

# Liquidator's Progress Report

# S.192

Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

02441378

Name of Company

D & D Wines International Limited

I / We

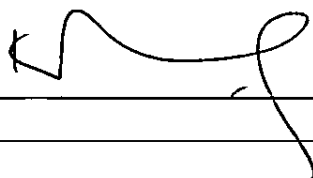
Kerry Bailey, 3 Hardman Street, Spinningfields, Manchester, M3 3HF

Trevor Birch, 3 Hardman Street, Spinningfields, Manchester, M3 3HF

the liquidator(s) of the company attach a copy of my/our Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 10/07/2013 to 09/07/2014

Signed



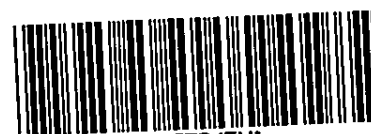
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BDO LLP  
3 Hardman Street  
Spinningfields  
Manchester  
M3 3AT

Ref 04022220/KFB/TB/JCT/RB

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06/09/2014

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COMPANIES HOUSE



**D & D Wines International Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs	From 10/07/2013 To 09/07/2014	From 10/07/2012 To 09/07/2014
<b>ASSET REALISATIONS</b>		
VAT payable from administration	131,947 00	131,947 00
Administration Surplus	NIL	(23,856 31)
Administration Surplus - Sales	NIL	(921,652 37)
Expenses incurred in Administration	38,093 65	91,390 39
Admin debtors collected in liquidation	NIL	(97,143 64)
Furniture and Equipment	NIL	(1,500 00)
Stock	NIL	(765,240 05)
Intellectual property	(2,500 00)	(7,500 00)
Book Debts surplus	NIL	(923,081 30)
Book debts	(13,697 68)	(299,208 35)
Refund of termination fees	NIL	(388,416 65)
Recovered from directors	(24,842 24)	(39,100 32)
Duty bond refund	NIL	(109,057 31)
Bank Interest Gross	(6,054 65)	(15,061 97)
Suspense Account	NIL	(1,000 00)
	<u>(122,946 08)</u>	<u>3,368,480 88</u>
<b>COST OF REALISATIONS</b>		
Insolvency Bonds	NIL	1,100 00
Administrators Fees	264,382 00	265,222 70
Office Holders Pre-Appointment Fees	NIL	32,023 60
Office Holders Fees	62,500 00	459,500 00
Office Holders Expenses	149 27	1,030 26
Payments to lien creditor	NIL	40,638 30
Warehousing costs	NIL	4,478 58
Agents/Valuers Fees	NIL	2,250 00
Commissions payable	16,905 71	75,793 18
Legal Fees	69,900 00	338,259 50
Legal Disbursements	329 47	930 54
Corporation Tax	2,401 40	2,401 40
Non-Reclaimable VAT	NIL	2,157 73
Telephone Telex & Fax	NIL	110 63
Electricity	70 00	218 30
Storage Costs	360 36	1,217 48
Re-Direction of Mail	NIL	110 00
Statutory Advertising	NIL	209 25
Rents Payable	NIL	1,353 10
Rates	NIL	1,150 90
Insurance of Assets	567 86	567 86
Wages & Salaries	NIL	8,779 90
PAYE & NI	NIL	1,761 80
Bank Charges	NIL	15 00
Subcontractors	NIL	2,870 00
	<u>(417,566 07)</u>	<u>(1,244,150 01)</u>
<b>PREFERENTIAL CREDITORS</b>		
Department of Employment	NIL	18,240 79
Employees Wage Arrears	NIL	8,452 79
	<u>NIL</u>	<u>(26,693 58)</u>
<b>UNSECURED CREDITORS</b>		
Trade & Expense Creditors	238,958 62	1,206,775 98

**D & D Wines International Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs	From 10/07/2013 To 09/07/2014	From 10/07/2012 To 09/07/2014
Employees	4,503 23	4,503 23
Redundancy Payments Office	2,864 20	14,846 95
HM Revenue & Customs	NIL	8,645 13
	(246,326 05)	(1,234,771 29)
	<u>(786,838 20)</u>	<u>862,866.00</u>

REPRESENTED BY

VAT Receivable	102,232 19
Bank 2 - Bank of Scotland No 3 Ac	362,543 87
Bank 1 - Current	239,829 03
Bank 1 - Bank of Scotland No 2 Ac	158,760 91
VAT Payable	(500 00)
	<u>862,866.00</u>

