

In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986.

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

SATURDAY



A13 \*A8C2ØZCH\* 17/08/2019 #87  
COMPANIES HOUSE

### 1 Company details

Company number 0 9 8 8 4 3 1 0

Company name in full Organic Leads Limited

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

### 2 Liquidator's name

Full forename(s) Dominik Thiel

Surname Czerwinke

### 3 Liquidator's address

Building name/number The Old Exchange

Street 234 Southchurch Road

Post town Southend on Sea

County/Region Essex

Postcode S S 1 2 E G

Country

### 4 Liquidator's name ①

Full forename(s) Louise Donna

Surname Baxter

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

### 5 Liquidator's address ①

Building name/number The Old Exchange

Street 234 Southchurch Road

Post town Southend on Sea

County/Region

Postcode S S 1 2 E G

Country

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

LIQ03

Notice of progress report in voluntary winding up

**6** Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 4	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
To date	<sup>d</sup> 2	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9

**7** Progress report

☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X 

X

Signature date

<sup>d</sup> 1	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 8	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9
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LIQ03

## Notice of progress report in voluntary winding up

**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 **Chelsea Thomas**

Company name **Begbies Traynor (Central) LLP**

Address **The Old Exchange  
234 Southchurch Road**

Post town **Southend on Sea**

County/Region

Postcode 

S	S	1		2	E	G
---	---	---	--	---	---	---

Country

DX **southend@begbies-traynor.com**

Telephone **01702 467255**

**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)**

**Organic Leads Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £		From 24/07/2018 To 23/07/2019 £	From 24/07/2018 To 23/07/2019 £
	<b>ASSET REALISATIONS</b>		
NIL	Bad Debts	NIL	NIL
	Bank Interest Gross	1.44	1.44
4,800.00	Debtor re: Sale of Assets	2,000.00	2,000.00
		<u>2,001.44</u>	<u>2,001.44</u>
	<b>UNSECURED CREDITORS</b>		
(35,997.99)	Banks/Institutions	NIL	NIL
(40,000.00)	Director's parents	NIL	NIL
(19,921.28)	HMRC (non VAT)	NIL	NIL
(15,819.30)	HMRC (VAT)	NIL	NIL
(60,578.77)	Trade Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>DISTRIBUTIONS</b>		
(100.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>(167,617.34)</b>		<b><u>2,001.44</u></b>	<b><u>2,001.44</u></b>
	<b>REPRESENTED BY</b>		
	Bank 1 Current		2,001.44
			<b><u>2,001.44</u></b>

  
 Dominik Thiel Czerwinke  
 Joint Liquidator



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## **Organic Leads Limited (In Creditors' Voluntary Liquidation)**

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Progress report

Period: 24/07/2018 to 23/07/2019

### **Important Notice**

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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- ☐ Assets that remain to be realised and work that remains to be done
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  - 2. Liquidators' time costs and disbursements
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## 1. INTERPRETATION

<b><u>Expression</u></b>	<b><u>Meaning</u></b>
"the Company"	Organic Leads Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 24 July 2018.
"the liquidators", "we", "our" and "us"	Dominik Thiel Czerwinke and Louise Donna Baxter of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

## 2. COMPANY INFORMATION

Trading name(s):	N/A
Company registered number:	09884310
Company registered office:	The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG
Former trading address:	Pera Business Park, Nottingham Road, Melton Mowbray, LE13 0PB

## 3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	24 July 2018
Date of liquidators' appointment:	24 July 2018
Changes in liquidator (if any):	None

## 4. PROGRESS DURING THE PERIOD

During the period, we have complied with our statutory and best practice obligations throughout the administration of this liquidation. We have partially realised known debtors and continue to chase the balance due. The debtor, Blue Castle Limited, has since been placed into creditors voluntary liquidation and as such, no further realisations are expected.

As such, we will deal with the balance in hand and bring our case administration to a conclusion.

