

In accordance with  
Rule 6.28 of the  
Insolvency (England &  
Wales) Rules 2016 and  
Section 106(3) of the  
Insolvency Act 1986.

# LIQ14

## Notice of final account prior to dissolution in CVL



Companies House

THURSDAY



A26 \*A7743CBV\*  
31/05/2018 #230  
COMPANIES HOUSE

### 1 Company details

Company number 0 8 6 0 0 2 1 7

Company name in full SDRW Limited

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

### 2 Liquidator's name

Full forename(s) Richard

Surname Gardiner

### 3 Liquidator's address

Building name/number Thomson Cooper

Street 3 Castle Court

Carnegie Campus

Post town Dunfermline

County/Region Fife

Postcode K Y 1 1 8 P B

Country

### 4 Liquidator's name ①

Full forename(s)

Surname

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

### 5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

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

# LIQ14

Notice of final account prior to dissolution in CVL

## 6 Liquidator's release

☐ Tick if one or more creditors objected to liquidator's release.

:

## 7 Final account

☒ I attach a copy of the final account.

## 8 Sign and date

Liquidator's signature

Signature

X

X

Signature date

d

3

d

0

m

0

m

5

y

2

y

0

y

1

y

8

# LIQ14

Notice of final account prior to dissolution in CVL



## Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Richard Gardiner

Company name Thomson Cooper

Address 3 Castle Court

Camergie Campus

Post town Dunfermline

County/Region Fife

Postcode K Y 1 1 8 P B

Country

DX

Telephone 01383628800



## Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



## Important information

All information on this form will appear on the public record.



## Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



## Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

**SDRW LIMITED – IN CREDITORS VOLUNTARY LIQUIDATION**

**LIQUIDATOR'S FINAL REPORT TO MEMBERS AND CREDITORS  
PURSUANT TO SECTION 106 OF THE INSOLVENCY ACT 1986**

**Prepared by:** Richard Gardiner  
Liquidator  
Thomson Cooper  
3 Castle Court  
Carnegie Campus  
Dunfermline  
KY11 8PB

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7. Liquidator's Costs and Remuneration Charged
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- A. Receipts and Payments Summary
- B. Liquidator's Costs

## **1. PURPOSE OF REPORT**

- 1.1 This report is prepared pursuant to Section 104A Insolvency Act 1986, the purpose of which is to provide creditors with information relating to the progress of the liquidation for the year ended 13 March 2018.
- 1.2 The report is also prepared pursuant to Section 106 Insolvency Act 1986. This is the Liquidator's final report to provide members and creditors with information relating to the progress of the liquidation for the period from commencement to date.

## **2. LIQUIDATOR'S APPOINTMENT**

- 2.1 I, Richard Gardiner of Thomson Cooper, 3 Castle Court, Carnegie Campus, Dunfermline, KY11 8PB was appointed Liquidator of the company at a meeting of the company's members on 14 March 2016 and my appointment was ratified at a meeting of the company's creditors on 24 March 2016. I am authorised to act as an Insolvency Practitioner in the UK by The Institute of Chartered Accountants of Scotland and bound by the Insolvency Code of Ethics in all insolvency appointments.

## **3. STATUTORY INFORMATION**

Company Name: SDRW Limited (formerly We Are AD Limited to 10 March 2016 and Digital London Limited to 15/01/15)

Company Number: 08600217

Incorporated: 08 July 2013

Registered Office: Marsland Chambers  
1A Marsland Road  
Sale  
M33 3hp

Nature of Business: Information Technology Consultancy

Trading Address: 1st Floor, 169 Elderslie Street  
Glasgow  
G3 7JR

Share Capital: Authorised 502 Ordinary Shares of £1 each  
Issued 502 Ordinary Shares of £1 each

Shareholders:	David Johnstone	167 Ordinary £1 Shares
	Kenneth George Beattie	167 Ordinary £1 Shares
	Stirland Eugene Martin	167 Ordinary £1 Shares
	Scott Dylan	1 Ordinary £1 Share

Directors:	David Johnstone	
	Kenneth George Beattie	
	Stirland Eugene Martin	(resigned 29 February 2016)
	Scott Gilmour	(resigned 22 July 2015)
	Graeme Malcolm Pratt	(resigned 22 July 2015)
	Scott Dylan	(resigned 13 July 2014)

Company Secretary: Scott Dylan (resigned 05 December 2014)

Subsidiary Company: The company owned 499 of the 500 £1 Ordinary Shares in Fluid Creativity (UK) Ltd (Dissolved 04 October 2016).