Kerry Bailey  
Joint Liquidator



Tel +44 (0)161 817 7500  
Fax +44 (0)161 817 7683  
[www.bdo.co.uk](http://www.bdo.co.uk)

3 Hardman Street  
Spinningfields  
Manchester  
M3 3AT

## TO ALL KNOWN CREDITORS

5 September 2014

Dear Sirs

**D & D Wines International Limited - In Liquidation ("the Company" or "DDWI")**

**Report to creditors on the progress of the Liquidation pursuant to Rule 4.49C of the Insolvency Rules 1986**

I write to give you a progress report on the conduct of the Liquidation for the period from 10 July 2013 to 9 July 2014 ("the period") for the Company.

The following schedules are attached to this report

- Statutory information;
- The Joint Liquidators' Abstract of Receipts and Payments for the period of the report (a separate report for each currency held),
- An analysis of the time charged to the Liquidation estate in the period;
- An analysis of the total time charged since the start of the Liquidation, and
- A schedule of the BDO LLP charge out rates applicable to this matter.

There has been no change to the Insolvency Practitioners appointed to deal with this matter. Our address for correspondence and contact is as follows:

Kerry Bailey and Trevor Birch  
Joint Liquidators of D & D Wines International Limited  
BDO LLP  
3 Hardman Street  
Manchester  
M3 3AT

Tel. 0161 817 7500

Email [kerry.bailey@bdo.co.uk](mailto:kerry.bailey@bdo.co.uk), [trevor.birch@bdo.co.uk](mailto:trevor.birch@bdo.co.uk)

Direct tel 0161 817 7500 | Direct fax 0161 832 3849

Email [richard.bate@bdo.co.uk](mailto:richard.bate@bdo.co.uk) | [www.bdo.co.uk](http://www.bdo.co.uk)

BDO LLP | 3 Hardman Street | Spinningfields | Manchester | M3 3AT | DX 715600 Manchester

Details of the authorising bodies of the insolvency appointment takers of BDO LLP are available at [www.bdo.co.uk/services/advisory/business\\_restructuring/authorising\\_bodies\\_insolvency\\_appointment\\_takers](http://www.bdo.co.uk/services/advisory/business_restructuring/authorising_bodies_insolvency_appointment_takers)

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Services Authority to conduct investment business.

## **Background**

This report should be read in conjunction with the Joint Liquidators' progress report for the period 10 July 2012 to 9 July 2013, which detailed the background to our appointment, the assets that we have sought to realise and the investigations that we have undertaken in accordance with the wishes of the Company's creditors.

### **1 Asset Realisations**

#### **1.1 Intellectual property**

The Liquidators have realised £2,500 in the period in finalising the sales of intellectual property.

#### **1.2 Book debts**

The Liquidators have collected £13,698 from debtors in the period. Further amounts which were outstanding according to the books and records of the Company have been pursued by both the Liquidators and their legal advisers. However, many customers had contra claims against DDWI for rebates etc. which means that the amounts included within the books and records of the Company as owing to it did not reflect the true position on recoverability. Following exploration of all of the amounts outstanding per the Company's records, no further book debts are expected to be recovered.

#### **1.3 Recovered from directors**

The Liquidators have recovered £28,516 in the period from two directors. The full balance of £42,774 owed to the Company by these directors has now been recovered. As previously reported, this sum related to tax payments made by the Company which related to personal liabilities of the two directors.

#### **1.4 Purchase ledger refund**

The Liquidators engaged a firm of accounts payable auditors, CAPA UK, on a no win no fee basis, to review the Company's records for purchase ledger overpayments. As a result of their work, €57,080 was recovered for the estate.

#### **1.5 Bank interest**

Bank interest of £6,055 has been received in the period.

### **2 Costs incurred other than Liquidators' fees and expenses**

#### **2.1 Expenses incurred in the Administration**

The Liquidators have made payments to various parties in respect of services provided to the Administrators that had not been paid at the time that the Company was moved into Liquidation.

The Administrators' own remuneration and associated legal fees were agreed and paid in the period, in the sum of £300,000 plus VAT. Additional expenses of £2,476 incurred by the Administrators were also paid.

VAT of £131,947 was payable in respect of the Company's trading during the Administration period. This has been accounted for in the period.



