

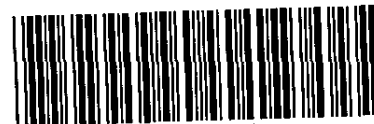
# AM25

## Notice of court order ending administration



Companies House

MONDAY



\*A8YHNJC2\*

A13 10/02/2020 #29

COMPANIES HOUSE

\*A8XKD6PK\*

A04 27/01/2020 #56

COMPANIES HOUSE

### 1 Company details

Company number 0 9 6 9 7 3 1 4

Company name in full Privilege Wealth Plc - In Administration

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Stephen

Surname Katz

### 3 Administrator's address

Building name/number 26-28

Street Bedford Row

Post town London

County/Region

Postcode W C 1 R 4 H E

Country United Kingdom

### 4 Administrator's name <sup>①</sup>

Full forename(s) John

Surname Kelmanson

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address <sup>②</sup>

Building name/number Pearl Assurance House

Street 319 Ballards Lane

Post town London

County/Region

Postcode N 1 2 8 L Y

Country United Kingdom

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM25

## Notice of court order ending administration

### 6 Administration end date

End date 

d	1	d	5	m	0	m	1	y	2	y	0	y	2	y	0
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

### 7 Date of court order

Court order date 

d	1	d	5	m	0	m	1	y	2	y	0	y	2	y	0
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

### 8 Attachments

- ☒ I have attached a copy of the court order
- ☒ I have attached a copy of the final progress report

### 9 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

d	2	d	1	m	0	m	1	y	2	y	0	y	2	y	0
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

**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 James Allen

Company name David Rubin & Partners

Address 26-28 Bedford Row

Post town London

County/Region

Postcode W C 1 R 4 H E

Country United Kingdom

DX ✓

Telephone 020 7400 7900

**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 all 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)



**IN THE HIGH COURT OF JUSTICE**

**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**

**INSOLVENCY AND COMPANIES COURT**

CR-2019-008474

**BEFORE: DEPUTY INSOLVENCY AND COMPANIES COURT JUDGE  
BARNETT**

**ON: 15 JANUARY 2019**

**IN THE MATTER OF PRIVILEGE WEALTH PLC (IN ADMINISTRATION)**

**AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

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**ORDER**

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**UPON** the petition of Privilege Wealth PLC ("the Company") acting by its administrators, Stephen Mark Katz and John Stephen Kelmanson ("the Petitioners") of David Rubin & Partners, 26 - 28 Bedford Row, London WC1R 4HE -- appointed on 23 January 2018 - presented to this court on 18 December 2019 ('the Petition')

**AND UPON** reading the evidence

**AND UPON THE COURT BEING SATISFIED** on the evidence that the EC Regulation on Insolvency Proceedings does apply and that these proceedings are main proceedings as defined in Article 3 of the EC Regulation

**AND UPON** hearing counsel, Mr Andrew Brown, for the Petitioners and counsel, Mr Matthew Chan, for the Company's majority creditor, Privilege Wealth One LLP (In Liquidation)

**IT IS ORDERED THAT:**

1. The Company be wound up by this Court under the provisions of the Insolvency Act 1986 and the Official Receiver is appointed liquidator
2. The appointment of the Petitioners as administrators should cease to have effect pursuant to paragraph 79 Schedule B1 Insolvency Act 1986
3. The Petitioners' costs of the Petition be paid out of the assets of the Company

On: 15 January 2020

**SERVICE OF THE ORDER**

The court has provided a sealed copy of this Order to the Serving Party:

HCR Sprecher Grier

3<sup>rd</sup> Floor, 3 St Helens Place

London, EC3A 6AB

Ref: DXS/PRI699-1

**IN THE HIGH COURT OF JUSTICE**

**NO 569 OF 2018**

**IN THE MATTER OF**

**PRIVILEGE WEALTH PLC - IN ADMINISTRATION**

**AND**

**THE INSOLVENCY ACT 1986**

**THE JOINT ADMINISTRATORS' FINAL PROGRESS REPORT  
PURSUANT TO RULE 3.53 AND 18.3  
OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016  
FOR THE PERIOD 23 JANUARY 2018 TO 15 JANUARY 2020**

