

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

05318768

Name of Company

Cromwell Engineering 2000 Limited

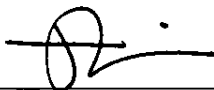
I / ~~We~~

Jonathan Mark Williams, 16 Queen Square, Bristol, BS1 4NT

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

The Progress Report covers the period from 31/10/2013 to 30/10/2014

Signed

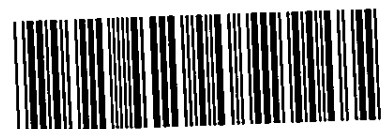


Date 05/12/2014

Bishop Fleming LLP
16 Queen Square
Bristol
BS1 4NT

Ref CR7579/LAL/JC

SATURDAY



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COMPANIES HOUSE

Cromwell Engineering 2000 Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 31/10/2013 To 30/10/2014	From 10/05/2011 To 30/10/2014
ASSET REALISATIONS			
Uncertain	Plant & Machinery	1,250 00	7,916 67
Uncertain	Stock	NIL	NIL
100,000 00	Debtors and Work in Progress	NIL	13,361 84
50,000 00	Retentions	NIL	39,794 39
	Rates refund	NIL	25,790 56
	Telephone refund	NIL	140 20
	Bank Interest Gross	37 53	157 55
		<u>1,287 53</u>	<u>87,161 21</u>
COST OF REALISATIONS			
	DTI Audit Fees	100 00	340 00
	DTI Cheque Fees	6 60	40 00
	Petitioning Solicitors Costs	NIL	2,270 00
	Specific Bond	NIL	225 00
	Preparation of S of A	NIL	6,500 00
	Liquidator's Fees	6,285 00	53,673 97
	Liquidator's Disbursements	26 62	46 62
	IPS	NIL	15 00
	Search Fees	NIL	16 16
	Professional fees	NIL	1,000 00
	Agents fees & disbursements	NIL	9,030 84
	Agents/Valuers Fees (2)	NIL	6,009 06
	Legal Fees	NIL	610 00
	Corporation Tax	7 50	31 51
	Search Fees	NIL	10 00
	Telephone Telex & Fax	NIL	26 00
	Stationery & Postage	NIL	140 20
	Mileage	NIL	426 60
	Storage Costs	NIL	46 84
	Photocopying	NIL	19 50
	Statutory Advertising	NIL	228 60
	Office Fee	NIL	100 00
	Courier	NIL	141 19
	Room Hire	NIL	175 00
	CIS (Not recoverable)	NIL	1,239 55
		<u>(6,425 72)</u>	<u>(82,361 64)</u>
PREFERENTIAL CREDITORS			
(43,337 00)	Employee Arrears/Hol Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
FLOATING CHARGE CREDITORS			
(250,279 10)	Floating charge creditor	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
UNSECURED CREDITORS			
(640,011 34)	Trade & Expense Creditors	NIL	NIL
(301,229 00)	Employee Notice/Redundancy	NIL	NIL
(14,000 00)	Directors	NIL	NIL
(100,000 00)	HM Revenue & Customs (PAYE/NIC)	NIL	NIL
(40,000 00)	HM Revenue & Customs (VAT)	NIL	NIL
(45,500 00)	Landlord's claim	NIL	NIL

Cromwell Engineering 2000 Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 31/10/2013 To 30/10/2014	From 10/05/2011 To 30/10/2014
		NIL	NIL
	DISTRIBUTIONS		
(45,000 00)	Preference Shareholders	NIL	NIL
(100 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,329,456 44)		(5,138 19)	4,799.57
REPRESENTED BY			
	ISA Main Account		4,799 57
			4,799.57



Jonathan Mark Williams
Liquidator

Cromwell Engineering 2000 Limited - In Liquidation

Liquidator's Annual Progress Report

to the Members and Creditors

Dated 19 December 2014

Period from 31 October 2013

to 30 October 2014

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- 7 Creditors and Dividend Prospects**
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APPENDICES

- A Receipts and Payments Account for the period from 31 October 2013 to 30 October 2014 and cumulatively from 10 May 2011 to 30 October 2014**
 - B Time Analysis for the period from 31 October 2013 to 30 October 2014 (B1) and a Cumulative Time Analysis for the period from 10 May 2011 to 30 October 2014 (B2)**
 - C Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9**
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1 Introduction

