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**Advantage Accountants Limited (in
Liquidation) – " AA / the Company "**

**Joint Liquidators' Annual Progress Report to
Creditors**

3 February 2015

COMPANIES HOUSE

TUESDAY



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1. Introduction and Statutory Information

- 1 1 Paul Robert Boyle and I were appointed Joint Liquidators of the Company on 6 December 2013 following the presentation of a petition for the compulsory winding up of the Company. The winding-up order was made on 3 December 2013 in the High Court of Justice, Chancery Division, Companies Court, number 8438 of 2013. This report provides an update on the progress of the liquidation for the year ended 5 December 2014.
- 1 2 The trading address of the Company is 9 Albert Road, Southport, Merseyside, PR9 0LP
- 1 3 The registered office of the Company has been changed to c/o Harrison's Business Recovery & Insolvency (London) Limited (" Harrison's "), 4th Floor, 25 Shaftesbury Avenue, London, W1D 7EQ, and its registered number is 06620975.
- 1.4 The EC Regulation on Insolvency Proceedings 2000 applies to the liquidation. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

Background & Contact with Director

- 1 5 The Liquidators understand that there have been significant irregularities in the operation and stewardship of AA. The Liquidators have been unable to contact the main director (Mr Keith Ryder), who has absconded, in order to make detailed enquiries in relation to the Company's affairs. Accordingly, most of the Liquidators' enquiries have been based on information received from third parties.
- 1.6 Because of the absence of Mr Ryder, and the paucity of the books and records (see below), the costs in investigating the affairs of the Company are much higher than normal. Those enquiries have, however, resulted in significant potential recoveries for the estate and benefit of creditors.

2. Realisation of Assets

Receipts & Payments

- 2.1 Attached at Appendix A is a summary of the Joint Liquidators' Receipts and Payments Account for the period 6 December 2013 to 5 December 2014, which provides details of the remuneration charged and expenses incurred and paid by the Liquidators during the reporting period.
- 2 2 All funds are held in an interest bearing bank account with the Insolvency Service.

RECEIPTS

Christmas Star Limited Settlement (" CSL Settlement ")

- 2 3 Funds totalling £243,500 were paid by the Company to CSL in the period 29 June 2013 to 1 July 2013, for which no consideration was received. The director of CSL (Mr Rayson) advised the Liquidators that these funds were received by way of a loan (" the CSL Loan ").
- 2 4 In August 2014, the Liquidators' solicitors made formal demand in respect of the CSL Loan. CSL failed to repay the loan by the date specified in the demand letter.
- 2 5 In September 2014, the Liquidators issued legal proceedings against CSL in order to recover the CSL Loan.

- 2 6 CSL subsequently proposed to pay £200,000 in full and final settlement of the CSL Loan. This was to be repaid as follows:
- £40,000 by 6 November 2014
 - £36,000 by 20 November 2014.
 - £70,000 by 5 January 2015
 - A further £54,000 in relation to sales of stock due on 5 January 2015, but if the sales were not made, CSL agreed to pay the £54,000 by way of 9 equal monthly instalments in the sum of £6,000 each

- 2 7 The Joint Liquidators accepted CSL's proposal for the reasons set out below, and a Consent Order was filed at Court in November 2014:

- CSL had no substantial assets. Continued litigation would further erode any of CSL's assets
- The legal costs associated with going to trial would be avoided.
- If the Joint Liquidators had proceeded to seek full recovery of the CSL Loan, it was likely that CSL would have ceased to trade and no recoveries would have been made
- Mr Rayson agreed to be added to the Consent Order as a defendant to the proceedings, and, accordingly, is bound personally by the terms of the Consent Order.

- 2 8 In accordance with the terms of the Consent Order, £40,000 was received from CSL on 20 November 2014. CSL has, however, failed to pay the second instalment of £36,000 which was due in the period covered by this report [and the further January payment is outstanding at the time of this report].

- 2.9 The Liquidators' solicitors have contacted CSL's solicitors in order to demand payment in accordance with the Consent Order and determine why CSL failed to make the second payment. The Liquidators are due to meet with Mr Rayson to discuss the settlement.

