

LIQ03

Notice of progress report in voluntary winding up



Companies House



1 Company details

Company number 0 3 4 2 8 4 0 8

Company name in full CARBONARI MP LIMITED

→ Filing in this form
Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) SAMUEL ADAM

Surname BAILEY

3 Liquidator's address

Building name/number 53

Street FORE STREET

Post town IVYBRIDGE

County/Region DEVON

Postcode P L 2 1 9 A E

Country UNITED KINGDOM

4 Liquidator's name ①

Full forename(s) HAMISH MILLEN

Surname ADAM

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 53

Street FORE STREET

Post town IVYBRIDGE

County/Region DEVON

Postcode P L 2 1 9 A E

Country UNITED KINGDOM

② Other liquidator
Use this section to tell us about
another liquidator.

LIQ03

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6

Period of progress report

From date	^d 2	^d 4	^m 0	^m 8	^y 2	^y 0	^y 1	^y 9
To date	^d 2	^d 3	^m 0	^m 8	^y 2	^y 0	^y 2	^y 0

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X *Scullin*

X

Signature date

^d 1	^d 2	^m 1	^m 0	^y 2	^y 0	^y 2	^y 0
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Liquidators' Annual Progress Report to Creditors & Members

**Carbonari MP Limited
- In Liquidation**

12 October 2020

CARBONARI MP LIMITED - IN LIQUIDATION

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CARBONARI MP LIMITED - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, Samuel Adam Bailey, together with my partner Hamish Millen Adam of Richard J Smith & Co, 53 Fore Street, Ivybridge, Devon, PL21 9AE, was appointed as Joint Liquidator of Carbonari MP Limited (the **Company**) on 24 August 2017. This progress report covers the period from 24 August 2019 to 23 August 2020 (**the Period**).
- 1.2 Information about the way that we will use, and store personal data on insolvency appointments can be found in the attached Privacy Notice as Appendix E.
- 1.3 The principal trading address of the Company was The Generator, The Gallery, Kings Wharf, Exeter, EX2 4AN. The registered office of the Company has been changed to Richard J Smith & Co, 53 Fore Street, Ivybridge, Devon, PL21 9AE and its registered number is 03428408.

2 Progress of the Liquidation

- 2.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period and an explanation of the work done by the Liquidators and their staff.
- 2.2 At Appendix A is my Receipts and Payments Account for the Period which includes a Cumulative Account for the period from the date of our appointment as liquidators.

Administration (including statutory compliance & reporting)

- 2.3 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated would need to be done in this area was outlined to creditors in my initial fees estimate/information.
- 2.4 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidators.
- 2.5 As noted in my initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.
- 2.6 During the period of this report, the Liquidators conducted internal 6 month reviews; corresponded with creditors and addressed their queries and liaised with the director and his lawyer in respect of unlawful dividends, further details of which are set later in the report.

Realisation of Assets

- 2.7 At the date of liquidation, the Company's assets had an estimated value of £12,250 which consisted of cash at bank of £7,000 and book debts of £5,250. The Company's fixture and fittings did not have any realisable value and it was uncertain at the commencement of the liquidation whether any work in progress would be recoverable.
- 2.8 From the Receipts and Payments Account at Appendix A, creditors will note that total realisations in the period amount to £53,000.06. £53,000 relates to two payments of £8,000 and £45,000 paid by the director in settlement of a claim brought against him. Net realisations of £10,462.80 were paid into the estate after settlement of legal fees and insurance premiums. Our lawyer's legal fees amounted to £30,000 plus VAT together with disbursements of £2,081 plus VAT. Included in the disbursements figure was a land registry fee of £20 that our lawyers advised will be billed from the next payment made by the director. Insurance Premiums required to allow the claim to proceed were paid in the sum of £4,060.

CARBONARI MP LIMITED - IN LIQUIDATION

Book Debts and Work in Progress

Book Debts

- 2.9 No further realisations have been made. I do not expect to receive any further payments and conclude that the prospects of recovering the remaining book debts are minimal without incurring legal fees which would potentially outweigh any benefits of actual recoveries.

