been no financial benefit to the creditors in undertaking this work, however, it would likely be considered necessary for the administration and progression of the case. Creditors will be notified of all of our actions in the progress and/or final reports issued.

5. OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the director's statement of affairs.

Secured creditor

There are no known secured creditors.

Preferential creditors

Preferential claims of employees for arrears of wages, salary and holiday pay were estimated at £1,149.39. To date no claims have been received.

Secondary preferential creditors

The secondary preferential claim of HM Revenue & Customs was estimated at £58.35. To date no claim has been received.

Unsecured creditors

Unsecured creditors were estimated at £42,217.98 and we have received unsecured claims in the total sum of £41,725.93.

On the basis of realisations, the outcome for each class of the Company's creditors is as follows:

Secured creditor

There are no known secured creditors.

Preferential creditors

There are no known preferential claims.

Secondary preferential creditors

Based upon realisations to date and estimated future realisations, there will be insufficient funds available to enable a dividend to be paid to HM Revenue & Customs as secondary preferential creditor.

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

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the

satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of *net property*;
- ☐ 20% of *net property* thereafter;
- ☐ Up to a maximum amount to be made available of £800,000

A liquidator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

To the best of 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

I am required by the Insolvency (England & Wales) Rules 2016 to inform creditors if:

- (a) I intend to declare a final dividend;
- (b) if no dividend will be declared; or
- (c) if no further dividend will be declared.

In this case we confirm that no dividend is available for unsecured creditors as the funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation. Consequently we have not taken steps to formally agree the claims of unsecured creditors.

6. REMUNERATION & EXPENSES

Remuneration

Our remuneration has been fixed by a decision of the creditors by way of correspondence on 1 December 2022 by reference to the time properly given by us (as liquidators) 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 winding up as set out in the fees estimate dated 8 November 2022 in the sum of £11,990.00.

We are also authorised to draw expenses for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy and which is attached at Appendix 2 of this report.

Our time costs for the period from 26 October 2022 to 4 December 2023 amount to £8,712.50 which 30.3 hours at an average rate of £287.54 per hour.

The following further information in relation to our time costs and expenses is set out at Appendix 2:

- ☐ Time Costs Analysis for the period 26 October 2022 to 4 December 2023
- ☐ Begbies Traynor (Central) LLP's charging policy

Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

To 4 December 2023, we have drawn the total sum of £2,172.76 on account of our remuneration, against total time costs of £8,712.50 incurred since the date of our appointment.

What was the anticipated payment for administering the case in full and did the joint liquidators receive that payment?

We estimated that the cost of administering the case would be in the region of £11,990.00, and subsequently you provided approval for us to draw our remuneration up to that level. We anticipated that the remuneration actually drawn would be in the region of £2,000.00 based on the value of assets to realise and the estimated costs to be discharged.

Details of what remuneration has been drawn is detailed above. All additional costs incurred over and above what has been approved are to be written off.

However, please note that should there be additional or unexpected asset realisations, we will look to draw further remuneration from those too, capped at the level that the creditors have approved.

Work undertaken prior to appointment

In addition to the post appointment time costs detailed in the Time Costs Analysis, the costs relating to work undertaken prior to our appointment in assisting with the preparation of the statement of affairs and seeking the decisions of creditors on the nomination of liquidators were approved by the creditors on 26 October 2022.

Category 1 Expenses

To 4 December 2023, we have also drawn expenses in the sum of £1,163.24.

Why have subcontractors been used?

No sub-contractors have been used in this matter.

Category 2 Expenses

In accordance with the resolution obtained in relation to expenses, the following Category 2 expenses have been charged to the case: since the date of our appointment

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Eddisons Commercial Limited, which is a member of the Begbies Traynor group, has provided a valuation and conducted a sale of Company's assets. The purpose of obtaining such services was achieve a fair value for the Company's assets.	965.64
TOTAL	965.64

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at <https://www.begbies-traynorgroup.com/services-to/creditors/creditors-guides>

Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred since our appointment is attached at Appendix 3.

Creditors will recall that we estimated that the expenses of the liquidation would total £2,534.60 – £4,784.60.

8. UNREALISABLE ASSETS

There are no assets that have proved to be unrealisable.

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business, Energy and Industrial Strategy. We can confirm that we have discharged our duties in these respects.

