

TO ALL MEMBERS AND ALL CREDITORS WHO ARE NOT OPTED OUT

5 November 2020

Ref: RHK/CGJK/CR/AS
Email: lotusconstruction@uk.ey.com

Dear Sirs

Lotus Construction Limited (in Creditors Voluntary Liquidation) (‘the Company’)

R H Kelly and I were appointed as Joint Liquidators of the Company on 6 November 2012. In accordance with Section 106 of the Insolvency Act 1986 and Rule 6.28 of the Insolvency (England and Wales) Rules 2016, I am now in a position to provide you with a copy of my final account and formal notice that the Company’s affairs are fully wound up.

At Appendix A of this report we provide information about the Company and the Joint Liquidators and formal notice of completion of the winding up. A copy of our receipts and payments account for the period from 6 November 2019 to 5 November 2020 is at Appendix B.

Progress during the period of the report

First and final distribution to non-preferential creditors

Since our last report we have completed the adjudication of non-preferential, unsecured creditor claims against the Company and declared and paid a first and final dividend of c.1.6 pence in the pound on 10 March 2020.

The value of the prescribed part before deducting costs of distribution was £179,744 and the total amount paid to non-preferential creditors was £100,562. No further distributions will be made and we have completed the steps required to close the liquidation.

Joint liquidators’ remuneration

At a meeting of the Creditors on 20 December 2012, the creditors passed a resolution allowing the Joint Liquidators to draw fees based upon time properly spent by them and their staff in attending to matters arising in the Liquidation.

During the period covered by this report we have incurred time costs of £171,791, total time costs incurred to 5 November 2020 total £494,104. An analysis and narrative explanation of the time spent and work done can be found at Appendix C to this report. To date, the Joint Liquidators have drawn fees of £57,901, £7,901 of which were drawn during the period covered by this report.

Joint liquidators' statement of expenses incurred

During the liquidation, we have incurred expenses totalling £21,861.61 plus VAT, £7,991.91 plus VAT of which, were incurred during the period of this report. There is a breakdown of expenses incurred in this period and to date at Appendix D of this report.

During the liquidation, we have incurred disbursements totalling £6,167.28 plus VAT, £2,677.37 plus VAT of which were incurred during the period covered by this report. Of the total sum incurred, disbursements of £3,194.14 plus VAT have been drawn by the Joint Liquidators (all related to Category 1 disbursements and all during the period of this report). No Category 2 disbursements have been drawn. There is a breakdown of disbursements incurred at Appendix D of this report.

Creditors' rights to further information about, and challenge, remuneration and expenses

The statutory provisions relating to remuneration are set out in Chapter 4, Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Liquidators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/technical/insolvency/understanding-business-restructuring-and-insolvency/creditors-guides>. To access the document, select 'Previous guides: England and Wales – effective before 6 April 2017', then 'Liquidators' fees', then select the appropriate guide according to the date of winding up of the company. Alternatively, a copy of the guide is available in hard copy upon written request to the Joint Liquidators.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if creditors consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Liquidators' Fees' referred to above.

Should you have any queries with the contents of this report or the closure of the liquidation please contact my colleague Alex Nicholls on +44 113 298 2522.

Yours faithfully
for the Company



C G J King
Joint Liquidator

Robert Hunter Kelly is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland and Charles Graham John King is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales.

The Joint Liquidators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidator's appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

**Lotus Construction Limited (in Creditors' Voluntary Liquidation)
(‘the Company’)**

**Final account prior to dissolution – notice to creditors under Rule 6.28 of the Insolvency
(England and Wales) Rules 2016**

Registered office address of the Company:	c/o Ernst & Young LLP 1 Bridgewater Place Water Lane Leeds LS11 5QR
Registered number:	02800054
Date of appointment of the Joint Liquidators:	6 November 2012
Details of any changes of liquidator:	None
Full names of the Joint Liquidators:	Robert Hunter Kelly and Charles Graham John King
Office holder numbers:	8582 and 8985
Liquidators' address:	Ernst & Young LLP 1 Bridgewater Place Water Lane Leeds LS11 5QR
Telephone number:	+44 113 298 2522
Name of alternative person to contact with enquiries about the case:	Alex Nicholls

We give notice of the following, in accordance with Rule 6.28:

- (a) The company's affairs are fully wound up
- (b) Creditors have the right to request from the liquidators information about their remuneration and expenses under Rule 18.9 of the Insolvency (England and Wales) Rules 2016
- (c) Creditors have the right to challenge the liquidators remuneration and expenses under Rule 18.34
- (d) A creditor may object to the release of the liquidators by giving notice in writing to the liquidator before the end of the prescribed period
- (e) The prescribed period is the period ending at the later of:
 - a. Eight weeks after delivery of the notice; or