Other Loans made to Mr & Mrs Rayson and Quadrant Development Holdings Limited (“ QDHL ”)

- 2 10 During the course of their investigations, the Liquidators became aware that other loans have been made by the Company to Mr and Mrs Rayson.
- 2.11 In the period July to September 2011, £60,000 was paid by the Company to a partnership owned by Mr & Mrs Rayson, Mill Farm Rentals (“ Loan 1 ”)
- 2.12 In September 2011, £85,000 was also paid by the Company to QDHL, a company in which Mr and Mrs Rayson are directors (“ Loan 2 ”)
- 2 13 Mr Rayson advised the Liquidators that in January 2012 Loan 1 was repaid into an account designated by Mr Ryder (i.e. separate from the Company's accounts) and the Liquidators accept that there is no outstanding liability due to the Company in respect of this loan.
- 2 14 In August 2014, the Liquidators' solicitors made formal demand in respect of Loan 2.
- 2 15 QDHL subsequently proposed to pay £85,000 in full and final settlement of Loan 2 and any interest due in respect of this loan.
- 2 16 The Liquidators accepted QDHL's proposal, and in September 2014 £85,000 was received from QDHL.

Payments made to Mulligan & Sons Limited (" M&S ")

- 2 17 As at the date of the Liquidators' appointment, net funds totalling some £64,000 had been paid by the Company to M&S, for which no consideration was received (" the M&S Debt ").
- 2 18 In the period January to April 2014, the Liquidators made a number of demands of M&S in respect of the M&S Debt.
- 2.19 In April 2014, M&S agreed to pay £64,000 in full and final settlement of the M&S Debt and any interest due, from the proceeds of the sale of a property held by the director personally. As a term of the settlement, the amount would become due and payable within 90 days of the date of the agreement
- 2 20 The debt became due in August 2014, but M&S failed to make payment
- 2 21 In December 2014, the Liquidators' solicitors made formal demand of M&S for the settlement sum plus interest. No response was received from M&S and the director advised that M&S has ceased to trade. In December 2014, the Liquidators filed a winding up petition against M&S. The hearing date for the petition will be on 9 February 2015.

Cash at Bank

- 2 22 AA held eight bank accounts with HSBC Bank Plc (" HSBC "), to include six client accounts and two business accounts. On appointment, a combined balance of approximately £657,122 was held in AA's business accounts.
- 2 23 On the advice of the Liquidators' solicitors, the funds held in the six client accounts (approximately £540,000) were returned to the respective clients
- 2 24 On appointment, £1,312 was also outstanding on AA's commercial card with HSBC, and offset was applied by HSBC in respect of cash at bank.
- 2.25 Accordingly, cash at bank totalling £655,810 has been realised.

Office Furniture & Equipment

- 2.26 The Company's office furniture and equipment was sold by the Liquidators' agent, Winterhill Largo Plc (" Winterhill "), who advised that the office furniture and equipment had minimal / no value on an *ex-situ basis*
- 2 27 A former employee of the Company made an offer of £350 plus VAT to purchase the office furniture and equipment. The Liquidators accepted this offer on the recommendation of Winterhill.

Book Debts

- 2 28 In the reporting period, book debts totalling £1,500 have been realised. It is not anticipated that any further realisations will be made in respect of the Company's book debts.

Bank Interest

- 2 29 Bank interest totalling some £530 has been realised in the reporting period.

The Seahawk Public House

- 2 30 As a result of their enquiries, the Liquidators became aware that some of the Company's monies were used to purchase the long leasehold of a public house called The Seahawk Public House (" the Seahawk ") in Manchester

- 2 31 The lease was registered in the name of Mr Ryder at the Land Registry, however, the Company has a beneficial interest in the lease
- 2 32 A commercial sublease, which had been entered into by the previous owner of The Seahawk's lease, was also transferred to Mr Ryder when he purchased the lease. There were two tenants residing at The Seahawk under the terms of the commercial sublease, during the period covered by this report
- 2 33 The Liquidators made an application to Court to transfer the long lease of The Seahawk into AA's name, in order to realise the value of the lease for the benefit of the Company's creditors. A Court Order was granted to this effect on 6 November 2014
- 2 34 Winterhill, an independent valuation agent, valued The Seahawk at £95,000 (based on a three month marketing period) to £120,000 (based on a longer marketing period) in May 2014.
- 2.35 In 2013, Trafford Housing Trust (" THT ") offered Mr Ryder £140,000 to purchase the lease of The Seahawk
- 2.36 In November 2014, THT made a further offer to the Liquidators to purchase The Seahawk lease for £92,500. THT advised the Liquidators that its offer had been reduced (compared to the original offer made to Mr Ryder) for the following reasons:
- THT's agent valued the lease of The Seahawk at £70,000. As THT is a charity, it is unable to pay over the red book valuation for the lease
 - The cost of acquiring The Seahawk through a compulsory purchase order would be approximately £25,000. Accordingly, THT increased its offer to £92,500.
 - In 2013, THT were constructing a new sub station for the area and if the Seahawk had been acquired at this stage, THT would have apparently saved £45,000 in utility costs
 - As the sale did not take place in 2013, the utility costs were incurred and accordingly, THT was no longer prepared to offer £140,000 for the lease.
- 2 37 In December 2014, the Liquidators accepted THT's offer on the recommendation of Winterhill

