

LIQ03

Notice of progress report in voluntary winding up



Companies House

FRIDAY



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01/03/2019

#201

COMPANIES HOUSE

1 Company details

Company number 0 4 4 7 3 4 6

Company name in full Hubert C. Leach Limited

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

2 Liquidator's name

Full forename(s) Finbarr Thomas

Surname O'Connell

3 Liquidator's address

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

Country

4 Liquidator's name ①

Full forename(s) Mark Christopher

Surname Ford

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

5 Liquidator's address ②

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.

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Period of progress report

From date	^d 3	^d 1	^m 1	^m 2	^y 2	^y 0	^y 1	^y 7
To date	^d 3	^d 0	^m 1	^m 2	^y 2	^y 0	^y 1	^y 8

7

Progress report

☒ The progress report is attached

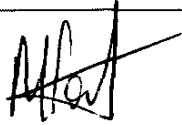
8

Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 2	^d 6	^m 0	^m 2	^y 2	^y 0	^y 1	^y 9
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LIQ03

Notice of progress report in voluntary winding up



Presenter information

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

Contact name	Liam Clarke
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 or email 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



Hubert C Leach Limited (in members' voluntary liquidation)

Joint liquidators' annual progress report for the period from 31
December 2017 to 30 December 2018

26 February 2019



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1. Glossary

Abbreviation	Description
the Company / HCL	Hubert C. Leach Limited
C&W	Cushman & Wakefield (formerly DTZ Debenham Tie Leung Limited)
DOS	Declaration of Solvency
ETR	Estimated to Realise
Executive Team / Management Team	Jim Hatch, Christopher Shelton and John French
HMRC	HM Revenue & Customs
LTA87	Landlord and Tenant Act 1987 If preceded by S this denotes a section number
IA86	Insolvency Act 1986 (also relevant to solvent companies) If preceded by S this denotes a section number
IR16	Insolvency (England and Wales) Rules 2016
IR86	Insolvency Rules 1986 (also relevant to solvent companies) Which has been subsequently revoked by IR16 If preceded by R this denotes a rule number
the liquidators/joint liquidators	Finbarr Thomas O'Connell and Mark Christopher Ford
NHBC	National House Building Council
SHL	Swanfield (Hamels) Limited
SIP	Statement of Insolvency Practice (England & Wales) (also relevant to solvent companies)
S&WCF	Smith & Williamson Corporate Finance Limited
S&WEBC	Smith & Williamson Employee Benefits Consultancy, a division of Smith & Williamson Financial Services Limited
S&WFS	Smith & Williamson Financial Services Limited

Note: References to IA86 and IR86 in this report are to the legislation as it applies to this case.

2. Introduction and statutory information

This report provides an update on the progress in the liquidation of the Company for the year ended 30 December 2018. It should be read in conjunction with any previous reports.

By way of reminder, Finbarr Thomas O'Connell and Anthony Cliff Spicer, of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, were appointed liquidators of the Company on 30 December 2014.

Anthony Cliff Spicer has ceased to act as office holder of this estate following an application for a block transfer Order on the grounds of his retirement. The Order was sealed on 15 February 2016 by District Judge Exton sitting in the Chancery Division of the High Court of Justice Bristol District Registry (Court No. 6 of 2016) and the effective date of Mr Spicer's removal is 22 February 2016.

Mark Christopher Ford's appointment was made following the above mentioned Order and the effective date of his appointment is 22 February 2016.

The principal trading address of the Company was Hamels Mansion, Hamels Park, Knights Hill, Buntingford, Hertfordshire SG9 9NF.

The Company's registered office is 25 Moorgate, London, EC2R 6AY and its registered number is 0447346.

3. Realisation of assets

Attached at Appendix I is our receipts and payments account for the period from 31 December 2017 to 30 December 2018. This account includes cumulative figures for the period from 31 December 2014 to 30 December 2018.

The receipts and payments account also includes a comparison with the directors' DOS values.

3.1 Terminal loss relief claim

Within the period, the joint liquidators were able to resolve HMRC's enquiries in to the Company's pre-liquidation corporation tax affairs to the extent of releasing the Company's terminal loss relief claim.

The joint liquidators have not received confirmation of pre-appointment tax clearance, however, HMRC have accepted that the losses recorded with the adjusted returns, provide sufficient comfort to release the terminal loss claim in full.

As a result within the period we received £648,507.80 and interest of £16,862.98 in respect of the Company's claim. In light of the gross payment of the terminal loss relief claim, tax due in respect of the post liquidation periods to date were settled in full, totalling £47,408.84.

3.2 Assets still to be realised

Detailed below are the Company's remaining assets to be realised:

- Kennett Park, Kentford (Title: SK316488);
- Rump strip portfolio;
- SHL future distributions;
- Garden Village Partnership (deferred payment).

The joint liquidators and their property agents are progressing along a number of avenues with regard to the disposal of the Kennett Park site, and assessing available options to deal with the Company's residual rump strip assets.

By value, the majority of these residual realisations now vest with resolving matters with HM Revenue & Customs in respect of SHL future distributions, and disposal of Kennett Park.

4. Creditors

4.1 Secured and Preferential creditors

4.2 The directors' DOS and the Company's records indicated that the Company had no secured creditors or preferential creditors.

4.3 Unsecured creditors

As detailed in our previous reports, there were a considerable number of general trading liabilities outstanding upon liquidation. The Company's former accounts team staff were retained by the joint liquidators, on behalf of the Company, as self-employed consultants, to finalise accounts and verify the liabilities due.

All unsecured creditors have been paid in full.

The Company has a number of on-going contractual liabilities linked to terms of previous sales and development of land prior to the liquidation, these continue to be met in line with the Company's obligations. A total of £35,190 has been paid by the liquidators during this period of the liquidation, with regard to the adoption of certain residual services on historically developed sites.

5. Distributions to members

5.1 Cash distributions

No cash distributions have been made within the period.

5.2 Distributions in Specie

No distributions in species have been made within the period.

6. Liquidators' remuneration

The members resolved that the basis of the liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the liquidation.

Within the period it was identified that our corporate tax colleagues had been recording a proportion of their costs to a historic account associated with the Company. The result of this being that the joint liquidators' time costs have been under reported for the duration of the liquidation to the extent of £19,255.25. We have provided a breakdown of these time costs within the summary below and within our time analysis included within the appendices to this report.

The liquidators' time costs to date are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
31 December 2014 to 30 December 2015	1,601.70	467,699.50	291.98	430,181.25
<i>Unreported CT time 31 Dec 14 to 30 Dec 15</i>	<i>7.25</i>	<i>2,250.00</i>	<i>310.34</i>	<i>-</i>
31 December 2015 to 30 December 2016	1,062.70	331,122.00	311.59	339,315.25
<i>Unreported CT time 31 Dec 15 to 30 Dec 16</i>	<i>6.20</i>	<i>2,840.75</i>	<i>458.19</i>	<i>-</i>
31 December 2016 to 30 December 2017	460.00	139,249.50	302.72	74,334.25
<i>Unreported CT time 31 Dec 16 to 30 Dec 17</i>	<i>40.10</i>	<i>14,164.50</i>	<i>353.23</i>	<i>-</i>
31 December 2017 to 30 December 2018	352.85	116,554.25	330.32	196,429.25
Total	3,530.80	1,073,880.50	304.15	1,040,260.00

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 appendix.

Attached as Appendix III is a cumulative time analysis for the period for 31 December 2014 to 30 December 2018 which provides details of the liquidators' time costs since appointment, a total of £1,040,260 has been drawn on account of these costs. Within this appendix we have included the additional analysis of the time incurred by our corporation tax colleagues previously not reported.

You will note that the joint liquidators have incurred sizeable time costs within the period. The majority of these costs relate to dealing with queries from HM Revenue & Customs on the Company's corporation tax affairs in particular resolving the inspectors' enquiries in respect of the terminal loss relief claim.

Whilst we are still within our previous estimate of £1,088,000, in light of the additional historic time costs from our corporation tax colleagues and their sizeable work undertaken by this year on the terminal loss relief claim, we believe will exceed our previous estimate of time costs by an additional £170,000 taking in to account the residual matters to finalise the liquidation. A narrative explanation of these future costs can be found in the 'Outstanding matters' section of this report.

This includes resolving queries on the final pre-liquidation return that included identification of additional assets, revaluation of certain assets and a terminal loss relief claim. Certain work will also need to be undertaken with HMRC to resolve queries in respect of the Company's VAT affairs. A narrative explanation of these future costs can be found in the 'Outstanding matters' section of this report.

Resolving adoption of certain outstanding obligations has also required more involvement from the liquidators and their staff than envisaged. As these works are still ongoing the likely timeframe to conclude the liquidation has also increased.

Please note that this estimate is based on present information and may change due to unforeseen circumstances arising. Members will be advised accordingly and, if appropriate, approval sought prior to drawing any fees.

On a general note, members should be aware that some of the work is required by statute and may not necessarily provide any financial benefit such as obtaining tax clearance and filing statutory returns with the Registrar of Companies.

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

6.1 Smith & Williamson Employee Benefit Consultants, a division of Smith & Williamson Financial Services Limited (S&WFS)

Payments to parties in which the liquidators or their firm have an interest must be disclosed to and approved by members.

S&WFS, a company associated with Smith & Williamson LLP, has dealt with the Company's pension affairs.

S&WFS was instructed to assist with the Company's pension affairs prior to liquidation by the Company, and their remuneration was established in their engagement letter of the 13th December 2014. These terms were subsequently ratified within the liquidation at a meeting of the Company's members by correspondence on 18th September 2015. S&WFS' time costs are technically due from the Company's pension scheme but the Company, being the principle employer, is also liable for these costs.

Detailed below is a breakdown of the S&WFS' fees for the period covered by this report and for the liquidation as a whole to date. Due to there being two separate pension schemes, S&WFS' fees are reported separately.

Executive Pension Scheme:

Period	Costs incurred	Fees drawn
	£	£
31 December 2014 - 30 December 2015	9,815.00	-
31 December 2015 - 30 December 2016	4,257.50	14,072.50
31 December 2016 - 30 December 2017	Nil	Nil
31 December 2017 - 30 December 2018	Nil	Nil
Total	14,072.50	14,072.50

Employee Scheme - Leach Pension Scheme Limited:

Period	Costs incurred	Fees drawn
	£	£
8 December 2014 - 30 December 2014	8,505.00	-
31 December 2014 - 30 December 2015	132,927.75	127,661.50
31 December 2015 - 30 December 2016	20,955.00	34,726.25
31 December 2016 - 30 December 2017	7,727.25	7,727.25
31 December 2017 - 30 December 2018	Nil	Nil
Total	162,387.75	162,387.75

S&WCF, a company associated with Smith & Williamson LLP, has also assisted the Company leading up to the liquidation. The basis of their remuneration was established in their engagement letters of the 31st May 2012 and 7th November 2012.

These terms were subsequently ratified within the liquidation at a meeting of the Company's members by correspondence held on 18th September 2015. A breakdown of the fees settled within the period in respect of S&WCF's costs are detailed below.

S&WCF Advice:

Period	Costs incurred	Fees drawn
	£	£
28 November 2014 - 30 December 2014	22,932.58	22,932.58
31 December 2014 - 30 December 2015	536.00	536.00
31 December 2015 - 30 December 2016	Nil	Nil
31 December 2016 - 30 December 2017	Nil	Nil
31 December 2017 - 30 December 2018	Nil	Nil
Total	23,468.58	23,468.58

7. Liquidation expenses

7.1 Professional advisers

On this assignment we have used the professional advisers listed below. Only the advisers marked by (*) were instructed on behalf of the Company by the joint liquidators and these parties were instructed on a time cost basis based on the joint liquidators' knowledge of their expertise. The basis of the fee arrangements with the other parties listed were established by the executive team prior to their departure but all are / were subject to review on a regular basis by the joint liquidators.