### **Receipts and Payments**

Attached at Appendix 1 is our abstract of receipts and payments for the period from 24/07/2018 to 23/07/2019.

To date, we have recovered the sum of £2,000 from known book debts.

Bank Interest gross of £1.44 has been received on funds held in the liquidation estate bank account.

### **What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?**

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached.

### **General case administration and planning**

- Updating the electronically held information at this office;
- General filing and printing of incoming communications;
- Setting up and maintaining physical case files;
- Review of background and identifying areas requiring action and formulating a case strategy plan.
- Updating case strategy plan.
- Creation, review and update of case compliance checklists.
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories.
- General case updates to include internal meetings on case strategy and effect of instruction.
- Overseeing and controlling the work undertaken on this engagement by junior staff;
- Creation of file notes where necessary;
- Completion of one month case compliance and progression checklist;
- Completion of three month case compliance and progression checklist;
- Completion of six monthly compliance and progression checklists;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9;
- Establishing the location of and subsequent collection (if applicable) of some of the Company's statutory and financial books and records from both the director of the Company and the Company's former accountants.
- Communication with the insolvent's bank to obtain copy bank statements;



On this engagement, the work identified above does not hold a direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

#### **Compliance with the Insolvency Act, Rules and best practice**

- Preparing documentation and dealing with formalities of appointment (both statutory and best practice);
- Preparing, reviewing and issuing initial report to creditors following appointment;
- Submission of forms to Companies House and the London Gazette advertising;
- Obtaining specific penalty bond;
- Reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;

#### **Banking:**

- Opening, maintaining and managing the insolvent estate bank account.
- Creating, maintaining and managing the officer holders' cash book on this assignment.
- Undertaking regular bank reconciliations of the insolvent estate bank account.
- Complying with risk management procedures;
- Accounting for accruing interest on the cash book;
- Preparing and processing remittance advises for incoming funds;
- Processing of BACS/electronic payments where applicable;

On this engagement, the work identified above does not hold direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

#### **Investigations**

- Corresponded with relevant directors of the insolvent entity to advise of the effect on them of insolvency and issue directors' questionnaires.
- Written to accountant for delivery up of company's files to include accounts and tax returns.
- Written to bank to obtain copy statements and their subsequent review if received;
- Review of books and records held;
- Reporting to relevant authorities;
- Completion of internal Company Directors Disqualification Act ("CDDA") investigations and form;
- Reviewing available records to determine any pre-appointment antecedent transactions;
- The office holders have made an appropriate submission to the Department for Business, Energy and Industrial Strategy.

The office holders are obliged under the CDDA to conduct certain investigations into the affairs and conduct of the Company and its directors. A report is subsequently submitted. This work does not directly commercially benefit creditors and is a statutory requirement. However, sometimes this work overlaps with investigations on antecedent transaction which the office holders may pursue.

On this assignment, there will not be a direct commercial benefit to creditors in relation to the above matters as the office holders have not identified any commercially viable actions to bring which would lead to recovery/contributions to estate assets.

### **Realisation of assets**

- Review of the available information and formulating an asset realisation strategy;
- Corresponding with bank to close the Company's account and forward any credit balance held;
- Bank interest has been received on funds held in the liquidation bank account;
- We have recovered the sum of £2,000 from known debtors.

On this assignment, the work detailed above has realised assets for the insolvent estate. The office holders are duty bound to realise and get in the Company's property and maximise asset realisations. In some cases this does not yield sufficient realisations to enable creditors to have a direct financial benefit.

### **Dealing with all creditors' claims (including employees), correspondence and distributions**

Creditors:

- Creating and updating schedules of preferential and unsecured creditor claims;
- Preparing all necessary notices and forms and subsequently sending initial circular to creditors;
- Receipt of creditor claims and input on internal case management software;
- Review of creditor claim supporting information;
- Taking and dealing with phone calls from creditors;
- Acknowledgment of creditor claims correspondence and/or dealing with further queries on claims;
- Receipt of, consideration of and response to creditor correspondence;
- Where necessary, consideration of issues to reject claims and issue of appropriate letter to creditor(s) affected in accordance with statutory requirements concerning rejection of all or part claims;

On this engagement, the work detailed above has not had any direct financial benefit to creditors from the insolvent estate and has been undertaken to comply with the Insolvency Act and Rules together with best practice and enabling creditors to have evidence of their loss for tax and VAT purposes.