## **CONTENTS**

- a. Introduction
- b. Statutory information
- c. Joint Administrators' names and addresses
- d. Any Change in the Office Holder
- e. Details of any extensions to the initial period of appointment
- f. Application under Paragraph 79 of Schedule B1 to the Insolvency Act 1986
- g. Details of progress during the period and summary account of receipts and payments
- h. Administrators' remuneration and expenses
- i. Property which has not been realised
- j. Other relevant Information
- k. Details of what remains to be done
- l. Move from Administration to Compulsory Liquidation

## **APPENDICES**

- A. Receipts and Payments Account from 11 December 2019 to 15 January 2020
- A. Cumulative Receipts and payments account from 23 January 2018 to 15 January 2020
- B. Joint Administrators' Remuneration and expenses

**PRIVILEGE WEALTH PLC – IN ADMINISTRATION**  
**JOINT ADMINISTRATORS' FINAL PROGRESS REPORT**  
**PERSUANT TO RULE 18.3 OF THE INSOLVENCY RULES 2016**  
**FOR THE PERIOD 23 JANUARY 2018 TO 15 JANUARY 2020**

**Introduction**

We refer to the appointment of John Kelmanson and myself as Joint Administrators of Privilege Wealth Plc pursuant to an appointment made by The Directors and filed at the High Court of Justice, Chancery Division.

This progress report is made following the Joint Administrators' application to the court for an order to end the administration under paragraph 79 of Schedule B1 to the Insolvency Act 1986 ("the Act"). The Order to place the Company into Compulsory Liquidation was made on 15 January 2020.

This report should be read in conjunction with the Joint Administrators' previous progress reports to creditors and the Proposals.

**Rule 18.3: Final Progress Report**

(a)     **Court:**                     HIGH COURT OF JUSTICE  
       **Reference Number:**     569 of 2018

(b)     **Company name:**         Privilege Wealth Plc  
       **Company number:**     09697314  
       **Registered office:**    Pearl Assurance House, 319 Ballards Lane, London, N12 8LY  
       **Trading Name:**         N/A  
       **Trading Address:**     N/A

(c)     **Administrators' names and addresses:**

Stephen Katz and John Kelmanson, both now of David Rubin & Partners, were appointed Joint Administrators of the Company on 23 January 2018. This appointment was made by the directors of the Company, pursuant to paragraph 22 of Schedule B1 to the Insolvency Act 1986.

The Joint Administrators act jointly and severally in the exercise of any and all functions exercisable by an administrator appointed under the provisions of Schedule B1 of the Insolvency Act 1986.

Creditors will recall that Mr Kelmanson was previously at the firm of KCBS LLP t/a Kelmanson Insolvency Solutions. On 1 October 2018 Mr Kelmanson joined the firm of David Rubin & Partners.

(d)     **Any changes in the Office Holder**

We were appointed Joint Administrators of the Company on 23 January 2018.



There has not been a change in the Office Holder since the original appointment date. However, the administration period was extended by resolution of creditors until 22 January 2020.

Creditors will recall that David Ingram; the joint liquidator of Privilege Wealth Management Limited ("PWML") and Privilege Wealth One Limited Partnership ("PWOne") had initially suggested that he replace one of the current joint administrators. Concerns were raised with Mr Ingram in relation to inherent conflicts of interest which may exist in such action.

In my previous reports I notified creditors that concerns about potential conflicts had not been resolved and therefore this situation remained uncertain. I also reported that Mr Ingram wrote to me and requested that a decision be sought from the creditors of the Company that myself and John Kelmanson be replaced as Joint Administrators by David Ingram and Freddie White of Grant Thornton. However, that request was not made in compliance with the provisions of the Insolvency Act and Rules and therefore no meeting was convened.

Mr Ingram again requested that a decision be sought from creditors to replace myself and John Kelmanson as Administrators however he did not provide the necessary funds to enable this to happen and declined to do so. As such, no decision process was ever convened.

**(e) Details of any extensions to the initial period of appointment:**

Pursuant to paragraph 58 of Schedule B1 to the Act, on 21 December 2018, the administration was extended by consent of creditors for a period of 12 months, to 22 January 2020, in order to allow sufficient time for outstanding matters to be dealt with as outlined in our letter to creditors dated 4 December 2018.