Name of professional adviser	Costs incurred in current period	Costs paid in current period	Total costs outstanding at period end
	£	£	£
Pension Professional Fees			
PKF Cooper Parry LLP	Nil	24,750.00	Nil
2020 Trustees Ltd	2,784.10	27,784.10	Nil
Agents/Valuers Fees			
Cushman & Wakefield*	870.00	12,100.00	595.00
Legal Fees			
Farrer & Co LLP*	26,363.50	36,465.00	Nil
HRJ Foreman Laws*	2,630.00	880.00	1,750.00
Total	32,647.60	101,979.10	2,345.00

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

7.2 Subcontractors

We have utilised the services of the following subcontractors during the current period:

Name of professional adviser	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £
Property Expenses			
Shelton Building & Maintenance Ltd	3,475.00	4,355.00	880.00
Consultants ¹	5,682.05	5,682.05	Nil
Consultants' expenses	750.00	750.00	Nil
Trevor Jones Partnership LLP	489.00	489.00	Nil
Total	10,396.05	11,276.05	880.00

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

7.3 Liquidators' disbursements

We have paid and/or incurred the following disbursements in the current period:

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Company / Land Registry searches	102.00	120.00	Nil
Postage / Couriers	Nil	77.10	Nil
Storage Costs	1,109.24	2,186.68	Nil
Travel	Nil	16.90	Nil
Total	1,211.24	2,400.68	Nil

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

7.4 Category 2 disbursements

There were no Category 2 disbursements incurred and/or paid in the current period.

Approval to recover Category 2 disbursements was given at the general meeting of the Company's members held on 31st December 2015.

7.5 Policies regarding use of third parties and disbursement recovery

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.

¹ A number of the Company's former staff were engaged as consultants by the joint liquidators on behalf of the Company to assist with the winding down of the Company's business affairs. The costs detailed above relate to contractual obligations with those parties.

8. Outstanding matters

As detailed in section six of this report the joint liquidators anticipate the future costs to be in the region of £170,000. Please note that this estimate is based on present information and may change due to unforeseen circumstances arising.

The remaining actions to be concluded in the liquidation are as follows:

- Sale/distribution in specie of residual properties and finalising the Company's obligations under the residual development agreements;
- Resolving the Company's outstanding obligations in respect of on-going contractual obligations (some only envisaged to be finalised in 2020/2021)
- Realisation of outstanding debtors or deferred receipts;
- Obtaining tax clearance from HMRC in respect of corporation tax and VAT; and
- Closure of the liquidation, including declaring final distributions and preparing and issuing a final report

On a general note, members should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to them, such as obtaining tax clearance and filing statutory returns with the Registrar of Companies.

9. Members' rights

Within 21 days of the receipt of this report, members with at least 5% of the total voting rights of all members having the right to vote at general meetings of the Company 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 members with at least 10% of the total voting rights of all members having the right to vote at general meetings of the Company 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.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Finbarr Thomas O'Connell or Mark Christopher Ford 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: ip.complaints@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.

10. 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/rsgdpr>. If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

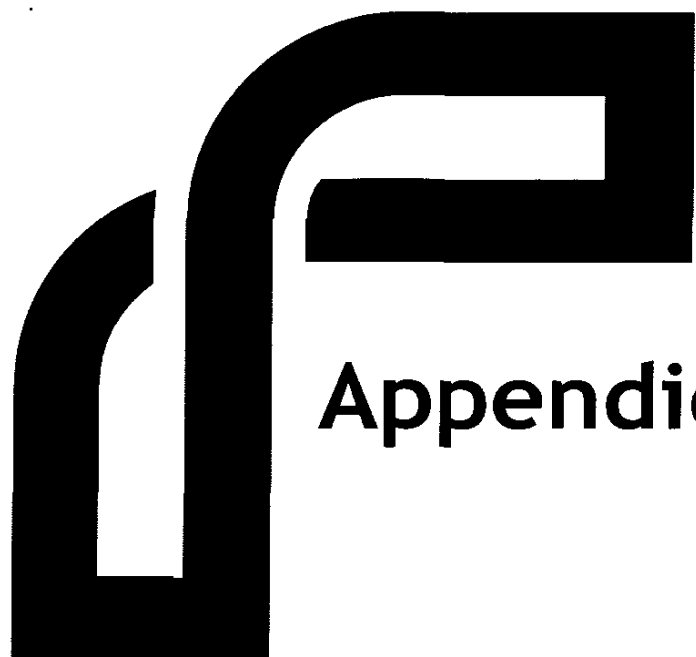
To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact Liam Clarke of our office if you believe this applies.

11. Next report

We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation unless we have concluded matters prior to this, in which case we will write to all members with our final progress report.



Mark Ford and Finbarr Thomas O'Connell
Joint Liquidators
Date: 26 February 2019



Appendices

I Receipts and payments account

Winding down affairs account to 30 December 2018

Declaration of Solvency £	From 31/12/2017 To 30/12/2018 £	From 31/12/2014 To 30/12/2018 £
OTHER DIRECT COSTS		
Consultants	5,682.05	557,806.16
Consultants Expenses	750.00	76,379.99
	(6,432.05)	(634,186.15)
CLOSING EXPENDITURE		
Heat & Light	NIL	7,308.60
Telephone	11,835.66	54,217.48
Insurance	NIL	206.04
Professional Fees	NIL	100.00
Hire of Equipment	NIL	3,430.93
Repairs & Maintenance	NIL	10,735.33
Sundry Expenses	NIL	2,074.79
Vehicle Running Costs	NIL	2,682.56
Stationery	NIL	225.07
Equipment Acquisition	NIL	3,500.00
IT Systems and Migration	55,765.50	223,385.32
	(67,601.16)	(307,866.12)
WINDING DOWN COSTS	(74,033.21)	(942,052.27)