- 1 1 I, Jonathan Mark Williams, of Bishop Fleming LLP, 16 Queen Square, Bristol, BS1 4NT was appointed as Liquidator of Cromwell Engineering 2000 Limited (the Company) on 30 October 2012 in succession to Mr Samuel Jonathan Talby who had been appointed Liquidator on 10 May 2011
- 1 2 My appointment was made by Order of the Torquay and Newton Abbot County Court dated 30 October 2012 in view of Mr Talby's retirement from Bishop Fleming. A copy of the Order is available on request
- 1 3 I set out below my annual report on the progress of the liquidation for the year ended 30 October 2014
- 1 4 The Company traded in the design, fabrication and installation of steel, and its principal trading address was Units 1-3 44a Gloucester Road, Croydon, Surrey, CR0 2DA
- 1 5 The Company's registered number is 05318768 and its current registered office is Bishop Fleming, 16 Queen Square, Bristol, BS1 4NT
- 1 6 The business of Bishop Fleming was transferred to Bishop Fleming LLP on 1 June 2014 as part of an internal re-organisation. For work up to 1 June 2014 references in the report are to Bishop Fleming. Any reference to work undertaken or firm policies on and after that date refers to Bishop Fleming LLP

2 Receipts and Payments

- 2 1 At Appendix A, I have provided details of my Receipts and Payments for the year ended 30 October 2014 with a comparison to the estimates given in the Director's Statement of Affairs, together with a cumulative account since my predecessor's appointment
- 2 2 In addition to asset realisations, £158 has been received in respect of interest earned on the liquidation funds
- 2 3 The account has been reconciled with that by the Secretary of State in respect of the winding up

3 Realisation of Assets

Assets Specifically Pledged

- 3 1 No assets were specifically pledged

Assets Not Specifically Pledged

Plant & Machinery

- 3 2 As previously reported, the Company's plant and machinery had a book value of £79,195. The expected level of realisations from these assets was unknown at the date of liquidation.
- 3 3 My predecessor received an offer for the Company's plant and machinery from Cromwell (Metalworkers) Limited (the Purchaser) for consideration in the sum of £15,000 plus VAT. The assets subject to the Purchaser's offer were professionally valued by an independent agent who valued the assets at £8,260 on a going concern basis and £1,615 on a forced sale basis. On the agent's advice the offer was accepted on 19 September 2011.
- 3 4 As previously reported the Purchaser entered Administration on 22 August 2013 and I immediately put the Joint Administrators on notice that the Company had a retention of title claim against all assets sold to the Purchaser in the transaction on 19 September 2011.
- 3 5 The assets covered by the retention of title clause that were still held by the Purchaser were sold for £2,500 plus VAT. The assets were sold by the Joint Administrators and, following negotiations, it was agreed that the proceeds be split 50/50 between the Administration and the liquidation. £1,250 plus VAT was realised in the period and no further realisations will be made. Total realisations from these assets amount to £7,917.

Stock

- 3 6 As previously reported, the Company's stock had a book value of £57,703. The estimated realisable value of the stock was unknown at the date of liquidation.
- 3 7 As previously reported, my predecessor investigated this asset and on the advice of the Director it was concluded that the majority of the stock comprised in the book value had already been installed at a client's site and had been converted to a book debt.

Debtors and Work in Progress & Retentions

- 3 8 As previously reported, at the date of liquidation the Company's debtors and work in progress (the book debts) had a combined book value of £223,095 and an estimated to realise value of £100,000. The Company's retentions had a book value of £93,721 and an estimated to realise value of £50,000.
- 3 9 Initially, my predecessor was assisted by the Director of the Company in the collection of the book debts. The Director's efforts in realising these assets proved insufficient and an independent agent was instructed in October 2011 to pursue the remaining sums due to the Company.

3 10 As previously reported, on 16 October 2013 I received my agent's final report on the collection of the book debts. The agent advised that all book debts had been concluded and that no further recoveries would be made. Total realisations in respect of book debts are in the sum of £13,362 and total realisations in respect of retention payments are in the sum of £39,794.

3 11 A number of retention payments remain unresolved. The payments that may become payable, under a number of contracts, will not fall due until 2015 or 2016 under the retention terms of the contract. My solicitor has written to the Company's former client enquiring as to whether a settlement across all contracts would be possible. A number of holding responses have been received but a response to the enquiry itself remains outstanding at the date of this report.

