

WU07

Notice of progress report in a winding-up by the court



Companies House

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

1 Company details

Company number

Company name in full

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s)

Surname

3 Liquidator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator

Use this section to tell us about
another liquidator.

WU07

Notice of progress report in a winding-up by the court

6 Period of progress report

From date	^d 1	^d 0	^m 0	^m 1	^y 2	^y 0	^y 2	^y 1
To date	^d 0	^d 9	^m 0	^m 1	^y 2	^y 0	^y 2	^y 2

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 0	^d 7	^m 0	^m 3	^y 2	^y 0	^y 2	^y 2
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

**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 **Liam Clarke**

Company name **Smith & Williamson LLP**

Address **25 Moorgate**

London

Post town **EC2R 6AY**

County/Region

Postcode

Country

DX **119507 Finsbury Square EC2**

Telephone **020 7131 4000**

**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



Inclarity Limited (in compulsory liquidation)

Joint liquidators' annual progress report for the period from 10 January 2021 to 9 January 2022

7 March 2022



Contents

1.	Glossary	1
2.	Introduction and statutory information	2
3.	Realisation of assets	3
4.	Investigations	3
5.	Creditors	4
6.	Liquidators' remuneration	5
7.	Liquidation expenses	6
8.	Outstanding matters	8
9.	Privacy and Data Protection	8
10.	Creditors' rights	9
11.	Next report	9

Appendices

I	Receipts and payments account	11
II	Time analysis for the period	12
III	Cumulative time analysis	13
IV	Staffing, charging, subcontractor and adviser policies and charge out rates	14



1. Glossary

Abbreviation	Description
the Company	Inclarity Limited
HMRC	HM Revenue & Customs
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
the liquidators/joint liquidators	Henry Anthony Shinnars and Adam Henry Stephens
SIP	Statement of Insolvency Practice (England & Wales)
SOA	Statement of Affairs

2. Introduction and statutory information

This report provides an update on the progress in the liquidation of the Company for the year ended 9 January 2022. It should be read in conjunction with any previous reports.

By way of reminder, Inclarity Limited went into administration on 22 April 2010 and Simon Thomas and Fred Satow of Moorfields Corporate Recovery LLP were appointed joint administrators of the Company.

The Company was subsequently wound up by way of a court order on 28 January 2011, on a petition presented on 22 October 2010 by the joint administrators of the Company. The Official Receiver decided not to convene a meeting of creditors and made an application to the Secretary of State for the appointment of Steven Edward Butt and Anthony Cliff Spicer, both of Smith & Williamson LLP, 25 Moorgate, London EC2R 6AY as the joint liquidators, which was confirmed on 19 May 2011.

On 10 January 2012, Henry Anthony Shinnars of Smith & Williamson, 25 Moorgate, London, EC2R 6AY replaced Steven Edward Butt as joint liquidator. Steven Edward Butt, who had left Smith & Williamson, was removed as joint liquidator by an order made by Registrar Baister sitting in the Companies Court, Chancery Division in the High Court of Justice pursuant to an application for a block transfer of insolvency appointments.

Anthony Cliff Spicer has ceased to act as office holder of this estate following an application for a block transfer order on the grounds of his retirement. The Order was sealed on 15 February 2016 by District Judge Exton sitting in the Chancery Division of the High Court of Justice Bristol District Registry (Court No. 6 of 2016). Adam Henry Stephens was appointed as the replacement joint liquidator by virtue of the same order, and the effective date of his appointment is 22 February 2016.

The joint liquidators of the Company are appointed to manage its affairs, business and property. They act as agents and without personal liability.

Both office-holders are authorised and licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. Further details of their licensing body along with our complaints and compensation procedure can be accessed at: <https://smithandwilliamson.com/en/insolvency-licensing-bodies/>

The Joint Liquidators are bound by the Insolvency Code of Ethics which can be found at:

<https://www.icaew.com/technical/insolvency/sips-regulations-and-guidance/insolvency-code-of-ethics>

The principal trading address of the Company was 607 High Road, North Finchley, London, N12 0DZ. The Company's registered office is 25 Moorgate, London, EC2R 6AY and its registered number is 02673204.

