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# **Joint liquidators' final account**

Ecohouse Developments Limited  
(in liquidation)

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*30 August 2017*

*Our ref: VR/AT/Ecohouse/20170216/CVLo33*

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# ***Abbreviations and definitions***

The following table shows the abbreviations and insolvency terms that may be used in this report:

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<b>Abbreviation or definition</b>	<b>Meaning</b>
Company	Ecohouse Developments Limited
Liquidators	David Chubb and Robert Lewis
firm	PricewaterhouseCoopers LLP
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
Sanders	Sanders & Co LLP, the Company's escrow agents
CPC	CPC Worldwide
unsecured creditors	Creditors who are neither secured nor preferential

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# *Key messages*

## *Why we've sent you this report*

In our last report, we told investors that:

- We had no funding with which to pursue matters in the liquidation further;
- We therefore intended to step down as liquidators; and
- We had been in discussions with a third party who had expressed an interest in taking on the liquidation.

Despite extensive discussions, the third party is not going to take on the liquidation. As a consequence, we have taken steps to conclude the winding up of the Company's affairs.

We're writing to provide our final report and account of the liquidation, including an update since our last progress report.

You can still view our earlier reports on our website at [www.pwc.co.uk/ecohouse](http://www.pwc.co.uk/ecohouse).

## *How much creditors have received*

As previously reported, there are no secured or preferential creditors. There were no funds available to make a distribution to unsecured creditors.

## *What you need to do*

This report is for your information and you don't need to do anything.

The enclosed Notice of Final Report gives details of creditors' rights in relation to requesting further information, challenging the Liquidators' remuneration and expenses and objecting to the Liquidators' release from liability.

More information in relation to creditors' rights can also be found in the guide below:

<http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/creditors-guide-liquidators-fees-final.ashx?la=en>

You can also get a copy free of charge by telephoning Adam Thompson on 0113 289 4983.

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## *What we've done during the liquidation*

When we were appointed, the directors' statement of affairs stated that the Company had no assets. However, three areas were brought to our attention where there was potential for actions could be taken to recover funds for the benefit of creditors. These were:

1. c.£544,000 held by the Company's escrow agents, Sanders;
2. Review of the actions of Sanders and whether they undertook duties in compliance with instructions;  
and
3. Tracing of funds which left the escrow account.

We set out in detail in our previous report, dated 14 March 2017, the steps which have been taken in respect of each of these matters and this detail is not repeated here.

Since our appointment as Liquidators, we have also complied with our statutory obligations such as reporting to creditors, complying with statutory filing obligations and filing tax returns.

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# ***Outcome for creditors***

## ***Secured and preferential creditors***

As noted above, the Company has neither secured nor preferential creditors.

## ***Unsecured creditors***

The unsecured creditors per the directors' statement of affairs total £21,443,254.41. Due to the lack of asset realisations in this case, it was not possible to pay any dividend to unsecured creditors.

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# *Progress since we last reported*

## *Transfer of liquidation*

In our last report, we advised that we were exploring options to find a replacement liquidator so that the liquidation could continue and had been speaking to a prospective liquidator who had been seeking to secure funding to support his appointment.

Following lengthy discussions it became apparent that the prospective liquidator was unable to raise the funding he required to take on the liquidation appointment. In light of this, it is now appropriate that we bring the liquidation to an end and cease to act as liquidators.

## *Statutory and compliance*

During the period from 15 January 2017 to date we have undertaken the following statutory and compliance tasks:

- Prepared and submitted the final tax return and sought tax clearance from HMRC;
- Paid the final liquidation expenses;
- Prepared and submitted the progress reports to creditors, including this final report.

## *Investigations and actions*

Nothing additional has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

## *Our receipts and payments account*

We set out in Appendix A an account of our receipts and payments in the liquidation from 15 January 2017 to 7 August 2017 and for the liquidation in total.

## *Our expenses*

We set out in Appendix B a statement of the expenses we've incurred in the period 15 January 2017 to 7 August 2017.

## *Our fees*

We set out in Appendix C an update on our remuneration which covers our fees, disbursements and other related matters in this case.

## *What we still need to do*

The winding up of the Company is now complete. Following the end of the period within which creditors may object to our release, we will send a copy of this final account to the Registrar of Companies with a statement of whether any creditors of the Company objected. We will vacate office on sending the copy report and statement. This means we will no longer be involved with the Company. However, we understand that groups of creditors may continue to pursue options and we wish them well in their efforts.

As noted in our previous report, we regret that we have been unable to realise assets to enable a distribution to creditors, but we hope that creditors will recognise the significant time investment by the liquidators and their advisors in trying to obtain a better result.