- b. If any request for information under Rule 18.9 or any application to court under that Rule or Rule 18.34 is made when that request or application is finally determined;
- (f) That the liquidator will vacate office under s.171 on delivering to the registrar of companies the final account and notice saying whether any creditor has objected to release; and
- (g) That the liquidator will be released under s.173(b) at the same time as vacating office unless any of the company's creditors objected to the liquidator's release

Signed



C G J King
Joint Liquidator

Date 5 November 2020

**Lotus Construction Limited (in Creditors' Voluntary Liquidation)
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**Joint Liquidators' receipts and payments account for the period from 6 November 2019
to 5 November 2020**

	To 5 November 2019 £	In this Report Period £	Total £
Receipts			
Joint Administrators' surplus	178,524	-	178,524
Interest received	4,910	76	4,986
Other income	13	-	13
	<u>183,448</u>	<u>76</u>	<u>183,523</u>
Payments			
Public notices	(238)	(87)	(325)
Storage charges	(7,517)	(7,012)	(14,529)
Stationery & Photocopying	-	(587)	(587)
Corporation tax	(884)	(146)	(1,030)
Liquidators Fees	(50,000)	(7,901)	(57,901)
Liquidators' disbursements	-	(3,194)	(3,194)
Bank charges and ISA fees	(30)	(113.65)	(144)
Agents fees	(5,201)	-	(5,201)
Distribution to unsecured creditors (c.1.6 pence in the £1)	-	(91,349)	(91,349)
Amounts paid to the Insolvency Services Account in respect of unclaimed dividends payable to creditors	-	(9,213)	(9,213)
Irrecoverable VAT	-	(45.33)	(45)
	<u>(63,870)</u>	<u>(119,649)</u>	<u>(183,519)</u>
Net Realisations	<u>119,578</u>	<u>(119,573)</u>	<u>5</u>
Funds Held:			
Cash at bank			<u>5</u>
			<u>5</u>

Notes

- Receipts and payments are stated net of VAT.
- The liquidators' remuneration was fixed on the basis of time properly spent by them and their staff in attending to matters arising in the Liquidation at a meeting of the creditors on 20 December 2012.
- The amount paid to unsecured creditors by virtue of the application of section 176A, Insolvency Act 1986 (the prescribed part) was £100,562. Of this sum, £9,212.73 was paid to the Insolvency Services Account in respect of unclaimed dividends, and £6,803.55 was paid to the relevant bodies entitled to the dividends of dissolved creditors (depending on jurisdiction).
- The remaining funds held of c.£5 will be retained by the bank (as bank charges) when the bank account is closed.
- All outstanding recoverable VAT claimed by the Company (£5,005.26) has been assigned to Ernst & Young LLP to enable settlement of outstanding invoices in relation to Joint Liquidators remuneration and disbursements. The assignment (and outstanding invoice sums) have been included in the relevant payment lines of the above receipts and payments account.

**Lotus Construction Limited (in Creditors' Voluntary Liquidation)
(‘the Company’)**

Joint Liquidators' time costs from 6 November 2019 to 5 November 2020

Hours							Total hours for the period	Total time cost for the period (£)	Average hourly rate for the period (£)	Cumulative time cost to date (£)
	Partner	Executive Director/D irector	Assistant Director	Senior Executive	Executive	Analyst				
Accounting and Administration	-	-	-	-	36.2	6.3	42.5	15,251.0	358.8	37,394
Bank & Statutory Reporting	-	1.0	-	2.5	14.0	3.8	21.3	8,327.0	390.9	24,070
Creditors (Mandatory)	-	13.0	5.3	8.5	99.1	233.7	359.6	110,772.0	308.0	373,198
Employee Matters	-	-	-	-	14.0	-	14.0	5,250.0	375.0	6,493
Investigation/CDDA	-	-	-	-	-	-	-	-	-	1,300
Other Matters	-	-	-	-	-	-	-	-	-	70
Statutory Duties	-	0.5	-	6.0	51.5	3.5	61.5	24,235.0	394.1	30,075
VAT & Taxation	-	2.0	-	1.5	2.6	15.3	21.4	7,956.0	371.8	21,506
Total hours for the period	-	16.5	5.3	18.5	217.4	262.6	520.3			
Total time cost for the period (£)	-	13,610	4,328	9,620	82,602	61,632		171,791		
Average hourly rate for the period (£)	-	825	817	520	380	235		330		
Cumulative time cost to date (£)	495	38,128	142,338	26,036	166,271	120,838				494,104