### **Other matters which includes meetings, tax, litigation, pensions and travel**

Tax / VAT

- Submitting relevant initial notification to HM Revenue & Customs;
- Consideration of possible terminal loss relief claim;
- Post appointment VAT compliance – submission of VAT returns.
- Processing VAT deregistration document.

On this assignment, the reconciliation of input and output VAT and the subsequent submission of VAT returns has enabled further realisation of assets for the estate but of insufficient value from which creditors may directly benefit. It is a requirement of the office holders to complete and file VAT returns until conclusion of the matter.

Pensions

- Establishing if a pension exists, to include online checks;
- Notification of pension protection fund and others of insolvency;
- Notification of scheme rescue or failure to pension protection fund and others;
- Engagement of pension trustee services to assist the office holders;

There is no direct financial benefit to creditors of this work on this assignment. It is required by statute for the office holders to identify any possible pension schemes in place and deal with

their closure or otherwise. Where schemes exist, we engage pension trustee services to deal with this on our behalf.

## 5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the directors' statement of affairs.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

### **Secured creditor**

There is no known secured creditor.

### **Preferential creditors**

There are no known preferential claims.

### **Prescribed Part for unsecured creditors pursuant to Section 176A of the Act**

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

### **Unsecured creditors**

Based upon realisations to date and estimated future realisations it is anticipated there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

## 6. REMUNERATION & DISBURSEMENTS

### Remuneration

Our time costs for the period from 24/07/2018 to 23/07/2019 amount to £5,786 which represents 24 hours at an average rate of £241.08 per hour.

The following further information in relation to our time costs and disbursements is set out at Appendix 2:

- Time Costs Analysis for the period 24/07/2018 to 23/07/2019
- Begbies Traynor (Central) LLP's charging policy

To 23/07/2019, we have not drawn any funds towards these costs.

### Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

### Work undertaken prior to appointment

In addition to the post appointment time costs detailed in the Time Costs Analysis, the costs relating to work undertaken prior to our appointment in assisting with the preparation of the statement of affairs and seeking the decisions of creditors on the nomination of liquidators were approved by the creditors on 24/07/2018.

### Disbursements

To 23/07/2019, we not drawn disbursements.

### Category 2 Disbursements

The following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since the date of our appointment:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Photocopying	15.20

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2017' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides). Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

## 7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3.

## 8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

There are no known further assets to pursue.

**What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?**

### **General case administration and planning**

- The preparation, drafting and issue of this report to creditors and members to include all necessary information;
- Updating case strategy plan;
- Update of case compliance checklists;
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories;
- General case updates to include internal meetings on case strategy and effecting instruction;
- Ongoing maintenance of up to date information on the electronic case information;
- Periodic reviews of the case generally;
- Overseeing and controlling the work undertaken on this engagement by junior staff;
- Completion of six monthly compliance and progression checklists;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9;

On this engagement, the work identified above does not hold direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

### **Compliance with the Insolvency Act, Rules and best practice**

- Reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;
- Submission of forms to Companies House;
- Maintain accurate account of receipts and payments;
- Issuing annual progress reports for submission at Companies House and copies sent to all known creditors.