3. Realisation of assets

Attached at Appendix I is our receipts and payments account for the period from 10 January 2021 to 9 January 2022. This account includes cumulative figures for the period from 19 May 2011 to 9 January 2022.

The receipts and payments account includes the funds passed to the liquidation estate from the joint administrators and assets realised by us as joint liquidators since appointment. Where assets had not been realised by the joint administrators, the estimated realisable value, according to the directors' statement of affairs is included for ease of comparison.

As stated previously further asset recoveries in respect of the Company were specifically linked to the joint liquidator's investigations. These investigations have now been concluded and it has been confirmed that no further actions / recoveries are pursuable in the liquidation.

Within the period we have been seeking to resolve matters with HMRC, to resolve expenses of the liquidation to the extent available from the funds in the estate, in order to proceed to finalise the liquidation.

The final VAT reclaim was submitted prior to the commencement of this reporting period. Unfortunately, due to delays within HMRC, in light of a reallocation of resources due to COVID and their response to payments electronic payments to BEIS, the receipt of this final reclaim was delayed by a year.

These HMRC delays resulted in additional quarterly banking fees of £88.00. The subsequent VAT reclaim repayment was then subject to Secretary of State Fees of £84.00, which was deducted from the VAT receipt achieved in the period.

4. Investigations

Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by the former administrators of the Company. Our investigations have not revealed any issues requiring further report.

5. Creditors

5.1 Secured creditors

The assets of the Company are subject to fixed and floating charges by virtue of the debenture granted to Barclays Bank Plc on 31 August 2000 which was subsequently assigned to Danston Holdings Limited ("Danston") on 30 March 2010. A second fixed and floating charge was granted in favour of Aktiva Invest International N.V. ("Aktiva") on 29 March 2008.

As Danston's debenture was created prior to 15 September 2003, the floating charge realisations are not subject to a Prescribed Part (see Section 5.2) to the extent that they are required to settle the amounts owing to Danston. However, Danston have been repaid in full their debt of £917,778 within the administration, as a result, the residual realisations are subject to the second fixed and floating charge in favour of Aktiva. Aktiva subsequently received £55,694 under its fixed charge.

5.2 Prescribed Part

Insolvency legislation provides for funds to be set aside for the unsecured creditors from any assets subject to a floating charge that was created after 15 September 2003. These funds (the Prescribed Part) are paid to the unsecured creditors and are not available for the chargee, unless the unsecured creditors have been paid in full.

As detailed above, the Company granted a floating charge to Barclay's Bank plc on 31 August 2020, which was assigned to Danston. Accordingly, there is no requirement to create a Prescribed Part fund out of the Company's net floating charge property for unsecured creditors, as this requirement only applies to charges created after 15 September 2003.

In addition, the Company granted a floating charge to Aktiva on 29 March 2008. Accordingly, we are required to create a Prescribed Part fund out of the Company's net floating charge property for unsecured creditors. Based on present information, we estimate the value of the Company's net floating charge property to be nil. Accordingly, on present information there will not be any Prescribed Part fund available for a distribution to unsecured creditors.

5.3 Ordinary and secondary preferential creditors

No preferential claims have been received by the joint liquidators.

5.4 Unsecured creditors

We have received claims totalling £3,440,470.75 from 104 creditors. Total claims as per the directors' SOA provided to the former joint administrators were £43,274,890.54.

As previously advised, we confirm that no dividend to unsecured creditors will be made in this case.