Work in Progress

- 2.10 The estimated statement of affairs recorded work in progress by the Company but the value of this was unknown. The director confirmed that the work in progress actually related to quotes given by the company rather than work that the company had commenced but not completed prior to liquidation. As a result, no recoveries are anticipated.

Creditors (claims and distributions)

- 2.11 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. A Liquidator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. However, there are no secured or preferential creditors in this case.
- 2.12 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal. In this case no preferential claims were made as there were no employees at the date of liquidation.
- 2.13 The above work will not necessarily bring any financial benefit to creditors generally, however a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidators in dealing with those claims. In this case, there will be a dividend available to unsecured creditors subject to the receipt of the final payment in accordance with the deed of settlement. £10,000 has been received since the reporting period and £11,000 remains outstanding and due by 21 October 2020, see point 3.6 below for further details.
- 2.14 I consider the following matters worth noting in my report to creditors at this stage:
- There are 4 unsecured creditor claims in this case amounting to £71,755.94, but this includes an amount owed to the director of £28,000 which will not be admitted for dividend purposes. Admissible claims amount to £43,755.94.
 - There are 2 creditors that have not yet claimed in the liquidation and these amount to £508.40 as per the director's Statement of Affairs.
 - There are no secured or preferential creditors in this case.

Investigations

- 2.15 You may recall from my first progress report to creditors that some of the work the Liquidators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidators can pursue for the benefit of creditors.
- 2.16 My report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the first year of the liquidation and is confidential.

CARBONARI MP LIMITED - IN LIQUIDATION

- 2.17 As disclosed in my previous progress report, I 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 any information provided by creditors. The director entered into a deed of settlement to repay the unlawful dividends identified by the liquidators during their investigations. Further details are outlined at part 3 below.

Matters still to be dealt with

- 2.18 No further matters are outstanding with the exception of the conclusion of a settlement as detailed below.

Connected Party Transactions

- 2.19 There were no assets disposed of or sold to the director in the period.

3 Unlawful Dividends

- 3.1 As previously advised, following a review of the Company's accounts it was identified that dividends totalling £100,600 for the financial years ended 30 April 2013 to 30 April 2015 were shown in the financial statements as having been paid. Further investigations revealed that the Company had insufficient reserves from which to declare dividends and as such the dividends are unlawful.
- 3.2 As advised in my previous progress report, the Liquidators have addressed this issue with the director and his legal advisors with a view to recovering the unlawful dividends for the benefit of the estate. The director had co-operated with the liquidators throughout the initial stages of the investigation and there was a delay caused by the director taking his own legal advice and pursuing an associated claim that he wished to bring that, if successful, would have resulted in a payment equivalent to the amount sought by the liquidators. The liquidators agreed to allow this claim to be pursued but no progress was made by the director in this respect.
- 3.3 You will recall that the Liquidators instructed lawyers to pursue the matter and the liquidators obtained After the Event insurance in respect of the claim against the director. After lengthy negotiations, an agreement with the director has been reached and a Deed of Settlement was executed on 28 July 2020 which provided for the director to pay the sum of £74,000 in instalments as follows:
- The amount of £8,000 within 7 days of signing the deed;
 - The amount of £45,000 by 30 July 2020; and
 - The amount of £21,000 by 30 September 2020
- 3.4 In considering whether the settlement provided for the best return to creditors the liquidators had to consider the issue of ongoing costs and staged insurance premiums, and also litigation risk. The liquidators are satisfied that the settlement provides the best outcome in all of the circumstances.
- 3.5 The first two instalments totalling £53,000 have been paid by the director to our instructed lawyer. Net realisations of £10,462.80 after allowing for legal fees and insurance costs was paid to the liquidators, as outlined at 2.8 above.
- 3.6 Since the reporting period covered in this report, the director has requested an extension for the final payment of £21,000 for a further 3 weeks up to 21 October 2020. The director has made a part payment of £10,000 to our lawyers and is hoping to pay the balance of £11,000 with statutory interest by 21 October 2020. The Liquidators will continue to monitor the position.

