

Peter Hall

Independent Business and Insolvency Advice

**Draft Final Report of the Liquidator to Members & Creditors
Pursuant to Section 106 of the Insolvency Act 1986**

19 January 2017

**Freepower Limited in
Creditors' Voluntary Liquidation
(Formerly in Administration)**

Statutory Information

Company Freepower Limited – in Creditors’ Voluntary Liquidation (formerly in Administration)

Registered Office 2 Venture Road
Science Park
Chilworth
Southampton
SO16 7NP

Trading Address 56 Reith Way
West Portway Industrial Estate
Andover
SP10 3TY

Company Number 03959126

Date of Appointment 20 March 2012

Liquidator Peter Hall (IP No. 3966)

Address Peter Hall Limited
2 Venture Road
Science Park
Chilworth
Southampton
SO16 7NP

Introduction

1. I refer to my appointment as Liquidator of the above named company on 20 March 2012 and hereby submit my report regarding the conduct of the liquidation for the period 20 March 2016 to 19 January 2017, in accordance with the Insolvency Act 1986 and the Insolvency Rules.
2. This report should be read in conjunction with my previous reports and correspondence to creditors.

Assets of the Company

Receipts and Payments Account

3. A receipts and payments account for the period and in total is attached at Appendix A.
4. There have been no realisations during the liquidation.
5. The authorities have now completed their work and given us permission to close the liquidation. They have not provided us with their authority to reveal details of the work they were doing.

Assets - Physical

6. As previously reported the costs of removing the physical assets were likely to exceed any amount that could be realised.
7. I therefore decided to spend no more time realising the physical assets.

Assets – Intellectual Property

8. No realisations were possible regarding the intellectual property.

Investigations

9. In accordance with the Company Directors Disqualification Act 1986, a report on the conduct of the director(s) has been submitted to the Insolvency Service. As this is a confidential report I am unable to disclose its content.
10. We have been working closely with Her Majesty's Revenue and Customs ("HMRC")
11. HMRC brought a prosecution for VAT fraud against Mym Simcock and Gordon Matchett. Both pleaded guilty and received suspended sentences.
12. For more details of the case go to the link below:
http://www.salisburyjournal.co.uk/news/12898664.Cousins_who_conned_taxman_out_of_220_000_walk_free_from_court/

Creditors' Claims

Secured Creditors

13. The amount due to National Westminster Bank Plc of £86,000 is secured by its debenture dated 25 September 2009.

Prescribed Part

14. Under the provisions of Section 176A of the Insolvency Act 1986 the liquidator must state the amount of funds available to unsecured creditors in respect of the prescribed part.
15. The Company has a charge dated 25 September 2009 and registered on 1 October 2009 in favour of National Westminster Bank Plc. There is no prescribed part as there have been no realisations during the course of the winding up.

Preferential Creditors

16. The Redundancy Payments Office ("RPO") have a preferential claim in so far as they have met the preferential claims of the employees. The employees will also have preferential claims in respect of their preferential entitlement over and above that paid by the RPO.

Unsecured Creditors

17. Unsecured creditors' claims of £7,003,168 have been received to date.
18. No funds are available to make a distribution to any class of creditor.

Notice of No Dividend

19. In accordance with Rule 11.7(b) of the Insolvency Rules 1986, I attach as Appendix B a formal notice confirming that there will be no dividend in this liquidation.

Liquidator's Disbursements

Category 1 Disbursements

20. The Liquidator has incurred Category 1 disbursements detailed below during the liquidation. These disbursements are charged at cost, however, as there have been no realisations in this case, my firm has settled them. The breakdown is as follows:

Category	Amount
	£
Direct Postage	132.15
Statutory Advertising	76.50
	<hr/>
	208.65
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21. In addition to the above, I will incur a statutory advertising fee of £84.60 + VAT relating to the final meetings of members and creditors. As there are no funds in the case to cover this expense, it will be settled by my firm.

Category 2 Disbursements

22. The Liquidator's current disbursement policy is as follows:
 - 22.1. Mileage – this is reimbursed at 45p per mile, plus 5p per passenger per mile.
 - 22.2. All other disbursements are reimbursed at cost.
23. There have not been any Category 2 disbursements incurred or paid from the liquidation.
24. At a meeting of creditors held on 7 June 2011 the creditors resolved that the former administrator be authorised to draw on account without further reference to creditors his firm's internal expenses, including photocopying, printing, facsimile, document storage and internal meeting room charge.

Liquidator's Remuneration

Basis of Remuneration

25. As the former administrator of the Company, my fees as administrator were approved on 7 June 2011 by creditors by reference to the time properly given by me and my staff in attending to matters arising in the Administration on a time cost basis plus disbursements and VAT.
26. The basis of the Administrators remuneration is carried forward to the liquidation under Rule 4.127(5A) of the Insolvency Rules 1986.

