

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

TUESDAY



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25/05/2021

#118

COMPANIES HOUSE

<b>1</b>	<b>Company details</b>	
Company number	0 8 2 3 7 4 8 2	<b>→ Filling in this form</b> Please complete in typescript or in bold black capitals.
Company name in full	Interchange Sheffield C.I.C.	
<b>2</b>	<b>Liquidator's name</b>	
Full forename(s)	Ryan	
Surname	Holdsworth	
<b>3</b>	<b>Liquidator's address</b>	
Building name/number	4th Floor, Fountain Precinct	
Street	Leopold Street	
Post town	Sheffield	
County/Region		
Postcode	S 1 2 J A	
Country		
<b>4</b>	<b>Liquidator's name ①</b>	
Full forename(s)	Adrian	<b>① Other liquidator</b> Use this section to tell us about another liquidator.
Surname	Graham	
<b>5</b>	<b>Liquidator's address ②</b>	
Building name/number	4th Floor, Fountain Precinct	<b>② Other liquidator</b> Use this section to tell us about another liquidator.
Street	Leopold Street	
Post town	Sheffield	
County/Region		
Postcode	S 1 2 J A	
Country		

# 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> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	
To date	<sup>d</sup> 2	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1	

### 7 Progress report

☒ The progress report is attached

### 8 Sign and date

Liquidator's signature	Signature		
	X		X
Signature date	<sup>d</sup> 2	<sup>d</sup> 1	<sup>m</sup> 0
			<sup>m</sup> 5
	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2
			<sup>y</sup> 1

# 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 **Danielle Shore**

Company name **Graywoods**

Address **4th Floor, Fountain Precinct  
Leopold Street**

Post town **Sheffield**

County/Region

Postcode **S 1 2 J A**

Country

DX

Telephone **0114 285 9500**



### 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)

# **Joint Liquidators' Annual Progress Report to Creditors and Members**

**Interchange Sheffield C.I.C. - In Liquidation**

**23 April 2021**

# **INTERCHANGE SHEFFIELD C.I.C. - IN LIQUIDATION**

## **CONTENTS**

- 1** Introduction and Statutory Information
- 2** Receipts & Payments
- 3** Progress of the Liquidation
- 4** Creditors
- 5** Joint Liquidators' Remuneration & Expenses
- 6** Creditors' Rights
- 7** Next Report

## **APPENDICES**

- A** Receipts and Payments Account for the Period from 24 April 2020 to 23 April 2021
- B** Time Analysis for the Period 24 April 2020 to 23 April 2021
- C** Additional Information in Relation to the Joint Liquidators' Fees, Expenses & Disbursements

## INTERCHANGE SHEFFIELD C.I.C. - IN LIQUIDATION

### 1 Introduction and Statutory Information

- 1.1 I, Ryan Holdsworth, together with Adrian Graham, of Graywoods, 4th Floor, Fountain Precinct, Leopold Street, Sheffield, S1 2JA, was appointed as Joint Liquidator of Interchange Sheffield C.I.C. (the Company) on 24 April 2020. This progress report covers the period from 24 April 2020 to 23 April 2021 (the Period).
- 1.2 Information about the way that we will use, and store personal data on insolvency appointments can be found at [www.graywoods.co.uk/privacy-notice](http://www.graywoods.co.uk/privacy-notice). If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.3 The principal trading address of the Company was 10 Carver Street, Sheffield, S1 4FS.
- 1.4 The registered office of the Company was changed from 10 Carver Street, Sheffield, England, S1 4FS to 4th Floor, Fountain Precinct, Leopold Street, Sheffield, S1 2JA and its registered number is 08237482.
- 1.5 I can confirm that no potential threats to any of the five Fundamental Principles under the Insolvency Code of Ethics have been identified during the period.

### 2 Receipts and Payments

- 2.1 At Appendix A is my Receipts and Payments Account covering the Period of this report.
- 2.2 In Section 3 below, you will find an update on the progress made during the Period in realising the Company's assets and dealing with its affairs.

### 3 Progress of the Liquidation

- 3.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period and an explanation of the work done by the Liquidator and his staff.

