

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

# LIQ14

## Notice of final account prior to dissolution in CVL



Companies House

WEDNESDAY



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13/03/2019

#215

COMPANIES HOUSE

### 1 Company details

Company number 0 0 1 3 9 6 4 9

Company name in full Hastings Printing Company Limited

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

### 2 Liquidator's name

Full forename(s) Henry Anthony

Surname Shinnars

### 3 Liquidator's address

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

Country

### 4 Liquidator's name

Full forename(s) Nicholas

Surname Myers

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

### 5 Liquidator's address

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

Country

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

# LIQ14

Notice of final account prior to dissolution in CVL

## 6 Liquidator's release

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

## 7 Final account

☒ I attach a copy of the final account.

## 8 Sign and date

Liquidator's signature

Signature

X

X

Signature date

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LIQ14

Notice of final account prior to dissolution in CVL



### Presenter information

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

Contact name	Anjna Kalia
Company name	Smith & Williamson LLP
Address	25 Moorgate London
Post town	EC2R 6AY
County/Region	
Postcode	
Country	
DX	
Telephone	020 7131 4000



### 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)



# Hastings Printing Company Limited (in creditors' voluntary liquidation)

Joint liquidators' final account

18 December 2018



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# 1. Glossary

Abbreviation	Description
the Company	Hastings Printing Company Limited
the liquidators/joint liquidators	Henry Anthony Shinnars and Nicholas Myers
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
IR86	Insolvency Rules 1986, as revoked by IR16 If preceded by R, this denotes a rule number
SOA	Statement of Affairs
RPS	Redundancy Payments Service
ETR	Estimated to realise
HMRC	HM Revenue & Customs
Metro	Metro Bank Plc
LBCF	Lloyds Bank Commercial Finance Limited
Berforts	Berforts South West Limited
Manor Creative	Manor Creative Limited (in liquidation)
the former administrators	John Parker and Timothy Dolder of Opus Restructuring LLP

## 2. Notice

This report is the final account that the joint liquidators are required to produce and they give notice that

- a) The Company's affairs are fully wound up;
- b) Creditors have the right to request information from the joint liquidators;
- c) Creditors have the right to challenge the joint liquidators remuneration and expenses;
- d) A creditor may object to the joint liquidators' release by giving notice in writing to them before the end of the prescribed period;
- e) The prescribed period is the later of 7 March 2019 eight weeks from delivery of this notice and final account or a date to be determined in the event that b) or c) above applies;
- f) The joint liquidators will vacate office on delivering to the Registrar of Companies this notice and final account together with a notice whether any creditor has objected to their release (if applicable); and
- g) The joint liquidators will be released at the same time as vacating office unless any of the Company's creditors objected.

### 3. Introduction and statutory information

This report provides an account of the liquidators' administration since the last progress report and a summary of the outcome of the liquidation of the Company. It should be read in conjunction with any previous reports.

By way of reminder, we, Henry Anthony Shinnars and Nicholas Myers, both of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, were appointed liquidators of the Company on 5 January 2017 following the Company's exit from administration.

The Company's trading addresses were 7-8 Edison Road, Eastbourne, East Sussex BN23 6PT and Drury Lane, St Leonards-On-Sea, Hastings, East Sussex TN38 9BJ.

The Company's registered office is 25 Moorgate, London, EC2R 6AY and its registered number is 00139649.

The Company went into administration on 3 August 2016 with estimated asset values of £366,912 and anticipated liabilities of £855,693 and the administrator anticipated a return of 30-35p in the £. The actual return to creditors was 16.59p pence in the pound due to the cost of the administration and liquidation and certain book debts being unrealisable.

### 4. History of the business

The former directors and shareholders (the Knoll family) of the Company have advised that there were a number of inaccuracies recorded in the former joint administrators' proposals dated 20 September 2016 in respect of the trading history and the failure of the Company, and have requested that these are highlighted in this report.

The purported inaccuracies are detailed below but the liquidators would state that this information has not been verified.