Yours faithfully



David Chubb  
Joint liquidator

*David Chubb and Robert Lewis are both licensed to act in the United Kingdom as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The joint liquidators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>. The joint liquidators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the liquidation.*

# Appendix A: Receipts and payments

	Brought forward 14 January 2017	Total for the period 15 January 2017 to 7 August 2017	Total from 15 January 2015 to 7 August 2017
	£	£	£
<b>Receipts:</b>			
Funding from third parties/chargeholder	26,639.75	-	26,639.75
Bank interest Gross	48.15	1.47	49.62
Payment for copying charges	514.90	-	514.90
<b>Total:</b>	<u>27,202.80</u>	<u>1.47</u>	<u>27,204.27</u>
<b>Payments:</b>			
Office Holders' fees	(15,000.00)	-	(15,000.00)
*Office Holders' expenses	-	(514.90)	(514.90)
Finance / bank charges	(15.00)	-	(15.00)
Storage costs	-	(86.78)	(86.78)
Legal fees & expenses	-	(7,056.04)	(7,056.04)
Irrecoverable VAT	(3,000.00)	(1,531.55)	(4,531.55)
<b>Total:</b>	<u>(18,015.00)</u>	<u>(9,189.27)</u>	<u>(27,204.27)</u>
VATControl	-	-	-
<b>Bank balance at close:</b>	<u>9,187.80</u>	<u>(9,187.80)</u>	<u>-</u>

\* Office holders' expenses relate to the payment of copying charges covered by a third party

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## ***Appendix B: Expenses***

The following table provides details of our expenses. Expenses are amounts properly payable by us as liquidators from the estate and includes our fees, but excludes distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as a liquidation expense because amounts becoming due will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.

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	<b>Outstanding expenses at 14 January 2017</b>	<b>Incurred in the period under review</b>	<b>Paid in the period</b>		<b>Outstanding expenses at 7 August 2017</b>
	<b>(£)</b>	<b>(£)</b>	<b>(£)</b>		<b>(£)</b>
Office Holders' fees	270,134	27,035	-		297,169
Office Holders' expenses	3,466	740	515		3,691
Legal fees	117,175	-	7,056	-	110,119
<b>Total</b>	<b>390,775</b>	<b>27,775</b>	<b>7,571</b>		<b>410,979</b>

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## ***Appendix C: Remuneration update***

The basis of our fees and certain disbursements was agreed at the meeting of creditors on 15 January 2015. The basis of our fees is fixed by reference to the time properly given by them and their staff in attending to matters arising in the Liquidation, including time given by them and their staff to such matters before the Liquidation commenced. It was agreed that a fee of up to £15,000 plus VAT would initially be taken by the Liquidators, from available funds raised by creditors, to be transferred to the Liquidators by CPC Worldwide (“CPC”).

During the period we have incurred time costs of £27,035 for 92.88 hours work, at an average hourly rate of 291.08. We have not drawn any fees during the period.

We set out later in this Appendix details of our work to date, disbursements, subcontracted work and payments to associates.

*Our hours and average rates for the period 15 January 2017 to 6 August 2017*

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average	Cumulative	Cumulative
										hourly rate £	time costs £	hours £
Strategy & Planning	4.40	-	0.25	1.80	-	1.80	3.10	11.35	5,025.65	442.79	144,585.55	284.25
Creditors' committee	-	-	-	3.30	-	-	-	3.30	1,138.50	345.00	18,112.50	52.10
Assets	-	-	-	-	-	-	-	-	-	-	2,920.75	10.95
Investigations	-	-	0.60	3.55	-	-	-	4.15	1,494.75	360.18	51,867.20	176.71
Creditors	-	-	-	7.10	-	1.30	2.30	10.70	2,875.20	268.71	22,133.90	107.35
Accounting and treasury	-	-	0.05	-	1.80	3.95	-	5.80	1,040.35	179.37	14,054.10	81.15
Statutory and compliance	0.50	-	3.20	14.32	0.30	25.10	-	43.42	11,136.40	256.48	44,349.60	186.67
Tax & VAT	-	-	-	2.60	0.30	3.55	-	6.45	1,664.25	258.02	4,729.55	18.34
Employees & pensions	-	-	-	-	-	-	-	-	-	-	358.50	1.80
Closure procedures	-	-	-	7.71	-	-	-	7.71	2,659.95	345.00	9,057.45	22.81
<b>Total for the period</b>	<b>4.90</b>	<b>-</b>	<b>4.10</b>	<b>40.38</b>	<b>2.40</b>	<b>35.70</b>	<b>5.40</b>	<b>92.88</b>	<b>27,035.05</b>	<b>291.08</b>	<b>312,169.10</b>	<b>942.13</b>
<b>Brought forward at 14 Jan 2017</b>								<b>849.25</b>	<b>285,134.05</b>			
<b>Total</b>								<b>942.13</b>	<b>312,169.10</b>			

## *Our time charging policy and hourly rates*

We and our team charge our time for the work we need to do in the liquidation. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or the Liquidators.