3 12 A debt concerning works which were completed by the Purchaser and to which the Purchaser received payment for both work completed and the debt outstanding at the date of liquidation has not produced any funds for the liquidation in the period. My agent and I were advised that the debt had been assigned to the Purchaser prior to liquidation. The Administration of the Purchaser was concluded on 19 August 2014 and the Purchaser has since been dissolved. There was no distribution made to the unsecured creditors.

Rates Refund

3 13 Two refunds for rates in the sums of £1,745 and £24,036 were realised prior to this reporting period.

Telephone Refund

3 14 A telephone refund in the sum of £140 was realised prior to this reporting period.

Assets Sold to Connected Party

3 15 In accordance with Statement of Insolvency Practice No 13 (SIP13), I advise you that the following assets were sold to a Director of the Company:

Date of transaction	Asset involved and nature of transaction	Consideration Paid and Date	Sold to	Relationship
19 September 2011	Purchase of plant & Machinery	£15,000 of which £7,917 was paid	Cromwell (Metalworkers) Limited	Common director with Cromwell Engineering 2000 Limited

3 16 At a meeting of the Company's creditors on 10 May 2011 convened under section 98 of the Insolvency Act 1986 no liquidation committee was appointed. Therefore it was not possible for the Liquidator to consult with a liquidation committee when considering the offer made by

the Purchaser for the Company's plant and machinery, which was accepted post appointment

4 Investigations

4 1 In accordance with the Company Directors Disqualification Act 1986, my predecessor submitted a report on the conduct of the Director of the Company to the Department for Business Innovation & Skills (BIS) As this is a confidential report, I am not able to disclose its contents

4 2 Shortly after appointment, my predecessor 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 creditors either at the initial meeting or as a response to his request to complete an investigation questionnaire These investigations did not reveal any issues requiring further report

5 Liquidator's Remuneration and Disbursements

Remuneration

5 1 On 10 May 2011 the creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the liquidation

5 2 My time costs for the period from 31 October 2013 to 30 October 2014 are £6,829 This represents 45 05 hours at an average rate of £151 59 per hour Attached as Appendix B1 is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the time properly spent by me and my staff in managing the liquidation

5 3 Also attached as Appendix B2 is a cumulative Time Analysis for the period from 10 May 2011 to 30 October 2014 which provides details of total time costs since my predecessor's appointment

5 4 As reported throughout all periods in the liquidation the sales consideration agreed for the Company's plant and machinery was not received in the timescales agreed and time has been spent both negotiating with and pursuing the Purchaser for payment When the Purchaser was placed into Administration a revised agreement was negotiated with the Administrators in view of the Company's retention of title clause

5 5 The agents dealing with the collection of the Company's debtors, work in progress and retentions were liaised with on a regular basis throughout their instruction The final retention payments being pursued internally, to which solicitors have been instructed, continue to incur time costs in their attempted negotiation

- 5 6 The nature of realising deferred consideration and multiple debtor payments will inevitably incur additional cashiering costs. Cashiering costs in the liquidation represent the volume of transactions that have been processed.
- 5 7 Time spent dealing with the Company's creditors is representative of the initial prospect of a distribution being made to all classes of creditor in the liquidation. All preferential and unsecured claims have been reviewed and provisionally agreed. The time spent also reflects the large number of individuals and entities involved.
- 5 8 Time spent on statutory duties, compliance and statutory reporting is representative of the liquidation being in its fourth year.
- 5 9 In the period from 31 October 2013 to 30 October 2014 I drew fees of £6,825 plus disbursements of £27 on account. In the period from 10 May 2011 to 30 October 2014 total fees of £53,674 plus disbursements of £1,152 have been drawn on account.
- 5 10 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from www.bishopfleminginsolvency.co.uk/r3
- 5 11 Attached as Appendix C is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade.

Disbursements

- 5 12 An explanation of the meaning of Category 1 and Category 2 disbursements is given at Appendix C.
- 5 13 At the meeting of creditors held on 10 May 2011 the Liquidator was approved to draw Category 2 disbursements in accordance with my firm's standard tariff.
- 5 14 In this case the following disbursements have been incurred and met by Bishop Fleming LLP, and have been reimbursed to Bishop Fleming LLP where indicated.