6. Liquidators' remuneration

We have previously advised creditors, in our letter to creditors dated 27 June 2011, that no meeting of creditors to set the joint liquidators' remuneration has been called. No significant assets had been realised and no further recoveries to enable a return to creditors were envisaged. As such, the joint liquidators could not justify incurring costs, to summon a meeting of the Company's creditors for the purpose of determining whether a Liquidation Committee should be established, and the basis of the joint liquidator's remuneration agreed.

Due to the reasons detailed above no resolution was sought from creditors within 18 months of their appointment in respect of the joint liquidators' remuneration. Therefore, in accordance with Rule 18.22(b) of IR16 the joint liquidators' remuneration is set in accordance with Schedule 11 of IR16.

The liquidators' time costs are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
19 May 2011 to 10 January 2012	40.95	10,034.25	245.04	Nil
10 January 2012 to 9 January 2013	37.50	9,629.75	256.79	Nil
10 January 2013 to 9 January 2014	10.75	2,391.25	222.44	Nil
10 January 2014 to 9 January 2015	18.60	5,208.50	280.03	Nil
10 January 2015 to 9 January 2016	4.00	1,017.25	254.31	Nil
10 January 2016 to 9 January 2017	7.55	2,027.00	268.48	Nil
10 January 2017 to 9 January 2018	9.75	2,032.00	208.41	Nil
10 January 2018 to 9 January 2019	12.35	3,467.00	280.73	Nil
10 January 2019 to 9 January 2020	12.30	3,807.50	309.55	Nil
10 January 2020 to 9 January 2021	2.85	911.25	319.74	Nil
10 January 2021 to 9 January 2022	8.55	3,517.75	411.43	Nil
Total	165.15	44,043.50	266.69	Nil

Note: Due to system issues relating to the migration of Smith & Williamson LLP time recording system, time costs have not been accurately recorded for the reporting period 10 January 2020 to 31 July 2020. Time costs detailed for the period 10 January 2020 to 9 January 2021 relate to the time incurred in respect of the Company within the period post 1 August 2020, when the new systems came online. Despite this shortcoming, it should be noted that no fees have been drawn from the estate, and in light of the lack of funds in the Company's estates there has been no adverse impact on creditors of any of the Company due to these unaccounted for costs.

Attached as Appendix II is a time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the liquidators and their staff in attending to matters arising in the liquidation. Details of work carried out in the period are also included in the body of this report.

Also attached as Appendix III, is a cumulative time analysis for the period from 19 May 2011 to 9 January 2022 which provides details of the liquidators' time costs since appointment. No fees have been drawn on account of these costs.

The joint liquidators are now seeking to conclude the case and estimate the future costs to finalise the estate will be in the region of £1,500. Please note that this estimate is based on present information and may change due to unforeseen circumstances arising.

On a general note, creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. An example would include preparing and issuing the joint liquidators' final account.

A copy of 'A Creditors' Guide to Liquidators' Fees' is available free of charge upon request or can be downloaded from R3's website at the following address:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/liquidation-a-guide-for-creditors-on-insolvency-practitioner-fees/>

On 1 September 2020, the Smith & Williamson Group merged with the Tilney Group to extend their financial and professional services offering. The group has been rebranded as Tilney Smith & Williamson (TSW). Restructuring and Recovery Services (RRS) and other professional services remain as before and continue to be provided through Smith & Williamson LLP, a subsidiary of TSW. Please note that following the merger, there has been a recent change to our financial year-end. As a result, some teams within Smith and Williamson LLP have increased their charge-out rates as at 1 January 2022. Please note, however, that RRS will not be revising its charge-out rates until 1 July 2022 and then again on 1 January 2023, with a return to annual reviews thereafter. In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases. It is anticipated that the rate of any increase on 1 January 2023 will take into account that only six months will have passed from the date of the last increase and so should not cause any prejudice to creditors and stakeholders.

Details of Smith & Williamson LLP's charge out rates (including any changes during the case) along with the policies in relation to the use of staff are provided at Appendix IV.