CARBONARI MP LIMITED - IN LIQUIDATION

- 3.7 The Liquidators will draw their outstanding costs (see part 6 of the report) and look to pay unsecured creditors a first and final dividend before concluding the liquidation subject to receiving the above balance. Please refer to part 5 for further details.

4 Creditors

Secured Creditors

- 4.2 There are no secured creditors in this case.

Preferential Creditors

- 4.3 There are no preferential creditors in this case.

Unsecured Creditors

- 4.4 I have received claims totalling £71,755.94 from 4 creditors. However, as above the directors claim of £28,000 has been set off against unlawful dividends. Claims therefore total £43,755.94 I have yet to receive claims from 2 creditors whose debts total £508.40 as per the Company's statement of affairs.
- 4.5 The Company has not granted any floating charges to secured creditors. Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors (known as the **Prescribed Part**).
- 4.6 Based on the information contained within the statement of affairs, it was not anticipated that there would be sufficient funds realised after defraying the expenses of the liquidation to pay a dividend to unsecured creditors. However, due to the identification of the unlawful dividends, there is a prospect that a dividend may become available to unsecured creditors, but this depends on the final instalment of £21,000 being paid by the director, £10,000 of which has been received outside of the reporting period.

5 Notice of Intended Dividend

- 5.1 In anticipation of receiving the final payment from the director as outlined above, it is my intention to pay a first and final dividend to unsecured creditors within the next two months and I enclose for your attention a Notice of Intended Dividend. To date, I have received claims from all known unsecured creditors. There are two claims whose debts amount to under £1,000 and these will be treated as being proved by the liquidators in accordance with the Insolvency Rules 2016.
- 5.2 All known creditors have claimed in the liquidation except the small claims outlined above that will be treated as proved and there have been no additional claims other than those estimated in the Company's Statement of Affairs.

6 Liquidators' Remuneration

- 6.1 Creditors approved that the basis of the Liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the liquidation but capped at £19,000 as per the fee estimate sent to creditors. My fees estimate/information was originally provided to creditors when the basis of my remuneration was approved and was based on information available to me at that time.

CARBONARI MP LIMITED - IN LIQUIDATION

6.2 A copy of that estimate is reproduced below:

Category of work	Estimated Number of Hours	Estimated cost £
Admin planning & Control	30	4,045
Reporting & Meeting	40	5,700
Investigation Hours	26	4,100
Asset Realisations – Floating Charge	2	260
Book Debts	9	1,380
HMRC/Crown Creditors	8	1,105
Unsecured Creditors	9	1,110
Employees & Pensions	2	260
Estate Cashiering	8	1,040
Total estimated fees		£19,000

6.3 My time costs for the Period are £16,804. This represents 82.3 hours at an average rate of £204.18 per hour. My total time costs since the date of my appointment amount to £51,335.50. This represents 290.20 hours at an average rate of £176.90 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period and attached as Appendix B (i) is a Time Analysis since my appointment in respect of the costs fixed by reference to time properly spent by me in managing the liquidation. To date, £15,573 plus disbursements of £177.83 has been drawn on account of which £8,324 was drawn in the period. An Expenses and Disbursements Analysis is shown at Appendix C.

6.4 The fee estimate previously provided to creditors for the liquidation was insufficient to meet the costs already incurred and any future liquidators' fees. On 13 August 2020, creditors approved that the liquidators' remuneration be increased from £19,000 plus VAT to £29,000 plus VAT. A copy of the Liquidators fee estimate was circulated with creditors on 28 July 2020. Two creditors voted in favour of the fee increase and no creditors voted for rejection. The Liquidators have agreed to write off time costs over and above £29,000, which are already substantial.