Note: time is charged in six minute intervals

Narrative explanation of work done and why it was necessary to be done

Category of work	Description of work
Accounting & Administration	► Overall management of the cases, treasury and accounting functions, statutory compliance diaries and time cost reporting.
Bank and Statutory Reporting	► Preparing annual and final progress reports, sending to creditors and filing at Companies House.
Creditors	► Receipt and recording of creditor claims. ► Correspondence with creditors of the Company. Calculating the Company's net property and Prescribed Part to be set aside and any final surplus, as appropriate. ► Agreeing and adjudicating upon the claims of unsecured creditors. ► Making a first and final distribution to unsecured creditors and corresponding with unsecured creditors following the distributions.
Employee Matters	► Calculating and agreeing employees' unsecured creditor claims. ► Calculating and paying dividends on claims and accounting for tax and National Insurance where appropriate on dividend payments. ► Reviewing and agreeing claims submitted by the RPS and paying dividends as appropriate.
Investigations/CDDA	► Investigations into the Company's affairs in accordance with Statement of Insolvency Practice Number 2, Investigations by Office Holders, and the Company Directors Disqualification Act 1986.
Other matters	► Dealing with ad-hoc queries from the various stakeholders of the Company.
Statutory Duties	► Completion of statutory requirements of the Liquidation, including notifications to creditors and members, advertising the appointment, holding annual meetings of the creditors and the Company and preparations for the closure of the Liquidation.



Category of work

VAT & Taxation

Description of work

- ▶ Preparing annual corporation tax and quarterly VAT returns, with input from EY VAT and tax specialists in respect of periods covered by the Liquidation and preceding Administration.
 - ▶ Assessment of the VAT and tax treatment of transactions and agreements entered into during the Liquidation and preceding Administration.
 - ▶ Deregistering for VAT and submitting claims for VAT refunds post de-registration.
 - ▶ Assigning outstanding VAT refunds over to the relevant assignees in preparation for closure of the liquidation.
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**Lotus Construction Limited (in Creditors' Voluntary Liquidation)
(‘the Company’)**

Summary of Joint Liquidators' expenses incurred

Type of expense	Paid (as at date of previous report) (£)	Paid in this report period (£)	Outstanding (£)	Total (£)
Public notices	237.60	87.48	-	325.08
Storage charges	7,517.04	7,012.36	-	14,529.40
Stationery & Photocopying	-	586.60	-	586.60
Corporation tax	883.98	146.49	-	1,030.47
Bank and ISA charges	30.00	113.65	-	143.65
Agents fees	5,201.08	-	-	5,201.08
Irrecoverable VAT	-	45.33	-	45.33
Total	13,869.70	7,991.91	-	21,861.61

Summary of Joint Liquidators' disbursements incurred

As outlined in the body of the report, we have incurred disbursements totaling £6,167.28 plus VAT, £2,677.37 plus VAT of which were incurred during the period covered by this report. Of the total sum incurred, disbursements of £3,194.14 plus VAT have been drawn by the Joint Liquidators (all related to Category 1 disbursements and all during the period of this report). No Category 2 disbursements have been drawn.

Category 1 disbursements

Type of Category 1 disbursement	Incurred (as at date of previous report) (£)	Incurred in this report period (£)	Outstanding (£)	Total (£)
Outside printing	282.73	290.13	-	572.86
Postage	1,970.78	650.50	-	2,621.28
Total	2,253.51	940.63	-	3,194.14

Category 2 disbursements

Type of Category 2 disbursement	Incurred (as at date of previous report) (£)	Incurred in this report period (£)	Outstanding (£)	Total (£)
Printing	1,236.40	1,736.74	-	2,973.14
Total	1,236.40	1,736.74	-	2,973.14

Disbursements summary

Type of disbursement	Category 1 disbursements (£)	Category 2 disbursements (£)	Total (£)
Printing	572.86	2,973.14	3,546.00
Postage	2,621.30	-	2,621.28
Total	3,194.14	2,973.14	6,167.28

Notes

- 1 Statement of Insolvency Practice 9 (SIP 9) defines expenses as amounts properly payable from the insolvency estate which are not otherwise categorised as office holders' remuneration or distributions to creditors.
- 2 SIP 9 defines disbursements as a type of expense which is met by, and reimbursed to, an office holder in connection with an insolvency appointment. Disbursements fall into two categories: Category 1 and Category 2.
 - Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment
 - Category 2 disbursements are expenses which are directly referable to the appointment but not a payment to an independent third party. They may include shared and allocated costs. Category 2 disbursements are subject to approval from creditors as if they were remuneration.