Receipts and payments account to 30 December 2018

Declaration of Solvency £	From 31/12/2017 To 30/12/2018 £	From 31/12/2014 To 30/12/2018 £
	ASSET REALISATIONS	
5,986,000.00	Freehold / Investment Properties - Total	6,445,580.64
	83 Bridge Road East	NIL
	Hamels Mansion	2,100,000.00
	Hamels Estate	170,000.00
	Neighbourhood Centre, Emperors Gate	750,000.00
	7, 7a & 8 East Street Ware	170,000.00
	Byron Court	134,000.00
	Ground Rent Portfolio	481,468.00
	Various Garages	410,000.00
	Rump Strips	750.00
NIL	Land Stock - Total	1,050,000.00
	Land at Harlow	400,000.00
	Land at Hoddesden	650,000.00
2,471,000.00	Land Development / WIP - Total	2,232,750.00
	Wixams	351,250.00
	Kennett Park	1,463,500.00
	Plot 71 Tylers Close	368,000.00
	Plot 51 Meridan Park	50,000.00
635,000.00	Strategic Properties -Total	350,000.00
	10 Garden Walk	350,000.00
	Terminal Loss Relief Claim	648,507.80

Receipts and payments account to 30 December 2018 - continued

Declaration of Solvency £		From 31/12/2017 To 30/12/2018 £	From 31/12/2014 To 30/12/2018 £
5,000.00	Fixtures & Fittings - Total	NIL	16,020.13
	<i>Hamels Equipment</i>	NIL	7,020.13
	<i>Kennett Park - Site Equipment</i>	NIL	9,000.00
5,000.00	Motor Vehicles	NIL	7,800.00
	Terminal Loss Relief Claim - Interest	16,862.98	16,862.98
	Site Stock	NIL	1,250.00
7,706,000.00	Debtors - Total	NIL	7,100,608.18
	<i>HCL PF Ltd</i>	NIL	5,819,491.34
	<i>Leach Lewis Ltd</i>	NIL	500,000.00
	<i>Leach Lewis Rubber Trucks Ltd</i>	NIL	341,847.25
	<i>Ground Rent</i>	NIL	4,949.59
	<i>Shareholder Loans</i>	NIL	434,320.00
8,020,000.00	Shares & Investments - Total	NIL	2,325,239.75
	<i>Swanfield (Hamels) Ltd</i>	NIL	1,452,686.50
	<i>Swanfield (Hamels) Ltd - HCL (NT) Ltd</i>	NIL	404,875.00
	<i>Re HCL (High Leigh) Ltd</i>	NIL	467,678.25
	Ground Rent Income - Total	NIL	245,318.32
	<i>Ground Rent</i>	NIL	125,768.32
	<i>Lease Extensions</i>	NIL	119,550.00
	Rental Property - Total	NIL	429,907.26
	<i>Income</i>	NIL	29,907.26
	<i>11 Fieldings Road - Beneficial Interest</i>	NIL	400,000.00
	VAT Refund	NIL	6,471.21
	Insurance Refund	NIL	4,613.19
18,440,000.00	Cash at Bank	NIL	17,982,048.83
	Petty Cash On Site	NIL	471.49
	Office Supplies	NIL	514.05
	Bank Interest Gross	1,583.26	66,223.18
	Legal Costs Refunds	NIL	352.60
	Property Rights - Deed Grant of Easement	10.00	14,020.00
	Property Refunds - Tax, Rates, Utilities	NIL	4,289.32
	Winding Down Costs	(74,033.21)	(942,052.27)
	Suspense Account	220.07	3,730.61
	Contractual Obligations Refunds	NIL	20,404.11
	Land Rights Realisations	NIL	10.00
	Third Party Refunds	NIL	457.27
	Refunds - Miscellaneous	NIL	3,647.72
		593,900.90	38,035,046.37
	COST OF REALISATIONS		
	Land Promotion Costs	NIL	36,703.00
	Site Ongoing Contractual Obligations	35,190.00	190,876.95
	Specific Bond	NIL	140.00
	Subsidiary Costings	489.00	1,617.00
	Joint Liquidators Pre Liquidation Fees	NIL	52,640.50
	Liquidators Fees	196,429.25	1,040,260.00
	Liquidators Expenses	16.90	1,799.80
	Professional Fees (Pension Policy) - Total	52,534.10	469,799.79
	<i>Other Professionals</i>	52,534.10	282,012.29
	<i>S&W Financial Services Ltd</i>	NIL	187,787.50
	Smith & Williamson Group Fees	NIL	536.00
	Agents/Valuers Fees	12,100.00	478,020.89
	Agents/Valuers Expenses	70.00	1,259.52
	Legal Fees	37,345.00	315,962.99
	Legal Expenses	966.32	6,742.20
	Corporation Tax	47,408.84	47,408.84
	Irrecoverable VAT	5,040.00	11,970.30

Receipts and payments account to 30 December 2018 - continued

Declaration of Solvency	From 31/12/2017 To 30/12/2018	From 31/12/2014 To 30/12/2018
£	£	£
	Property Agents - Management Fees	12,350.85
	Internet ,Telephone & Fax	4,041.44
	Stationery & Postage	1,436.90
	Land & Company Searches	507.36
	Clearance / Storage Costs	17,549.91
	Re-Direction of Mail	780.00
	Statutory Advertising	332.00
	Future Rents and Rent Deposit Transfers	897.55
	Council Tax & Rates	17,107.80
	Other Property Expenses	39,643.62
	Insurance of Assets	46,052.58
	Petty Cash	(0.08)
	Bank Charges	4,848.28
	Funds held at Barclays (Sweep Acc)	72,638.80
	(382,726.84)	(2,873,924.79)
	UNSECURED CREDITORS	
(2,816,000.00)	Trade & Expense Creditors	606,218.48
(554,342.00)	Employees	76,135.03
	Employees Expenses	814.45
	NHBC Maintenance Obligations	278,756.68
(178,000.00)	Banks/Institutions	30.00
(18,000.00)	HM Revenue & Customs - Corporation	5,393.89
(42,000.00)	HM Revenue & Customs - PAYE/NIC	150,049.23
(34,000.00)	HM Revenue & Customs - VAT	NIL
(6,341,000.00)	Family / Inter Company Debts	NIL
	Contractual Agreements	1,283.00
	NIL	(1,118,680.76)
	DISTRIBUTIONS	
	Preferred Ordinary Shareholders	45,150.00
	Defferred Ordinary Shareholders	32,905,965.40
	Cash Distribution	27,940,410.40
	Hamels Mansion & Estate	2,270,000.00
	HCL (Nuns Triangle) Ltd Shares	404,875.00
	HCL (Investments) Ltd Shares	1,240,680.00
	HCL (Churchgate) Ltd Shares	400,000.00
	HCL (Hertford Road) Ltd Shares	650,000.00
	NIL	(32,951,115.40)
33,284,658.00	211,174.06	1,091,325.42
	REPRESENTED BY	
	VAT Receivable	129,594.30
	Clients Deposit (Int Bearing)	961,731.12
		1,091,325.42