Motor Vehicles

- 2.38 The Liquidators believe that Company funds may have been used to purchase a number of motor vehicles
- 2 39 The Liquidators' enquiries into this matter are still ongoing and accordingly, they do not propose to disclose any further information at present, as this may prejudice future recoveries.

PAYMENTS

Legal Fees & Disbursements

- 2.40 In the reporting period, legal fees and disbursements totalling some £20,267 and £3 respectively have been paid to Mischon de Reya Solicitors (" MDR ").
- 2 41 MDR has provided advice to the Liquidators in relation to the following matters:
- Return of client funds
 - The CSL court application and settlement
 - The QDHL, CSL & M&S settlements

- The Court application in relation to the transfer of the Seahawk lease.
- The sale of the Seahawk
- Other general advice in relation to the liquidation.

Petitioning Creditors' Costs

- 2 42 £10,682 has been paid to the petitioning creditors in respect of the cost of petitioning for the winding up of the Company

Agent's Fees

- 2 43 Winterhill received £350 directly from the sale of the office furniture and equipment. These funds have been retained by Winterhill and applied against their outstanding costs for valuing AA's assets.

Secretary of State Fees (" SOS ") & DTI Fees

- 2 44 SOS fees totalling some £66,146 have been paid in the period, of which some £98 relates to audit and cheque fees

Other

- 2 45 In the reporting period, some £1,243 has been paid in respect of the Joint Liquidators' disbursements, to include statutory, bonding, advertising, travel, Land Registry charges, Companies House searches and other miscellaneous expenses

3. Investigations

- 3.1 In a compulsory liquidation, the duty to investigate the Company's affairs is the responsibility of the Official Receiver. There is no requirement on the Liquidators to submit a report or return on the directors' conduct to the Department for Business Innovation & Skills. Where matters are brought to the Liquidators' attention, these are reported as appropriate to the Official Receiver for further consideration
- 3 2 As noted above, the Liquidators have been required to conduct extensive investigations in order to establish whether there are any matters that might lead to recoveries for the estate. The Liquidators' assessment took into account information provided by creditors, either at the initial meeting, or as a response to the Liquidators' request to complete an investigation questionnaire.
- 3 3 At present, the Liquidators do not wish to disclose any further information in relation to their investigations, as this may prejudice future recoveries.

4. Creditors

Secured Creditors

- 4 1 HSBC Bank PLC (" HSBC ") holds a fixed and floating charge over the Company's assets. As at the date of the Liquidators' appointment, the Company's indebtedness to HSBC was nil

Preferential Creditors

- 4 2 The Company does not have any preferential creditors

Unsecured Creditors

- 4 3 A number of significant unsecured creditor claims have been submitted in the liquidation. These claims have not yet been agreed.
- 4 4 As reported above, the Liquidators have been unable to contact the Company's main director and accordingly, have been unable to obtain full details of the Company's creditors
- 4 5 The Liquidators have managed to retrieve some of the Company's books and records, but these records are extremely limited, and do not provide enough information in isolation to enable all claims to be agreed and admitted
- 4 6 The Liquidators are aware of a number of other potential creditors and anticipate that further creditor claims will be received

Dividend Distribution

- 4 7 At present, the Liquidators have funds in the case of approximately £612,264 and anticipate that there will be a distribution to creditors. The timing and quantum of any dividend distribution is uncertain and will mostly depend on agreeing creditor claims.
- 4 8 As reported above, the Liquidators do not have enough information at present for all creditor claims to be agreed and admitted. Accordingly, the Liquidators are not currently in a position to make a distribution to the Company's creditors, but this will be the main area of work to be done going forward.