Charges: Bibby Financial Services Ltd hold a Fixed and Floating Charge dated 27 March 2015. The Fixed Charge covers the company's book debts and the Floating Charge covers all the property or undertaking of the company.

#### **4. RECEIPTS AND PAYMENTS SUMMARY**

- 4.1 My receipts and payments accounts are attached at Appendix A for:
- (i) for the year ended 13 March 2018
  - (ii) for the period 14 March 2018 to 30 May 2018 incorporating the full period of the liquidation from 14 March 2016 to 30 May 2018.

#### **5. WORK UNDERTAKEN INCLUDING REALISATIONS OF ASSETS**

- 5.1 During the year ended 13 March 2018 my work primarily consisted of attending to statutory matters. My annual report for the year ended 13 March 2017 was issued to members and creditors and advised of my intention to draw the balance of funds to account of my remuneration as previously approved by creditors at the outset of the liquidation. Further information on my remuneration is provided as section 7 below. A final VAT return was submitted to recover the final input VAT recoverable in the case, further to which I was able to draw my fee after the anniversary date. All matters in the liquidation are now complete and I can advise on the full period of the liquidation as follows:

##### **Sale of Assets**

###### *Sale of Business*

- 5.2 As previously advised, on 11 March 2016, the company sold its trade and assets to Strategic AD Limited, a new vehicle formed by two of its directors, David Johnstone and Ken Beattie, for £11,500 (on the basis of an independent business valuation) and transferred all employees under TUPE from that date. The company was then placed into liquidation at a meeting of its members on 14 March 2016. The £11,500 proceeds were received.
- 5.3 A copy of the independent valuation was obtained and I was satisfied that that £11,500 was a reasonable value and there was no basis for a challenge to the basis of the valuation and explanations provided.

###### *Book Debts*

- 5.4 The directors had anticipated a small surplus from the collection of book debts after payment of sums due to Bibby Financial Services Ltd who had provided an invoice finance facility for the debts. Regrettably, recoveries were lower than anticipated and a shortfall arose. Under the terms of Personal Guarantees provided by the directors the shortfall was met by them.

*Bank Account*

- 5.5 £432 was recovered from the company's bank account

*Interest received*

- 5.6 Funds were held in an interest bearing account and a nominal sum of £3 was received in respect of interest.

*Other potential assets*

- 5.7 Other potential assets at the date of liquidation related to the company's shareholding and inter-company loan with Fluid Creativity (UK) Ltd and a potential loan due from a director, Scott Dylan.
- 5.8 The company's subsidiary Fluid Creativity (UK) Ltd had no assets and was thus considered insolvent. An application was made for the company to be struck from the register of companies and it was dissolved on 04 October 2016.
- 5.9 The loan due from Mr Dylan was denied by him and, in any event, his claims for funds due to him from the company exceeded the amount that the directors believed was due by him to the company.
- 5.10 Accordingly, there were no further realisations.

*Costs incurred*

- 5.11 Costs to date mainly relate to statutory matters as follows.
- £70 has been paid to Insolvency Risk Services in respect of the Specific Bond
  - £275 has been paid to CCW for legal assistance relating to the company's shareholdings and to a potential challenge to the outcome of the meeting of creditors which did not progress.
  - £81.65 was paid to The Stationery Office and £216 to Courts Advertising Ltd for various statutory notices placed in the London Gazette.
- 5.12 The choice of professional was based on my perception of their experience and ability to perform the type of work required, the complexity and nature of the assignment and the basis of my fee arrangement with them. I am satisfied that the fees charged are reasonable in the circumstances of this case.
- 5.13 My remuneration is explained in further detail at section 7 below.
- 5.14 VAT has been recoverable on costs incurred as the company was previously registered for VAT.

**General Administration and Investigation**

- 5.15 In addition to the work above, Insolvency Practitioners are obliged to investigate the affairs of insolvent companies to determine their assets and liabilities and to seek to identify potential recovery of funds. In addition, in terms of the Company Directors Disqualification Act 1986 and the Insolvent Companies (Reports on Conduct of Directors) Rules 1996, the Liquidator is required to prepare a Report regarding the conduct of the directors that held office in the three years prior to liquidation. I can advise that both of these obligations have been discharged.