All of our staff who work on the liquidation (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. For the avoidance of doubt, work carried out by our cashiers, support and secretarial staff is charged on a time costs basis and is included in the analysis of hourly rates charged by partners or other staff members. Time is charged in three minute units. The minimum time chargeable is three minutes (i.e. 0.05 units). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the liquidation.

<b>Grade</b>	<b>Maximum rate per hour (15 January 2017 to 30 June 2017)</b>	<b>Maximum rate per hour (From 1 July 2017)</b>	<b>Specialist maximum rate per hour (15 January 2017 to 30 June 2017)</b>	<b>Specialist maximum rate per hour (From 1 July 2017)</b>
	<b>(£)</b>	<b>(£)</b>	<b>(£)</b>	<b>(£)</b>
<b>Partner</b>	600	620	1,250	1,315
<b>Director</b>	500	525	1,150	1,210
<b>Senior Manager</b>	435	450	970	1,230
<b>Manager</b>	345	355	700	735
<b>Senior Associate</b>	260	268	515	545
<b>Associate</b>	170	175	255	270
<b>Support staff</b>	89	92	150	160

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases.

## *Payments to associates*

We have not made payments to associates in the period covered by this report.

## *Our work in the period since our last report*

Earlier in this section we have included an analysis of the time spent by the various grades of staff.

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work.

<b>Area of work</b>	<b>Work undertaken</b>	<b>Why the work was necessary</b>	<b>What, if any, financial benefit the work provided to creditors OR whether it was required by statute</b>
<i>Strategy &amp; planning</i>	<ul style="list-style-type: none"> <li>• Case planning and progression meetings</li> <li>• Case filing</li> </ul>	<ul style="list-style-type: none"> <li>• <i>To ensure orderly management and progression of the case</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>To ensure efficient management of the case</i></li> </ul>
<i>Creditors' committee</i>	<ul style="list-style-type: none"> <li>• Responding to committee queries</li> </ul>	<ul style="list-style-type: none"> <li>• <i>To keep the committee abreast of developments</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>No financial benefit</i></li> </ul>
<i>Creditors</i>	<ul style="list-style-type: none"> <li>• Responding to creditor queries</li> </ul>	<ul style="list-style-type: none"> <li>• <i>To deal with creditor queries</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>No financial benefit</i></li> </ul>
<i>Accounting and treasury</i>	<ul style="list-style-type: none"> <li>• Managing bank account</li> <li>• Performing bank reconciliations</li> <li>• Making final payments in the liquidation</li> </ul>	<ul style="list-style-type: none"> <li>• <i>To ensure management of the bank account is up to date</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Secure stewardship of the state funds</i></li> </ul>
<i>Statutory and compliance</i>	<ul style="list-style-type: none"> <li>• Preparing, drafting and issuing annual progress report</li> <li>• Completing statutory six monthly case reviews</li> </ul>	<ul style="list-style-type: none"> <li>• <i>To comply with statutory obligations</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Required by statute or regulation</i></li> </ul>
<i>Tax &amp; VAT</i>	<ul style="list-style-type: none"> <li>• Preparing and submitting the annual tax return</li> </ul>	<ul style="list-style-type: none"> <li>• <i>To comply with statutory obligations</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Required by statute</i></li> </ul>
<i>Closure procedures</i>	<ul style="list-style-type: none"> <li>• Preparing the final report in the liquidation</li> <li>• Obtaining relevant clearances to leave office</li> <li>• Following the relevant procedures to close the liquidation</li> </ul>	<ul style="list-style-type: none"> <li>• <i>To comply with statutory obligations</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Some tasks required by statute</i></li> <li>• <i>Allows the liquidation to be formally closed</i></li> </ul>

## Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

Our expenses policy allows for all properly incurred expenses to be recharged to the liquidation.

The following disbursements arose in the period of this report.

Category	Policy	Costs incurred £
2	<b>Photocopying</b> - at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	-
2	<b>Mileage</b> - At a maximum of 67 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc)	-
1	Postage	707.43
1	Archiving costs	32.41
	<b>Total</b>	<b>739.84</b>

## Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the liquidation where the relationship could give rise to a conflict of interest.

## Details of subcontracted work

We have not subcontracted any work in the period covered by this report.

## Legal and other professional firms

We instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal services, including: • <i>Legal advice</i>	• <i>Taylor Wessing LLP</i>	• <i>Expertise</i>	• <i>Time costs</i>

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## ***Appendix D: Other information***

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Company's registered name:	Ecohouse Developments Limited
Trading name:	Ecohouse Developments Limited
Registered number:	07268358
Registered address:	Central Square, 8 <sup>th</sup> Floor, 29 Wellington Street, Leeds, LS1 4DL
Date of the Liquidators' appointment:	15 January 2015
Liquidators' names, addresses and contact details:	David C Chubb and Robert N Lewis 7 More London Riverside London SE1 2RT <a href="mailto:adam.x.thompson@uk.pwc.com">adam.x.thompson@uk.pwc.com</a>

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