- The Knoll family ran the Company for nearly 40 years before selling the business in February 2016. After the sale, the Knoll family remained 20% minority shareholders but they were not directors of the Company in the months leading up to the administration of the Company in August 2016.
- The former directors did not approach Mr Denne of Manor Creative for the first time in February 2016. They had been in communication in respect of the business since October 2014 with a number of further discussions taking place in late 2015/early 2016.
- The former directors dispute that the Company had made little or no investment in printing technology since 2006.
- It is also disputed that £80,000 was "injected" into the Company by Manor Creative. Instead, the former directors believe it obtained an equipment finance loan against a previously unencumbered asset that belonged to the Company.
- The proposals imply that the Company was heavily leveraged at the time of sale however the Company had only one machine that was subject to finance.
- At the time of the business sale in 2016, all creditors were effectively being managed to terms, monthly management accounts were being prepared, (i.e. accounting records were being maintained), and generally speaking customers and suppliers were being satisfied in a difficult trading environment.
- It has been suggested that the valuation of the assets of the Company undertaken at the time of the sale of the business was inaccurate and that this contributed to the failure of the Company but the



former directors believe that an appropriate and independent valuation was undertaken and provided to the purchaser.

- The proposals correctly state that the print sector market has been extremely turbulent but it must be noted that as at January 2016 the Company was on line to meet its annual sales targets. No customers were lost during the relocation of the trading premises to Eastbourne.
- There were no discussions with paper suppliers prior to the sale of the business. Supply of paper was not conditional on Manor Creative becoming the new owners.
- At a meeting on 14 June 2016, some six weeks before the Company went into administration, Mr Denne confirmed to the former directors that the Company was insolvent.

## 5. Realisation of assets

Attached at appendix I is our receipts & payments account for the period from 5 January 2018 to 18 December 2018. This account includes cumulative figures for the period from 5 January 2017 to 18 December 2018.

The receipts & payments account also includes a comparison with the directors' SOA values.

### 5.1 Surplus floating charge funds held by the former administrators

The former administrators advised that they held floating charge realisations of £142,525.29. Following their final report, the following transactions took place resulting in £129,582.40 being transferred to the liquidators' bank account as detailed below;

Surplus floating charge funds in administration as per the final report	£142,525.29
<i>Add:</i>	
Bank Interest	£0.02
<i>Less:</i>	
Former administrators' fees	(£9,805.00)
Former administrators' expenses	(£980.76)
VAT receivable on former administrators' fees	(£2,157.15)
<b>Fund received by the joint liquidators</b>	<b>£129,582.40</b>

The liquidators have received interest of £134.69 in relation to the floating charge realisations.

### 5.2 Surplus of fixed charge funds held by the former administrators

The former administrators advised that they held fixed charge realisations of £32,410.56 as per their final report to creditors. Following their final report, the following transactions took place resulting in £33,203.84 being transferred to the liquidators' bank account as detailed below;

Surplus fixed charge funds in administration as per the final report	£32,410.56
<i>Add:</i>	
Book debts	£789.80
Bank interest net of tax	£3.48

**Fund received by the joint liquidators**

**£33,203.84**

The liquidators have received interest of £30.24 in relation to the floating charge realisations.

### 5.3 VAT refund

The Company received the sum of £400.00 in relation to a VAT refund.

### 5.4 Insurance and utility refunds

The Company received the sum of £410.63 in relation to a terminated insurance policy and a sum of £98.97 in relation to a utility refund.

### 5.5 Book debts

The former administrators advised that on their appointment the Company had an outstanding debtor ledger of £447,781.00. During the administration, the former administrators advised that they had collected debtors of £269,368.47, leaving a balance of £178,412.53.

In addition to the above, the former administrators advised that LBCF had an outstanding debt of £59,403.00 and that some of the debtors had paid monies directly to LBCF thus the debtor ledger had significantly reduced.

Following our appointment, the former administrators provided us with an initial outstanding debtor ledger. However, this ledger had not been reconciled by the former administrators until late February 2017 when we were advised that the outstanding sums due from the debtors were circa £106,000.

We proceeded to contact the reported outstanding debtors, however a number of debtors advised that they had already paid the former administrators and provided proof of payment. These payments were latterly verified by the former administrators.