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## **2.2 Legal fees**

During the period, the Liquidators have continued to obtain legal advice in respect of various matters which have required their investigation. As previously reported to creditors, the Liquidators engaged two firms of solicitors to deal with various claims, investigations, sales contracts and debt collections

S C Andrew LLP were instructed due to their sector expertise and the background knowledge they had of the Company and the Administration Shoosmiths LLP were instructed to deal with issues where it was advantageous to have a firm local to the Liquidators. There has been no duplication of costs or work by the two firms

In the period 10 July 2013 to 9 July 2014 S C Andrew LLP were paid £36,730. Part of these fees related to an application to Court, under s236 of the Insolvency Act, for information from Lanchester Wine Sales Limited in relation to the Liquidators' investigations into the Company's affairs. Ultimately this matter was resolved out of Court and a settlement of £15,000 was paid to the Liquidators. This is included within the receipts and payments account as a reduction in total legal costs incurred.

The remainder of SC Andrew LLP's fees related to advice in respect of various investigations undertaken by the Liquidators in accordance with the wishes of the creditors' committee.

The Liquidators have instructed Counsel on various matters, including those noted below, and fees totalling £48,170 have been incurred and paid in the period for advice and representation in Court.

The majority of these costs relate to a dispute being the Company and Angove Pty Limited ("Angove") concerning monies held in trust accounts (including £362,544 held on trust by the Liquidators at 9 July 2014). The Court originally found that these monies should be paid to Angove. However, the Liquidators appealed the Court's decision, which was subsequently overturned by the Court of Appeal in March 2014. Angove has sought to have the matter heard by the Supreme Court and a decision is awaited on whether permission to appeal will be granted to Angove. Costs incurred in this matter, including a significant element of Counsel's fees noted above, will be recoverable if the Court of Appeal's decision is not reversed.

Shoosmiths LLP have not been paid any fees in the period but have accrued costs across this period and the previous one of £59,500. This includes costs incurred in the Angove matter which may prove recoverable, and for this reason the costs are anticipated to be settled upon resolution of the Angove matter.

## **2.3 Commissions payable**

Commission of £16,906 has been paid to CAPA UK, for their work auditing the purchase ledger records of the Company and recovering €57,080 for the estate (as described in section 1.4 of this report).

## **2.4 Other costs**

The Receipts and Payments account details the other, less material, expenses incurred in the Liquidation up to 9 July 2014. The Liquidators' fees are explained in section 5 of this report.

## **3 Creditor claims and distributions**

- 3.1 The Company's secured creditor, Centric, was repaid in full from book debt collections prior to the appointment of the Liquidators





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- 3.2 The preferential claims of the employees of the Company totalled £26,694 and were paid in full in the first year of the Liquidation, as previously reported.
- 3.3 On 14 March 2013 a first interim dividend, of 12.18p in the pound, was declared to the Company's unsecured creditors. In total £988,455 was distributed to the unsecured creditors.
- 3.4 On 18 December 2013 a second interim dividend, of 2.91p in the pound, was declared to the Company's unsecured creditors. In total £250,000 was distributed to the unsecured creditors.
- 3.5 The Liquidators expect to be able to make a third and final dividend distribution to unsecured creditors. The timing and value of that dividend will depend upon the outcome of the Angove matter.

#### **4 Conduct of the directors**

- 4.1 A report on the conduct of the directors was made in the first year of the Liquidation to the Insolvency Service, pursuant to rule 4 of the Insolvent Companies (Reports on Conduct of Directors) Rules 1996. The contents of this report remain confidential.