Connected party transactions

In accordance with Statement of Insolvency Practice 13, we are obliged to inform creditors of any sale of the Company's business or assets which involves a party connected to the Company. We confirm that the following assets were sold:

Date of sale	Asset sold and nature of transaction	Consideration paid and date	Name of Purchaser	Relationship with the Company
6 December 2022	IPhone13 Bose Headphones	£400.00 plus VAT	Mr Patrick Beggs	Director and Shareholder

Decision to make a sale to a connected party

The decision to make a sale to a connected party was in order to realise the best value for the assets for the benefit of the company's creditors. The connected party will be able to pay the highest in-situ value as given by the independent agents which will enable the maximum amount to be realised for the sale of the assets. The costs involved with a sale to a connected party will be therefore kept to a minimum as no costs for removal had to be incurred. The sale will be concluded upon appointment thus preventing a lengthy sale process via auction. For these reasons, a sale to a connected party is the most beneficial to the company's creditors.

All alternatives considered:

Selling the assets via Auction

This was an alternative method of sale considered whereby the independent valuation agent would remove the assets and place the items into an online public auction. The assets would therefore sell to the highest bidder. Whilst this option would be an alternative method of sale, there would be considerable extra costs involved with removing the assets from site, insuring the assets, cataloguing the items and listing them for sale. These extra costs would have reduced the amount realised into the Liquidation estate for the benefit of the company's creditors.

Selling to a third party

This was another alternative method of sale considered whereby the assets of the company could be sold to a third party. This method of sale would only be available should a third party express interest in purchasing these assets and in this matter, no third party expressed such interest. In order to sell the assets to a third party, marketing of the business/assets would have to be conducted to raise awareness of the items for sale thereby meaning the sale would have taken longer to conclude. There would also be the additional costs of marketing the assets. There would be no guarantee that a third party sale would have resulted in a higher value of the assets being achieved as the connected party was willing to pay the highest in-situ value as given by the independent agents.

Use of personal information

Please note that although it is our intention to conclude the liquidation, in the course of us continuing to discharge our statutory duties as liquidators, 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.

10. CREDITORS' RIGHTS

Right to request further information

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 which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any 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.

11. CONCLUSION

This report and account of receipts and payments is our final account of the winding-up, showing how the liquidation has been conducted and details of how the Company's property has been disposed of.

No objections were received by the Company's creditors and therefore I have submitted this report to Companies House within 7 days of 8 weeks' notice period provided to creditors, we will now take our release from liability at the same time as vacating office once this report is delivered to Companies House.

Should you require further explanation of any matters contained within this report, you should contact our office and speak to the case manager, Charlene Haycock in the first instance, who will be pleased to assist.



Martin Richard Buttriss
Joint Liquidator

Dated: 4 December 2023

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 26 October 2022 to 4 December 2023

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Eunoia Digital Ltd
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 26/10/2022 To 04/12/2023 £	From 26/10/2022 To 04/12/2023 £
	ASSET REALISATIONS		
NIL	Cash at Bank	NIL	NIL
4,800.00	Cash in Hand	4,800.00	4,800.00
1,600.00	Computer Equipment	945.36	945.36
1,400.00	Stock	1,590.64	1,590.64
		<u>7,336.00</u>	<u>7,336.00</u>
	COST OF REALISATIONS		
	Agents/Valuers Fees (1)	965.64	965.64
	Liquidators' Fees	2,172.76	2,172.76
	Specific Bond	18.00	18.00
	Statement of Affairs Fee	4,000.00	4,000.00
	Statutory Advertising	179.60	179.60
		<u>(7,336.00)</u>	<u>(7,336.00)</u>
	PREFERENTIAL CREDITORS		
(1,149.39)	Employees re Arrears/Hol Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	SECONDARY PREFERENTIAL CREDITORS		
(58.35)	HMRC	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(41,784.04)	Banks/Institutions	NIL	NIL
(243.00)	Employees	NIL	NIL
(100.00)	HMRC (CT)	NIL	NIL
(90.94)	HMRC (EmpR's NIC)	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(35,625.72)</u>		<u>(0.00)</u>	<u>(0.00)</u>
	REPRESENTED BY		
			<u><u>NIL</u></u>

Note:

All sums shown are net of any VAT. Any VAT payable, recoverable or suffered is disclosed separately.

COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 26 October 2022 to 4 December 2023

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This policy 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 creditors' decision being made for the office holder to be remunerated on a time cost basis. Best practice guidance* requires that such information should be disclosed to those who are responsible for approving the basis of an office holder's remuneration. Within our fee estimate creditors can see how we propose to be remunerated.

In addition, this policy 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* indicates that such charges should be disclosed to those who are responsible for approving the basis of 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 their 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 in 6 minute units 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

Expenses are payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements, which are expenses that are initially paid by the office holder's own firm, but which are subsequently reimbursed from the estate when funds are available.

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 expenses (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 expenses (approval required)* - Items of expenditure that are directly related to the case and either:
 - (i) 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; or
 - (ii) are items of expenditure which are payable to an associate of the office holder and/or their firm.

Shared or allocated costs (pursuant to (i) above)

* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an estate

The following expenses include an element of shared or allocated cost and are charged to the case (subject to approval).

- ☐ Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- ☐ Car mileage which is charged at the rate of 45 pence per mile;

Payments anticipated to be made to associates (pursuant to (ii) above)

Services provided by other entities within the Begbies Traynor group

The following expenses which relate to services provided by an entity 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 a valuation and marketing advice for the assets of the company. Their charges will be £750.00 – 1,500.00.

Instruction of Eddisons Commercial Limited to provide advice and conduct a sale of the Company's assets. Their charges will be equivalent to 10% of realisations.

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

Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

General Office Overheads.

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 expense*:

- ☐ Telephone and facsimile

* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an estate

- ❑ 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 Leicester office as at the date of this report are as follows:

Grade of staff	Charge-out rate range (£ per hour) 10th July 2023 until further notice
Appointment taker/partner	560-640
Managers/directors	415-540
Other professional	215-300
Junior professional/support	170

Prior to 10th July 2023, the following rates applied:

Grade of staff	Charge-out rate (£ per hour)
Partner	545
Director	490
Senior Manager	435
Manager	380
Assistant Manager	275
Senior Administrator	240
Administrator	195
Junior Administrator	155
Cashier	155
Secretarial	155

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

As detailed above, time is recorded in 6 minute units.

* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an estate

SIP9 Eunoia Digital Ltd - Creditors Voluntary Liquidation - 62EU084.CVL : Time Costs Analysis From 26/10/2022 To 04/12/2023

Staff Grade	Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	0.7			0.1		0.7				1.5	587.50	391.67
	0.6						0.1	2.0	7.9	10.6	1,884.00	177.74
	1.3			0.1		0.7	0.1	2.0	7.9	12.1	2,471.50	204.26
	0.5			1.4			1.1		0.2	3.2	1,952.00	328.75
Compliance with the Insolvency Act, Rules and best practice	0.4			0.7			0.1		1.8	3.0	829.00	276.33
	0.5			2.8						3.3	1,455.00	440.91
		0.1								0.1	49.00	490.00
	1.4	0.1		4.9			1.2		2.8	9.8	3,385.00	352.80
Investigations	1.3					3.4				4.7	1,524.50	324.36
	1.3					3.4				4.7	1,524.50	324.36
												0.00
	0.4			0.9						1.3	560.00	430.77
Realisation of assets												0.00
	0.4			0.9						1.3	560.00	430.77
												0.00
	0.4			0.9						1.3	560.00	430.77
Trading												0.00
												0.00
												0.00
												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	0.2			0.2						0.4	185.00	462.50
												0.00
												0.00
	0.2			0.2						0.4	185.00	462.50
Other matters which includes meetings, tax, litigation, pensions and travel	0.1								0.7	0.8	163.00	203.75
												0.00
												0.00
	0.2			0.5					0.7	1.4	423.50	302.50
												0.00
												0.00
	0.3			0.5					1.4	2.2	588.50	268.59
	4.9	0.1		6.6		4.1	1.3	2.0	11.3	30.3		
	2,725.50	49.00		2,620.00		984.00	257.50	311.50	1,765.00		8,712.50	
	556.22	490.00		396.87	0.00	240.00	198.08	155.75	158.19		287.54	
											0.00	

STATEMENT OF 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				
Specific Bond	Specialist Risk Insurance Solutions Limited Formerly Known As AUA Insolvency Risk Services Limited	18.00	18.00	Nil
Statutory Advertising	Courts Advertising Limited	179.60	179.60	Nil
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>)				
Agents/Valuers Fees	Eddisons Commercial Limited	965.64	965.64	Nil