The Conduct Report has been submitted but I am unable to divulge the contents of such reports.

- 5.16 During the course of the liquidation I am obliged to document any decisions that affect the case, to maintain records to demonstrate how the liquidation has been administered and undertake regular reviews to ensure that matters are progressed timeously and that the case remains adequately bonded. I am also required to comply with insolvency legislation and best practice in carrying out my duties, including requirements for reporting to the company's members and creditors.
- 5.17 Whilst this work has no direct financial benefit to the creditors it has to be undertaken.

## **6. OUTCOME FOR CREDITORS**

### *Secured Creditor*

- 6.1 Bibby Financial Services Ltd held a fixed and floating charge which incorporates other companies within the Bibby group. The fixed charge covered the company's book debts which were subject to an invoice finance agreement and the floating charge covers the other assets. Whilst the initial debt in respect of the financed book debts was extinguished through personal guarantees given by the directors, Bibby Leasing Ltd intimated a further claim of some £20,000 in respect of IT equipment subject to a finance agreement which had gone missing.
- 6.2 Section 176A Insolvency Act provides that where there is a Floating Charge registered after 15 September 2003 a proportion of funds which would otherwise be available to the Floating Charge Holder shall be made available for the satisfaction of unsecured debts. This is known as the Prescribed Part and is defined as being 50% of the first £10,000 of assets (that would otherwise have gone to the Floating Charge Holder) and 20% of the balance up to a total of £600,000. In this case there were insufficient funds to meet the costs of the liquidation and thus there was no Prescribed Part.

### *Preferential Creditors*

- 6.3 A former director and a former employee had sought tribunal hearings against the company and were awarded various claims which were then put to the Redundancy Payments Service for payment of the appropriate elements of the claims and awards were made in their favour. In this regard some £9,500 for unpaid salary / holiday pay ranked as preferential claims against the company but there were insufficient funds to enable a return to this class of creditor.

### *Unsecured Creditors*

- 6.4 In their statement of affairs, the directors estimated unsecured creditors amounting to some £264,000. However, this excluded substantial claims submitted by the former director and employee for their tribunal awards and other amounts claimed by them against the company. It also excluded a substantial claim submitted by the company's former landlord. As there was no prospect of a dividend, many creditors did not submit claims.

## **7. LIQUIDATOR'S COSTS AND REMUNERATION CHARGED**

- 7.1 At the meeting of creditors held on 24 March 2016, in the absence of a liquidation committee being formed and in accordance with rules 4.127 - 4.127B, of the Insolvency Rules 1986 (which were in force at that time), all of the creditors voting resolved that the liquidator's remuneration be fixed by reference to time costs plus disbursements plus VAT, with my fee to be restricted to no more than £15,895, as indicated in the estimate provided to creditors on 14 March 2016 with the Notice of the meeting. A further copy of the original fee estimate was circularised to creditors in my last annual report but further copies can be provided on request.
- 7.2 I would remind creditors that a Creditors Guide to Liquidator's Remuneration which can be found via the following web address or, alternatively, hard copies can be obtained free of charge from my office:  
[https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2015/guide to liquidators fees oct 2015.ashx?la=en](https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2015/guide%20to%20liquidators%20fees%20oct%202015.ashx?la=en)

### **Liquidator's time costs**

- 7.3 As previously advised, my firm's time costs for the period 14 March 2016 to 13 March 2017 were in the region of £15,800. A statement of the time incurred and narrative of work undertaken was provided with my last annual report. At that time, £5,000 had been drawn to account following creditor approval, leaving unpaid costs of £10,800. The remaining funds in hand amounted to £6,292 and, as reported, I advised that this would then be drawn to account of my remuneration. Since drawing that balance, no further funds have been realised and hence no further remuneration has been drawn.
- 7.4 I attach at Appendix B a further copy summary of my time costs for that period together with summaries of the further costs incurred for the year ended 13 March 2018 and the final period to 30 May 2018. I also append a further copy of my firm's time charging policy.
- 7.5 I would draw creditors attention to Rules 18.9 and 18.34 regarding further information or challenges to my remuneration / expenses, further information on which is provided within the Notice accompanying this report.