The liquidators have spent a considerable amount of time reviewing and reconciling the book debt position, and have realised the sum of £27,908 with the assistance of a book debt collection agent. The remainder of the books debts have proven unrealisable and have been written off.

## 6. Investigations

Under the Company Directors Disqualification Act 1986 we have a duty to make a submission to the Secretary of State for Business, Energy & Industrial Strategy on the conduct of all those persons who were directors at the date of liquidation or who held office at any time during the three years immediately preceding the liquidation.

We have complied with our duty in this regard. As all submissions are strictly confidential we are unable to disclose their content.

## 7. Creditors

### 7.1 Secured creditors

Metro have the benefit of a registered debenture over the Company's assets dated 26 August 2003. Metro have confirmed that at the date of liquidation they have been repaid in full by the former administrators.

LBCF holds a fixed and floating charge over the Company's assets. The indebtedness was estimated at £13,776 by the former administrators and this amount has been paid in full from book debt realisations.

### 7.2 Prescribed part

As detailed above, LCBF was repaid in full and therefore there is no requirement to create a prescribed part fund out of the Company's net floating charge property for unsecured creditors.

### 7.3 Preferential creditors

We set out below a summary of preferential claims received and agreed:

Preferential creditor	Claims received £	Claims agreed £
Employee claims ( x 28 claims)	2,064.34	2,064.34
Department for Business, Energy & Industrial Strategy	15,149.09	15,149.09
Total	17,213.43	17,213.43

The following dividend has been paid to preferential creditors:

	Total amount of dividend paid £	Rate of dividend p in the £
26 February 2018		
First and final dividend	17,213.43	100

Accordingly, preferential creditors have been paid in full.

### 7.4 Unsecured creditors

A summary of unsecured claims received and agreed is set out below:

	SOA claims	Claims received	Claims adjudicated in current period	Total claims agreed and admitted
Amount of claims (£)	855,863.00	820,600.09	820,600.09	803,854.83
Number of claims	88	76	76	70

The joint liquidators received claims to the value of £820,600 and claims to the value of £803,854 were admitted for dividend purposes. The remainder of the claims were formally rejected by the joint liquidators.

The following dividend has been paid to the unsecured creditors:

Date	Total amount of dividend paid £	Rate of dividend p in the £
25 September 2018		
First and final dividend	133,344.83	16.59

## 8. Unclaimed funds

I would like to advise that four dividend cheques totalling £795.39 have not been banked by unsecured creditors. On 19 March 2019, any unbanked cheques will be sent to the unclaimed dividends account at the Insolvency Services subject to the Company being dissolved. Any costs will borne by Smith & Williamson LLP.

If you have not received/banked your dividend cheque then I should be grateful if you could contact Anjna Kalia on 020 7131 8184.

## 9. Liquidators' remuneration

The liquidation committee approved that the liquidators be authorised to draw their remuneration in the amount of £34,500. The majority of members of the liquidation committee granted approval at a meeting held on 12 September 2017.

The liquidators' time costs are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
05 January 2017 to 04 January 2018	178.80	43,479.75	243.18	34,500.00
5 January 2018 to 13 December 2018	139.55	34,079.00	244.21	Nil
Total	321.40	78,356.25	243.80	34,500.00

Attached as appendix II, is a time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the liquidators and their staff in attending to matters arising in the liquidation. Details of work carried out in the period are also included in the body of this report.

The joint liquidators' costs to date are £78,356.25, as above, compared to our original estimate of £34,500 and only the incurred time costs within the approved estimate has been drawn. Any sum in excess of the approved estimated time costs will not been recovered by the joint liquidators. Appendix II provides a detailed breakdown of the current period's costs.

Also attached as appendix III, is a cumulative time analysis for the period from 5 January 2017 to 13 December 2018 which provides details of the joint liquidators' total time costs since appointment. A total of £34,500 has been drawn on account of these costs.

A copy of "A Creditor's Guide to Liquidator's Fees" can be downloaded free of charge from the ICAEW's website at the following address:

<http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/liquidations-creditor-fee-guide-6-april-2017.ashx?la=en>

Alternatively, a hard copy is available on request, free of charge.

