

**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

02737288

Name of Company

Drive Assist UK Limited

We

A P Beveridge, AlixPartners, 6 New Street Square, London, EC4A 3BF

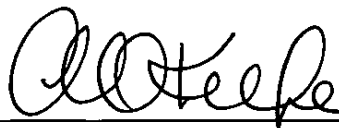
R K Grant, AlixPartners, 35 Newhall street, Birmingham, B3 3PU

A C O'Keefe, AlixPartners, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB

the liquidators of the company attach a copy of our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 14/10/2015 to 13/10/2016

Signed



Date

1/12/16

AlixPartners
The Zenith Building
26 Spring Gardens
Manchester
M2 1AB

Ref 10927-006/MCB/LXC/EPOT/COK/MTA

SATURDAY

A29 *A5L26MDK* #82
03/12/2016
COMPANIES HOUSE

Liquidators' Progress Report for the period 14 October 2015 to 13 October 2016

Drive Assist UK Limited
In Liquidation

2 December 2016

Contents

1	Why this report has been prepared	1
2.	Summary information for creditors	2
3	Progress of the Liquidation	3
4.	Investigations	5
5	Estimated outcome for creditors	6
6.	What happens next	8

Appendices

Appendix A	Statutory information
Appendix B.	Receipts and Payments Account for the Period 14 October 2015 to 13 October 2016 and Cumulative Account for the period since appointment
Appendix C	Liquidators' fees
Appendix D	Liquidators' expenses and disbursements
Appendix E.	Additional information in relation to the Liquidators' fees pursuant to Statement of Insolvency Practice 9

AlixPartners
The Zenith Building
26 Spring Gardens
Manchester M2 1AB

t +44 (0) 161 838 4500 f +44 (0) 161 838 4501

1. Why this report has been prepared

- 1 1 As you will be aware, Anne O'Keefe, Alastair Beveridge and Ryan Grant (the **Liquidators**) were appointed on 14 October 2013.
- 1 2 In accordance with UK insolvency legislation, a liquidator is required to provide a progress report covering the period of 12 months commencing on the date on which a company entered into liquidation and every subsequent period of 12 months. This progress report covers the period 14 October 2015 to 13 October 2016 (the **Period**) and should be read in conjunction with the Liquidators' previous report to creditors dated 1 December 2015 (the **Previous Report**), in addition to all other reports issued.
- 1 3 This report has been prepared in accordance with rule 4.49C of the Insolvency Rules 1986.
- 1 4 The purpose of this report is to provide statutory and financial information about the Company and to provide an update on the progress of the Liquidation, including details of assets realised during the Period, details regarding the Liquidators' fees and the expected outcome for each class of creditor.
- 1 5 Details of the Liquidators' fees and costs incurred are detailed at Appendix C to E.
- 1 6 More information relating to the Liquidation process, Liquidators' fees and creditors' rights can be found on AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.com>). Log-in details to access this information can be found within the covering letter you have received.
- 1 7 If you require a hard copy of this report or have any queries in relation to its contents or the Liquidation generally, please contact Conor Kelly on 0161 838 4518, by email at creditorreports@alixpartners.com, or write to AlixPartners' office at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.

2. Summary information for creditors

Estimated dividend distributions

Description	Estimated debt £	Likely level of return pence/£
Secured creditors	40.2 million	Uncertain
Preferential creditors	157,297	100 pence in the pound
Unsecured creditors	30.5 million	1.55 pence in the pound

Notes:

To date, £26.6 million has been distributed to the secured creditors. The litigation proceedings are ongoing and therefore the final level of return to the secured creditors remains uncertain. Further information regarding the litigation action is detailed at section 4.

Preferential dividends totalling £157,297 have been paid to the preferential creditors. The preferential creditors have been paid in full.

Distributions totalling £480,779 have been made to the unsecured creditors to date, representing a dividend rate of 1.55 pence in the pound. Future distributions to the unsecured creditors are dependent on the outcome of the litigation proceedings detailed at section 4 and cannot be estimated at present.