**(f) Application under Paragraph 79 of Schedule B1 to the Insolvency Act 1986**

In our proposals, we advised that the statutory purpose of the Administration was purpose (b) as placing the Company into Administration was anticipated to achieve a better result for the Company's creditors than placing the Company into liquidation. Purpose (a) was not achievable as the Company was insolvent and had ceased to trade, and purpose (c) was not achievable as there are no qualifying floating charge holders or preferential creditors.

Creditors will recall from my previous reports that there were a number of potential avenues of recovery. Unfortunately the prospects of substantial realisations now appear to be remote and there are insufficient funds in the case to continue to pursue these matters.

In light of this, we explained in our last report that the purpose of the administration could not now be achieved by 22 January 2020. We did not believe that the administration should be extended because there were insufficient funds to discharge the ongoing costs. Furthermore, we did not believe that any of the other statutory objectives could be achieved.

In the proposals, the Joint Administrators summarised the exit routes which were available to them following the finalisation of the Administration, and these were listed as Compulsory Winding Up, Creditors' Voluntary Liquidation, Company Voluntary Arrangement, Dissolution of Company. As the Administrators anticipated that a dividend would be paid to the unsecured creditors, other than by the Prescribed Part, the Administrators would either make an application to Court to enable them to make a distribution to unsecured creditors in the Administration, or they would exit the Administration via Creditors' Voluntary Liquidation, with the Administrators becoming the liquidators.

As the purpose of Administration could not be achieved, we believed that the only appropriate outcome for the administration was for the Company to be wound up by the Court. In our last report, we explained that the joint administrators therefore intended to make an application to the Court under Paragraph 79 of Schedule B1 to the Act for orders that (a) the administration be brought to an immediate end, (b) the administrators are discharged from any liability in respect of any acts as administrators with immediate effect and (c) The Company is placed into compulsory liquidation with the costs of that exercise being paid as an expense of the administration.

Furthermore, we explained that John Kelmanson and I intended to apply to be appointed as Joint Liquidators pursuant to Section 140 of the Insolvency Act 1986.

I can confirm that the application was successful, and on 15 January 2020, in the High Court of Justice it was ordered that:

1. The Company be wound up under the provisions of the insolvency act 1986 and the official receiver was appointed liquidator
2. The appointment of the petitioners as administrators should cease to have effect pursuant to paragraph 79 schedule b1 insolvency act 1986
3. The petitioners' costs of the petition be paid out of the assets of the Company.

In the face of objection from Mr Ingram, Mr Kelmanson and I decided not to continue to seek the appointment as liquidators. As such, the Official Receiver will act as liquidator in the first instance.

**(g) Details of progress during the period and summary account of Receipts and Payments under review and cumulatively:**

A receipts and payments account is attached, which is further explained below.

**1. Receipts**

**1.1 Cash held at lawyers**

The sum of £11,562.76 has been returned by a Berger Singerman, a firm of lawyers located in Florida, US who were previously instructed by the directors of PWPLC as detailed in Section 2.19 of the Administrator's Proposals.

**1.2 Rosebud Lending Settlement - Cash**

The sum of £5,373.60 was received from Cubed Consultancy. This represented the balance available from the settlement funds paid by Rosebud Lending, after deduction of legal costs and expenses from various parties, in accordance with the signed Surrender Agreement.

**1.3 Rosebud Lending Settlement - Escrow**

The Administrators have been engaged in regular communication with Rosebud and their lawyers located in the US to agree the sums due in accordance with the agreement. The total amount held in escrow by Rosebud for the benefit of the Privilege Group totalled \$150,000 and was to be released in 4 tranches. No sums had

been realised at the time of the Administrators appointment and the total balance remained in the Rosebud escrow account.

Correspondence with Rosebud and their legal advisers revealed that they were seeking to only release funds on the basis of us entering into a full and final settlement agreement between all parties. This was resisted by us and was eventually formally declined.

Confirmation was obtained from the liquidator of both Panamanian subsidiaries and the external minority shareholder resident in Panama that they had no claims on the funds held at Rosebud or the related pay day loan book.

Despite considerable delays encountered whilst communicating with Rosebud and their lawyers, details of all legal costs and expenses incurred and deducted in accordance with the agreement were finally obtained and reviewed in detail. After all deductions, a balance of \$87,046.37 remained for the benefit of the Administration, which was duly received, totalling the sterling equivalent of £63,136.34.

#### **1.4 VAT Refund**

A VAT refund of £2,352.80 was received from HM Revenue & Customs relating to a period prior to the date of Administration.