#### **Banking:**

- Maintaining and managing the insolvent estate bank account.
- Maintaining and managing the officer holders' cash book on this assignment.
- Undertaking regular bank reconciliations of the estate bank account.
- Complying with risk management procedures;
- Accounting for accruing interest on the cash book;
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices;
- Preparing and processing remittance advises for incoming funds;
- Processing of BACS/electronic payments where applicable;

#### **Closure**

- Preparing, reviewing and issuing final report to members and creditors;
- Filing of final return at Companies House;
- Update physical and electronic case records following closure;

On this engagement, the work identified above does not hold direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

#### **Realisation of assets**

- Continuing review of current and new information and formulating an asset realisation strategy;
- Accounting for bank interest;

On this assignment, the ongoing work detailed above has realised assets for the insolvent estate. The office holders are duty bound to realise and get in the Company's property and maximise asset realisations. In some cases this does not yield sufficient realisations to enable creditors to have a direct financial benefit.

#### **Dealing with all creditors' claims (including employees), correspondence and distributions**

Creditors:

- The issue of this report and associated required documents;
- Updating schedules of preferential and unsecured creditor claims;
- Receipt of creditor claims and input on internal case management software;
- Review of creditor claim supporting information;
- Taking and dealing with phone calls from creditors;
- Acknowledgment of creditor claims correspondence and/or dealing with further queries on claims;
- Receipt of, consideration of and response to creditor correspondence;
- Where necessary, consideration of issues to reject claims and issue of appropriate letter to creditor(s) affected in accordance with statutory requirements concerning rejection of all or part claims;

On this engagement, the work detailed above has not had any direct financial benefit to creditors from the insolvent estate and has been undertaken to comply with the Insolvency Act and Rules together with best practice and enabling creditors to have evidence of their loss for tax and VAT purposes.

#### **Other matters which includes meetings, tax, litigation, pensions and travel**

- The completion of VAT forms in order to reclaim outstanding VAT;
- The Completion of Corporation Tax returns;
- Applications for new PAYE and UTR references if a dividend becomes payable;
- Attending meetings that may arise along with travel to and from those meetings;
- Filing of final Corporation Tax return;
- Seeking closure clearance from HMRC;

Some of the above have no direct financial benefit to creditors but have to be done in order to comply with the Insolvency Rules such as creditors and members meetings, as well as a legal requirement, such as completion of corporation tax returns. Others do have a direct financial benefit to creditors. These include the provision of VAT returns after the liquidation as the majority of VAT will be recoverable and therefore an asset of the insolvent estate.

#### **How much will this further work cost?**

We estimate that the further work will cost in the region of £2,000.

#### **Expenses**

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are

Photocopying	£15.20
Postage	£12.73
Debt collection	25-35% of realisations.

## **9. OTHER RELEVANT INFORMATION**

#### **Investigations and reporting on directors conduct**

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Energy and Industrial Strategy. We can confirm that we have discharged our duties in these respects.

#### **Investigations carried out to date**

We have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect.

#### **Use of personal information**

Please note that in the course of discharging our statutory duties as liquidators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

## **10. CREDITORS' RIGHTS**

#### **Right to request further information**

Pursuant to Rule 18.9 of the Rules, 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, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

#### **Right to make an application to court**

Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than

10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

## 11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner.



**Dominik Thiel-Czerwinke**  
Joint Liquidator

Dated: 15 August 2019



# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 24/07/2018 to 23/07/2019

**Organic Leads Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**  
**To 23/07/2019**

S of A £		£	£
	<b>ASSET REALISATIONS</b>		
NIL	Bad Debts	NIL	
4,800.00	Debtor re: Sale of Assets	2,000.00	
	Bank Interest Gross	1.44	
			2,001.44
	<b>UNSECURED CREDITORS</b>		
(60,578.77)	Trade Creditors	NIL	
(35,997.99)	Banks/Institutions	NIL	
(19,921.28)	HMRC (non VAT)	NIL	
(15,819.30)	HMRC (VAT)	NIL	
(40,000.00)	Director's parents	NIL	
			NIL
	<b>DISTRIBUTIONS</b>		
(100.00)	Ordinary Shareholders	NIL	
			NIL
<b>(167,617.34)</b>			<b>2,001.44</b>
	<b>REPRESENTED BY</b>		
	Bank 1 Current		2,001.44
			<b>2,001.44</b>