#### **5 Liquidators' remuneration and disbursements**

- 5.1 As previously reported, at the first meeting of the creditors' committee, held on 13 September 2012, the committee approved several resolutions, including that i) the Liquidators' pre-appointment time costs (£32,023.60) be paid as a cost of the Liquidation; ii) the Liquidators be remunerated on a time cost basis; and iii) the Liquidators were authorised to draw sums on account.
- 5.2 Included in this report at Appendix 3 is a report of the time costs incurred by the Liquidators in the period 10 July 2013 to 9 July 2014. The costs incurred in the period amounted to £76,512, representing 341 hours at an average charge out rate of £224 per hour.
- 5.3 Included in this report at Appendix 4 is an analysis of the total time costs incurred in the Liquidation to date. As previously reported, from 1 June 2013 the time recording system used for this matter was changed. Therefore there are two schedules in this Appendix, one detailing the time spent from 10 July 2012 to 31 May 2013 and the other showing the time from 1 June 2013 to 9 July 2014.
- 5.4 Total time costs from 10 July 2012 to 9 July 2014 were £532,582, representing 2,214 hours at an average charge out rate of £241 per hour. Fees of £62,500 have been drawn in the period bringing the total fees drawn on account to £459,500.
- 5.5 £73,082 of time costs have yet to be billed. No further bills will be raised until the outcome of the Angove matter is known.
- 5.6 Attached at Appendix 5 is a schedule of the charge out rates which have been applied to this matter since 1 June 2013 along with our policy on disbursements.
- 5.7 Time costs relate to time properly spent by the Liquidators and their staff in attending to matters arising in the Liquidation. Where members of staff have been employed on this case they have been so based on their experience and abilities in dealing with a case of this nature. Where appropriate certain staff have dealt with a specific area of the Liquidation due to their specialist skills in that area. BDO LLP's scale rates may increase from time to time over the period of an assignment.
- 5.8 All staff who have worked on this matter, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the enclosed analysis. The cost of staff employed in central Administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

5.9 The Liquidators have incurred the following disbursements in the period:

Description	Category 1 Disbursements (£)	Category 2 Disbursements (£)
Statutory advertising	149.27	-
Total	149.27	149.27

5.10 All disbursements have been paid in full


5.11 In accordance with Rule 4.49E of the Insolvency Rules 1986 any unsecured creditor with the concurrence of at least 5% in value of the total unsecured creditors (including the value of their own claim) or with the permission of the court, or any secured creditor may make a formal request in writing to the Liquidators(s) for further information about the remuneration or expenses (other than pre-Liquidation costs) set out in this report. Such a request must be made within 21 days from the date of receipt of this progress report

5.12 Additionally, creditors who believe that the Liquidators' remuneration is, in the circumstances, excessive or inappropriate may apply to the court under the provisions of Rule 4.131 of the Insolvency Rules 1986. Such application may be made by a secured creditor or any unsecured creditor, the latter requiring the concurrence of 10% of the total unsecured creditors (including their own claim) or the permission of the court

## 6 Concluding Comments

6.1 I trust the above provides you with sufficient information, but if you require more information, have any questions or wish to provide the Liquidators with any information which you think may assist them, please contact Richard Bate of this office in the first instance. His contact details are shown at the foot of the first page of this report