#### **1.5 Cash at Bank**

The amount of £8,356.36 was transferred to the Administration account, representing the balance of the Company's bank account.

#### **1.6 Bank interest Gross**

A total of £11.70 has been received with regard to interest earned on the funds in hand.

### **2. Payments**

#### **2.1 Specific bond**

The specific bond is the cost of insurance, based on the level of realisations by the Joint Administrators, as required by the Insolvency Practitioners Regulations 2005. The sum of £780 was paid in this regard.

#### **2.2 Pre-Administration Time Costs: Rule 18.5**

On 2 April 2018 the following amounts in respect of pre-administration costs were approved:

##### **KCBS LLP t/a Kelmanson Insolvency Solutions**

The amount of £2,125 plus VAT was approved with regard to costs incurred in the Strategy & Planning of the Administration, and the preparation of Administration documents.

## David Rubin & Partners

The amount of £1,585 plus VAT was approved with regard to costs incurred in the Strategy & Planning of Administration, preparation of Administration documents.

### 2.3 Carriage & Archiving

An amount of £392.14 was paid to ONE IBC Limited for their services in scheduling the Company's books and records.

### 2.4 Legal fees

#### Sprecher Grier

The amount of £10,376 was paid to Sprecher Grier (SG) in relation to their costs regarding their instructions to advise generally and to collect amounts considered due from the four shareholders in respect of unpaid share capital, and in seeking to recover funds with regard to the Director's loan accounts as owed by the three directors totalling £197,877.

SG have a specialist Insolvency department and they were chosen on that basis after taking into account the size and complexity of the legal issues and their experience of dealing with international cross-border insolvency matters in the US.

I am advised that SG has outstanding unpaid WIP of £5,360 plus VAT for their work done in the above matter. In addition they have incurred the following expenses in dealing with the Paragraph 79 application:

Cost	Amount £
Court Fee	280.00
Official Receiver's Deposit	1,600.00
Process Server Fee	156.30
London Gazette Fee	67.50
Counsel's Fee	750.00
VAT on the above	194.76
<b>Total</b>	<b><u>3,048.56</u></b>

SG have been advanced £3,200 from funds held in the administration account in respect of the above costs, therefore they are still owed £6,280.56.

#### Cole Schotz

The sum of \$50,000 was paid to Cole Schotz ("CS") on account of their costs of applying for and obtaining Chapter 15 recognition of the joint administrators'

appointment in US Federal Court in the sum of \$25,000 and a further \$25,000 on account of the anticipated investigations and discovery costs.

This payment equated to £39,246.47. They were retained for these purposes on a time cost basis with fees to be withdrawn from the retainer and any undrawn time to be "rolled" into the arrangement explained in more detail below.

CS have a specialist Insolvency department and they were chosen on that basis after taking into account the size and complexity of the legal issues and their experience of dealing with international cross-border insolvency matters in the US.

In relation to the fees of CS they have reported to us that the retainers paid on account have been exhausted and that the sums of \$11,197.42 and \$2,035.25 remain outstanding in respect of all matters.

## **2.5 Statutory advertising**

This amount of £79 represents the costs for the publishing of statutory advertising in the London Gazette in respect of the Joint Administrators' appointment.

## **2.6 Consultancy Fees**

The amount of £1,500 was paid in consultancy fees to the director of FPL who has been appointed to oversee matters, as explained fully in my previous reports. The total amount paid is £5,500.

## **2.7 Funds Transferred to Liquidation**

The residual funds totalling £509.95 comprise cash in hand of £9.95 and a VAT refund due from HMRC of £500. The cash will be transferred to the ISA account upon receipt of the account reference from the official receiver.

### **(h) Joint Administrators' Remuneration and Expenses**

The Joint Administrators' remuneration is fully explained in Appendix B.

### **(i) Details of any assets that remain to be realised**

There are no further assets which can be readily realised.

### **(j) Any other relevant information:**

#### **(i)(a) Secured creditors**

There are no secured creditors.

#### **(b) Prescribed Part**

Section 176A of the Insolvency Act 1986 provides for a prescribed part of the Company's net property to be retained from distribution to the floating charge holder, where the debenture was created on or after 15 September 2003 and made available for the satisfaction of unsecured debts.