In respect of preferential or unsecured creditors, UK insolvency legislation stipulates that creditors of the same class should be treated equally. Hence the funds available for distribution are split on a pro-rata basis amongst all creditors of each class, regardless of the size of their claims.

For further information please refer to section 5 of this report.

3. Progress of the Liquidation

- 3.1 The Company's trade was to provide replacement vehicles to individuals following non-fault accidents. The Company paid a small number of insurers a commission in respect of the claim referrals and then provided a hire car, on a credit basis, to the individual who had been involved in the accident whilst their vehicle was repaired
- 3.2 There was a managed wind down of the Company's trading activities in the preceding administration, full details of which have been provided in previous reports
- 3.3 Attached at Appendix B is the Liquidators' Receipts and Payments Account for the Period, together with a Cumulative Account for the period since appointment. Asset realisations had been concluded at the date of the Previous Report and the sole outstanding matter is the investigations, as detailed in section 4 of this report
- 3.4 In addition to their primary role of realising the assets of the Company and distributing them to creditors in accordance with their statutory priorities, the Liquidators have duties imposed by insolvency and other legislation and their regulating professional bodies. The Liquidators have set out information in respect of the progress of these duties, in addition to that of the realisation of assets and distribution of available funds. This detail is intended to provide users of this report with information to allow them to understand how the Liquidators' fees and expenses as set out in Appendices C and D have been incurred.

Realisation of assets – floating charge

Total loss monies

- 3.5 The Company operated two non-FSA client accounts for the benefit of total loss claimants and the funds within these accounts were held on trust as a matter of general law.
- 3.6 Following appointment the balances held within these client accounts were reconciled and a balance was identified as being held for third parties
- 3.7 Where the relevant individuals could be identified, the Liquidators wrote to advise that the funds would be distributed to them, in the event that their claim had not already been settled by a third party. In many cases, no response was received despite making repeated attempts to contact the claimants as well as the relevant insurers who were involved with the claims.
- 3.8 Further to the above, a balance of £52,694 remains uncollected, which has increased by £6,152 since the last report due to the cancellation of unbanked cheques.
- 3.9 As previously advised, the Liquidators originally intended to remit the funds to the Duchy of Lancaster (**Duchy**) by disclaiming the funds as ownerless property. However, the Duchy was not prepared to accept the funds as bona vacantia.

- 3.10 The funds will therefore continue to be held in the Liquidation until all other matters are finalised, at which point any amounts still unclaimed will be made available to the Company's estate

Other assets

- 3.11 Sundry claims of £117 have been recovered in the Period, bringing total sundry claims recovered to £925,004
- 3.12 Bank interest of £871 has accrued in the Period, bringing the total bank interest received to £23,720

Administration

- 3.13 In addition to their duties relating to realising and distributing the assets of the Company, the Liquidators must comply with certain statutory compliance matters in accordance with the Insolvency Act 1986. These include preparing annual reports to creditors advising of the progress of the Liquidation, liaising with HMRC to determine the final position in respect of corporation tax, PAYE, VAT and other taxes that may be owed by or to the Company, and for filing tax returns for the duration of the Liquidation.
- 3.14 In order to ensure the matters of the Liquidation are being progressed sufficiently, the Liquidators have a duty to conduct periodic case reviews and complete case checklists. In addition, the Liquidators' treasury function will also comply with cash accounting requirements including raising payments, processing journal vouchers and posting receipts, preparing bank reconciliations and statutory returns.
- 3.15 The time taken for statutory tasks is largely fixed, insofar as the cost of preparing a report to creditors or filing an annual return is similar for most cases, except where cases are very large or complex. Where the costs of statutory compliance and reporting to creditors exceeds the initial estimate, it will generally be because the duration of the case has been longer than expected, due to for example protracted realisation of assets, and therefore additional periodic reports have had to be prepared and distributed to stakeholders.