Dominik Thiel Czerwinke  
Joint Liquidator

## TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 24/07/2018 to 23/07/2019

## **BEGBIES TRAYNOR CHARGING POLICY**

### **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 draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance<sup>2</sup> indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### **OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

### **EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
  - ❑ *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.
- (A) The following items of expenditure are charged to the case (subject to approval):
- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting;
  - Car mileage is charged at the rate of 45 pence per mile;
  - Photocopying is recharged to the case at 20p per sheet.
- (B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:
- Telephone and facsimile
  - Printing and photocopying
  - Stationery

<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

<sup>2</sup> Ibid 1

## BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the London office as at the date of this report are as follows:

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour) 18 March 2019 – until further notice</b>
Consultant/Partner	645 - 710
Director	515
Senior Manager	440
Manager	410
Assistant Manager	315
Senior Administrator	290
Administrator	220
Trainee Administrator	160
Support	160

**Prior to 18 March 2019, the following rates applied:**

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour) 1 May 2016 – until further notice</b>
Partner	395-550
Director	395
Senior Manager	365
Manager	315
Assistant Manager	285
Senior Administrator	250
Administrator	220
Trainee Administrator	n/a
Junior Administrator	160
Support	160

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

SIP9 Organic Leads Limited - Creditors Voluntary Liquidation - 03OR050.CVL : Time Costs Analysis From 24/07/2018 To 23/07/2019

Staff Grade	Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	1.4					2.4			3.8	997.00	262.37
	Administration						0.7	0.5		1.2	213.00	177.50
	Total for General Case Administration and Planning:	1.4					3.1	0.5		5.0	1,210.00	242.00
	Appointment	0.6					2.4			3.0	681.00	227.00
Compliance with the Insolvency Act, Rules and best practice	Banking and Bonding						0.4	0.3	2.2	2.9	474.00	163.45
	Case Closure											0.00
	Statutory reporting and statement of affairs											0.00
	Total for Compliance with the Insolvency Act, Rules and best practice:	0.6					2.8	0.3	2.2	5.9	1,165.00	195.76
Investigations	CDDA and investigations	1.2					5.2			6.4	1,436.00	224.36
	Total for Investigations:	1.2					5.2			6.4	1,436.00	224.36
	Debt collection	1.6	0.5				0.4			2.5	688.50	355.40
	Property, business and asset sales											0.00
Realisation of assets	Retention of Title/Third party assets											0.00
	Total for Realisation of assets:	1.6	0.5				0.4			2.5	688.50	355.40
	Trading											0.00
	Total for Trading:											0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured											0.00
	Others	0.2					0.6			1.0	227.00	227.00
	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	0.2					0.6			1.0	227.00	227.00
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel	Seeking decisions of creditors											0.00
	Meetings									0.6	270.00	450.00
	Other	0.3					1.0			1.3	303.50	233.46
	Tax	0.3					0.7	0.3		1.3	296.00	227.69
	Litigation											0.00
	Total for Other matters:	0.6					1.7	0.3		3.2	869.50	271.72
	Total hours by staff grade:	5.6	0.5				14.0	1.1	2.2	24.0		
	Total time cost by staff grade:	270.00	182.50				2,993.50	176.00	352.00		5,785.00	
	Average hourly rate £:	395.00	365.00	0.00	0.00	0.00	195.25	160.00	160.00			241.06
	Total fees drawn to date £:										0.00	

# STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities <b>not</b> within the Begbies Traynor Group				
Postage	Royal Mail	12.73	0.00	12.73
Statutory Advertising	HMSO	169.20	0.00	169.20
Bond	Insolvency Risk Services	18.00	0.00	18.00
Expenses incurred with entities within the Begbies Traynor Group ( <i>for further details see Begbies Traynor Charging Policy</i> )				
Photocopying	Begbies Traynor	15.20	0.00	15.20