#### ***Administration (including statutory compliance & reporting)***

- 3.2 As you may be aware, the Liquidators must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated undertaking in this regard was outlined previously and I would confirm that during the Period the following has been undertaken:
  - Notifying creditors of the liquidator's appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House
  - Complying with statutory duties in respect of the liquidator's specific penalty bond
  - Creation and update of case files on the firm's insolvency software
  - Securing the Company's books and records
  - Periodic case progression reviews (typically at the end of Month 1, Month 3 and every 6 months thereafter)
  - Opening, maintaining and managing the liquidation estate cashbook and bank account
  - Completion and filing of the notice of the Company's insolvency to HMRC
  - Maintaining physical case files and electronic case details on our case management system
  - Dealing with all routine correspondence
  - Case planning and administration
- 3.3 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidators.
- 3.4 This work will not necessarily bring any financial benefit to creditors but is required on every case by statute.

## INTERCHANGE SHEFFIELD C.I.C. - IN LIQUIDATION

### ***Realisation of Assets***

#### Cash at Bank

- 3.5 The directors' Statement of Affairs indicated that the sum of £22,393.45 was due to be realised from funds held in the Company's bank account. I can confirm that the sum of £24,310.54 was realised. This is higher than anticipated due to some payments being received into the Company's bank account.

#### Petty Cash

- 3.6 Petty Cash to the value of £116.28 was recovered from the trading premises. This was not anticipated on the Statement of Affairs.

#### Members' Winding Down Contributions

- 3.7 A contribution of £1.00 was received from each Member as per the Company's Articles of Association, with a total of £5.00 being received from Members.

#### Bank Interest

- 3.8 Bank interest of £0.87 was received during the Period.

#### Office Furniture & Equipment

- 3.9 The directors' Statement of Affairs indicated that the Company had office furniture and equipment with an estimated to realise value of £110.00. Upon the appointment of the liquidators, two offers were received for the various equipment, one of which was from an associated party. Upon the advice of our agent, VDE Asset Management Ltd, both offers were accepted and the sum of £363.00 was duly received.

#### Book Debts

- 3.10 The directors' Statement of Affairs indicated that the sum of £4,000.00 was due to be realised from funds due to the Company. To date, no funds have been realised and this recovery investigation is currently ongoing.

### ***Payments***

#### Statement of Affairs Fee

- 3.11 At the virtual meeting of creditors on 24 April 2020, creditors passed the resolution to pay Graywoods the sum of £4,250.00. This fee has been discharged.

#### Specific Bond

- 3.12 Bonding expenses of £150.00 were paid during the Period in accordance with our statutory duties.

#### Statutory Advertising

- 3.13 A total of £228.00 has been paid in accordance with the advertising for our statutory duties.

#### Agents Fees

- 3.14 A total of £1,750.00 has been paid to VDE Asset Management Ltd for the collection of books & records, the clearing of the premises and sale of the Company's office furniture & equipment.

## INTERCHANGE SHEFFIELD C.I.C. - IN LIQUIDATION

### Legal Fees

- 3.15 A total of £947.00 has been paid to Irwin Mitchell LLP during the period for legal advice and review of an agreement in place with regard to the Company's assets.
- 3.16 It is considered that the work the Liquidator and his staff have undertaken to date will bring a financial benefit to creditors. This may be a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations and the extent of any 3rd party security, result in a distribution to the preferential and unsecured creditors of the Company.

### **Creditors (claims and distributions)**

- 3.17 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. The Liquidators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 3.18 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal. Further details can be found at section 3 below.
- 3.19 The following duties have been undertaken during the Period:
- Dealing with employees to provide support and assistance in lodging any claims they may be entitled to make for unpaid wages, holiday pay and other statutory entitlements from the National Insurance Fund and the Company. Liaising with (or appointing) union representatives and payroll providers and reviewing employment contracts as necessary
  - Dealing with creditor queries
  - Review creditor claims received and maintain creditor information on the case management system
  - Obtaining creditors views by decision procedure
  - Convening meetings of creditors (if requested by the appropriate proportion or number of creditors)
- 3.20 The above work will not necessarily bring any financial benefit to creditors generally, however the Liquidators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidators in dealing with those claims.
- 3.21 I consider the following matters worth noting in my report to creditors at this stage:
- There are approximately 21 unsecured creditor claims in this case with a value per the directors' statement of affairs of £47,021.53.
  - Dealing with the claims of 7 employees
  - I have received a claim from preferential creditors (the Redundancy Payments Service) totalling £6,785.57

### **Investigations**

- 3.22 Some of the work the Liquidators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidators can pursue for the benefit of creditors.