Nature of disbursement	Amount incurred this period £	Total amount incurred to date £	Amount reimbursed £	Amount still to be reimbursed £
<u>Category 1</u>				
Courier	26 62	167 81	167 81	-
Search Fees	-	15 16	15 16	-
Specific Bond	-	225 00	225 00	-
Storage	-	46 84	46 84	-
Other Expenses	-	20 00	20 00	-
<u>Category 2</u>				
IPS software fee	-	15 00	15 00	-
Mileage at HMRC approved rates	-	201 60	201 60	-
Photocopying	-	19 50	19 50	-
Room Hire	-	175 00	175 00	-
Registered Office Fee	-	100.00	100 00	-
Stationery & Postage	-	140.20	140 20	-
Telephone	-	26.00	26 00	-
Total	26 62	1,152 11	1,152 11	-

6 Liquidator's Expenses

- 6 1 The amounts paid directly from the liquidation funds for the costs of employing auctioneers and valuers, solicitors, other legal costs, advertising in the Gazette & other newspapers and for incidental outlays are shown separately in the receipts and payments account

7 Creditors and Dividend Prospects

Secured Creditors

- 7 1 HSBC Bank plc were granted an unlimited debenture by the Company, incorporating fixed and floating charges dated 3 November 2005. At the date of liquidation the indebtedness was estimated at £250,279. To date no indebtedness has been agreed and no amount has been paid on account.

Preferential Creditors

- 7 2 A summary of the position regarding preferential claims is detailed below

	<u>Statement of Affairs £</u>	<u>Claims Received £</u>
Redundancy Payments Office	32,547	35,097
Employees' Excess Claims	10,790	10,790
Total	43,337	45,887

- 7 3 I have not yet formally agreed any preferential claims. Based on present information, it is uncertain as to whether there will be sufficient funds available to enable a distribution to be made to the preferential creditors.

Unsecured Creditors

- 7 4 Ordinary unsecured claims were estimated in the Statement of Affairs to total £1,140,740.
- 7 5 I have received claims totalling £1,557,916 from one hundred and twelve creditors.
- 7 6 I have not yet formally agreed any claims.
- 7 7 I have yet to receive claims from forty six creditors whose debts totalled £345,682 as per the Director's Statement of Affairs.
- 7 8 The Company granted a floating charge to HSBC Bank plc on 3 November 2005. Accordingly, under the provisions of Section 176A Insolvency Act 1986 I am required to create a fund out of the Company's net floating charge property for unsecured creditors.
- 7 9 Based on present information, I estimate the value of the Company's net floating charge property to be nil. Arising from this, the value of the unsecured creditors' fund is therefore estimated to be nil. Please note that my estimate does not provide for future costs of the liquidation.

Dividend Prospects

- 7 10 Based on present information it is anticipated that there will be insufficient funds available to enable a distribution to the unsecured creditors to be made.

8 Creditors' Rights

- 8 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.
- 8 2 In addition, 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 Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

9 Next Report

- 9 1 I am required to provide a further report on the progress of the liquidation within two months of the end 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 progress report ahead of convening the final meetings of members and creditors

Should you have any queries in relation to this report or the liquidation in general please contact Linda Lyons or Jack Callow of this office

Yours faithfully

A handwritten signature in black ink, appearing to be 'J M Williams', with a horizontal line extending to the right.

J M Williams
Liquidator

Cromwell Engineering 2000 Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Appendix A