Creditors

- 3.16 The majority of the Liquidators' time costs in respect of creditors relates to drafting and issuing statutory progress reports which provide updates on the asset realisations, return to creditors and general progress of the Liquidation over the last twelve months. Time costs have also been incurred in providing progress and projected updates to the secured creditors and the creditors' committee
- 3.17 The Liquidators have also spent time dealing with general creditor correspondence which is received via email, telephone and post
- 3.18 Further distributions to the unsecured creditors will be dependent on the outcome of the litigation proceedings. For further details on the estimated outcome for creditors, please refer to section 5 of this report

4. Investigations

- 4.1 As previously advised, the Liquidators conducted investigations into the conduct of the directors and transactions entered into prior to the Company's insolvency. Based on the outcome of the Liquidators' investigations, there were matters identified that required further action and with the sanction of the creditors' committee, a claim was issued at court.
- 4.2 During the Period, the Liquidators received a Defence and subsequently served a Reply. The Liquidators also responded to a number of requests for further information. Disclosure was provided by both parties in September 2016 and the inspection of documents took place shortly thereafter. The parties are currently in the process of preparing witness statements.
- 4.3 Further specific details regarding the claim are not being provided at this stage as it may prejudice the outcome of proceedings.
- 4.4 The Liquidation will remain open until the investigation and court proceedings are complete, and any realisations for the estate are received and distributed accordingly.
- 4.5 A period and cumulative time analysis of the investigation related fees incurred can be found at Appendix C and has been split out from the other Liquidators' time costs in order to provide more clarity to users of this report as to how time has been spent.

5. Estimated outcome for creditors

Secured creditors

- 5 1 Fixed and floating charges were granted to the Royal Bank of Scotland Plc (who later assigned its debt to Capula ES Lux 1 SARL), Haymarket Financial Luxembourg 3 SARL, Hayfin Opal 3 SARL and IKB Deutsche Industriebank AG, London branch (together the **Senior Lenders**) on 1 February 2007 and 1 July 2011.
- 5 2 At the date of appointment, the Senior Lenders were owed approximately £40.2 million (excluding accrued interest and charges) under their security. To date, they have received distributions totalling £26.6 million, £400,000 of which has been distributed in the Period.
- 5 3 Further distributions are dependent on the outcome of the investigations detailed at section 4.

Preferential creditors

- 5 4 A distribution of £87 was made during the Period, which related to holiday pay due to a former employee which had not been paid by the Redundancy Payments Service.
- 5 5 Funds totalling £157,297 therefore have been distributed to the preferential creditors, representing a return of 100 pence in the pound
- 5.6 There will not be any further preferential dividends distributed

Unsecured Creditors' Fund

- 5 7 Where there is a floating charge which was created on or after 15 September 2003, the Liquidators are required to create a fund from the Company's net property available for the benefit of unsecured creditors (**Unsecured Creditors' Fund**), commonly known as the 'Prescribed Part'
- 5.8 As the Company granted a floating charge to the Senior Lenders after 15 September 2003, the Liquidators were required to create an Unsecured Creditors' Fund. The value of the Unsecured Creditors' Fund was the maximum of £600,000
- 5 9 The directors' Statement of Affairs detailed an unsecured creditor claim figure of £37.9 million. The unsecured claims process commenced immediately upon appointment of the Liquidators and claims of £33.8 million were submitted by creditors and former employees.
- 5 10 Claims were subsequently agreed from 489 unsecured creditors and employees, who were owed a total of £30.5 million. The amount available for distribution, after costs, was £471,555 and a dividend of 1.55 pence in the pound was distributed to all agreed unsecured creditors with the Previous Report on 1 December 2015

- 5.11 It should be noted that a further unsecured creditor distribution in the sum of £9,224 was made in Period, relating to additional unsecured claims received by the Liquidators. This brought total unsecured distributions to £480,779.
- 5.12 Any further distributions to unsecured creditors are dependent on the outcome of the litigation as detailed in section 4 and cannot be estimated at present.

Unclaimed dividends

- 5.13 Dividends totalling £7,268 remained unclaimed six months after the unsecured creditor distribution. These cheques have now been cancelled and the proceeds have been forwarded to The Insolvency Service, Estate Accounts Directorate, Unclaimed Monies Team, PO Box 3690, Birmingham B2 4UY.
- 5.14 If your cheque has been cancelled, creditors should contact the Insolvency Service by email at: **eaips.unclaimed@insolvency.gsi.gov.uk** and put 'Drive Assist UK Limited' as the subject.
- 5.15 The transfer of responsibility to the Insolvency Service is a routine step which requires Liquidators of an insolvent company to transfer unclaimed dividends to the agency six months after the cheques were issued. The agency will hold the funds for the subsequent six years, after which it will return any money that remains unclaimed to HM Treasury, however, this does not affect creditors' rights to claim funds after the six years has passed.