Notes and further information required by SIP 7

- No payments have been made to any Smith & Williamson entity from outside the estate.
- Details of significant expenses paid are provided 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 and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is shown as irrecoverable VAT.
- As detailed in the report, certain assets were distributed in specie.

II Time analysis

From 31 December 2017 to 30 December 2018

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner	Associate director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Administration and planning							£	£
Statutory returns, reports & meetings	1.85	0.00	5.15	0.95	0.00	7.95	2,827.50	355.66
Initial post-appointment notification letters, including creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Cashiering general, including bonding	0.65	0.00	0.00	11.20	0.00	11.85	2,230.25	188.21
Job planning, reviews and progression (incl 6 month reviews and planning meetings, checklist & diary	1.80	0.00	3.35	1.60	0.00	6.75	2,424.25	359.15
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	8.75	0.00	25.10	5.65	0.00	39.50	14,064.50	356.06
Protection of company records (incl electronic)	0.00	0.00	5.25	0.00	0.00	5.25	1,916.25	365.00
Insurance & general asset protection	0.00	0.00	0.35	0.00	0.00	0.35	127.75	365.00
Travelling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Filing, file and information management	0.00	0.00	5.50	0.00	0.00	5.50	2,007.50	365.00
Pre-appointment non creditor tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Agents and advisers, general	0.00	0.00	11.60	0.00	0.00	11.60	4,145.50	357.37
Filing - Administration and planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Director/manager review, approval and signing	3.40	0.00	0.55	1.50	0.00	5.45	2,456.25	450.69
Other	1.45	0.00	15.80	0.00	0.00	17.25	6,319.75	366.36
Realisation of assets								
Freehold Property (land and buildings)	8.05	0.00	0.00	7.15	0.00	15.20	5,242.25	344.88
Debtors not financed (includes reassigned debtors)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Stock	0.65	0.00	0.00	0.00	0.00	0.65	282.75	435.00
Other chattel assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Financed assets (only if equity otherwise creditors, incl HP and leasing)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Completion of work in progress	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Cash at Bank	0.30	0.00	0.00	0.00	0.00	0.30	135.00	450.00
IPO/IPA and voluntary contributions	0.00	0.00	0.75	0.00	0.00	0.75	273.75	365.00
Liaising with agents (general)	0.00	0.00	12.40	0.00	0.00	12.40	4,475.00	360.89
Sale of assets-post completion matters	0.00	0.00	5.00	0.00	0.00	5.00	1,800.25	360.05
Filing - realisation of assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Other	0.00	0.00	2.55	0.30	0.00	2.85	980.00	343.86
Winding down operations								
Winding down decision and day 1-3 operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Sales and customers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Purchasing/suppliers (not landlord)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Accounting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Insurances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Consultants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Premises issues (incl landlord and site clearance)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Health & Safety	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Shutdown or handover	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Director/manager review, approval and signing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Creditors								
Fixed charge creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Floating charge creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Employees & pension (other) (incl Jobcentre/CSA etc)	0.50	0.00	0.00	0.00	0.00	0.50	225.00	450.00
Crown (not RPO etc)	1.30	0.00	8.10	0.00	0.00	9.40	3,420.00	363.83
Unsecured creditors	3.10	0.00	8.40	1.65	0.00	13.15	4,698.50	357.30
Distributions for prefs and unsecured	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Director/manager review, approval and signing	0.20	0.00	0.00	0.00	0.00	0.20	100.00	500.00
Other	0.20	0.00	22.85	0.00	0.00	23.05	8,366.75	362.98
Shareholders in an MVL								
Shareholder general communications	7.95	0.00	0.95	0.00	0.50	9.40	3,950.50	420.27
Shareholder non-statutory reporting	0.00	0.00	5.45	0.00	0.00	5.45	1,938.25	355.64
Shareholder distributions	2.35	0.00	3.45	0.00	0.00	5.80	2,400.25	413.84
Director/manager review, approval and signing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Other	0.00	0.00	15.20	0.00	0.00	15.20	5,509.75	362.48
Corporate Tax								
Corporate Tax	20.40	0.00	56.00	45.20	0.50	122.10	34,236.75	280.40
Forensics								
Forensics	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total	62.90	0.00	213.75	75.20	1.00	352.85	£116,554.25	£330.32

Explanation of major work activities undertaken

Administration and Planning

This section of the analysis encompasses the cost of the liquidators and their staff in complying with their statutory obligations, internal compliance requirements, and all tax matters. This work includes the following:

- Dealing with routine correspondence.
- Dealing with agents on general appointment matters, not relating to the actual sale of assets but mainly relating to strategy planning and correspondence with advisers for update reports and shareholder enquiries.
- Protection of assets, including protection of contractual positions, although not specifically relating to asset realisations a considerable amount of time costs have been incurred implementing historic strategy and managing contractual obligations.
- Maintaining physical case files and electronics case details on IPS (case management software).
- Case reviews (including 6 month reviews).
- Case bordereau and reviews.
- Case planning, administration, and general case progression, including adjustments in liquidators' strategy.
- Preparing reports to stakeholders.
- Maintaining and managing the liquidators' cash book and bank accounts.
- Ensuring statutory lodgements and tax lodgements obligations are met.
- Submitting VAT returns and Corporation Tax returns (when due) and dealing with significant queries from HM Revenue & Customs on both Corporation Tax (Terminal Loss Relief Claims) and VAT returns (Options to Tax).
- Working with Executive team resolving queries relating to historic company matters, and work relating to costing provisions and estimated outcome analysis. This represents a major proportion of the time incurred under the sub-heading "other".