5. Joint Liquidators' Remuneration

- 5 1 At the first meeting of the creditors' committee held on 1 July 2014, the Committee approved that the basis of the Joint Liquidators' remuneration be fixed by reference to the time properly spent by the Liquidators and their staff in dealing with the liquidation
- 5 2 The Joint Liquidators' time costs for the period from 6 December 2013 to 5 December 2014 are approximately £126,142. This represents 521 hours at an average hourly rate of £242 per hour. Attached at Appendix B is a summary of the Joint Liquidators' time costs prepared in accordance with SIP 9, detailing the activity costs incurred by staff grade during this period, in respect of the costs fixed by reference to time properly spent by the Liquidators in managing the liquidation.
- 5 3 In the reporting period, the Liquidators have drawn fees (on account) and disbursements totalling £70,000 and £1,243, respectively. The Committee has been advised on advance of any fees drawn
- 5.4 Attached at Appendix C is a detailed time analysis
- 5.5 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <http://www.harrisons.uk.com/creditors-guide-fees>
- 5 6 Attached as Appendix D is additional information in relation to Harrisons' policy on staffing, the use of sub-contractors, disbursements and details of Harrisons' current charge-out rates by staff grade

6. Joint Liquidators' Expenses

- 6 1 The following expenses have been incurred since the Liquidators' appointment and not yet paid.

Advantage Accountants Limited (in Liquidation)
- " AA / the Company "

Service Provider	Nature of Expense Incurred	Amount Incurred to Date £	Amount Outstanding £
Mishcon de Reya Solicitors	Legal Fees & Disbursements	78,024.19	78,024.19
Winterhill Largo Plc	Agent's Fees	3,845.00	3,845 00

7. Creditors' Rights

- 7.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidators provide further information about their remuneration or expenses, which have been itemised in this progress report
- 7.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidators' remuneration is inappropriate and / or the remuneration charged or the expenses incurred by the Liquidators, as set out in this progress report, are excessive.

8. Next Report

- 8.1 The Liquidators are required to provide a further report on the progress of the liquidation within two months of the end of the next anniversary of the liquidation, unless the Liquidators have concluded matters prior to this (which is unlikely). If matters are concluded sooner, the Liquidators will write to all creditors with their final progress report ahead of convening the final meeting of creditors



Anthony Murphy
Joint Liquidator

Appendix A

Joint Liquidators' Receipts and Payments Account
for the Period 6 December 2013 to 5 December 2014

Advantage Accountants Limited (in Liquidation)
Joint Liquidators' Receipts and Payments Account for the Period 6
December 2013 to 5 December 2014

	£	£
ASSET REALISATIONS		
QDHL Settlement	85,000.00	
CSL Settlement	40,000.00	
Book Debts	1,500.00	
Cash at Bank	655,809.63	
Bank Interest Gross	529 83	
Office Furniture & Equipment	350.00	
		<u>783,189.46</u>
COST OF REALISATIONS		
Official Receiver's Fees	(2,235.00)	
Secretary of State Fees	(66,146 01)	
Petitioning Creditor's Costs	(10,682 00)	
Liquidators' Disbursements	(1,242 57)	
Liquidators' Remuneration	(70,000 00)	
Legal Fees	(20,266.50)	
Legal Disbursements	(3 00)	
Agent's Fees	(350.00)	
		<u>(170,925 08)</u>
		<u>612,264.38</u>
REPRESENTED BY		
VAT Receivable		18,371.81
VAT Payable		(70.00)
Cash at Bank (interest bearing)		593,962.57
Balance in Hand		<u>612,264.38</u>

Appendix B
Time Analysis
for the Period 6 December 2013 to 5 December 2014

ADVANTAGE ACCOUNTANTS LIMITED (IN LIQUIDATION)

JOINT LIQUIDATORS' TIME COSTS FOR THE PERIOD 6 DECEMBER 2013 TO 5 DECEMBER 2014

SIP 9 TIME SUMMARY

Classification of work function	Hours					Total Cost £	Average hourly rate £
	Director	Manager	Case Administrator	Assistants and support staff	Total hours		
Administration and Planning	5 30	22 33	29 95	67 50	125 08	21,055 87	168 34
Case specific matters	0 30	0 00	1 55	0 30	2 15	364 75	169 65
Creditors	30 10	37 16	30 90	5 00	103 17	27,992 07	271 32
Investigations	37 00	46 00	23 30	68 00	174 30	40,034 50	229 69
Realisations of assets	56 30	29 29	23 45	6 80	115 84	36,694 46	316 77
Total hours and costs	129 00	134 78	109 15	147 60	520 54	126,141 65	242 33