## INTERCHANGE SHEFFIELD C.I.C. - IN LIQUIDATION

3.23 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.

3.24 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account any information provided by creditors. My investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors.

### ***Other/Case Specific Matters***

3.25 The following duties have been undertaken during the Period:

- Dealing with all post-appointment corporation tax
- Inspecting the Company records and relevant databases to determine whether the Company has a pension scheme
- Pension regulatory reporting and auto-enrolment cancellation
- Attendance at meetings
- Travel to meetings

3.26 These tasks do not necessarily produce any direct financial benefit for creditors, but nonetheless still have to be undertaken.

### ***Matters still to be dealt with***

#### Company Pension Scheme

3.27 The Company Pension Scheme is being investigated by a Pensions Agent to ascertain whether there are any outstanding contributions due from the Company to the Scheme. Unfortunately we have been unable to find some information required within the Company Books & Records in order to conclude the investigations into the Pension Scheme. The Pension Agent continues their investigations.

#### Pension Submission to the Redundancy Payments Service

3.28 If any unpaid employee or employer Pension contributions are uncovered then a claim will be submitted for payment of these by the Redundancy Payments Service.

#### Business Rates Refund

3.29 We are investigating whether there is a potential Business Rates Refund due to the Company, using the services of Goodman Nash Ltd, an agent who specialises in this area. This is still under investigation due to a back log at the Billing Authority caused by COVID-19 however we hope to hear the outcome soon.

#### Book Debt Recovery

3.30 As above, the directors' Statement of Affairs indicated that the sum of £4,000.00 was due to be realised; this recovery investigation is currently ongoing.

## INTERCHANGE SHEFFIELD C.I.C. - IN LIQUIDATION

### **Connected Party Transactions**

- 3.31 In accordance with Statement of Insolvency Practice 13, I would advise you that the following assets were sold to a Director and Shareholder of the Company during the period covered by this report:

Date of transaction	Assets involved & nature of transaction	Consideration paid & date	Sold to	Relationship
26/05/2020	Office Furniture & Equipment	£63.00 paid on 26/05/2020	Susan Downer	Director & Shareholder of the Company

- 3.32 The offer was recommended for accepting by our agents. It was also advised that any other disposal method would not result in additional net realisations.

### **4 Creditors**

#### **Secured Creditors**

- 4.1 There are no known secured creditors after an examination of the Company's mortgage register held by the Registrar of Companies.

#### **Preferential Creditors**

- 4.2 Preferential claims of employees for arrears of wages/salary and holiday pay was initially estimated at £7,244.74, in respect of 7 employees. After requesting a Proof of Debt form from the Redundancy Payments Service I can confirm that the Preferential claim of the Redundancy Payments Service in the Liquidation is £6,785.57.
- 4.3 I would confirm that it is anticipated there will be a dividend to preferential creditors, this is currently estimated to be a dividend of 13.4 pence in the pound.

#### **Secondary Preferential Creditors**

- 4.4 This case falls outside of the period from which the status of secondary preferential creditors was introduced and therefore it is not relevant in this matter.

#### **Unsecured Creditors**

- 4.5 I received claims totalling £15,714.13 from 5 creditors. I have not received claims from 16 creditors whose debts total £45,539.08 as per the Company's statement of affairs. No claims have been agreed.
- 4.6 The Company did not grant any floating charges to a secured creditor. Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors (known as the Prescribed Part), which only applies to charges created after 15 September 2003.
- 4.7 I would confirm that it is anticipated there will be insufficient funds realised after defraying the expenses of the liquidation to pay a dividend to unsecured creditors.

### **5 Joint Liquidators' Remuneration**

- 5.1 The basis of the Liquidator's remuneration has not yet been agreed. I am writing to make arrangements with creditors to approve the basis of my remuneration as Liquidator and propose dealing with this by way of a decision by correspondence. Please see the covering letter for details.

## INTERCHANGE SHEFFIELD C.I.C. - IN LIQUIDATION

5.3 My time costs for the Period are £15,349.50. This represents 70.2 hours at an average rate of £218.65 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by me in managing the liquidation. To date, nothing has been drawn on account.

5.4 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from [www.graywoods.co.uk/creditor-portal/](http://www.graywoods.co.uk/creditor-portal/).