7. Liquidation expenses

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

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

7.1 Subcontractors and Professional advisers

We have not used any instructed any subcontractors or professional advisers in this case.

7.2 Liquidators' expenses

We have paid and/or incurred the following expenses formerly referred to as disbursements in the current period:

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Company searches	Nil	Nil	29.00
Liquidators' bonds	Nil	Nil	20.00
Storage Costs	Nil	Nil	270.00
Total	Nil	Nil	319.00

7.3 Category 2 expenses

No category 2 expenses historically referred to as Category 2 disbursements have been paid or incurred in the current period.

7.4 BEIS and Secretary of State charges

All monies received by the liquidators must be paid into the Insolvency Service's Account. This account is held by a division of the Department for Business, Energy & Industrial Strategy ('BEIS') with National Westminster Bank Plc and is under the control of the Secretary of State. This account attracts charges which are deducted at source and apply in all cases.

The current and most recent charges are listed below. Details of previous charges can be found on the Insolvency Service's website.

Fee type	Current fee £
Banking Fee	22.00
BACS Payment	0.15
Cheque Fee	1.10
CHAPS Payment	10.30
Unclaimed Dividend Fee	25.75

Secretary of State fees:	
Realisations	Fees applicable for Winding Up Orders between 6 April 2010 to 15 November 2015
Up to £2,500	0%
£2,500.01 to £4,200	100%
£4,200.01 to £5,700	75%
£5,700.01 to £401,700	15%
Charge on further realisations up to £80,000 maximum fees	1%

Details of the various fees and charges levied in this case are contained within the liquidators' receipts and payment account at Appendix I.

7.5 Policies regarding use of third parties and expenses recovery

Appendix IV provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of expenses.

8. Outstanding matters

The joint liquidators are satisfied that no further assets are to be realised in the liquidation and have commenced the necessary steps to conclude the winding up of the Company.

As outlined above, during the reporting period, the joint liquidators have been dealing with the final VAT reclaim from HMRC in order to settle the outstanding expenses of the liquidation. Due to the Covid-19 pandemic, there was a significant delay in obtaining the funds from HMRC which has caused a delay in concluding the liquidation. These monies have now been received by and we will shortly issue our final account to the creditors of the Company.

As referred to in section six in this report the joint liquidators anticipate the future costs for these actions to be in the region of £1,500. Please note that this estimate is based on present information and may change due to unforeseen circumstances arising.

9. Privacy and Data Protection

As part of our role as joint liquidators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at <https://smithandwilliamson.com/rsgdpr>. If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact Liam Clarke of our office if you believe this applies.

The Joint Liquidators may act as controllers of personal data, as defined by the UK data protection law, depending upon the specific processing activities undertaken. Smith and Williamson LLP may act as a processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators' appointment.

The Fair Processing Notice in relation to the UK General Data Protection Regulation can be accessed at <http://smithandwilliamson.com/rsgdpr>

Should you wish to be supplied with a hard copy of any notice, attachment or document relating to a case matter, please contact the staff member dealing with this matter at any time via telephone, email or by post and this will be provided free of charge within five business days of receipt of the request.

10. Creditors' rights

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 or otherwise with the court's permission) may request in writing that the liquidators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the liquidators, as set out in this report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

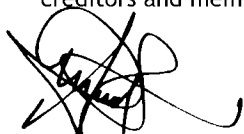
On a general note, if you have any comments or concerns in connection with our conduct, please contact Henry Anthony Shinnars or Adam Henry Stephens in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