6. What happens next

Creditors' rights

- 6.1 Within 21 days of the receipt of the report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors) may request in writing that the Liquidators provide further information about their fees or expenses which have been itemised in this progress report
- 6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% of the value of unsecured creditors) may, within eight weeks of receipt of this progress report, make an application to court on the grounds that the basis fixed for the Liquidators' fees is inappropriate, or that the fees or the expenses incurred by the Liquidators as set out in this progress report are excessive

Next report

- 6.3 The Liquidators are required to provide a progress report within two months of the end of the next year of the Liquidation. If the Liquidation has been completed before then, a final meeting will be called, and a draft report circulated before that meeting

Yours faithfully



Anne O'Keefe
Liquidator

Encs

Appendix A. Statutory information

Company information

Company name	Drive Assist UK Limited
Registered number	02737288
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	Tamworth House, Ventura Park Road, Bitterscotte Tamworth, Staffordshire, B78 3HL
Former trading address	Tamworth House, Ventura Park Road, Bitterscotte Tamworth, Staffordshire, B78 3HL
Former trading names	Drive Assist

Liquidators' information

Name	Address	IP number	Name of authorising body
Alastair Paul Beveridge	6 New Street Square, London, EC4A 3BF	008991	Insolvency Practitioners Association
Ryan Kevin Grant	35 Newhall Street, Birmingham, B3 3PU	009637	Insolvency Practitioners Association
Anne Clare O'Keefe	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	008375	Insolvency Practitioners Association

Other relevant information

Creditors approved in the preceding Administration that any act required or authorised to be done by the Liquidators may be done by all or any one or more of them

Appendix B. Receipts and Payments Account for the Period 14 October 2015 to 13 October 2016 and Cumulative Account for the period since appointment

	Period £	Cumulative £
Fixed charge assets		
Receipts		
Transfer from Administration	-	1,359,991
Bank interest	-	651
		1,360,642
Distributions		
Fixed chargeholder	-	1,360,642
	-	(1,360,642)
Balance of fixed charge assets	-	-
Floating charge assets		
Receipts		
Transfer from Administration	-	15,879,980
Prescribed Part funds	-	600,000
Sale of book debt ledgers and claims	-	1,250,000
Book debts	-	46,000
Motor vehicles	-	6,500
Pre-appointment repair and hire claims	-	8,519,232
Post-appointment repair and hire claims	-	2,341,926
Road tax refund	-	26
Refund of deposit for fuel	-	1,000
Sundry refunds	-	1,241
Interest on litigated claims	-	13,453
Rates refund	-	34,741
Third party funds	-	23,060
Total loss salvage funds	-	422,030
Commission rebates	-	509,489
Total loss trust control account	6,152	52,694
Fleet repair claims	-	268,130
Miscellaneous income	-	5,260
Sundry claims recovered	117	925,004
Bank interest	871	23,720
	7,139	30,923,486

Drive Assist UK Limited – in Liquidation (the Company)