Yours faithfully



Kerry Bailey  
Joint Liquidator

## STATUTORY INFORMATION

**Company name** D & D Wines International Limited

**Registration number** 02441378

**Registered office address** 3 Hardman Street  
Spinningfields  
Manchester  
M3 3AT

**Liquidators details** Kerry Bailey  
BDO LLP  
3 Hardman Street  
Spinningfields  
Manchester  
M3 3AT

Appointed 10 July 2012  
Resigned Not applicable

Trevor Birch  
BDO LLP  
3 Hardman Street  
Spinningfields  
Manchester  
M3 3AT

Appointed: 10 July 2012  
Resigned: Not applicable

**D & D Wines International Limited**  
(In Liquidation)

**Summary of Receipts & Payments**  
**10 July 2012 to 09 July 2014**

	10 July 2012 to 9 July 2013	10 July 2013 to 9 July 2014	10 July 2012 to 9 July 2014
<b>FROM ADMINISTRATION</b>	<b>(£)</b>	<b>(£)</b>	<b>(£)</b>
Funds transferred by Administrators	23 856 31		23 856 31
Expenses incurred in Administration paid in Liquidation	(60 860 74)		(60 860 74)
VAT payable from trading whilst in administration		(131 947 00)	(131 947 00)
Administrators fees		(264 382 00)	(264 382 00)
Administrators expenses	(840 70)	(38 093 65)	(38 934 35)
	<u>(37 845 13)</u>	<u>(434 422 65)</u>	<u>(472 267 78)</u>
Funds held on trust Angove	359 183 10	-	359 183 10
Funds held on trust Lanchester Wine Sales	562 469 27	-	562 469 27
	<u>883,807 24</u>	<u>(434,422 65)</u>	<u>449,384 59</u>
<b>IN LIQUIDATION</b>			
<b>Receipts</b>			
Trade debtors	97,143 64	-	97,143 64
Furniture and Equipment	1 500 00	-	1,500 00
Stock	766,240 05	-	766,240 05
Intellectual property	5 000 00	2 500 00	7 500 00
Book debts surplus recovered from Centric	222,747 99	-	222,747 99
Book debts	285,510 67	13 697 68	299 208 35
Refund of termination fees	388,416 65	-	388 416 65
Recovered from directors	14,258 08	28 516 19	42 774 27
Duty bond refund	109,057 31	-	109,057 31
Bank Interest Gross	9 007 32	6 054 65	15 061 97
	<u>1,898,881 71</u>	<u>50,768 52</u>	<u>1,949,650 23</u>
<b>Payments</b>			
Settlement with supplier	-	-	-
Insolvency Bonds	1 100 00	-	1 100 00
Office Holders Pre-Appointment Fees	32 023 60	-	32 023 60
Office Holders Fees	397 000 00	62 500 00	459 500 00
Office Holders Expenses	880 99	149 27	1 030 26
Payments to lien creditor	40 638 30	-	40 638 30
Warehousing costs	4 478 58	-	4 478 58
Agents/Valuers Fees	2 250 00	-	2 250 00
Commissions payable	58 887 47	16 905 71	75,793 18
Legal Fees	260,795 50	69 900 00	330,695 50
Legal Disbursements	601 07	329 47	930 54
Telephone Telex & Fax	110 63	-	110 63
Electricity	148 30	70 00	218 30
Storage Costs	857 12	360 36	1,217 48
Re Direction of Mail	110 00	-	110 00
Statutory Advertising	209 25	-	209 25
Rents Payable	1,353 10	-	1 353 10
Rates	1,150 90	-	1 150 90
Insurance of assets	-	567 86	567 86
Wages & Salaries	8 779 90	-	8 779 90
PAYE & NI	1,761 80	-	1 761 80
Bank Charges	15 00	-	15 00
Subcontractors	2 870 00	-	2 870 00
Non reclaimable VAT	-	2,157 73	2 157 73
Corporation tax	-	2 401 40	2 401 40
	<u>816,021 51</u>	<u>155,341 80</u>	<u>971,363 31</u>
<b>Distributions</b>			
Preferential - Department of Employment	18 240 79	-	18 240 79
Preferential - Employees	8,452 79	-	8 452 79
Unsecured Trade & Expense Creditors	956 957 98	238 958 62	1 195 916 60
Unsecured - Employees	10 859 38	8 177 18	19 036 56
Unsecured Redundancy Payments Office	11 982 75	2 864 20	14 846 95
HM Revenue & Customs	8 645 13	-	8 645 13
	<u>1,015,138 82</u>	<u>250,000 00</u>	<u>1,265,138 82</u>
Transferred fro Euro account	700,333 31	-	700 333 31
<b>Net receipts less payments</b>	<u>1,651,861 93</u>	<u>(788,995 93)</u>	<u>862,866 00</u>
<b>Represented by</b>			
Cash at Bank	1,246 306 04		398 589 94
Held on trust Angove	360,884 29		362 543 87
VAT recoverable	44,671 60		101,732 19
	<u>1,651,861 93</u>	<u>-</u>	<u>862,866 00</u>

**D & D Wines International Limited**  
(In Liquidation)

**Summary of Receipts & Payments**  
**10 July 2012 to 09 July 2014**

	10 July 2012 to 9 July 2013	10 July 2013 to 9 July 2014	10 July 2012 to 9 July 2014
	(€)	(€)	(€)
<b>IN LIQUIDATION</b>			
<b>Receipts</b>			
Book debts surplus recovered from Centric	906,245 75	-	906,245 75
Recovery of purchase ledger overpayments	-	57,080 00	57,080 00
	<u>906,245 75</u>	<u>57,080.00</u>	<u>963,325 75</u>
<b>Payments</b>			
Settlement with supplier	73,031 94	-	73,031 94
Bank Charges	27 27	-	27 27
	<u>73,059 21</u>	<u>-</u>	<u>73,059 21</u>
<b>Distributions</b>			
Transferred to Sterling account	(833,186 54)	-	(833,186 54)
<b>Net receipts less payments</b>	<u>-</u>	<u>57,080.00</u>	<u>57,080 00</u>
<b>Represented by</b>			
Cash at Bank	-	57,080 00	57,080.00
	<u>-</u>	<u>57,080 00</u>	<u>57,080.00</u>