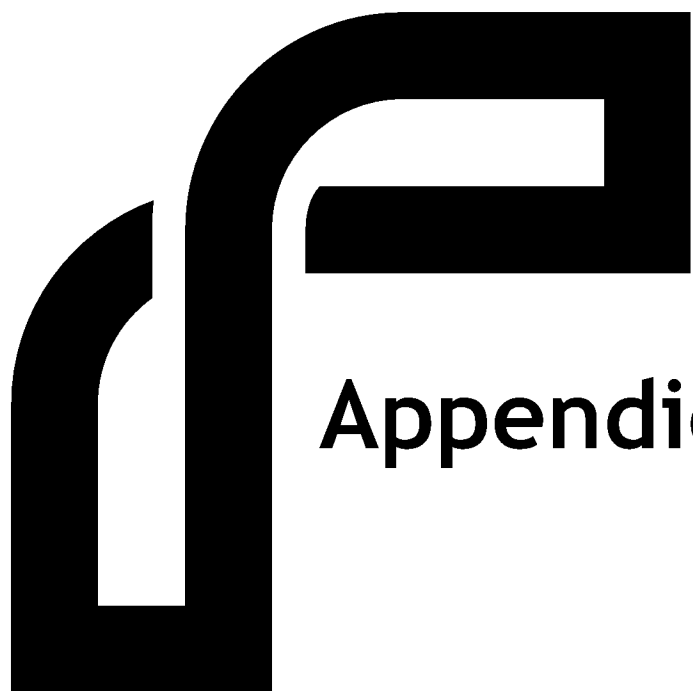
- i) Email: insolvency.enquiryline@insolvency.gsi.gov.uk
- ii) Telephone number: +44 300 678 0015
- iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

11. Next report

We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation unless we have concluded matters prior to this, in which case we will write to all creditors and members with our final account.



Henry Shinnars and Adam Stephens
Joint Liquidators
Date: 7 March 2022



Appendices

I Receipts and payments account

Receipts and payments account to 9 January 2022

Statement of Affairs	From 10/01/2021 To 09/01/2022	From 19/05/2011 To 09/01/2022
£	£	£
	ASSET REALISATIONS	
	BEIS Interest Gross	21.19
	Book Debts	291.55
4,796.00	Cash in Administration Account	NIL
	Official Receiver Credit Balance (Net)	1,414.34
		<u>1,727.08</u>
	COST OF REALISATIONS	
	BEIS Banking Fees	926.00
	BEIS Cheque Fees	2.20
	Corporation Tax	4.24
	Irrecoverable VAT	10.00
	Online Reporting	50.00
	Sec of State Fees	315.38
	Storage Costs	290.00
		<u>(172.00)</u>
	FLOATING CHARGE CREDITORS	
(466,305.53)	Floating Charge Creditor - AKTIVA	NIL
		<u>NIL</u>
	UNSECURED CREDITORS	
(3,274,891.00)	Trade & Expense Creditors	NIL
		<u>NIL</u>
	DISTRIBUTIONS	
(1,479,696.00)	Ordinary Shareholders	NIL
(9,018,457.00)	Preference Shareholders	NIL
		<u>NIL</u>
<u>(14,234,553.53)</u>		<u><u>129.26</u></u>
	REPRESENTED BY	
	ISA NIB 13.8.14	129.26
		<u><u>129.26</u></u>

Notes and further information required by SIP 7

- The liquidators' remuneration has not yet been approved.
- We have not yet sought approval of or drawn any other costs that would require the same approval as our remuneration.
- No payments have been made to us from outside the estate.
- Details of significant expenses paid are provided in the body of our report.
- Information concerning the liquidators' remuneration and expenses incurred is provided in the body of our report.
- Information concerning the ability to challenge the liquidators' remuneration and expenses of the liquidation is provided in our report.
- All bank accounts are non-interest bearing.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is shown as irrecoverable VAT.
- As outlined in section 3 above, the final VAT reclaim was received in the period. The receipt resulted in the Secretary of State Fees of £84.00 incurred and settled in the period.