	Period £	Cumulative £
Payments		
Administrators' fees	(21,430)	1,265,368
Liquidators' fees		
General	21,430	515,881
Investigation	-	70,844
Prescribed Part	49,360	117,403
Category 1 disbursements		
Specific penalty bond	-	505
Statutory advertising	85	338
Travel and subsistence	7	6,152
Storage costs	10,366	30,171
Stationery postage and photocopying	2,805	12,185
Room hire	-	330
Re-direction of mail	-	585
Telephone charges	4	160
Company search	-	314
Category 2 disbursements		
Mileage	-	4,181
Internal printing and photocopying	-	4,227
Refund of overpayments	-	3,605
Transport and carriage costs	-	553
Contribution to Sol Car Rentals Limited	-	101,788
Debt collection fees	(45)	1,073,773
Agent's/valuer's fees	-	4,000
Payroll agent's fees	-	18,011
Legal fees	12,110	578,110
Legal disbursements	79	54,584
Corporation tax	-	15,562
IT costs	-	29,823
Excess, fines and damage	-	10
Security costs	-	144
Investigation agent's fees	-	34,820
Utilities	-	81,833
Tax advisors	-	683
Other property expenses	-	1,290
Insurance of assets	-	548,543
Wages and salaries	-	2,265
Cleaning and maintenance	-	256
Bank charges	67	9,994
	(74,838)	(4,588,291)
Distributions		
Preferential creditors		
100p/£, 28/04/2014	-	139,909
100p/£, 30/07/2014	-	17,301
100p/£, 23/11/2015	87	87
Floating chargeholder	400,000	25,272,913
Unsecured creditors		
1 55p/£, 01/12/2015	480,779	480,779
	(880,866)	(25,910,989)
Balance of floating charge assets	(948,564)	424,206
Total balance		424,206
Represented by		
Interest bearing account		370,656
VAT receivable		856
Total loss trust account		52,694
		424,206

Statement of Insolvency Practice 7 states the headings used in the Receipts and Payments Account should follow those used in any prior statement of affairs (SOA) or estimated outcome statement.

The SOA was provided by the Company's directors at the commencement of the Administration and provided estimated to realise values for the categories of assets to be realised

The receipts above represent funds passed into Liquidation from the Administration, and as such, a meaningful comparison to the SOA by category cannot be made

Appendix C. Liquidators' fees

Fees

A copy of 'A Creditors' Guide to Liquidations' can be downloaded from AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.com>). If you would prefer this to be sent to you in hard copy please contact the Liquidators and they will forward a copy to you

Where a company which is in administration moves into winding up under paragraph 83 of schedule B1 to the Insolvency Act 1986, and the administrator becomes the liquidator, the basis of fees fixed in the administration automatically applies in the subsequent Liquidation. The basis agreed is by reference to the time properly spent by the Liquidators and their staff on matters arising in the Liquidation.

To date, Liquidators' fees of £704,128 have been drawn on account, of which £70,844 has been drawn in respect of investigation work and £117,403 relates to the Liquidators' time costs in respect of the Prescribed Part

Liquidators' details of time spent to date

Period Time Analysis

The Liquidators' time costs for the Period are £54,363. This represents 190 hours at an average rate of £286 per hour. Detailed below is a Time Analysis for the Period which provides details of the costs incurred by area of activity.

	Employee grade (hours)				£		
	Managing director 1/ Managing director 2	Director/Vice president	Associate/analyst	Junior analyst/ support	Hours incurred	Cost incurred	Average rate per hour
Administration and planning							
Strategy and control	7.1	1.0		0.2	8.3	4,724.50	569
Statutory duties		0.9		0.5	1.4	518.50	370
Case administration	0.5	2.8	9.3	3.1	15.7	5,117.00	326
Accounting and treasury		1.9	9.7	20.4	32.0	5,429.50	170
Realisation of assets – fixed charge							
Asset realisation strategy	0.5				0.5	325.00	650
Sale of assets				0.2	0.2	40.00	200
Asset accounting and administration				0.2	0.2	40.00	200
Realisation of assets – debtors							
Debt collection				0.8	0.8	160.00	200
Realisation of assets – floating charge							
Asset identification and valuation		0.2			0.2	96.00	480
Recovery of assets		1.8	8.0		9.8	2,786.50	357
Dealing with third party assets							
Asset accounting and administration	1.3	0.2	4.7	3.5	9.7	2,289.00	236
Trading							
Trading activities				0.9	0.9	180.00	200
Accounting and administration	0.3		0.2		0.5	191.00	382
Investigations							
Director conduct reports		0.5	0.3		0.8	305.00	381
Other investigations		1.0	0.9		1.9	785.00	413
Creditors							
Creditor claims				1.1	1.1	220.00	200
Debtor litigation			0.6		0.6	181.00	302
Creditor strategy				0.7	0.7	140.00	200
Reporting to creditors	1.1	2.8	21.9	4.2	30.0	9,290.50	310
Creditors committee		1.7			1.7	616.00	480
Secured creditors	2.2				2.2	1,254.00	570
Preferential creditors				2.3	2.3	460.00	200
Unsecured creditors	0.9	5.6	26.1	32.1	64.7	17,354.50	266
Employees			3.3	1.5	4.8	1,339.50	279
Shareholders and other stakeholders				0.2	0.2	40.00	200
Totals	13.9	28.4	83.8	71.9	190	54,362.50	286