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at appendix V.

## 10. Liquidation expenses

### 10.1 Subcontractors

We have utilised the services of the following subcontractors during the liquidation:

Provider/service	Basis of fee arrangement	Costs	Costs	Total	Total
		incurred in	paid in	costs	costs
		current period	current period	incurred	paid
		£	£	£	£
ICSM Credit (Book Debt Collection Agency)	13% of realisations	Nil	Nil	73.50	73.50

### 10.2 Professional advisers

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

Provider/Services	Basis of fee arrangement	Costs	Costs	Total	Total
		incurred in	paid in	costs	costs
		current period	current period	incurred	paid
		£	£	£	£
Clyde & Co LLP (Legal advice)	Hourly rate and disbursements	Nil	Nil	4,060.00	4,060.00
Peachey & Co (Accountants) Limited (Tax advice)	Hourly rate and disbursements	500.00	500.00	500.00	500.00

### 10.3 Liquidators' disbursements

Details of the liquidators' disbursements that have been incurred and/or paid in the current period together with the cumulative totals for the period of the liquidation are set out below.

Description	Costs incurred in current period	Costs paid in current period	Total costs incurred	Total costs paid
	£	£	£	£
Liquidators' bonds	Nil	Nil	140.00	140.00
Debt recovery action	Nil	Nil	453.89	453.89
Total	Nil	Nil	593.89	593.89

Appendix IV provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of disbursements.

## 11. Privacy and data protection

As part of our role as joint liquidators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at <https://smithandwilliamson.com/rrsgdpr>. If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact Anjna Kalia of our office if you believe this applies.

## 12. Creditors' rights

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 or otherwise with the court's permission) may request in writing that the liquidators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors including their own claim or otherwise with the court's permission) may within 8 weeks of receipt of this 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 (including any paid) by the liquidators, as set out in this report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

Any creditor may object to the release of the joint liquidators by giving notice in writing before the later of 7 March 2019 or the date of any court application to challenge the joint liquidators' remuneration. In these circumstances, the joint liquidators will be obliged to seek their release from the Secretary of State.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Henry Anthony Shinnars or Nicholas Myers in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

i) Email: [insolvency.enquiryline@insolvency.gsi.gov.uk](mailto:insolvency.enquiryline@insolvency.gsi.gov.uk)

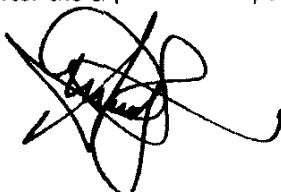
ii) Telephone number: +44 300 678 0015

iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

## 13. Conclusion

This report will conclude the liquidators' administration of the winding up of the Company.

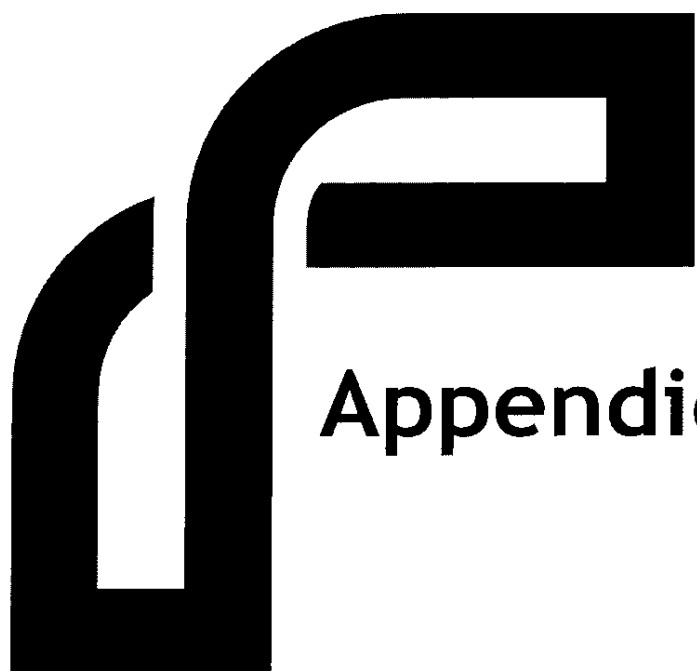
Following the expiry of the eight week notice period referred to in the notice within this report, we are required to submit this final account of the administration of the winding up to the Registrar of Companies, together with a notice stating whether any creditor has objected. The Company will then be dissolved. We are permitted to destroy, or otherwise dispose of, the Company's books, papers and other records at any time after the expiration of a period of one year from the date of dissolution.