Travel	£38 90
Statutory advertising	£149 75
Statutory bonding	£680 00
Land Registry	£6 00
Company House searches	£48 00
Investigation Software	£325 92
Total Disbursements	£1,248 57

N.B Those disbursements that have been paid are detailed on the Receipts and Payments Account at Appendix A

The above headings include <i>inter alia</i>	
Administration and Planning case planning appointment notification maintenance of records statutory reporting PAYE/NIC	Creditors communications with creditors Creditors' claims (including secured creditors, employees and preferential creditors)
Realisation of Assets identifying and securing assets debt collection property, business and asset sales	Investigations SIP2 review reports pursuant to Company Directors Disqualification Act 1986 investigating antecedent transactions

Appendix C
Detailed Time Analysis

Advantage Accountants Limited (in Liquidation)

Detailed Time Analysis

Administration:

- Filing
- Cashiering
- Maintenance of cashbook
- Case reviews, file reviews and internal correspondence and meetings regarding case progress
- Maintenance of records
- Completion, review and approval of case checklists and diary
- VAT reclaims
- Arranging insurance.
- Pensions search and checklist
- Case set up, bonding and bond reviews
- Site visit, collection of the Company's books and records.

Creditors

The Company's limited books and records have made it difficult to identify and agree creditor claims. The Liquidators have spent considerable time investigating the validity of the creditor claims and identifying other potential creditors in the liquidation.

- Appointment notification
- Reviewing creditors' claims.
- Correspondence with creditors
- Convening creditors' meeting.
- Preparation, review and distribution of progress reports to the Creditors' Committee
- Correspondence with creditors' committee
- First meeting of creditors' committee, preparation and follow up.
- Arranging payment of petitioning creditors' costs
- Correspondence with Anthony Hanlon and Anne Kershaw at Kennedy's regarding potential claim in the liquidation
- Correspondence with Metis Law and the Henley Retirement Benefit Scheme (" HRBS ") regarding funds held in HRBS' client account and potential claim in the Liquidation
- Correspondence with HSBC and Mishcon de Reya Solicitors (" MDR ") regarding returning client funds
- Correspondence with Michael Smeaton regarding Transeuro Worldwide Holdings and Quantum Global LLC's potential claim in the liquidation.
- Reviewing documentation received from Michael Smeaton regarding claim in the liquidation.
- Letters, emails and phone calls to Store First Limited regarding potential claim in the liquidation.
- Preparing schedule of potential creditors and drafting, reviewing and sending letter to all potential creditors
- Liaising with a former employee regarding calculating the Company's liabilities to HMRC in respect of PAYE

Statutory

Mr Ryder is not contactable and appears to have absconded and accordingly, additional time has been incurred by the Liquidators attempting to contact Mr Ryder in order to fulfil their statutory obligations

- Post appointment formalities.
- Filing forms at Companies House
- Statutory formalities in relation to Creditors' Committee.
- Letters to directors requesting information
- Letter to directors – attending Liquidators' offices for a meeting
- Office Holder tax returns.
- Correspondence with Companies House regarding requirement to change the Company's name

Asset Realisations

The primary aim of the work done so far has been to trace and recover AA's assets. A number of assets were purchased in the name of Mr Ryder, using Company monies and a number of loans were also made to third parties. Legal action has been required in order to recover these assets. As a result, considerable time and costs have been incurred in trying to realise the assets of the Company, and fulfil the Liquidators' statutory obligations.