II Time analysis for the period

From 10 January 2021 to 9 January 2022

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	0.00	0.00	1.50	0.00	0.00	1.50	£600.00	£400.00
Cashiering general, including bonding	0.00	0.05	0.00	0.00	0.00	0.05	£19.75	£395.00
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary	0.00	0.00	1.60	0.00	0.00	1.60	£672.00	£420.00
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.00	0.00	4.65	0.00	0.00	4.65	£1,926.00	£414.19
Agents and advisers, general	0.00	0.00	0.75	0.00	0.00	0.75	£300.00	£400.00
Total	0.00	0.05	8.50	0.00	0.00	8.55	£3,517.75	£411.43

Explanation of major work activities undertaken

Administration and Planning

This section of the analysis encompasses the cost of the liquidators and their staff in complying with their statutory obligations, internal compliance requirements, and all tax matters. This work undertaken in the period (whilst not documented in the schedule) would have included the following:

- Preparing and issuing annual progress report for the period ending 9 January 2021.
- Maintaining physical case files and electronics case details on IPS (case management software).
- Liaising with HMRC on confirmation of clearances. Due to the impact of the Covid-19 pandemic, HMRC continue to experience significant delays and a large proportion of the time incurred has been spent chasing HMRC for the receipt of a VAT refund due to the Company.
- Statutory case bordereau and reviews.
- Finalising costs of the liquidation.
- Maintaining and managing the joint liquidators' cash book and bank accounts.

III Cumulative time analysis

From 19 May 2011 to 9 January 2022

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	2.90	0.20	51.15	12.00	2.25	68.50	£18,858.50	£275.31
Initial post-appointment notification letters, including creditors	3.70	0.00	0.00	6.90	1.60	12.20	£3,004.50	£246.27
Cashiering general, including bonding	0.00	0.05	0.55	1.20	3.95	5.75	£1,296.75	£225.52
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary	4.50	0.00	10.60	8.10	0.95	24.15	£6,675.75	£276.43
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.20	0.00	9.10	0.60	0.00	9.90	£3,406.25	£344.07
Insurance & general asset protection	1.15	0.00	0.00	1.55	0.00	2.70	£749.50	£277.59
Filing, file and information management	0.00	0.00	0.50	0.95	1.50	2.95	£430.00	£145.76
Agents and advisers, general	0.00	0.00	0.95	0.00	0.00	0.95	£370.00	£389.47
Filing - Administration and planning	0.00	0.00	0.35	0.25	0.00	0.60	£139.75	£232.92
Director/manager review, approval and signing	1.10	0.00	0.00	0.00	0.00	1.10	£533.00	£484.55
Other	0.00	0.00	8.15	2.55	1.00	11.70	£3,233.50	£276.37
Investigations								
Statutory books and accounting records review	0.00	0.00	5.00	1.55	0.00	6.55	£1,689.25	£257.90
Investigation of legal claims	3.70	0.00	0.00	0.00	0.00	3.70	£1,239.50	£335.00
Realisation of assets								
Debtors not financed (includes reassigned debtors)	0.70	0.00	0.00	0.00	0.00	0.70	£234.50	£335.00
Other	0.15	0.00	0.35	0.00	0.00	0.50	£194.50	£389.00
Creditors								
Crown (not RPO etc)	1.45	0.00	0.00	0.00	0.00	1.45	£485.75	£335.00
Unsecured creditors	0.70	0.00	0.35	2.15	7.50	10.70	£1,332.50	£124.53
Other	0.00	0.00	0.00	0.00	1.00	1.00	£160.00	£160.00
AML/Compliance								
AML - if done post appointment	0.00	0.00	0.00	0.00	0.05	0.05	£10.00	£200.00
Total	20.25	0.25	87.05	37.80	19.80	165.15	£44,043.50	£266.69

IV Staffing, charging, subcontractor and adviser policies and charge out rates

Introduction

Detailed below are:

- Smith & Williamson LLP's policy in relation to:
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Expenses recovery
- Smith & Williamson LLP's current charge out rates

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director or consultant as joint office-holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level. 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 us.