## **8. OTHER MATTERS / CONCLUSION**

- 8.1 As above this report is my final report to members and creditors in terms of Section 106 Insolvency Act. In the event that no creditors object to my release then I will be granted my release and vacate office on filing this report with the Registrar of Companies.



Richard Gardiner  
Liquidator  
30 May 2018

**Appendix A**

**RECEIPTS AND PAYMENTS SUMMARY**

- A1 For the period 14 March 2017 to 13 March 2018
- A2 For the period 14 March 2018 to 30 May 2018 (and incorporating the whole period of the liquidation from 14 March 2016 to 30 May 2018)

**SDRW Limited - Formerly We Are AD Limited**  
**(In Liquidation)**  
**Liquidator's Summary of Receipts & Payments**

Statement of Affairs £		From 14/03/2017 To 13/03/2018 £	From 14/03/2016 To 13/03/2018 £
	<b>SECURED ASSETS</b>		
45,403.00	Book Debts	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	<b>SECURED CREDITORS</b>		
(42,322.00)	Bibby Factors Ltd	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	<b>ASSET REALISATIONS</b>		
11,500.00	Book Debt - Sale of Assets	NIL	11,500.00
NIL	Fluid Creativity (UK) Ltd - Shares	NIL	NIL
NIL	Fluid Creativity (UK) Ltd Loan	NIL	NIL
	Cash at Bank	NIL	432.00
NIL	Loan Account - Scott Dylan	NIL	NIL
	Bank Interest Gross	<u>0.38</u>	<u>3.55</u>
		0.38	11,935.55
	<b>COST OF REALISATIONS</b>		
	Specific Bond	NIL	70.00
	Office Holders Fees	5,034.32	10,034.32
	Legal Fees	NIL	275.00
	Statutory Advertising	<u>NIL</u>	<u>297.65</u>
		(5,034.32)	(10,676.97)
	<b>UNSECURED CREDITORS</b>		
(119,031.00)	Trade & Expense Creditors	NIL	NIL
(145,000.00)	Inland Revenue	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(502.00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(249,952.00)</u>		<u>(5,033.94)</u>	<u>1,258.58</u>
	<b>REPRESENTED BY</b>		
	Bank 1 - Current		1,258.58
			<u>1,258.58</u>

  
Richard Gardiner  
Liquidator

**SDRW Limited - Formerly We Are AD Limited**  
**(In Liquidation)**  
**Liquidator's Summary of Receipts & Payments**

Statement of Affairs £		From 14/03/2018 To 30/05/2018 £	From 14/03/2016 To 30/05/2018 £
45,403.00	<b>SECURED ASSETS</b>		
	Book Debts	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
(42,322.00)	<b>SECURED CREDITORS</b>		
	Bibby Factors Ltd	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
11,500.00	<b>ASSET REALISATIONS</b>		
NIL	Book Debt - Sale of Assets	NIL	11,500.00
NIL	Fluid Creativity (UK) Ltd - Shares	NIL	NIL
	Fluid Creativity (UK) Ltd Loan	NIL	NIL
	Cash at Bank	NIL	432.00
NIL	Loan Account - Scott Dylan	NIL	NIL
	Bank Interest Gross	<u>NIL</u>	<u>3.55</u>
		NIL	11,935.55
	<b>COST OF REALISATIONS</b>		
	Specific Bond	NIL	70.00
	Office Holders Fees	1,258.58	11,292.90
	Legal Fees	NIL	275.00
	Statutory Advertising	<u>NIL</u>	<u>297.65</u>
		(1,258.58)	(11,935.55)
(119,031.00)	<b>UNSECURED CREDITORS</b>		
(145,000.00)	Trade & Expense Creditors	NIL	NIL
	Inland Revenue	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
(502.00)	<b>DISTRIBUTIONS</b>		
	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<b>(249,952.00)</b>		<b><u>(1,258.58)</u></b>	<b><u>(0.00)</u></b>

REPRESENTED BY

NIL

  
Richard Gardiner  
Liquidator

## **Appendix B**

### **LIQUIDATOR'S TIME COSTS 14 MARCH 2016 TO 30 May 2018**

- B1 Time and Charge Out Summary for the period 14 March 2016 to 13 March 2017
- B2 Time and Charge Our Summary for the period 14 March 2017 to 13 March 2018
- B3 Time and Charge Out Summary for the period 14 March 2018 to 30 May 2018
- B4 Time charging policy