7 Creditors' Rights

7.1 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) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report.

7.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress 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 by the Liquidator, as set out in this progress report, are excessive.

8 Next Report

8.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account.

8.2 The Liquidators will aim to conclude matters after paying a first and final dividend to unsecured creditors as outlined in this report.

CARBONARI MP LIMITED - IN LIQUIDATION

- 8.3 If you have any queries in relation to the contents of this report, Shaun Rowe can be contacted by telephone on 01752 690101 or by email at shaun.rowe@richardjsmith.com

A handwritten signature in black ink, appearing to read 'S A Bailey', with a small horizontal line to the right of the signature.

S A Bailey
Joint Liquidator

**IN THE MATTER OF THE INSOLVENCY ACT 1986
AND IN THE MATTER OF
CARBONARI MP LIMITED
SUMMARY OF THE LIQUIDATORS' RECEIPTS AND PAYMENTS FOR
THE PERIOD FROM 24 AUGUST 2017 TO 23 AUGUST 2020**

	Estimated as per S of A	Realisations 24/8/17 to 23/8/19	Realisations 24/8/19 to 23/8/20	Realisations To Date
	£	£	£	£
Receipts				
Cash at Bank	7,000	11,189.31		11,189.31
Book Debts	5,250	1,400.00		1,400.00
Work in Progress	N/K			-
Bank Interest		1.07	0.06	1.13
Unlawful Dividends			53,000.00	53,000.00
VAT		2,194.08		2,194.08
	12,250	14,784.46	53,000.06	67,784.52

Payments

Administration & Preparation Costs	2,500.00		2,500.00
Pre Liquidators' Disbursements	59.75		59.75
Liquidators' Remuneration	7,249.00	8,324.00	15,573.00
Liquidators' Disbursements	137.99	39.84	177.83
Liquidators' Bond	276.00		276.00
Statutory Advert	164.00		164.00
Solicitors Costs	980.00	32,081.00	33,061.00
Petition Costs	920.00		920.00
Insurance		4,060.00	4,060.00
Court Fees		280.00	280.00
Corporation Tax	0.20		0.20
Storage Costs	22.02	12.86	34.88
VAT	2,241.76	8,245.34	10,487.10
	14,550.72	53,043.04	67,593.76

Creditors**Balance Held on Interest Bearing Account**

Reserved for Storage & Destruction on closure	45.12		45.12
Current Account	188.62	(42.98)	145.64
	14,784.46	53,000.06	67,784.52

Dated this 12th day of October 2020



S A Bailey
Joint Liquidator

Time Analysis for the Period 24 August 2019 to 23 August 2020

Classification of work function	Hours					Total Hours	Time Costs	Average hourly rate
	Partner	Manager	Other Senior Professionals	Cashier	Assistants & Support Staff			
Admin & Planning	0.20	1.80	12.50	0.00	0.10	14.60	2,291.50	156.95
Reporting & Meetings	3.20	1.20	14.10	1.50	1.20	21.20	3,508.00	165.47
Investigation	38.90	0.00	1.00	0.00	0.00	39.90	10,264.00	257.24
Forensic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assets (Fixed)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assets (Floating/Other)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Book Debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Monitoring	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Finance Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Preferential Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HMRC/Crown Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unsecured Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Employees & Pensions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Estate Cashiering	0.00	0.40	0.00	1.40	1.60	3.40	440.50	129.56
Other/General Typing	0.00	0.00	0.00	0.20	3.00	3.20	300.00	93.75
Total hours	42.30	3.40	27.60	3.10	5.90	82.30	16,804.00	204.18
Total fees claimed (£)	10,998.00	649.00	4,150.00	475.00	532.00	16,804.00		