Realisation of assets

This section is in relation to the realisation of the Company's assets, which is explained in detail through the contents of our report. A significant amount of time was spent in relation to the sale planning. Some of these time costs may also be allocated to communications with shareholders. The work generally includes the following:

- Discussions with our legal advisors in respect of the sales documentation and in relation to tax matters.
- Discussions with our sales agents including in respect of the most appropriate sales strategy relating to land at Kennett Park and.
- Liaising with the parties following the disposals of freehold and leasehold properties.
- A considerable amount of time relates to liaising with property and planning agents, dealing with such issues as:

- Contractual obligations; and
- S106 and s38 Obligations;

Some have this time as not specially relating to asset realisations has been coded with "Administration and planning".

- Sourcing information necessary for the tax enquiries on asset disposals / tax planning.
- Insurance of the assets, and claims under policies if required.

Winding down of operations

The Company ceased trading on the date of liquidation, as such certain trading matters needed to be finalised in the liquidation. Detailed below is a breakdown of time spent in winding down of operations within the period:

- Premises issues relating to the Company's former NHBC obligations.

Creditors

Work under this section includes correspondence and other contact with the creditors of the Company. The work includes the following:

- Dealing with creditor correspondence via email and telephone.
- Maintaining creditors' information on IPS.
- Dealing with queries on pre liquidation tax filings and adjudication of claims.
- Overseeing the management of the finalisation of the Company's pension scheme position.
- A considerable amount of time has incurred managing contingent and contractual liabilities that relate to the mitigation and management of future claims against the Company. Most of this work overlaps with liaising with agents on s106 and s38 agreements.

Shareholders

Work under this section includes correspondence and other contact with the shareholders of the Company. The work includes the following:

- Shareholder communications; including non-statutory reporting (strategy update reports).
- Asset disposal strategy discussions.
- Shareholder outcome statements.
- Shareholder distributions.
- Filing.
- Distribution reviews, and approval.

III Cumulative time analysis

From 31 December 2014 to 30 December 2018

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner	Associate director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Administration and planning							£	£
Statutory returns, reports & meetings	5.05	0.75	31.80	7.95	0.00	45.55	13,729.50	301.42
Initial post-appointment notification letters, including creditors	0.50	0.00	3.35	0.60	2.00	6.45	1,460.75	226.47
Cashiering general, including bonding	1.05	0.20	0.00	152.65	0.00	153.90	25,674.00	166.82
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	21.90	11.65	23.90	8.45	0.00	65.90	23,444.75	355.76
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	33.40	3.80	214.10	6.75	0.00	258.05	85,008.00	329.42
Protection of company records (incl electronic)	0.00	0.00	10.55	3.00	0.00	13.55	4,124.25	304.37
Insurance & general asset protection	0.00	0.00	58.95	4.40	0.00	63.35	17,757.25	280.30
Traveling	0.00	3.00	21.20	10.50	0.00	34.70	8,847.00	254.96
Filing, file and information management	0.00	0.45	50.45	0.00	0.25	51.15	15,747.00	307.86
Pre-appointment non creditor tax	0.00	0.00	2.50	0.00	0.00	2.50	712.50	285.00
Agents and advisers, general	0.00	0.25	225.45	0.45	0.00	226.15	66,540.50	294.23
Filing - Administration and planning	0.00	0.00	15.55	0.00	1.00	16.55	4,588.75	277.27
Director/manager review, approval and signing	35.15	0.00	7.75	20.10	0.00	63.00	23,903.75	379.42
Other	24.95	2.50	432.60	4.95	0.25	465.25	140,294.50	301.55
Realisation of assets								
Freehold Property (land and buildings)	10.05	10.85	0.00	16.70	0.00	37.60	11,760.50	312.78
Debtors not financed (includes reassigned debtors)	0.00	3.45	2.15	0.45	0.00	6.05	1,971.75	325.91
Stock	1.95	8.95	0.00	0.00	0.00	10.90	4,211.75	386.40
Other chattel assets	0.00	0.00	0.85	0.10	0.00	0.95	257.25	270.79
Financed assets (only if equity-otherwise creditors, incl HP and leasing)	0.00	1.65	0.00	0.00	0.00	1.65	618.75	375.00
Completion of work in progress	0.00	0.00	1.50	0.00	0.00	1.50	427.50	285.00
Cash at Bank	0.30	0.00	1.45	0.00	0.00	1.75	548.25	313.29
IPO/IPA and voluntary contributions	0.00	0.00	0.75	0.00	0.00	0.75	273.75	365.00
Liaising with agents (general)	11.70	0.00	202.10	0.25	0.00	214.05	64,678.00	302.16
Sale of assets-post completion matters	24.25	0.00	80.80	0.10	0.00	105.15	35,450.00	337.14
Filing - realisation of assets	0.00	0.00	0.00	0.70	0.00	0.70	154.00	220.00
Other	25.25	0.90	72.25	6.70	0.00	105.10	35,031.00	333.31
Winding down operations								
Winding down decision and day 1-3 operations	0.00	2.35	0.00	0.00	0.00	2.35	869.50	370.00
Sales and customers	0.00	1.20	0.00	0.40	0.00	1.60	532.00	332.50
Purchasing/suppliers (not landlord)	0.50	0.75	55.85	0.00	0.00	57.10	16,434.75	287.82
Accounting	0.00	0.25	19.20	0.00	0.00	19.45	5,564.50	286.09
Insurances	0.00	0.00	2.40	0.00	0.00	2.40	684.00	285.00
Consultants	0.00	4.80	1.10	0.00	0.00	5.90	2,089.50	354.15
Premises issues (incl landlord and site clearance)	0.00	10.70	10.50	0.00	0.00	21.20	6,957.75	328.20
Health & Safety	0.00	0.00	1.10	0.00	0.00	1.10	313.50	285.00
Shutdown or handover	0.00	0.75	56.60	0.00	0.00	57.35	16,408.50	286.11
Director/manager review, approval and signing	1.65	0.00	0.20	0.00	0.00	1.85	849.00	458.92
Other	0.00	1.75	75.20	0.75	0.00	77.70	22,203.25	285.76
Creditors								
Fixed charge creditors	0.00	0.35	0.00	0.00	0.00	0.35	129.50	370.00
Floating charge creditors	0.00	0.00	0.00	1.00	0.00	1.00	160.00	160.00
Employees & pension (other) (incl Jobcentre/CSA etc)	2.65	2.25	11.90	0.15	0.00	16.95	5,518.00	325.55
Crown (not RPO etc)	1.30	0.00	16.55	2.60	0.00	20.45	6,400.25	312.97
Unsecured creditors	17.10	55.95	190.80	22.55	0.25	286.65	88,257.75	307.89
Distributions for prefs and unsecured	0.00	0.00	1.25	15.05	0.75	17.05	2,916.75	171.07
Director/manager review, approval and signing	0.20	0.00	5.20	0.05	0.00	5.45	1,593.50	292.39
Other	0.20	10.55	141.45	2.65	0.00	154.85	47,218.50	304.93
Shareholders in an MYL								
Shareholder general communications	21.20	35.65	24.25	0.15	0.50	81.75	30,273.50	370.32
Shareholder non-statutory reporting	6.75	35.65	146.95	0.00	0.00	189.35	59,616.50	314.85
Shareholder distributions	27.35	55.25	37.10	2.80	0.00	122.50	45,280.75	369.64
Director/manager review, approval and signing	0.00	0.00	0.50	0.65	0.00	1.15	272.50	236.96
Other	2.50	6.95	77.40	0.00	0.00	86.85	27,457.75	316.15
Corporate Tax								
Corporate Tax	74.80	3.25	152.00	114.70	0.50	345.25	98,374.00	284.94
Forensics								
Forensics	0.00	0.00	0.00	1.00	0.00	1.00	290.00	290.00
Total	351.70	276.80	2,487.50	409.30	5.50	3,530.80	£1,073,880.50	£304.15