5.5 Attached as Appendix C is additional information in relation to the Liquidators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

### 6 Creditors' Rights

6.1 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.

6.2 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.

### 7 Next Report

7.1 As noted at 3.27 - 3.30 above, the Pension Scheme will continue to be investigated, with a potential submission of a claim to the Redundancy Payments Service for unpaid pension contributions if any are uncovered. There will also be a distribution to Preferential creditors to complete and the conclusion of the investigations into a Business Rates refund and a potential book debt collection.

7.2 An update will be provided on this together with the progress of the liquidation with my next report to creditors which I am required to deliver within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account.

7.3 If you have any queries in relation to the contents of this report, I can be contacted by telephone on 0114 285 9500 or by fax at 0114 285 9501. Alternatively, please contact Elaine Howard by telephone on 0114 285 9512 or by email on [elaine.howard@graywoods.co.uk](mailto:elaine.howard@graywoods.co.uk).

Yours faithfully



**Ryan Holdsworth**  
Joint Liquidator

Enc

# **INTERCHANGE SHEFFIELD C.I.C. - IN LIQUIDATION**

## **Appendix A**

### **Receipts and Payments Account for the Period from 24 April 2020 to 23 April 2021**

**Interchange Sheffield C.I.C.**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**  
**To 23/04/2021**

S of A £		£	£
	<b>ASSET REALISATIONS</b>		
110.00	Office Furniture & Equipment	363.00	
4,000.00	Book Debts	NIL	
22,393.45	Cash at Bank	24,310.54	
	Bank Interest Gross	0.87	
5.00	Members Winding Down Contribution	5.00	
	Petty Cash	116.18	
			24,795.59
	<b>COST OF REALISATIONS</b>		
	Statement of Affairs Fee	4,250.00	
	Specific Bond	150.00	
	Agents Fees	1,950.00	
	Legal Fees	947.00	
	Irrecoverable VAT	1,465.00	
	Statutory Advertising	228.00	
			(8,990.00)
	<b>PREFERENTIAL CREDITORS</b>		
(7,749.13)	Redundancy Payments Service	NIL	
(160.68)	Employees (estimated)	NIL	
			NIL
	<b>UNSECURED CREDITORS</b>		
(2,608.95)	Trade & Expense Creditors	NIL	
(2,221.48)	Employees	NIL	
(17,619.82)	Redundancy Payments Service	NIL	
(14,220.00)	Directors/Former Directors	NIL	
(27,971.10)	Loans	NIL	
			NIL
<b>(46,042.71)</b>			<b>15,805.59</b>
	<b>REPRESENTED BY</b>		
	Bank 1 Current		15,805.59
			<b>15,805.59</b>

Note:



Ryan Holdsworth  
Joint Liquidator

# **INTERCHANGE SHEFFIELD C.I.C. - IN LIQUIDATION**

## **Appendix B**

### **Time Analysis for the Period 24 April 2020 to 23 April 2021**

## Time Entry - SIP9 Time & Cost Summary + Cumulative

INT501 - Interchange Sheffield C.I.C.  
Project Code: POST  
From: 24/04/2020 To: 23/04/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)	Total Hours Cum (POST Only)	Total Time Costs Cum (POST Only)
Admin & Planning	2.80	7.90	0.00	12.90	23.60	5,495.50	232.86	23.60	5,495.50
Case Specific Matters	0.00	2.50	0.00	5.00	7.50	1,650.00	220.00	7.50	1,650.00
Creditors	0.00	2.50	0.00	1.00	3.50	950.00	271.43	3.50	950.00
Investigations	3.20	3.50	0.00	27.80	34.50	6,994.00	202.72	34.50	6,994.00
Realisation of Assets	0.00	0.50	0.00	0.60	1.10	260.00	236.36	1.10	260.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours / Costs</b>	<b>6.00</b>	<b>16.90</b>	<b>0.00</b>	<b>47.30</b>	<b>70.20</b>	<b>15,349.50</b>	<b>218.65</b>	<b>70.20</b>	<b>15,349.50</b>
<b>Total Fees Claimed</b>						<b>0.00</b>			
<b>Total Disbursements Claimed</b>						<b>0.00</b>			

## INTERCHANGE SHEFFIELD C.I.C. - IN LIQUIDATION

### Appendix C

#### Additional Information in Relation to the Joint Liquidators' Fees, Expenses & Disbursements

##### 1 Staff Allocation and the Use of Sub-Contractors

The 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, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.