Time incurred in Period

Total: **16,804.00**

Time Analysis for the Period 24 August 2017 to 23 August 2020

Classification of work function	Hours					Total Hours	Time Costs	Average hourly rate
	Partner	Manager	Other Senior Professionals	Cashier	Assistants & Support Staff			
Admin & Planning	4.70	16.00	57.70	0.00	0.40	78.80	11,939.50	151.52
Reporting & Meetings	10.00	6.50	33.90	4.40	3.80	58.60	9,312.50	158.92
Investigation	78.90	5.90	23.60	0.00	0.00	108.40	24,369.50	224.81
Forensic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assets (Fixed)	0.00	0.00	0.50	0.00	0.00	0.50	65.00	130.00
Assets (Floating/Other)	1.00	0.20	1.20	0.40	0.00	2.80	497.00	177.50
Book Debts	2.30	1.40	1.50	0.00	0.00	5.20	1,026.00	197.31
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Monitoring	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Finance Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Preferential Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HMRC/Crown Creditors	0.00	1.60	3.70	0.00	0.00	5.30	761.00	143.58
Unsecured Creditors	0.00	0.00	2.70	0.00	0.20	2.90	367.00	126.55
Employees & Pensions	0.00	0.00	0.90	0.00	0.00	0.90	117.00	130.00
Estate Cashiering	0.30	0.90	0.00	8.70	4.80	14.70	1,839.00	125.10
Other/General Typing	0.00	0.00	0.00	0.80	11.30	12.10	1,042.00	86.12
Total hours	97.20	32.50	125.70	14.30	20.50	290.20	51,335.50	176.90
Total fees claimed (£)	24,885.00	5,777.50	16,997.00	1,963.00	1,713.00	51,335.50		

Total: 51,335.50

Invoiced: 15,573.00

Un-Invoiced: 35,762.50

	Time invoiced in Period		Time incurred in Period		Cumulative	
	£	Hours	£	Hours	£	Hours
Year 1	7,249.00	49.90	23,336.00	149.00		
Year 2	0.00	0.00	11,195.50	58.90	34,531.50	207.90
Year 3	8,324.00	49.10	16,804.00	82.30	51,335.50	290.20
Year 4	0.00	0.00	0.00	0.00	0.00	0.00
Year 5	0.00	0.00	0.00	0.00	0.00	0.00

CARBONARI MP LIMITED - IN LIQUIDATION

Expenses & Disbursements Analysis for the Period 24 August 2017 to 23 August 2020

	Estimated (Fee Resolution) £	Paid in prior Period £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
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Expenses

Court Fee			280.00		280.00
Solicitors Costs	750.00	980.00	32,081.00		33,061.00
Insurance			4,060.00		4,060.00
External Storage of books & records	150.00	22.02	12.86		34.88
Hire of Meeting Room					-
Re-direction of Post					-
Statutory Advertising	296.00	164.00			164.00
Bond	80.00	276.00			276.00
Total Expenses:	1,276.00	1,442.02	36,433.86	-	37,875.88

Category 1 Disbursements

Case related Travel/Subsistence					-
IVA/CVA Registration					-
Postage 1	25.00	15.84	3.78	-	19.62
Postage 2		25.70	16.07	-	41.77
Searches		1.00	-	-	1.00
Parking & Toll		-	-	-	-
Monthly Bank Charges		-	-	-	-
Virtual Cabinet - Software charges		44.12	-	-	44.12
Sundry Disbursements		8.19	6.07	-	14.26
Total:	25.00	94.85	25.92	-	120.77

Category 2 Disbursements

Faxes.IN/OUT	10.00	-	-	-	-
Photocopying	10.00	14.07	0.06	-	14.13
Business Mileage	81.00	-	-	-	-
Stationery	15.00	29.07	13.86	-	42.93
Total:	116.00	43.14	13.92	-	57.06

Total of Category 1 & 2 Disbursements

141.00	137.99	39.84	-	177.83
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Appendix D

Additional Information in Relation to the Liquidators' Fees, Expenses & Disbursements

1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, 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.
- 1.3 We are not proposing to utilise the services of any sub-contractors in this case.