Classification of work function	Partner	Associate director	Hours			Total hours	Time cost	Average hourly rate
			Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Pre-Appointment								
AML, Conflict & ethics checks, engagement letters	0.00	4.05	1.85	0.60	0.00	6.50	2,145.75	330.12
Initial meetings	0.00	2.25	4.00	0.00	0.00	6.25	1,972.50	315.60
Company searches and background checks	0.00	1.45	0.00	0.00	0.00	1.45	536.50	370.00
General advisory work insolvent	0.00	28.45	3.25	0.00	0.00	31.70	11,452.75	361.29
Appointment formalities	0.00	0.00	0.95	0.00	0.00	0.95	270.75	285.00
Preparation of pre-appointment documents	0.00	3.90	9.00	0.00	0.00	12.90	4,008.00	310.70
Creditors' (inc EE's) queries	0.00	0.00	0.85	0.00	0.00	0.85	242.25	285.00
Job planning	5.75	5.65	26.90	0.00	0.00	38.30	12,517.00	326.81
File and information management	0.00	0.00	13.35	0.00	0.00	13.35	3,804.75	285.00
Asset protection	0.00	0.00	2.05	0.00	0.00	2.05	584.25	285.00
Other	8.50	1.65	36.30	0.35	0.00	46.80	15,106.00	322.78
Total	14.25	47.40	98.50	0.95	0.00	161.10	£52,640.50	£326.76

Corporation Tax time costs - historic unreported time

Classification of work function	Partner	Associate director	Hours			Total hours	Time cost	Average hourly rate
			Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Corporate Tax							£	£
31 December 2014 - 30 December 2015	1.00	1.25	5.00	0.00	0.00	7.25	2,250.00	310.34
31 December 2015 - 30 December 2016	3.20	2.00	1.00	0.00	0.00	6.20	2,840.75	458.19
31 December 2016 - 30 December 2017	20.00	0.00	0.00	20.10	0.00	40.10	14,164.50	353.23
Total	24.20	3.25	6.00	20.10	0.00	53.55	£19,255.25	£359.58

Explanation of major work activities undertaken

Administration and Planning

This section of the analysis encompasses the cost of the liquidators and their staff in complying with their statutory obligations, internal compliance requirements, and all tax matters. This work includes the following:

- Preparing the documentation and dealing with the formalities of appointment.
- Statutory notifications and advertising.
- Protection of the Company's assets and records (including electronic).
- Dealing with routine correspondence.
- Dealing with agents on general appointment matters, not relating to the actual sale of assets but mainly relating to strategy planning and correspondence with advisers for update reports and shareholder enquiries.
- Protection of assets, including protection of contractual positions, although not specifically relating to asset realisations a considerable amount of time costs have been incurred implementing historic strategy and managing contractual obligations.
- Maintaining physical case files and electronics case details on IPS (case management software).
- Case reviews (including 6 month reviews).
- Case bordereau and reviews.
- Case planning, administration, and general case progression, including adjustments in liquidators' strategy.
- Preparing reports to stakeholders.
- Maintaining and managing the liquidators' cash book and bank accounts.
- Ensuring statutory lodgements and tax lodgements obligations are met.
- Submitting VAT returns and Corporation Tax returns (when due).
- Dealing client identification and internal Smith & Williamson LLP compliance requirements.
- Working with Executive team resolving queries relating to historic company matters, and work relating to costing provisions and estimated outcome analysis. This represents a major proportion of the time incurred under the sub-heading "other".

Realisation of assets

This section is in relation to the realisation of the Company's assets, which is explained in detail through the contents of our report. A significant amount of time was spent in relation to the sale planning. Some of these time costs may also be allocated to communications with shareholders. The work generally includes the following:

- Sales negotiations, including sales contract negotiations and drafting.
- Discussions with our legal advisors in respect of the sales documentation and in relation to tax matters.
- Discussions with our sales agents including in respect of the most appropriate sales strategy to conclude sales as soon as reasonably practicable.
- Liaising with the interested parties and prospective purchasers.
- A Considerable amount of time relates to liaising with property and planning agents, dealing with such issues as:
 - Contractual obligations.
 - S106 and s38 Obligations;
 - Promotion and land option obligations;
 - Ground rent portfolios; and

Property planning, and project costing requirements. Some have this time as not specially relating to asset realisations has been coded with "Administration and planning".

- Sourcing information necessary for the tax enquiries on asset disposals / tax planning.
- Insurance of the assets, and claims under policies if required.
- Miscellaneous asset realisation (i.e. cash at bank), outlined in the contents of the report.
- Dealing with certain VAT and tax matters relating to the sales processes. This includes sourcing certain records (which were not available at the time of the sale).
- Working with Executive team resolving queries relating to sales just prior to liquidation, and work relating to Heads of Terms / various contracts. This represents a major proportion of the time incurred under the sub-heading "other" and "liaising with agents".

Winding down of operations

The Company ceased trading on the date of liquidation, as such certain trading matters needed to be finalised in the liquidation. Detailed below is a breakdown of time spent in winding down of operations:

- Management of the organised shutdown or handover of business.
- Premises issues, mainly relating to Hamel's Mansion.
- Creditor / Supplier payments including consultant's costings.
- Overseeing the 3 month wind down of the Company's affairs, including the oversight of creditor validation work.
- Site visit to premises, management / oversight on consultant's operations.
- Maintaining obligations to homeowners subject to the Company's obligations under Buildmark and customer warranties. Resolving issues relating to suppliers/homeowners and liaising with consultants over resolving such issues represents a major proportion of the time incurred under the sub-heading "other" and "liaising with agents".

Creditors

Work under this section includes correspondence and other contact with the creditors of the Company. The work includes the following:

- Dealing with creditor correspondence via email and telephone.
- Maintaining creditors' information on IPS.
- Submission of pre liquidation tax filings and subsequent adjudication of claims.
- Overseeing the management of the finalisation of the Company's pension scheme position.
- Adjudicating of creditor claims including matters of retention releases.
- Distributions to various categories of creditors.

- A considerable amount of time has incurred managing contingent and contractual liabilities, that relates to the mitigation and management of future claims against the Company. Most of this work overlaps with liaising with agents on s106 and s38 agreements, and resolving promotion agreement duties and fulfilling contractual duties on completed site.

Shareholders

Work under this section includes correspondence and other contact with the shareholders of the Company. The work includes the following:

- Shareholder communications; including non-statutory reporting (strategy update reports).
- Asset disposal strategy discussions.
- Shareholder distributions in specie.
- Shareholder outcome statements.
- Shareholder distributions.
- Filing.
- Distribution reviews, and approval.

Pre-Appointment

This section includes matters leading up to the appointment of liquidators. The work includes the following:

- Dealing with client identification and internal Smith & Williamson LLP compliance requirements.
- Discussions/meetings with the directors and shareholders of the Company regarding the proposed liquidation and the logistics of appointment.
- Reviewing the trading information provided by existing management and staff.
- Monitoring winding down of trading activities including site visits and cessation advice.
- Assisting with the management of an organised shutdown of business.
- Preparation of appointment documents, including assisting the directors of the Company with the production of the Declaration of Solvency.
- Internal strategy and planning meetings regarding the logistics of liquidators' appointment.
- Establishment of final trading accounts for the business.
- Liaising with various parties on the establishment of the value of the Company's property.
- Liaising with tax advisers and Smith & Williamson tax department to establish any possible pre appointment corporation tax liability.
- Establishment of indemnity and unsecured loan documentation for the shareholders.
- Preparation of initial statutory appointment notifications to be issued immediately upon appointment.

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

Introduction

Detailed below are:

- Smith & Williamson LLP's policy 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 in the period covered by this report 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 members. 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 members. 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 period covered by this report 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 members 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 period of this report were applied with effect from 1 July 2018.

Smith & Williamson LLP					
Corporate Tax Department					
Charge out rates	From 1/7/14	From 1/7/15	From 1/7/16	From 1/7/17	From 1/7/18
Partner / Director (from 1 January 2016)	485-550	505-570	465-535	465-585	525-630
Associate Director	360-370	375-450	385	385	365-420
Managers	185-305	200-320	205-330	205-330	190-365
Other professional staff	85-250	90-165	95-170	95-170	105
Support & secretarial staff	60	60	60	60	60

Smith & Williamson LLP						
Restructuring & Recovery Services						
Charge out rates	London office £/hr			Regional offices £/hr		
	From 1/7/14	From 1/7/15	From 1/7/16	From 1/7/14	From 1/7/15	From 1/7/16
Partner / Director (from 1 January 2016)	480	425-480	435-485	350	350	350-375
Associate Director	370	370	370-380	295-325	295-300	295-305
Managers	235-310	235-310	235-315	190-290	190-290	190-290
Other professional staff	150-235	150-235	150-235	120-175	120-175	120-175
Support & secretarial staff	85	85	85-90	60-135	60-135	60-135

Smith & Williamson LLP		London		Regional
Restructuring & Recovery Services		office		offices
Charge out rates		£/hr		£/hr
	From 1/7/17	Current 1/7/18	From 1/7/17	Current 1/7/18
Partner / Director (from 1 January 2016)	435-500	450-520	350-375	360-380
Associate Director	390-410	420	295-315	290-320
Managers	250-350	250-365	190-310	225-310
Other professional staff	160-305	170-320	120-180	140-185
Support & secretarial staff	80-170	90	60-135	60-140

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

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

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