- Correspondence with Winterhill Largo Plc ("Winterhill") and Debbie Smith regarding the valuation and sale of the Company's office furniture and equipment
- Telephone calls, emails, letters and meetings with Mr Rayson and Andrew Eagle regarding the repayment and settlement of the loans made by the Company to Christmas Star Limited ("CSL"), Quadrant Development Holdings Limited ("QDHL") and Mill Farm Rentals ("MFR").
- Telephone calls, emails, letters and meetings with Liam Mulligan regarding the receipts and payments made between Mulligan & Sons Limited ("M&S") and the Company and settlement of net amount due to the Company
- Correspondence with MDR regarding M&S settlement.
- Correspondence with MDR regarding winding up order against M&S.
- Telephone calls and emails to MDR regarding CSL, QDHL & M&S loans and settlements
- Correspondence with MDR regarding issuing formal demands of CSL, QDHL and M&S.
- Correspondence with MDR regarding issuing proceedings against CSL
- Reviewing and collating correspondence between the Liquidators and CSL for MDR.
- Review of witness statement for CSL proceedings
- Telephone calls, emails and meetings with Glyn Willmott of Stirling Law regarding funds paid by the Company to Stirling Law and potential asset realisations
- Correspondence with MDR regarding application to Court to have the lease of The Seahawk Public House transferred to the Company
- Reviewing documentation received in relation to The Seahawk Public House
- Correspondence with Winterhill regarding valuation of The Seahawk Public House
- Correspondence with tenants of The Seahawk Public House
- Dealing with counsel's queries regarding The Seahawk Public House application
- Review of witness statement and particulars of claim for The Seahawk Public House application
- Correspondence with Trafford Housing Trust regarding sale of The Seahawk Public House.
- Correspondence with MDR regarding sale of The Seahawk Public House
- Letters, emails and phone calls with HSBC realising cash at bank

- Correspondence with Manchester United Football Club regarding refund of the Company's season ticket
- Correspondence with Winterhill regarding recovery of the Company's motor vehicles
- Correspondence with DVLA regarding the Company's motor Vehicles
- Correspondence with MDR regarding lifting freezing order to realise the cash at bank.

Investigation:

The majority of the Liquidators' time has been spent conducting investigations into the Company's affairs, in order to identify and realise potential assets. The Company's books and records are extremely limited and accordingly, the complexity of this case has been significantly increased. The Liquidators have reconstructed AA's books and records in order to understand the operations of AA / Mr Ryder. In addition to this, the Liquidators have had difficulties in obtaining information from third parties. All of these factors have caused difficulties in the administration and progress of the liquidation

- Reviewing files and correspondence retrieved from the Company's offices.
- Reviewing the Company's bank statements and preparing schedule of receipts and payments made from the Company's bank accounts
- Correspondence with Withers LLP regarding freezing order and schedule of receipts and payments
- Telephone calls and emails to insurance companies making enquiries regarding motor vehicle insurance
- Reviewing information retrieved from the Company's computer.
- Investigating third party payments.
- Drafting enquiry letters and emails to recipients of Company funds.
- Reviewing and collating documentation received from recipients of Company funds.
- Meetings with Liam Mulligan, Anthony Hanlon, Carl Rayson and Glyn Willmott regarding loans made by the Company, preparation and follow up
- Telephone calls, letters, emails and collating documents to assist the Official Receiver with their investigations.

Appendix D
Additional Information in relation to Liquidators’ Fees
pursuant to Statement of Insolvency Practice Number 9

Appendix D

ADDITIONAL INFORMATION IN RELATION TO LIQUIDATORS' FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)

1. Policy

1.1 Detailed below is Harrison's Business Recovery & Insolvency (London) Limited's policy in relation to:

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

Staff allocation and the use of Sub-contractors

1.2 Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

1.3 The constitution of the case team will usually consist of a Partner, Manager, Administrator or an Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

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

Professional advisors

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

Name of Professional Advisor	Basis of Fee Arrangement
Mishcon de Reya Solicitors	Hourly rate and disbursements
Winterhill Largo Plc	Hourly rate and disbursements

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

Disbursements

1.7 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

1.8 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

1.9 The Liquidators have not incurred any category 2 disbursements in the reporting period.

2. Charge-out rates

- 2.1 A schedule of Harrisons Business Recovery & Insolvency (London) Limited's charge-out rates was issued to creditors at the time the basis of the Liquidators' remuneration was approved. Below are details of this firm's charge out rates

	2013/2014 £	2014/2015 £
Directors	305 – 550	305 – 550
Managers	250 – 350	250 – 350
Senior Case Supervisors	175 – 250	175 – 250
Case Supervisors	125 – 205	125 – 205
Assistants/Trainee Case Supervisors	100 - 150	100 – 150

- 2.2 Please note that this firm records its time in minimum units of 6 minutes