2 Professional Advisors

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Kitsons Solicitors	Hourly rate and disbursements
Aaron & Partners	Hourly rate and disbursements
ASL International (Insurance)	Fixed fee (subject to time periods)

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

3 Liquidator's Expenses & Disbursements

- 3.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the liquidation was provided to creditors when the basis of my fees were approved, a copy of which is set out below:

Expense	Estimated cost £
Solicitors' costs	750.00
Statutory advertising	296.00
Specific penalty bond	80.00
External storage of company's books and records	150
Category 1 disbursements charged by the firm:	
Postage 1	25.00
Category 2 disbursements charged by the firm:	
Business mileage	81.00
Faxes IN/OUT	10.00
Photocopying	10.00
Stationery	15.00

- 3.2 Further expenses and disbursements have been incurred since my original fee estimate in respect of pursuing the director for unlawful dividends and relates to legal fees and insurance costs.

Current position of Liquidators' expenses

- 3.3 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided at Appendix C.
- 3.4 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of 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. These disbursements are included in the tables of expenses above.
- 3.5 Category 2 disbursements 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. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidator's fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

4 Charge-Out Rates

- 4.1 Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. Details of charge-out rates effective from 3 August 2020 are as follows:

Staff	(per hour) £
Senior Partner	300
Partner	290
Manager	220
Assistant Manager	195
Administrators	175
Secretarial support	95

Privacy Notice

Use of personal information

We process personal information to enable us to carry out our work as insolvency practitioners which includes processing data that was held by companies/individuals before our appointment together with data collected during an insolvency procedure or a fixed charge receivership. Our legal obligation to process personal data arises from work we are required to carry out under insolvency and other related legislation.

Insolvency practitioners are Data Controllers of personal data in so far as defined by data protection legislation. Richard J Smith & Co will act as Data Processor on their instructions about personal data in relation to an insolvency procedure or fixed charge receivership.

Personal data will be kept secure and processed only for matters relating to the insolvency procedure being dealt with.

The data we may process

The personal data insolvency practitioners may process in most cases will be basic details that may identify an individual and will typically be sufficient to allow us to carry out our work as insolvency practitioners, for example, dealing with the claims of individuals who are owed monies by the companies/individuals over whom we have been appointed.

However, insolvency practitioners may be appointed over entities that process personal data that is considered more sensitive, for example health records and this sensitive data will usually have been created before our appointment. Although we will take appropriate steps to safeguard sensitive data (or to destroy it where it is appropriate to do so), subject to limited exceptions, for example, where we identify previous conduct and/or action that requires further investigation, we will not be processing sensitive data.

Sharing information

We may share personal data with third parties where we are under a legal or regulatory duty to do so, or it is necessary for the purposes of undertaking our work as insolvency practitioners. We may also share personal data to lawfully assist the police or other law enforcement agencies with the prevention and detection of crime, where disclosure is necessary to protect the safety or security of any persons and/or otherwise as permitted by the law.

How long will we hold it?

Personal data will be retained for as long as any legislative or regulatory requirement requires us to hold it. Typically, this may be up to 6 years after which it will be destroyed.

What are your rights?

You have the right to receive the information contained in this document about how your personal data may be processed by us.

You also have the right to know that we may be processing your personal data and, in most circumstances, to have information about the personal data of yours that we hold, and you can ask for certain other details such as what purpose we may process your data for and how long we will hold it.

Individuals have the right to request that incorrect or incomplete data is corrected and in certain circumstances, you may request that we erase any personal data on you which may be held or processed as part of our work as insolvency practitioners. If you have any complaints about how we handle your personal data, please contact Hamish Adam at Richard J Smith & Co, 53 Fore Street, Ivybridge, Devon, PL21 9AE tel: 01752 690101, email: hamish.adam@richardjsmith.com so we can resolve the issue, where possible. You also have the right to lodge a complaint about any use of your information with the Information Commissioners Office (ICO), the UK data protection regulator.