Statement of Affairs		From 31/10/2013 To 30/10/2014	From 10/05/2011 To 30/10/2014
ASSET REALISATIONS			
Uncertain	Plant & Machinery	1,250 00	7,916 67
Uncertain	Stock	NIL	NIL
100,000 00	Debtors and Work in Progress	NIL	13,361 84
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	Rates refund	NIL	25,790 56
	Telephone refund	NIL	140 20
	Bank Interest Gross	37 53	157 55
		<u>1,287 53</u>	<u>87,161 21</u>
COST OF REALISATIONS			
	DTI Audit Fees	100 00	340 00
	DTI Cheque Fees	6 60	40 00
	Petitioning Solicitors Costs	NIL	2,270 00
	Specific Bond	NIL	225 00
	Preparation of S of A	NIL	6,500 00
	Liquidator's Fees	6,285 00	53,673 97
	Liquidator's Disbursements	26 62	46 62
	IPS	NIL	15 00
	Search Fees	NIL	16 16
	Professional fees	NIL	1,000 00
	Agents fees & disbursements	NIL	9,030 84
	Agents/Valuers Fees (2)	NIL	6,009 06
	Legal Fees	NIL	610 00
	Corporation Tax	7 50	31 51
	Search Fees	NIL	10 00
	Telephone Telex & Fax	NIL	26 00
	Stationery & Postage	NIL	140 20
	Mileage	NIL	426 60
	Storage Costs	NIL	46 84
	Photocopying	NIL	19 50
	Statutory Advertising	NIL	228 60
	Office Fee	NIL	100 00
	Courier	NIL	141 19
	Room Hire	NIL	175 00
	CIS (Not recoverable)	NIL	1,239 55
		<u>(6,425 72)</u>	<u>(82,361 64)</u>
PREFERENTIAL CREDITORS			
(43,337 00)	Employee Arrears/Hol Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
FLOATING CHARGE CREDITORS			
(250,279 10)	Floating charge creditor	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
UNSECURED CREDITORS			
(640,011 34)	Trade & Expense Creditors	NIL	NIL
(301,229 00)	Employee Notice/Redundancy	NIL	NIL
(14,000 00)	Directors	NIL	NIL
(100,000 00)	HM Revenue & Customs (PAYE/NIC)	NIL	NIL
(40,000 00)	HM Revenue & Customs (VAT)	NIL	NIL
(45,500 00)	Landlord's claim	NIL	NIL

Cromwell Engineering 2000 Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 31/10/2013 To 30/10/2014	From 10/05/2011 To 30/10/2014
		NIL	NIL
	DISTRIBUTIONS		
(45,000 00)	Preference Shareholders	NIL	NIL
(100 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,329,456 44)		(5,138.19)	4,799 57
	REPRESENTED BY		
	ISA Main Account		4,799 57
			4,799 57

Cromwell Engineering 2000 Limited - In Liquidation
Summary of Liquidator's Time Costs
for the period from 31 October 2013 to 30 October 2014

Classification of work function	Hours				Total Hours	Time Costs £	Average Hourly rate £
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff			
Administration & Planning	-	2 50	0 90	2 00	5 40	763 50	141 39
Investigations	-	-	-	-	-	-	-
Realisation of Assets	0 30	3 30	3 90	0 60	8 10	1,449 00	178 89
Trading / Monitoring VA	-	-	-	-	-	-	-
Creditors & Employees	-	0 50	0 05	1 35	1 90	261 75	137 76
Tax & VAT	0 30	0 40	3 30	0 05	4 05	627 25	154 88
Case Specific Matters	-	-	-	-	-	-	-
Cashiering	-	1 10	8 30	0 90	10 30	1,566 00	152 04
Statutory Reporting	0 30	0 80	-	4 00	5 10	677 50	132 84
Statutory Duty & Compliance	0 20	2 70	1 80	5 50	10 20	1,484 00	145 49
Closure	-	-	-	-	-	-	-
Total hours and time costs from 31 Oct 2013 to 30 Oct 2014 and average rate					45 05	6,829 00	151 59

Cromwell Engineering 2000 Limited - In Liquidation
Summary of Liquidator's Time Costs
for the period from 10 May 2011 to 30 October 2014

Classification of work function	Hours				Total Hours	Time Costs £	Average Hourly rate £
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff			
Administration & Planning	13 20	14 60	7 30	12 13	47 23	7,616 22	161 26
Investigations	5 10	3 20	14 55	-	22 85	3,896 75	170 54
Realisation of Assets	6 40	28 05	40 80	14 35	89 60	14,223 25	158 74
Trading / Monitoring VA	-	-	-	-	-	-	-
Creditors & Employees	0 50	3 60	55 70	21 25	81 05	9,979 75	123 13
Tax & VAT	1 20	1 45	11 47	15 95	30 07	3,606 00	119 92
Case Specific Matters	-	-	-	-	-	-	-
Cashiering	-	4 20	42 00	8 75	54 95	7,266 75	132 24
Statutory Reporting	0 40	4 90	4 80	4 70	14 80	1,838 75	124 24
Statutory Duty & Compliance	1 10	6 75	7 50	37 80	53 15	6,012 00	113 11
Closure	-	-	-	-	-	-	-
Total hours and time costs from 10 May 2011 to 30 Oct 2014, and average rate					393 70	54,439 47	138 28

Additional information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice 9 (SIP9)

Appendix C

1. Policy

Detailed below is Bishop Fleming LLP's policy in relation to

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

1.1 Staff allocation and the use of subcontractors

Bishop Fleming LLP's 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, Manager, Administrator and/or an Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

We are not proposing to utilise the services of any sub-contractors in this case.