Details of the progress of the Liquidation to date, and matters that are outstanding or partially complete, together with an explanation of why the work was undertaken are set out in section 3.

Cumulative Time Analysis

	Employee grade (hours)				£		Average rate per hour
	Managing director 1/ Managing director 2	Director /Vice president	Associate/ analyst	Junior analyst/ support	Hours incurred	Cost incurred	
Administration and planning							
Planning	1.6		1.7	2.0	5.3	1,708.00	322
Strategy and control	86.0	22.0	51.3	7.8	167.1	75,484.00	452
Statutory duties	0.1	5.3	4.8	1.4	11.6	4,009.00	346
Case administration	2.8	9.5	27.2	20.1	59.6	18,018.50	302
Accounting and treasury	14.6	61.4	156.3	446.0	678.3	143,334.50	211
Travel and waiting time	3.6				3.6	2,052.00	570
Internal documentation	1.3	0.6	12.2	10.2	24.3	5,722.00	235
Realisation of assets – fixed charge							
Asset realisation strategy	0.5				0.5	325.00	650
Sale of assets				0.6	0.6	104.00	173
Asset accounting and administration				1.5	1.5	267.50	178
Realisation of assets – floating charge							
Debt collection	51.5	22.0	29.9	21.2	125.6	48,666.50	388
Debtor litigation	0.8	8.7	8.5		18.0	6,754.00	375
Internal and external documentation	0.2	0.5	108.0	30.5	139.2	39,468.50	284
Realisation of assets – floating charge							
Asset realisation strategy	0.6	0.7			1.3	624.00	480
Asset identification and valuation		0.2	0.2		0.4	152.00	380
Sale of assets	18.1	0.7	9.9	1.4	30.1	14,101.00	468
Recovery of assets		0.2	10.4	3.8	14.4	3,792.00	263
Dealing with third party assets	0.2	6.3	23.9	42.7	73.1	16,987.00	232
Asset accounting and administration	7.4	1.9	7.8	20.1	37.2	10,133.45	272
Trading							
Trading activities				0.9	0.9	180.00	409
Accounting and administration	0.3		0.2		0.5	191.00	372
Investigations							
Director conduct reports	26.7	101.3	6.6	7.5	142.1	58,072.50	58073
Other investigations	4.2	4.6	15.2	0.2	24.2	9,003.50	9004
Creditors							
Creditor claims	0.5	2.5	14.3	5.7	23.0	6,576.50	286
Debtor litigation			0.6		0.6	181.00	302
Internal documentation			1.2	0.2	1.4	380.00	271
Creditor strategy				0.9	0.9	180.00	200
Reporting to creditors	5.1	5.8	30.7	11.0	51.6	16,885.50	314
Creditor meetings	6.4	11.0			17.4	8,580.50	493
Creditors committee	6.1	5.0	23.8	1.2	36.1	13,654.00	378
Secured creditors	38.5	1.0	0.6	0.6	40.7	20,415.00	502
Preferential creditors	0.3	3.4	12.8	11.6	28.1	7,179.50	255
Unsecured creditors	7.6	38.8	196.8	109.0	252.2	99,139.00	261
Employees		7.9	71.1	33.9	112.9	31,186.00	276
Shareholders and other stakeholders			2.5	0.2	2.7	620.00	230
Totals	266.6	321.3	828.5	792.8	2,228.6	663,856.95	298

Investigation time spent

Period investigation time

The Liquidators' non-statutory investigation time costs for the Period are £309,851. This represents 625 hours at an average rate of £496 per hour