We have not utilised the services of any sub-contractors on this case during the Period.

##### 2 Professional Advisors

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
VDE Asset Management (Asset Sale & Valuation)	Fixed Fee
Courts Trustees Limited (Pension Advice)	Fixed Fee
Goodman Nash Ltd (Business Rates Advice)	35% of Net Refund + VAT
Irwin Mitchell LLP (Legal Advice)	Time Costs

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.

##### 3 Joint Liquidators' Expenses & Disbursements

###### Joint Liquidators' Expenses

The estimate of expenses which were anticipated at the outset of the liquidation was provided to creditors when the basis of my fees was approved. The table below compares the anticipated costs against those incurred to date.

###### Category 1 expenses

These expenses do not require prior approval by creditors. The type of expenses that may be charged to a case as a Category 1 expense generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, external room hire and external storage costs. Also chargeable, will be any properly reimbursed expenses incurred by personnel in connection with the case. These expenses may include disbursements which are payments first met by an office holder and then reimbursed from the estate.

Expense	Estimated overall cost £	Paid in the period covered by this report £	Incurred but not paid to date £
Agent's fees & expenses	1,750.00	1,750.00	0.00
Legal fees & expenses	947.00	947.00	0.00
Statutory advertising	228.00	228.00	0.00
Specific Penalty Bond	150.00	150.00	0.00
Business Rates Advice	uncertain	0.00	0.00
Pension advice	920.00	200.00	0.00



## INTERCHANGE SHEFFIELD C.I.C. - IN LIQUIDATION

### Category 2 expenses

These expenses 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 therefore include payments to associates of the office holder or shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidators' fees were approved by creditors.

Expense	Estimated overall cost £	Paid in the period covered by this report £	Incurred but not paid to date £
External storage costs	1,012.50	0.00	300.00
Postage charges	30.00	0.00	10.67

### Charge-Out Rates

Graywoods' current charge-out rates effective from 1 July 2019 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

Grade of Staff	Charge-out rate (£ per hour)
Partner	395
Insolvency Practitioner	345
Senior Manager	310
Manager	280
Assistant Manager	250
Senior Administrator	200
Administrator	175
Trainee Administrator	115
Support	115

## **GRAYWOODS 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. 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):

- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates. The charges for the archive boxes are as follows:

	£
Storage per box per year	20.00
Destruction per box	7.50

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

<sup>2</sup> Ibid 1

(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
- Stationery

Photocopying is charged at 15 pence per copy.

#### **GRAYWOODS CHARGE-OUT RATES**

The rates applying to the office as at the date of this report are as follows:

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour)</b>
Partner	395
Insolvency Practitioner	345
Senior Manager	310
Manager	280
Assistant Manager	250
Senior Administrator	200
Administrator	175
Support	115

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.

**Interchange Sheffield C.I.C.****Estimated Outcome Statement as at 21 May 2021**

	£	£
<b>Uncharged Assets</b>		
Office Furniture & Equipment	363	
Members Winding Down Contribution	5	
Cash at Bank	24,311	
Rates Refund	Uncertain	
Book Debts	Uncertain	
Petty Cash	116	
Bank Interest Gross	1	24,796
<b>Estimated Funds Available for Costs</b>		24,796
<b>Less Estimated Costs</b>		
Statement of Affairs	(4,250)	
Liquidators Fees	(10,750)	
Specific Penalty	(150)	
Statutory Advertising	(307)	
Solicitors Fees	(947)	
Agents Fees - Equipment	(1,950)	
Agents Fees - Pension	(900)	
Storage Costs	(1,013)	
Irrecoverable VAT	(3,615)	(23,882)
<b>Estimated Funds Available for Preferential Creditors</b>		914
<b>Estimated Preferential Creditors Claims</b>		(6,786)
<b>Funds available to Unsecured Creditors</b>		(5,871)
<b>Unsecured Creditor Claims</b>		
Trade Creditors	(2,609)	
Employees (estimated)	(13,736)	
Loans	(27,971)	
Directors/Former Directors	(14,220)	(58,536)
<b>Total Deficit to unsecured creditors</b>		(64,407)
Dividend to Preferential Creditors	13.4p/£	
Dividend to Unsecured Creditors	0p/£	