**SDRW LIMITED - IN LIQUIDATION**

Time and Charge Out Summary for the period 14 March 2016 to 13 March 2017

	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Classification of work function	HOURS						
Administration and Planning	5.08	30.17	0.25	4.87	40.37	6,925.50	171.56
Investigations	0.92	13.92	-	-	14.83	2,734.17	184.33
Realisation of assets	-	3.42	-	-	3.42	615.00	180.00
Trading	-	-	-	-	-	-	-
Creditors	4.33	15.25	1.17	-	20.75	3,968.33	191.24
Employees	0.33	3.17	8.08	-	11.58	1,623.33	140.14
Case Specific Matters	-	-	-	-	-	-	-
<b>Total Hours</b>	<b>10.67</b>	<b>65.92</b>	<b>9.50</b>	<b>4.87</b>	<b>90.95</b>	<b>15,866.32</b>	<b>174.45</b>

Total (£)

Total Disbursements Claimed

Charge Out Rates	
(Time is charged in 5 minute units)	
Staff Grade	
Partner	£250
Manager	£180
Other Senior Professional	£125
Assistants / Support Staff	£50

N:Insolvency/SIP3/Ram Claim Liq



**SDRW LIMITED - IN LIQUIDATION**

Time and Charge Out Summary for the period 14 March 2017 to 13 March 2018

	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Classification of work function	HOURS						
Administration and Planning	0.41	10.17	-	2.17	12.75	2,108.33	165.40
Investigations	-	4.17	0.50	-	4.67	812.50	174.11
Realisation of assets	-	-	-	-	-	-	-
Trading	-	-	-	-	-	-	-
Creditors	0.08	0.83	0.50	-	1.42	233.33	164.71
Employees	-	-	-	-	-	-	-
Case Specific Matters	-	-	-	-	-	-	-
<b>Total Hours</b>	<b>0.50</b>	<b>15.17</b>	<b>1.00</b>	<b>2.17</b>	<b>18.83</b>		<b>167.51</b>

**Total Fees Claimed (£)**

**3,154.16**

**Total Disbursements Claimed      Mileage**

**-**

**Charge Out Rates**

**Staff Grade**

Partner	£250
Manager	£175
Other Senior Professional	£125
Assistants / Support Staff	£50



Standard Activity	Examples of work
Administration and Planning	<ul style="list-style-type: none"> <li>Case planning</li> <li>Case reviewing</li> <li>Administrative set-up</li> <li>Appointment notification</li> <li>Maintenance of records</li> <li>Statutory reporting and compliance</li> <li>Finalise taxation matters</li> <li>Case Closure</li> </ul>
Investigations	Investigating antecedent transactions
Realisation of Assets	<ul style="list-style-type: none"> <li>Identifying, securing, insuring assets</li> <li>Retention of title</li> <li>Debt collection</li> <li>Property, business and assets sales</li> </ul>
Trading	<ul style="list-style-type: none"> <li>Management of operations</li> <li>Accounting for Trading</li> <li>On-going employee issues</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>Communication with creditors</li> <li>Verify creditors' claims (including employees' and other preferential creditors')</li> <li>Adjudication on claims</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Initial meeting with employees</li> <li>Processing employee claims</li> <li>Liasing with Department of Trade &amp; Industry</li> </ul>



**SDRW LIMITED - IN LIQUIDATION**

Time and Charge Out Summary for the period 14 March 2018 to 30 May 2018

	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Classification of work function	HOURS						
Administration and Planning	0.75	5.83	-	2.17	8.75	1,352.50	154.57
Investigations	-	-	-	-	-	-	-
Realisation of assets	-	-	-	-	-	-	-
Trading	-	-	-	-	-	-	-
Creditors	-	-	-	-	-	-	-
Employees	-	-	-	-	-	-	-
Case Specific Matters	-	-	-	-	-	-	-
<b>Total Hours</b>	<b>0.75</b>	<b>5.83</b>	<b>-</b>	<b>2.17</b>	<b>8.75</b>		<b>154.57</b>