All of our staff who work on the case (including our cashiers (which is centralised and London rates apply), support and secretarial staff) charge time directly to the assignment 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. Time up to 31 July 2020 is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1 minute units or multiples thereof. The minimum time chargeable is one minute. We do not charge general or overhead costs.

It may be necessary to utilise staff from both regional and London offices, subject to the specific requirements, eg, geographical location, of individual cases.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised in the period covered by this report are set out in appendix V.

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add best value and service to the assignment.

- The expertise and experience of the service provider;
- The provider holds appropriate regulatory authorisations; and
- The professional and ethical standards applicable to the service provider.

Arrangements will be reviewed periodically to ensure that best value and service continue to be obtained.

External professional advisers are third party entities. The insolvency practitioners and their firm do not have any association with any external provider of services and therefore they do not fall within the definition of an associate as defined in Section 435 of the Insolvency Act 1986 and in Statement of Insolvency Practice 9. Payments to external professional advisers for the services they provide are therefore not a category 2 expense as defined in Statement of Insolvency Practice 9 and therefore do not require prior approval from the committee or creditors.

Expenses

Category 1 expenses do not require approval by creditors. The type of expenses that may be charged as a Category 1 expense to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also, chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 expenses do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 expense, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 expenses.

Details of any Category 2 expenses incurred and/or recovered in the period covered by this report are set out in the body of this report.

Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the basis of the liquidators' remuneration was approved. The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2021.

In light of the guidance issued to clients and creditors prior to this report, we have elected to postpone our rate changes in line with issued documentation until 1 July 2022, with the intention to review this again on 1 January 2023, with a return to annual reviews thereafter. In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases. It is anticipated that the rate of any increase on 1 January 2023 will take into account that only six months will have passed from the date of the last increase and so should not cause any prejudice to members.

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2021.

Smith & Williamson LLP Restructuring & Recovery Services	From 01/07/12	From 01/07/13	From 01/07/14	From 01/07/15	From 01/07/16
Charge out rates	£	£	£	£	£
Partner/Director	440 - 495	440 - 500	480	480	435-485
Associate Director	335	335 - 420	370	370	370-380
Managers	225 - 290	235 -325	235 - 310	235 - 310	235 - 315
Other professional staff	160 - 200	140 - 200	150 - 235	150 - 235	150-235
Support & secretarial staff	65 - 200	65 - 250	85 - 160	85 - 160	85 - 90

Smith & Williamson LLP Restructuring & Recovery Services	From 01/07/17	From 01/07/18	From 01/07/19	From 01/07/20	From 01/07/21
Charge out rates	£	£	£	£	£
Partner / Director	435-485	450-520	470-540	495-570	520 - 610
Associate Director	370-380	420	440	465	395 - 490
Managers	235-315	250-365	270-380	285-400	290-430
Other professional staff	150-235	170-320	180-380	190-465	130-280
Support & secretarial staff	85-90	90	100	105	100-120

1. Up to 31 July 2020 time is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1 minute units or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. Up to 31 July 2020 the cashiering function time is incorporated within 'Other professional staff' rates. From 1 August 2020 the cashiering function time is split between 'Other professional staff', 'Managers' and 'Associate Director'.
4. Partner includes a Consultant acting as an office-holder or in an equivalent role.

www.smithandwilliamson.com

Principal offices: London, Belfast, Birmingham, Bristol, Cheltenham, Dublin, Glasgow, Guildford, Jersey, Salisbury and Southampton.

Smith & Williamson LLP is regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities. A member of Nexia International. Registered in England at 25 Moorgate, London EC2R 6AY No OC369871.

Nexia Smith & Williamson Audit Limited is registered to carry on audit work and regulated by the Institute of Chartered Accountants in England and Wales for a range of Investment business activities. A member of Nexia International.



Smith & Williamson is a member of Nexia International, a worldwide network of independent accounting and consulting firms.

© Smith & Williamson Holdings Limited 2013