**Henry Anthony Shinnars and Nicholas Myers**

Joint Liquidators

18 December 2018



## Appendices



# I Receipts and payments account

From 5 January 2017 to 18 December 2018

Statement of Affairs £		From 05/01/2018 To 18/12/2018 £	From 05/01/2017 To 18/12/2018 £
	SECURED ASSETS		
	Cash Transfer from Administration FC	NIL	32,410.56
	Book Debts FCR	NIL	789.80
	Bank Interest FCR	2.82	30.24
		<u>2.82</u>	<u>33,230.60</u>
	ASSET REALISATIONS		
150,360.37	Book Debts	1,780.00	27,908.00
	VAT Refund	NIL	400.00
	Insurance Refund	NIL	410.63
	Cash Transfer from Administration FL	NIL	142,525.29
	Bank Interest Gross	9.15	134.69
98.97	Utility Refund	NIL	98.97
		<u>1,789.15</u>	<u>171,477.58</u>
	COST OF REALISATIONS		
(9,805.00)	Former Office Holders' Fees	NIL	9,805.00
(980.76)	Former Office Holders' Expenses	NIL	980.76
	Liquidators' Fees	NIL	34,500.00
	Liquidators' Expenses	NIL	593.89
	Agents/Valuers Fees	500.00	500.00
	Legal Fees	NIL	4,060.00
	Corporation Tax (Administration Period)	NIL	18.54
	Irrecoverable VAT	31.29	31.29
	Collection Agency Commission	NIL	73.50
	Storage Costs	1,734.04	3,346.79
	Statutory Advertising	239.90	239.90
	Bank Charges	0.25	0.25
		<u>(2,505.48)</u>	<u>(54,149.92)</u>
	PREFERENTIAL CREDITORS		
	Redundancy Payment Office	15,149.09	15,149.09
	HM Revenue & Customs - PAYE/NI	549.85	549.85
	Employees Wage Arrears	1,076.84	1,076.84
	Employees Holiday Pay	437.65	437.65
		<u>(17,213.43)</u>	<u>(17,213.43)</u>
	UNSECURED CREDITORS		
(563,666.71)	Unsecured Creditors	133,344.83	133,344.83
		<u>(133,344.83)</u>	<u>(133,344.83)</u>
(408,388.36)		<u>151,271.77</u>	<u>NIL</u>

## Notes and further information required by SIP 7

- The liquidators' remuneration was approved by the liquidation committee on the 12 September 2017.
- Details of significant expenses paid are provided in the body of our report.
- Details of payments made to sub-contractors are shown in the body of our report.
- Information concerning the liquidators' remuneration and disbursements incurred is provided in the body of our report.
- Information concerning the ability to challenge the liquidators' remuneration and expenses of the liquidation is provided in our report.
- All bank accounts are interest bearing.
- There are no foreign currency holdings.
- All amounts in the receipts & payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is an expense of the liquidation and shown as irrecoverable VAT.