**D & D Wines International Limited**  
(In Liquidation)

**Summary of Receipts & Payments**  
**10 July 2012 to 09 July 2014**

	10 July 2012 to 9 July 2013	10 July 2013 to 9 July 2014	10 July 2012 to 9 July 2014
	(\$)	(\$)	(\$)
<b>Receipts</b>			
Book debts surplus recovered from Centric	39,224 17	-	39,224 17
	<u>39,224 17</u>	<u>-</u>	<u>39,224 17</u>
<b>Payments</b>			
Legal fees	9,783 17	-	9,783 17
Bank Charges	47 75	-	47 75
	<u>9,830 92</u>	<u>-</u>	<u>9,830 92</u>
<b>Net receipts less payments</b>	<u>29,393 25</u>	<u>-</u>	<u>29,393 25</u>
<b>Represented by</b>			
Cash at Bank	29,393 25	-	29,393 25
	<u>29,393 25</u>	<u>-</u>	<u>29,393 25</u>



#### Note to Receipts and Payments account

The directors of the Company prepared a statement of affairs for the Company as at 20 April 2012, the date that the Company entered into administration. No statement of the affairs of the Company as at 10 July 2012, when the Company entered into Liquidation, was prepared. The asset values included in the statement of affairs have therefore not been shown on the Receipts and Payments Account since they are not comparable with the realisations made in the Liquidation period only.



## C &amp; D WINES INTERNATIONAL LIMITED - IN LIQUIDATION

[illegible]



**D & D WINES INTERNATIONAL LIMITED - IN LIQUIDATION**

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	AVERAGE RATE	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £			
C Planning and Strategy	2 00	1,316 00	3 70	907 50	10 50	1,921.50							16 20	4,145.00	255 86
D. General Administration	23.40	10,767.60	155.05	32,387.65	36.75	6,517.45	7 80	1,333 25	7 05	1,129 00	12 75	886 95	242.80	53,021 90	218 38
E Assets Realisation/Dealing	2 00	922 00	4 20	1,230 60	27 20	4,689 00							33 40	6,841.60	204 84
G. Employee Matters			0.90	182 70	7 40	1,221 60					0 50	42 50	8 80	1,446 80	164 41
H Creditor Claims	1 50	592 50	5 00	1,042 60	9 70	1,762 10							16.20	3,397 20	209 70
I Reporting	4 00	1,844.00	9 35	2,302 85	18 15	3,274 65							31 50	7,421 50	235 60
J Distribution and Closure	1 80	810 00	12 90	2,671 95	6 00	994 00							20 70	4,475 95	216 23
K Work			13 05	4,155 25	0 50	111.50			11 75	791 25			25 30	5,058 00	199 92
													394 90	85,807.95	217 29







## D & D Wines International Limited (In Liquidation)

In accordance with best practice I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour for staff within my firm who may be involved in working on the insolvency are as follows

### GRADE £

Partner	461
Director	295
Senior Manager	271-295
Manager	203-230
Assistant Manager	183
Senior Executive	172
Executive	155
Junior Executive	97
Cashier	183
Support staff/Secretary	64

This in no way implies that staff at all such grades will work on the case.

The rates charged by BDO LLP, 3 Hardman Street, Manchester, M3 3AT are reviewed in December and July each year and are adjusted to take account of inflation and the firm's overheads, although the rates above have been in place since 1 June 2013

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories -

- Pre Appointment
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues.

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.





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## **Other Costs**

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories

### **1) Category 1**

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), searches at Companies House, land registry searches, fees in respect of swearing legal documents, external printing costs etc. In each case the recharge will be reimbursement of a specific expense incurred. These category 1 disbursements do not require the approval by the creditors before they are drawn.

### **2) Category 2**

Additionally some firms recharge expenses for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of a each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors, before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP, effective from 1 July 2003, is not to recharge any expense which is not a specific cost to the case, with the exception of the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the Inland Revenue Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff.

Category 2 disbursements, because they are imprecise, require approval by the creditors before they can be drawn.

Where applicable, disbursements will be subject to VAT at the prevailing rate

BDO LLP  
5 September 2014