**Total Fees Claimed (£)**

**1,352.50**

**Total Disbursements Claimed      Mileage**

**-**

**Charge Out Rates**

**Staff Grade**

Partner	£250
Manager	£180
Other Senior Professional	£125
Assistants / Support Staff	£50 - £90

Standard Activity	Examples of work
Administration and Planning	<ul style="list-style-type: none"> <li>Case planning</li> <li>Case reviewing</li> <li>Administrative set-up</li> <li>Appointment notification</li> <li>Maintenance of records</li> <li>Statutory reporting and compliance</li> <li>Finalise taxation matters</li> <li>Case Closure</li> </ul>
Investigations	Investigating antecedent transactions
Realisation of Assets	<ul style="list-style-type: none"> <li>Identifying, securing, insuring assets</li> <li>Retention of title</li> <li>Debt collection</li> <li>Property, business and assets sales</li> </ul>
Trading	<ul style="list-style-type: none"> <li>Management of operations</li> <li>Accounting for Trading</li> <li>On-going employee issues</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>Communication with creditors</li> <li>Verify creditors' claims (including employees' and other preferential creditors')</li> <li>Adjudication on claims</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Initial meeting with employees</li> <li>Processing employee claims</li> <li>Liasing with Department of Trade &amp; Industry</li> </ul>

## THOMSON COOPER ACCOUNTANTS DISBURSEMENTS AND CHARGEOUT RATES

### INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Required professional practice states that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made-up and the basis on which they are arrived at.

### DEFINITIONS

Required professional practice classifies expenses into two broad categories:

*Category 1 expenses (approval not required)* – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external supplier's invoice or published tariff of charges;

*Category 2 expenses (approval required)* – all other items of expenditure:

- Which cannot, or cannot easily, be directly related to a particular insolvency case because there is an element of shared or allocated cost; and / or
- Where the cost of the expense incurred is an estimated, utilised cost with the estimate based on external costs or opportunity cost.

### CHARGING POLICY

*Category 1 expenses (approval not required)* – with the exception of any items referred to below, all such items are re-charged to the case as they are incurred.

*Category 2 expenses (approval required)*

Generally Thomson Cooper does not seek to recover Category 2 type expenses with the exception of:

(A) The following items of expenditure are re-charged as described:

- Car mileage is re-charged at the rates prescribed by H M Revenue & Customs under the Fixed Profit Car Scheme

(B) The following items of expenditure will normally be treated as general office overheads not subject to a re-charge:

- Telephone and facsimile
- Printing and photocopying
- Stationery

A re-charge may be made, however, where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 expense*.

## **STANDARD CHARGEOUT RATES AND CHARGING POLICY FOR CREDITORS' VOLUNTARY LIQUIDATIONS**

All staff utilised in Insolvency cases are based in Thomson Cooper's Dunfermline office and the rates applying as at the date of this report are as follows:

<b>Grade of staff</b>	<b>Charge-out Rate (£ per hour)</b>
Partner	250
Manager	180
Administrators	80 -120
Admin/Cashier/Other Support Staff	40

Time is recorded in units of 5 minutes

## **ESTIMATED EXPENSES AND DISBURSEMENTS**

The information set out in the table below is the Liquidator's estimate of expenses (within the meaning of the Insolvency Rules 1986).

At this stage in the proceedings I am obliged to provide an estimate into the nature and amount of my expenses and disbursements for the entire duration of the Liquidation based on current information. In order for me to produce the estimate I have had to make assumptions, as shown below.

During the course of the Liquidation it may transpire that some of the expenses may not be incurred, or that I may be required to incur additional expenses. An updated position will be reported to creditors in my annual progress report and also my final report.

Standard Activity	Examples of work
Administration and Planning	Case planning Case reviewing Administrative set-up Appointment notification Maintenance of records Statutory reporting and compliance Finalise taxation matters Case Closure
Investigations	Investigating antecedent transactions
Realisation of Assets	Identifying, securing, insuring assets Retention of title Debt collection Property, business and assets sales
Trading	Management of operations Accounting for Trading On-going employee issues
Creditors	Communication with creditors Verify creditors' claims (including employees' and other preferential creditors) Adjudication on claims
Employees	Initial meeting with employees Processing employee claims Liaising with Department of Trade & Industry