## II Time analysis for the period

From 5 January 2018 to 18 December 2018

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
<b>Administration and planning</b>								
Statutory returns reports & meetings	2.50	0.00	0.00	13.35	0.15	16.00	4,063.75	253.98
Initial post-appointment notification letters, including creditors	0.00	0.00	0.00	1.00	0.00	1.00	85.00	85.00
Cashiering general including bonding	0.70	0.00	0.00	0.70	8.50	9.90	1,993.50	201.36
Job planning reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	5.10	0.00	0.00	9.20	0.00	14.30	4,252.75	297.36
Post-appointment taxation (VAT, PAYE/NIC Corp Tax that are not trading related)	1.70	0.00	0.00	2.75	0.00	4.45	1,360.75	305.79
Filing, file and information management	0.00	0.00	0.00	18.65	0.00	18.65	2,993.75	160.52
Filing Administration and planning	0.25	0.00	0.00	0.15	0.00	0.40	141.75	354.38
Director/manager review approval and signing	1.15	0.00	0.00	0.00	0.20	1.35	649.50	481.11
Other	0.00	0.00	0.00	0.75	0.00	0.75	120.00	160.00
<b>Realisation of assets</b>								
Debtors not financed (includes reassigned debtors)	4.30	0.00	0.00	1.05	0.00	5.35	2,101.50	392.80
<b>Creditors</b>								
Employees & pension (other) (incl Jobcentre/CSA etc)	0.35	0.00	0.00	0.15	0.00	0.50	165.25	370.50
Crown (not RPO etc)	0.25	0.00	0.00	1.10	0.00	1.35	367.00	271.85
Unsecured creditors	4.70	0.00	0.00	28.90	0.00	33.60	8,719.00	259.49
Distributions for prefs and unsecured	0.00	0.00	0.00	31.35	0.20	31.55	6,958.00	220.54
Other	0.00	0.00	0.00	0.40	0.00	0.40	88.00	220.00
<b>Total</b>	<b>21.00</b>	<b>0.00</b>	<b>0.00</b>	<b>109.50</b>	<b>9.05</b>	<b>139.55</b>	<b>£34,079.00</b>	<b>£244.21</b>

### Explanation of major work activities undertaken

#### Administration and Planning

This work includes the following:

- Protection of Company's assets and records (including electronic)
- Dealing with routine correspondence
- Maintaining physical case files and electronics case details on IPS (case management software)
- Case reviews (including 1 month and 6 month reviews)
- Case bordereau and reviews
- Case planning, administration and general case progression
- Preparing reports to creditors, members and liquidation committee
- Maintaining and managing the appointment's cash book and bank accounts
- Ensuring statutory lodgements and tax lodgement obligations are met
- Submitting VAT returns and Corporation Tax returns (when due)
- Dealing with client identification and internal Smith & Williamson LLP compliance requirements

#### Realisation of Assets

This section relates to the realisation of the Company's assets and the work included the following:

- Writing to debtors and dealing with correspondence in return
- Assessing the recoverability of the debtor ledger
- Instructing a debt collection agent to act on our behalf

- Monitoring collections including preparing receipt advices

## Creditors

This section relates to dealing with creditors of the Company. The work includes the following:

- Dealing with creditor correspondence via email and telephone
- Issuing the notice of intended dividend to the unsecured creditors
- Adjudicating the unsecured creditors' claims
- Preparing and paying a dividend to the unsecured creditors