1.2 Professional advisors

On this assignment I have used the professional advisors listed below and have indicated the basis of the fee arrangement with them, which is subject to review on a regular basis

Name of Professional Advisor	Basis of Fee Arrangement
<i>J Lea & Co (professional advice)</i>	<i>Time costs</i>
<i>Leslie Keats (debt collection agency)</i>	<i>Time costs</i>
<i>J P Fletcher & Co (legal advice)</i>	<i>Time cost</i>

The 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.

1.3 Disbursements

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.

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 the cost of sending faxes, photocopying or business mileage at HMRC approved rates.

Details of Category 2 disbursements charged are set out in the body of the report.

2. Charge-out rates

A schedule of Bishop Fleming LLP's charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. There have been no material increases in charge-out rates since that date, although rates have been reviewed annually on 1 July each year. A schedule of our current rates is attached, together with a summary of our charge out rates in the past 5 years.

Bishop Fleming LLP Business Recovery & Insolvency

Information to Creditors

Charge out rates and policy regarding the recharge of Disbursements

Charge out Rates (£ per hour)	Business Recovery & Insolvency Staff	Other Staff
Insolvency Practitioner / Partner	£295	£180 – £300
Senior Manager	£225	£110 - £225
Manager	£165 - £190	£85 - £170
Other Senior Professionals	£150	£45 - £150
Support Staff	£110 - £125	£20 - £110

Most of the work on the assignment will be undertaken by specialist staff in the Business Recovery & Insolvency department, but some tasks will be performed by other staff in the General Practice, Corporate Finance, Taxation, Payroll and Administration departments where appropriate, which will be charged out at their normal rates

Time is usually charged in units of 0.1 hour (i.e. 6 minutes) but the minimum unit of time that may be recorded is 0.017 of an hour (1 minute)

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP9) disbursements are categorised as either Category 1 or Category 2.

Category 1 Disbursements

These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the office holder or his or her staff.

Category 1 disbursements can be drawn without prior approval, although an office holder should be prepared to disclose information about them in the same way as any other expenses.

Category 2 Disbursements

These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration. When seeking approval, an office holder should explain, for each category of expense, the basis on which the charge is being made.

Bishop Fleming LLP proposes to recover category 2 disbursements as follows:

- Insolvency Practitioner and staff mileage re-imbursement at HMRC approved 'AMAP' rates – currently 45p / mile plus 5p / mile for each additional Bishop Fleming LLP passenger
- Faxes at 40p per sheet and Photocopying at 10p per sheet, based on comparative commercial rates

All costs are subject to VAT, where applicable

Bishop Fleming LLP Business Recovery & Insolvency

Information to Creditors

Summary of Charge Out Rates in the past 5 years

Charge Out Rates (£ per hour)	1 July 2010	11 July 2011	9 July 2012	1 July 2013	7 July 2014
<u>Business Recovery & Insolvency Staff</u>					
Insolvency Practitioner / Partner	£235	£265	£275	£285	£295
Director	£205	N/A	N/A	N/A	N/A
Senior Manager	£170 - £190	£180 - £195	£205	£215	£225
Manager	£150	£140 - £160	£150 - £170	£160 - £180	£165 - £190
Other Senior Professionals	£85 - £130	£85 - £140	£135 - £140	£145	£150
Support Staff	£33 - £90	£33 - £100	£95 - £110	£95 - £120	£110 - £125
<u>Other Staff</u>	included above	included above			
Partner			£180 - £300	£180 - £300	£180 - £300
Senior Manager			£110 - £225	£110 - £225	£110 - £225
Manager			£85 - £170	£85 - £170	£85 - £170
Other Senior Professionals			£45 - £150	£45 - £150	£45 - £150
Support Staff			£20 - £110	£20 - £110	£20 - £110

Charge out rates were reviewed annually in early July. The new charge out rates were effective from the dates shown.

For periods prior to 1 June 2014 charge out rates refer to Bishop Fleming, from 1 June 2014 they refer to Bishop Fleming LLP.