	Employee grade (hours)				£		Average rate per hour
	Managing director 1/ Managing director 2	Director / Vice president	Associate/ analyst	Junior analyst/ support	Hours incurred	Cost incurred	
Investigations							
Other investigations	189.1	365.7	65.3	4.8	624.9	309,851.00	496
Totals	189.1	365.7	65.3	4.8	624.9	309,851.00	496

Cumulative investigation time

	Employee grade (hours)				£		Average rate per hour
	Managing director 1/ Managing director 2	Director / Vice President	Associate/ analyst	Junior analyst/ support	Hours incurred	Cost incurred	
Investigations							
Other investigations	243.2	626.5	85.0	24.6	979.3	455,857.50	465
Totals	243.2	626.5	85.0	24.6	979	455,857.50	465

Details of the investigation process are provided in section 4. It should be noted that the investigation related time has been incurred with the consent of the secured creditors and creditors' committee, who are informed of the progress of the investigation on a confidential basis.

Appendix D. Liquidators' expenses and disbursements

Expenses of the Liquidation

The actual costs paid and incurred to the anniversary of the Liquidation are set out in the Receipts and Payments account at Appendix B. There are no costs incurred which have not yet been paid.

Disbursements

Category 1 disbursements of £50,740 have been drawn on account. Category 2 disbursements of £8,408 have also been drawn in relation to the below:

- Photocopying – charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying.
- Printing – charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour.
- Business mileage for staff travel – charged at the rate of 45 pence per mile.

Appendix E. Additional information in relation to the Liquidators' fees pursuant to Statement of Insolvency Practice 9

Policy

Detailed below is AlixPartners' policy in relation to:

- staff allocation and the use of sub-contractors;
- professional advisors; and
- disbursements

Staff allocation and the use of sub-contractors

The Liquidators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The case team will usually consist of a managing director or director, a vice president, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Liquidators' charge-out rate schedule overleaf provides details of all grades of staff.

With regard to support staff, time spent by cashiers in relation to tasks such as recording transactions and dealing with bank accounts is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

The following services are being provided on this assignment by external sub-contractors

Service type	Service provider	Basis of fee arrangement	Cost to date £
Employee claim processing	Payco ERA Limited	Hourly rate and disbursement	18,011
Debt collection	MRG Recoveries Limited	Percentage of collections	147,046
Debt collection	Hamilton Claims Solutions Limited	Percentage of collections	880,020

Professional advisors

On this assignment the Liquidators have used the professional advisors listed below. The Liquidators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

Service provider	Basis of fee arrangement
Jones Day LLP (legal advice)	Hourly rate and disbursements
Norton Rose Fulbright (legal advice)	Hourly rate and disbursements
MTA Solicitors LLP (legal advice)	Hourly rate and disbursements
J P Associates Limited (legal advice)	Hourly rate and disbursements
Credit Style Limited (debt collection and tracing)	Hourly rate and disbursements
CLS Associates Limited (investigation advice)	Hourly rate and disbursements
Carnoustie Consultants Limited (investigation advice)	Hourly rate and disbursements
Hilco Appraisal Limited (valuation and disposal advice)	Percentage of realisations
Willis Towers Watson Limited (insurance)	Risk based premium
Charles Russell Speechlys LLP (insurance)	Hourly rate and disbursements

The Liquidators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them.

Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Liquidators and their staff will also be chargeable.

Category 2 disbursements do require approval prior to being paid and will be drawn in accordance with the approval given, they may include

- photocopying – charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying,
- printing – charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour, and
- business mileage for staff travel – charged at the rate of 45 pence per mile

Charge-out rates

A schedule of AlixPartners' charge-out rates for this assignment effective from 1 February 2016 is detailed below. Time is charged by managing directors and case staff in units of six minutes.

Description	Rates from 1 February 2016 £
Managing director	595-650
Director	570
Vice president*	430-480
Associate	350-430
Analyst	200-350
Treasury and support	95-230

* A project has been undertaken to consolidate the staffing grades of AlixPartners Services UK LLP with the wider AlixPartners firm, and the Associate Director grade has been retitled as Vice President. No changes have been made to the rates charged per grade as a result of this project.