# III Cumulative time analysis

From 5 January 2017 to 18 December 2018

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
<b>Administration and planning</b>								
Statutory returns reports & meetings	2.50	0.00	0.00	13.35	0.15	16.00	4,061.75	253.98
Initial post appointment notification letters, including creditors	0.00	0.00	0.00	3.75	0.00	3.75	626.25	167.00
Cashiering general including bonding	0.70	0.00	0.00	1.95	17.50	22.15	4,231.50	191.04
Job planning, reviews and progression (incl 6 month reviews and planning meetings, checklist & diary)	14.25	0.00	0.00	17.95	0.00	32.20	9,833.25	305.38
Post appointment taxation (VAT PAYE/NIC Corp Tax that are not trading related)	1.70	0.00	0.00	2.75	0.00	4.45	1,360.75	305.79
Protection of company records (incl electronic)	0.00	0.00	0.00	2.45	0.00	2.45	503.75	205.61
Travelling	0.00	0.00	0.00	0.40	0.00	0.40	88.00	220.00
Filing, file and information management	0.00	0.00	0.00	40.05	0.00	40.05	6,594.75	164.66
Agents and advisers general	0.00	0.00	0.00	9.55	0.00	9.55	1,993.00	208.69
Correspondence with joint liquidator	0.00	0.00	0.00	0.50	0.00	0.50	80.00	160.00
Filing - Administration and planning	0.25	0.00	0.00	1.25	0.00	1.50	356.00	237.33
Director/manager review approval and signing	2.60	0.00	0.00	0.00	0.40	3.00	1,412.25	470.75
Other	0.60	0.00	0.00	1.15	0.00	3.15	576.25	187.94
<b>Investigations</b>								
Directors correspondence & conduct questionnaires	0.50	0.00	0.00	0.00	0.00	0.50	217.50	435.00
Creditor & shareholder complaints	0.00	0.00	0.00	6.95	0.00	6.95	1,424.75	205.00
Statutory books and accounting records review	0.00	0.00	0.00	10.35	0.00	10.35	2,144.25	207.17
Investigation of legal claims	12.25	0.00	0.00	1.85	0.00	14.10	5,309.75	376.58
Enquiries of advisers	0.50	0.00	0.00	0.10	0.00	0.60	210.50	350.83
<b>Realisation of assets</b>								
Debtors not financed (includes reassigned debtors)	10.30	0.00	0.00	34.80	0.15	45.25	11,687.00	258.17
Stock	0.00	0.00	0.00	0.25	0.00	0.25	51.25	205.00
Cash at Bank	0.35	0.00	0.00	7.15	0.00	7.50	1,502.00	200.27
<b>Trading</b>								
Accounting	0.20	0.00	0.00	0.00	0.00	0.20	104.00	520.00
<b>Creditors</b>								
Employees & pension (other) (incl Jobcentre/CSA etc)	0.35	0.00	0.00	3.80	0.00	4.15	980.75	236.33
Crown (not RPO etc)	0.25	0.00	0.00	1.75	0.00	2.00	510.00	255.00
Unsecured creditors	5.50	0.00	0.00	40.40	0.15	46.05	11,520.50	250.17
Creditors committee	5.35	0.00	0.00	5.40	0.00	10.75	3,510.75	326.58
Distributions for prefs and unsecured	0.25	0.00	0.00	31.35	0.20	31.80	7,066.75	222.22
Other	0.00	0.00	0.00	0.80	0.00	0.80	170.00	212.50
<b>Case-Specific 3, AML/Compliance</b>								
AML - if done post appointment	0.00	0.00	0.00	0.10	0.90	1.00	232.00	232.00
<b>Total</b>	<b>57.80</b>	<b>0.00</b>	<b>0.00</b>	<b>244.15</b>	<b>19.45</b>	<b>321.40</b>	<b>£78,356.25</b>	<b>£241.80</b>

# IV Staffing, charging, subcontractor and adviser policies and charge out rates

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## Introduction

Detailed below are:

- Smith & Williamson LLP's policies in relation to:
  - Staff allocation and the use of subcontractors
  - Professional advisers
  - Disbursement recovery
- Smith & Williamson LLP's current charge out rates

## Staff allocation and the use of subcontractors

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

The constitution of the case team will usually consist of a partner and a partner or director or associate director as joint office holders, 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. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised during the liquidation are set out in the body of this report.

## Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add value to the assignment.

## Disbursements

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 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.

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.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 disbursement, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 disbursements.

Details of any Category 2 disbursements incurred and/or recovered in the liquidation are set out in the body of this report.

### Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the basis of the liquidators' remuneration was approved.

The rates applicable to this appointment are set out below. Changes to the charge out rates during the liquidation were applied with effect from 1 July 2018.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates	London office £/hr	
	From 1/7/17	From 1/7/18
Partner / Director (from 1 January 2016)	435-500	450-520
Associate Director	390-410	420
Managers	250-350	250-365
Other professional staff	160-305	170-320
Support & secretarial staff	80-170	90

### Notes

1. Time is recorded in units representing 3 minutes or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. The cashiering function time is incorporated within "Other professional staff" rates.

[www.smithandwilliamson.com](http://www.smithandwilliamson.com)

**Principal offices:** London, Belfast, Birmingham, Bristol, Cheltenham, Dublin, Glasgow, Guildford, Jersey, Salisbury and Southampton.

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