There are no floating charges and therefore there will be no Prescribed Part.

**(ii) Preferential creditors**

There are no preferential creditors.

**(iii) Unsecured creditors**

The claims of 4 creditors, with a total value of £40,191,808, have been received. The claims of 8 creditors with an estimated total value of £5,220,922.37 have yet to be established. It is now clear that there will not be a dividend to unsecured creditors.

**(k) Rule 3.53**

- i) We set out in my report dated 15 March 2018, the Joint Administrators Proposals and these are summarised below:-

The Administrators must perform their functions with the purpose of achieving one of the following objectives:

- a.) Rescuing the Company as a going concern; or
- b.) Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
- c.) Realising property in order to make a distribution to one or more secured or preferential creditors.

The prospects of a Company Voluntary Arrangement would be largely dependent on the approval of the two largest creditors of PWPLC, who represent in excess of 85% of creditors, as per the Directors' Estimated Statement of Affairs. It was clear from the outset however, that purpose (a) would not be achievable as PWPLC was insolvent and had ceased to trade. The two subsidiaries located in Panama, representing the largest debtors of PWPLC, had also ceased to trade and proceeded to enter into Liquidation.

It was apparent that the resolutions to wind the company up were not going to be passed by shareholders at the short meetings convened and as such, a further substantial passage of time would have elapsed and thus put the Company's assets in jeopardy, given the actions of Helix. Placing PWPLC into Administration will therefore undoubtedly achieve a better result of the Company's creditors and satisfy the requirements of purpose (b).

There is no qualifying floating charge holder or preferential creditor and therefore objective (c) cannot be met.

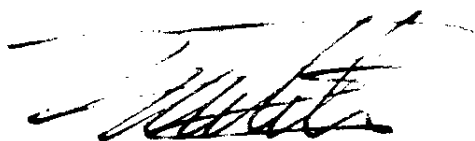
- ii) For reasons which have been clearly explained in my previous reports, the objective of the potential assets of the Company have not provided realisable and therefore it has not been possible to achieve the purpose of the Administration.
- iii) The steps taken during the Administration and the outcome are as set out in this Progress Report and in particular in section (e) above.

**(I) Move from Administration to Compulsory Liquidation**

As detailed earlier in his report, on 15 January 2020 the Company entered into Compulsory Liquidation and the Official Receiver was appointed as Liquidator.

In accordance with Paragraph 83 of Schedule B1 of the Act, as Joint Administrators we are moving the Administration to Liquidation by filing the Notice of move from Administration to Creditors' Voluntary Liquidation (Form 2.34B) at Companies House. Once the Form is filed by Companies House, the Liquidation will take effect.

I trust you will find this report adequate for your purposes but should you require any further information, please do not hesitate to contact in the first instant either my Senior Manager, James Allen, or his/her assistant, Dipesh Gurung at this office.



**STEPHEN KATZ - JOINT ADMINISTRATOR**

**DATE: 15 January 2020**

**PRIVILEGE WEALTH PLC****JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT****FOR THE PERIOD FROM 23 JANUARY 2018 TO 15 JANUARY 2020**

	<b><u>Estimated</u></b> <b><u>to realise</u></b> <b>£</b>	<b><u>Realised</u></b> <b><u>to date</u></b> <b>£</b>	<b><u>11/12/19 to</u></b> <b><u>15/01/20</u></b> <b>£</b>
Balance brought forward			3,709.95
<b><u>Receipts</u></b>			
Cash held at lawyers	-	11,562.76	-
Rosebud Lending Settlement - Cash	-	5,373.60	-
Rosebud Lending Settlement - Escrow	-	63,136.34	-
VAT Refund	2,353.00	2,352.80	-
Cash at Bank	<u>2,205.00</u>	8,356.36	-
Bank Interest Gross		11.70	-
		<u>90,793.56</u>	<u>3,709.95</u>
<b><u>Payments</u></b>			
Specific Bond		780.00	-
Pre-appointment costs		3,710.00	-
Joint Administrator's fees		27,000.00	-
Carriage & archiving		392.14	-
Legal Fees		52,822.47	3,200.00
Statutory Advertising		79.00	-
Consultancy Fees		5,500.00	-
Funds transferred to Liquidation		509.95	509.95
		<u>90,793.56</u>	<u>3,709.95</u>
<b><u>Receipts less Payments</u></b>		<u>-</u>	<u>-</u>



## APPENDIX B

### JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES

#### 1. Joint Administrators' Remuneration

At the first meeting of creditors it was explained that this appointment was very speculative and as a consequence the Joint Administrators' remuneration is fixed by reference to 30% of gross asset realisations achieved. The sum of £27,000 has been drawn on account in this regard.