Remuneration

27. Attached at Appendix C(i) is a breakdown of the time costs incurred during the period of this report. You will note that my firm has spent 13.50 hours dealing with matters arising during this period, incurring total chargeable costs of £2,441 which provides an average hourly charge out rate of £180.81.
28. Attached as Appendix C(ii) is a breakdown of my firm's time costs incurred in total since my appointment as liquidator. You will note that my firm has spent 171.30 hours dealing with matters arising during the course of the liquidation, incurring total chargeable costs of £37,425 which provides an hourly charge out rate of £218.48.
29. As there have not been any realisations, I have not been able to draw any fees.
30. All of my firm's outstanding time costs will be written off in full.

Work Undertaken

31. The costs incurred in the period covered by this report relate to administration tasks and statutory tasks, namely reporting to creditors, completing Corporation Tax returns as well as liaising with HM Revenue & Customs and creditors.

32. It is the Liquidator's policy to delegate the routine administration of the Liquidation to junior staff in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff of the firm and the Liquidator. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the Liquidator.
33. In common with all professional firms, scale rates increase from time to time over the period of the administration of each insolvency case. Peter Hall Limited reserves the right to change the rates and grade structure. Full details of the charge out rates applicable to this case are included at Appendix D. Please note that charge out rates from 1 December 2010 to 30 November 2012 were the same as those charged from 1 December 2012 except for Insolvency Practitioner/Director who had a charge out rate of £250 per hour.
34. Examples of work done by my firm during the period of this report are attached as Appendix E.

Creditors' Rights to Request Further Information

35. Creditors and members have a right to request further information in respect of the Liquidator's remuneration and expenses in accordance with Rule 4.49E of the Insolvency Rules 1986.
36. Should any secured creditor or unsecured creditor with the agreement of at least 5% in value of unsecured creditors require any further information about the Liquidator's remuneration or expenses please write to me within 21 days of receipt of this report stating the information required.

Creditors' Rights to Challenge Remuneration and/or Expenses

37. Creditors have the right to challenge the amounts drawn under Rule 4.131.
38. If a creditor believes that the remuneration charged by the liquidator is too high, the basis of his remuneration is inappropriate, or the expenses incurred by the liquidator are in all the circumstances excessive he may, provided certain conditions are met, apply to court.
39. Application may be made to the court by any secured creditor or unsecured creditor with the agreement of at least 10% in value of the creditors (including that creditor) or with permission of the court.
40. Any such application must be made within 8 weeks of the applicant receiving the liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported.
41. A Creditors' Guide to Liquidators fees may be found on the website <http://www.peterhall.org.uk/useful-information>
42. Should you require a hard copy please do not hesitate to contact my colleague Kevin Beech at this office.

Final Meetings

43. I enclose formal notice convening the final meetings of members and creditors pursuant to Section 106 of the Insolvency Act 1986.
44. The final meetings of members and creditors are intended to be held at Peter Hall Limited, 2 Venture Road, Science Park, Chilworth, Southampton SO16 7NP on Friday 17 March 2017 at 11:00am and 11:30am respectively.
45. The purpose of the meetings is to present this report and to seek my release as liquidator. These meetings are purely a formality and therefore there is no necessity to attend.
46. Should you wish to attend by proxy, please complete the attached proxy form. Proxies must be lodged at my office by 12 noon on Thursday 16 March 2017.
47. Should you have any queries regarding this report please do not hesitate to contact my colleague Kevin Beech at this office.

Dated this day: 19 January 2017

A handwritten signature in black ink, appearing to read 'Peter Hall', written over a horizontal line.

Peter Hall
Liquidator

Quality of Service

Our firm places a high priority on client service and is keen to ensure that the quality of this is maintained. If at any time you would like to discuss with us how our firm's service to you could be improved, or if you are dissatisfied with the service you are receiving, please let us know by telephoning us. We will undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If we do not answer your complaint to your satisfaction, you may of course take up the matter with our regulatory body.

Peter Hall's Insolvency Practitioner number is 3966 and Katie Young's number is 15872. We are licensed by The Institute of Chartered Accountants in England and Wales. Complaints can be made to our regulatory body through the Insolvency Practitioner Complaints Gateway by visiting the website <http://www.bis.gov.uk/insolvency/contact-us/IP-Complaints-Gateway> or by email, telephone or post using the contact details below:

Email: ip.complaints@insolvency.gsi.gov.uk

Telephone Number: 0845 6029848

Address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA.