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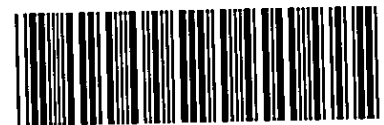


# Inclarity Limited (in compulsory liquidation)

Joint liquidators' annual progress report for the period from 10 January 2015 to 9 January 2016

4 March 2016

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# 1. Glossary

Abbreviation	Description
the Company	Inclarity Limited
the liquidators/joint liquidators	Henry Anthony Shinnars and Anthony Cliff Spicer
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
IR86	Insolvency Rules 1986 If preceded by R this denotes a rule number
SOA	Statement of Affairs
ETR	Estimated to realise
HMRC	HM Revenue & Customs
QFCH	Qualifying Floating Charge Holder - a secured creditor who has the power to appoint an administrator
RPS	Redundancy Payments Service
S&WEBC	Smith & Williamson Employee Benefits Consultancy, a division of Smith & Williamson Financial Services Limited
S&WFS	Smith & Williamson Financial Services Limited
FCA	Financial Conduct Authority

Note The IA86 and IR86 have been subject to a number of significant amendments since their original issue, including a number of substantial and important changes in April 2010. 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 9 January 2016

By way of reminder, Inclarity Limited went into administration on 22 April 2010 and Simon Thomas and Fred Satow of Moorfields Corporate Recovery LLP ("Moorfields") were appointed joint administrators of the Company

The Company was subsequently wound up by way of a court order on 28 January 2011, on a petition presented on 22 October 2010 by the joint administrators of the Company. The Official Receiver subsequently decided not to convene a meeting of creditors and made an application to the Secretary of State for the appointment of Steven Edward Butt and myself, both of Smith & Williamson Limited, 25 Moorgate, London EC2R 6AY as the joint liquidators, which was confirmed on 19 May 2011

On 10 January 2012 Steven Edward Butt, who had left Smith & Williamson, was removed as joint liquidator by an order made by Registrar Baister sitting in the Companies Court, Chancery Division in the High Court of Justice pursuant to an application for a block transfer of insolvency appointments. Henry Anthony Shinnars of Smith & Williamson Limited, 25 Moorgate, London, EC2R 6AY replaced Steven Edward Butt as joint liquidator

Since the anniversary of the appointment, 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<sup>th</sup> 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<sup>nd</sup> February 2016

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<sup>nd</sup> February 2016

Adam Henry Stephens was appointed as the replacement joint liquidator by virtue of the same order, and the effective date of his appointment is 22<sup>nd</sup> February 2016

I enclose the relevant statutory information in respect of the Company as Appendix I

## 3. Realisation of assets

Attached at Appendix II is our receipts and payments account for the period from 10 January 2015 to 9 January 2016. This account includes cumulative figures for the period from 19 May 2011 to 9 January 2016

The receipts and payments account also includes a comparison with the director's/directors' SOA values

As stated previously further asset recoveries in respect of the Company were specifically linked to the joint liquidator's investigations. These investigations have now been carried out and it has been concluded that no further actions / recoveries are pursuable and, as such, no further asset recoveries are achievable

## 4. Investigations

As you may be aware, in a compulsory liquidation the duty to investigate the Company's affairs is the responsibility of the Official Receiver. There is no requirement on the liquidator to submit a report or return on the directors' conduct to the Department of Business Innovation and Skills, however where matters are brought to the liquidator's attention these are reported as appropriate to the Official Receiver for further consideration.

Shortly after appointment, we made an initial assessment as to whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate and that may need reporting to the Official Receiver. After an analysis of certain elements that required investigating, we have concluded that my investigations have not revealed any issues requiring further report to the creditors.

## 5. Creditors

### 5.1 Secured creditors

As stated in the joint administrators' previous reports, the assets of the Company are subject to fixed and floating charges by virtue of the debenture granted to Barclays Bank Plc on 31 August 2000 which was subsequently assigned to Danston Holdings Limited ("Danston") dated 30 March 2010 and a second fixed and floating charge was granted in favour of Aktiva Invest International N V ("Aktiva") on 29 March 2008.

As Danston's debenture was created prior to 15 September 2003, the floating charge realisations are not subject to a Prescribed Part (see Section 6.3) to the extent that they are required to settle the amounts owing to Danston. However, Danston have been repaid in full their debt of £917,778 within the administration, and as a result, the residual realisations are subject to the second fixed and floating charge in favour of Aktiva. Aktiva subsequently received £55,694 under its fixed charge.

As the Aktiva debenture was created after 15 September 2003, the residual floating charges realisations are subject to a Prescribed Part.

### 5.2 Preferential creditors

A sale of the Company's business and assets as a going concern was completed by the former joint administrators. As such no preferential claims have been received.

### 5.3 Prescribed Part

As stated above, we are required to create a Prescribed Part fund out of the Company's net floating charge property for unsecured creditors.

Based on the funds transferred from the Official Receiver, and the statutory costs relating to the liquidation, we calculate the value of the Company's net floating charge property to be Nil.

Accordingly, on present information there will not be any Prescribed Part fund available for a distribution to unsecured creditors.

## 5.4 Unsecured creditors

The directors' Statement of Affairs provided to the former administrators listed unsecured creditors of £3,274,890 54

Since our appointment we have been made aware of additional unsecured creditors' claims, the most significant being a claim of £161,925 in respect of the Company's tax liabilities

In total we have received 104 creditor claims totalling £3,440,470 75 None of these claims have been adjudicated or agreed due to the absence of funds to enable me to declare a dividend to this class of creditor

As stated in our previous report in accordance with Rule 4 186 of Insolvency Act 1986, we confirm that no dividend to unsecured creditors will be made in this case

## 6. Liquidators' remuneration

A meeting of creditors has not yet been called as previously advised in our letter to creditors dated 27 June 2011 At this time, no significant assets had been realised and it is questionable if further recoveries will be achieved to enable a return to creditors As such, the joint liquidators could not and cannot justify incurring costs, to summon a meeting of the Company's creditors for the purpose of determining whether a Liquidation Committee should be established and the basis of the joint liquidator's remuneration agreed

However, please note creditors are advised that they may request a meeting of creditors to be summoned, pursuant to Section 141(2) of the Insolvency Act 1986 and Rule 4 57 of the Insolvency Rules 1986 if a request is made by at least ten per cent in value of the creditors or contributories

Due to the reasons detailed above no resolution was sought from creditors within 18 months of their appointment in respect of the joint liquidators remuneration Therefore in accordance with Rule 4 127A of the Insolvency Rules 1986 the joint liquidators' remuneration is set in accordance with Schedule 6 of the Insolvency Rules 1986

The liquidators' time costs are

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
19 May 2011 - 10 January 2012	40 95	10,034 25	245 04	-
10 January 2012 - 9 January 2013	37 50	9,629 75	256 79	-
10 January 2013 - 9 January 2014	10 75	2,391 25	222 44	-
10 January 2014 - 9 January 2015	18 60	5,208 50	280 03	-
10 January 2015 - 9 January 2016	12 00	3,051 75	254 31	-
<b>Total</b>	<b>119 80</b>	<b>30,315 50</b>	<b>253 05</b>	<b>-</b>

Attached as Appendix III, 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

Also attached as Appendix IV, is a cumulative time analysis for the period from 19 May 2011 to 9 January 2016 which provides details of the liquidators' time costs since appointment To date no fees have been drawn on account of these costs

A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from the R3 website at the following address

[https://www.r3.org.uk/media/documents/technical\\_library/SIPS/SIP%209%20Dec%202015.pdf](https://www.r3.org.uk/media/documents/technical_library/SIPS/SIP%209%20Dec%202015.pdf)

It should be noted that, whilst this statement makes reference to the need to provide creditors with a fees and costs estimate in the event that fees are being drawn on a time costs basis, this requirement only applies to appointments on or after 1 October 2015, the date that the Insolvency (Amendment) Rules 2015 ("new rules") took effect. Prior to the new rules, there was no statutory obligation to produce fees and costs estimates.

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

## 7. Liquidation expenses

### 7.1 Subcontractors

We have not utilised the services of any subcontractors in this case.

### 7.2 Professional advisers

We have not used any professional advisers in this case.

### 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 £
Storage Costs	Nil	Nil	Nil
Statutory advertising	Nil	Nil	Nil
Liquidators' bonds	Nil	Nil	20.00
Company searches	Nil	Nil	29.00
Postage	Nil	Nil	Nil
Category 2 disbursements (see next section)	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>49.00</b>

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

## 7.4 Category 2 disbursements

Category 2 disbursements require approval by creditors. Disbursements that fall under category 2 generally comprise elements of shared or allocated costs. These include the provision of internal services such as photocopying, printing, room hire and document storage.

To date the joint liquidators have not incurred any such costs.

## 7.5 BIS and Secretary of State charges

All monies received by the liquidators must be paid into the Insolvency Service's Account. This account is held with the Bank of England and is under the control of the Secretary of State. This account attracts charges which are deducted at source and apply in all cases.

The current and most recent charges are listed below. Details of previous charges can be found on the Insolvency Services website.

Fee type	Current fee £
Banking Fee	22 00
BACS Payment	0 15
Cheque Fee	1 10
CHAPS Payment	10 30
Unclaimed Dividend Fee	25 75

### Secretary of State fees:

#### Realisations

Fees applicable for  
Winding Up Orders  
between 6 April 2010 to 15  
November 2015

Up to £2,500	0%
£2,500 01 to £4,200	100%
£4,200 01 to £5,700	75%
£5,700 01 to £401,700	15%
Charge on further realisations up to £80,000 maximum fees	1%

Details of the various fees and charges levied in this case are contained within the liquidators' receipts and payment account at Appendix II.



## 7.6 Policies regarding use of third parties and disbursement recovery

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

# 8. Outstanding matters

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

- Obtaining tax clearance
- Closure of the liquidation, including preparing and issuing draft final report, calling and holding final meetings, and preparing and issuing final report

# 9. 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

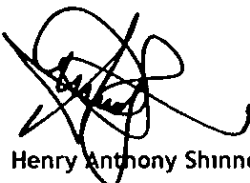
Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for 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

These rights apply only to matters which have not been disclosed in previous reports

Further information regarding creditors' rights is available on application to the liquidators

# 10. Next report

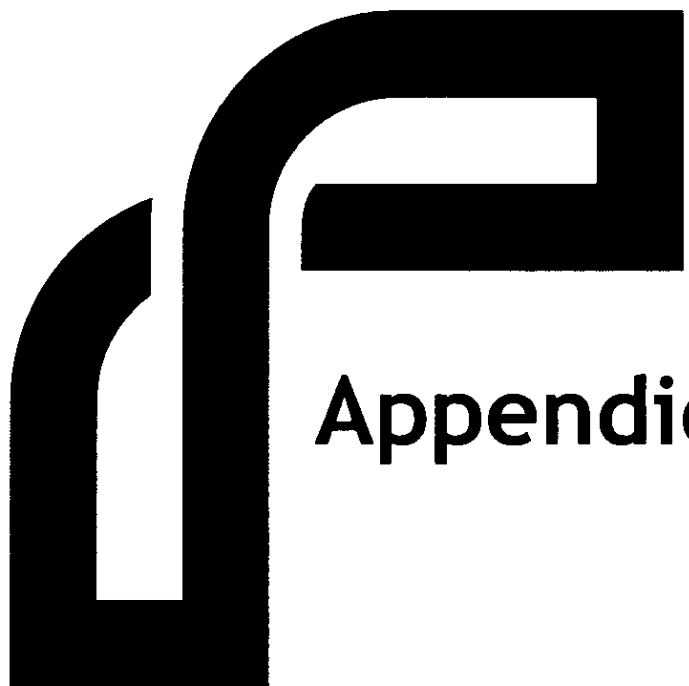
We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation unless we have concluded matters prior to this, in which case we will write to all creditors and members with our draft final progress report ahead of convening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



Henry Anthony Shinnars and Adam Henry Stephens

Joint Liquidators

Date 4 March 2016



# Appendices

# I Statutory Information

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<b>Company Name:</b>	Inclarity Limited
<b>Previous Company Name:</b>	Inclarity Plc (until 22 March 2007)
<b>Court Reference:</b>	6077 of 2010 in the High Court of Justice, Chancery Division, Companies Court
<b>Office Holders:</b>	Henry Anthony Shinnars and Adam Henry Stephens Anthony Cliff Spicer (replaced 22 February 2016) Steven Edward Butt (replaced 10 January 2012)
<b>Registered Number</b>	02673204
<b>Date of Incorporation</b>	19 December 1991
<b>Registered Office:</b>	25 Moorgate, London, EC2R 6AY
<b>Previous Registered Office</b>	88 Wood Street, London, EC2V 7RS (until 18/10/11) 8 Fulton Road, Wembley, Middlesex, HA9 0NU (until 27/04/10) Inclarity House, 607 High Road, London, N12 0DZ (until 10/03/07)
<b>Trading Address:</b>	607 High Road, Finchley, London, N12 0DZ
<b>Director:</b>	Andrej Rucigaj (appointed on 25/02/08) Aric Management Limited (appointed on 19/03/10)
<b>Former Directors:</b>	Ahal Besorai (15/05/98 - 19/03/10)
<b>Company Secretary:</b>	Sephelino Chileshe Lukashi (appointed 12/02/10)
<b>Former Company Secretary:</b>	Ian Geoffrey Evans (22/06/07 - 12/02/10)
<b>Authorised share capital:</b>	£10,498,153
<b>Allotted, issued and fully paid share capital:</b>	1,479,696 Common shares of £1 each 9,018,457 Preferred A Shares of £1 each
<b>Charge holders:</b>	Danston Holding (fixed and floating charge) Aktiva Ventures B V (fixed and floating charge)

# INCLARITY LIMITED

## SHARE REGISTER

Total issued  
as at 15 Sept 09  
£1 Shares

## SHAREHOLDER

### ORDINARY £1 SHARES

Last Reef Holdings Ltd (Jersey)	526,792	5.02%
Headlong Holdings Inc	263,395	2.51%
Mr Jean Luc Alexandre	5,643	0.05%
Mr Matteo Mazzocchi	3,200	0.03%
Shine SA	113,795	1.08%
Rosehill Corporation	9,655	0.09%
Lisa I Rosenbaum FTE of the Fisher Family 1993 Trust U/I/A With Ronald D Fisher as Donor	90,962	0.87%
Kor Hedva and Abraham	10,344	0.10%
Schindlers Reg. Treuunternehmen	38,095	0.36%
Trident Nominees Ltd	27,586	0.26%
Ron Beller	52,000	0.50%
Julian Costley	11,800	0.11%
Adnan Hughes	154,490	1.47%
Inzo Viscito	92,694	0.88%
Ian Evans	46,347	0.44%
Dave Millett	30,898	0.29%
Unor Vincina	0	0.00%
Aktiva Invest International NV	2,000	0.02%
Ben Andradi	0	0.00%
Kenny Kamal	0	0.00%

<b>TOTAL COMMON SHARES</b>	<b>1,479,696</b>	<b>14.09%</b>
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### PREFERENCE A SHARES

Aktiva Invest International NV	222,640	2.12%
Aktiva Invest International NV	5,690,897	54.21%
Aktiva Invest International NV	2,000,000	19.05%
Rustdale Group	533,522	5.08%
Rustdale Group	160,168	1.53%
Headlong Holdings Inc	275,765	2.63%
Mr Jean Luc Alexandre	460	0.00%
Mr Jean Luc Alexandre	2,057	0.02%
Schindlers Reg. Treuunternehmen	7,346	0.07%
Dave Millett	17,874	0.17%
Adnan Hughes	26,676	0.25%
Inzo Viscito	8,892	0.08%
Mr Okorn	72,160	0.69%

<b>TOTAL PREFERRED A SHARES</b>	<b>9,018,457</b>	<b>85.91%</b>
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<b>TOTAL SHARES</b>	<b>10,498,153</b>	<b>100.00%</b>
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## II Statutory Information

Receipts and payments account to 9 January 2016

Statement of Affairs		From 10/01/2015 To 09/01/2016	From 19/05/2011 To 09/01/2016
£		£	£
	ASSET REALISATIONS		
4,796 00	Cash in Administration Account	NIL	NIL
	DTI Interest Gross	NIL	21 19
	O R Credit Balance (Net)	NIL	1,414 34
		NIL	1,435 53
	COST OF REALISATIONS		
	DTI Banking Fees	88 00	398 00
	DTI Cheque Fees	NIL	1 10
	Sec of State Fees	NIL	12 72
	Corporation Tax	NIL	4 24
	Online Reporting	NIL	50 00
		(88 00)	(466 06)
	FLOATING CHARGE CREDITORS		
(466,305 53)	Floating Charge Creditor - AKTIVA	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(3,274,891 00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(9,018,457 00)	Preference Shareholders	NIL	NIL
(1,479,696 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(14,234,553 53)		(88 00)	969 47
	REPRESENTED BY		
	VAT Receivable		10 00
	ISA NIB 13 8 14		959 47
			969 47

### Notes and further information required by SIP 7

- No payments have been made to us from outside the estate.
- 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 were made non-interest bearing on 13 August 2014
- 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

# III Time analysis for the period

From 10 January 2015 to 9 January 2016

Classification of work function	Hours					Total Hours	Time cost	Average hourly rate
	Partner	Associate Director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
<b>Administration &amp; planning</b> Case planning administrative set up Appointment notification, Maintenance of records statutory reporting	0 00	0 00	9 00	2 25	0 75	12 00	£3 051 75	£254 31
<b>Investigations</b> SIP2 review CDDA reports Investigating antecedent transactions	0 00	0 00	0 00	0 00	0 00	0 00	£0 00	
<b>Realisation of Assets</b> Identifying securing insuring assets Retention of title, Debt collection Property business and asset sales	0 00	0 00	0 00	0 00	0 00	0 00	£0 00	
<b>Creditors</b> Communication with creditors Creditors' claims (including employees and other preferential creditors)	0 00	0 00	0 00	0 00	0 00	0 00	£0 00	
<b>AML/Compliance</b>	0 00	0 00	0 00	0 00	0 00	0 00	£0 00	
<b>Totals</b>	<b>0 00</b>	<b>0 00</b>	<b>9 00</b>	<b>2 25</b>	<b>0 75</b>	<b>12 00</b>	<b>£3,051 75</b>	<b>£254 31</b>

## Explanation of major work activities undertaken

A description of work undertaken in the liquidation during the period is as follows

### Administration and Planning

This section of the analysis encompasses the cost of the administrators 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
- 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 and administration
- Preparing reports to creditors
- Maintaining and managing the liquidators' cash book and bank accounts
- Resolving issues relating to additional DTI account
- Ensuring statutory lodgements and tax lodgements obligations are met
- Submitting VAT returns and Corporation Tax returns (when due)

# IV Cumulative time analysis

From 19 May 2011 to 9 January 2016

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner	Associate Director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
<b>Administration &amp; planning</b> Case planning, administrative set up, Appointment notification Maintenance of records, statutory reporting	1.20	9.85	76.90	5.30	2.90	96.15	£25,310.75	£263.24
<b>Investigations</b> SIP2 review, CDDA reports, Investigating antecedent transactions	0.00	3.70	6.55	0.00	0.00	10.25	£2,928.75	£285.73
<b>Realisation of Assets</b> Identifying, securing, insuring assets, Retention of title, Debt collection, Property, business and asset sales	0.00	0.70	0.00	0.00	0.00	0.70	£234.50	£335.00
<b>Creditors</b> Communication with creditors, Creditors' claims (including employees and other preferential creditors)	0.00	2.05	2.10	1.00	7.50	12.65	£1,831.50	£144.78
<b>AML/Compliance</b>	0.00	0.00	0.05	0.00	0.00	0.05	£10.00	£200.00
<b>Totals</b>	<b>1.20</b>	<b>16.30</b>	<b>85.60</b>	<b>6.30</b>	<b>10.40</b>	<b>119.80</b>	<b>£30,315.50</b>	<b>£253.05</b>
<b>Pre appointment</b>	0.00	4.30	0.15	0.00	0.00	4.45	£1,475.75	£331.63

## Explanation of major work activities undertaken

A description of work undertaken in the liquidation during the period is as follows

### Administration and Planning

This section of the analysis encompasses the cost of the administrators 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 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 6 month reviews)
- Case bordereau and reviews
- Case planning and administration
- Preparing reports to creditors
- Maintaining and managing the joint liquidators' cash book and bank accounts
- Resolving issues relating to additional DTI account
- Ensuring statutory lodgements and tax lodgements obligations are met
- Submitting VAT returns and Corporation Tax returns (when due)
- Dealing KYC and internal Smith & Williamson LLP compliance requirements

### Investigations

As stated above, in a compulsory liquidation the duty to investigate the Company's affairs is the responsibility of the Official Receiver. There is no requirement on the liquidator to submit a report or return on the directors' conduct to the Department of Business Innovation and Skills, however where matters are brought to the liquidator's attention these are reported as appropriate to the Official Receiver for further consideration. This work includes the following



- Investigating the reasons for the failure of the Company (including enquiries with the company's directors and possible interviews of key stakeholders)
- Review and investigation of stakeholders' complaints and responses into the failing of the business and actions of company's directors
- Review and storage of books and records
- Review of work undertaken by former administrators
- Discussions and correspondence with relevant personnel and agents

#### **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. The work generally includes the following

- 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 process. This includes sourcing certain records (which were not available at the time of the sale)

#### **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
- Dealing with petitioning creditors queries via email and telephone.
- Maintaining creditors' information on IPS

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

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## 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 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 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 creditors at the time the basis of the liquidators' remuneration was established.

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 2015.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates	London office £/hr		Regional offices £/hr	
	From 1/7/13	From 1/7/14	From 1/7/13	From 1/7/14
Partner / Director (from 1 January 2016)	480	480	350	350
Associate Director	370	370	295-325	295-325
Managers	235-310	235-310	190-285	190-290
Other professional staff	150-235	150-235	110-170	120-175
Support & secretarial staff	85	85	28-75	60-135

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2015	London office £/hr	Regional offices £/hr
Partner / Director (from 1 January 2016)	425-480	350
Associate Director	370	295-300
Managers	235-310	190-290
Other professional staff	150-235	120-175
Support & secretarial staff	85	60-135

## 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 cashing function is centralised and London rates apply. The cashing function time is incorporated within "Other professional staff" rates.

[www.smithwilliamson.co.uk](http://www.smithwilliamson.co.uk)

**Principal offices** London, Belfast, Birmingham, Bristol, Dublin, Glasgow, Guildford, Manchester, Salisbury and Southampton

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