On the basis that our fees are based on a percentage of assets realised, we have not presented a detailed time grid in this report.

The Joint Administrator's time costs for the period from 11 December 2019 to 15 January 2020 are £1,690 for 3.6 hours at an average rate of £469.44 per hour.

The total combined time costs for the Joint Administrators for the period from 23 January 2018 to 15 January 2020 are £207,294 for 605.9 hours at an average rate of £342.12 per hour.

##### 1.1 Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team will usually consist of a Partner, Manager, Senior Administrator and two Administrators. 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 have not utilised the services of any subcontractors in this case.

#### 2. Chargeout rates

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), a schedule of my firm's charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. These rates were set in November 2011 and have fallen substantially behind prevailing market rates for a business of our size and expertise. Accordingly, the rates were revised on 1 November 2018. Our current hourly charge-out rates exclusive of VAT, which are charged in units of 6 minutes, are as follows:-

	Previous	Current
	£	£
Senior / Managing Partners	450	550
Partners/Office holders	300 - 395	495
Managers / Senior Managers	250 - 295	350 - 395
Senior Administrators	180 - 220	220 - 295
Administrators	130 - 160	160 - 200
Cashiers and Assistants	120 - 160	150 - 295
Supports	110 - 120	120 - 150

Charge-out rates are normally reviewed annually and are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance.

To view an explanatory note concerning Administrators' remuneration issued by the Joint Insolvency Committee, please visit the Publications folder on our website [www.drpartners.com/cases](http://www.drpartners.com/cases), using the following log-on details:

USERNAME: P441@drco.co.uk

PASSWORD: 144Pks\*!

Alternatively, please contact this office to arrange for a copy to be sent to you.

A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from our website.

### **3. Case overview**

As previously reported, the assets as listed in the Statement of Affairs appended to the Administrator's Proposals did not prove to be realisable and therefore the purpose of the Administration was not able to be achieved.

Accordingly, an application was made under Paragraph 79 of Schedule B1 of the Insolvency Act 1986 to wind up the Company by way of Compulsory Liquidation. A winding up Order was then made on 15 January 2020.

### **4. Issues affecting costs**

Work undertaken since my last report are the following:-

- i.) Correspondence with solicitors regarding the winding up hearing;
- ii.) Planning the exit from Administration;
- iii.) Attending the winding up hearing;
- iv.) Producing the final report to creditors;

To view an explanatory note concerning Administrators' remuneration issued by the Joint Insolvency Committee, please visit the Publications folder on our website at [www.drpartners.com/cases](http://www.drpartners.com/cases), using the following log-on details:

Username: P441@drco.co.uk

Password: 144Pks\*!

Alternatively, please contact this office to arrange for a copy to be sent to you.

### **5. Creditors' rights**

- 5.1 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 Administrator provide further information about his remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report in accordance with Rule 2.48A.

- 5.2 Under Rule 2.109, 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 the basis fixed for the Administrator's remuneration, the remuneration charged or the expenses incurred by the Administrators as set out in this progress report are excessive.

## 6. Policy as regards disbursements

### Direct expenses ("Category 1 disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case are charged to the estate at cost, with no uplift. These include but are not limited to such items as legal and agent fees, case advertising, bonding and other insurance premiums, and properly reimbursed expenses incurred by personnel in connection with the case.

### Indirect expenses ("Category 2 disbursements")

It is normal practice to also charge the following indirect disbursements ("Category 2 disbursements" as defined by SIP 9) to the case, where appropriate:

#### Postage and stationery: circulars to creditors

Headed paper	25p per sheet	Envelopes	25p each
Photocopying	6p per sheet	Postage	Actual cost

**Meeting Costs:** Use of Meeting Room is charged at £150 per session.

#### Storage and Archiving

We use a commercial archiving company for storage facilities for company's records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £65 per hour.

**Mileage** incurred as a result of any necessary travelling is charged to the estate at the Inland Revenue approved rate, currently 45p per mile.