

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

04498095

Name of Company

RMR Financial Services Limited T/A Compass Debt Counsellors

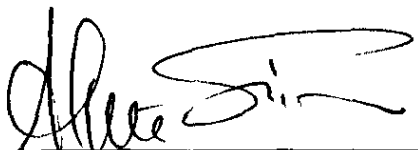
I / We

Alan Simon, Langley House, Park Road, London, N2 8EY

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986.

The Progress Report covers the period from 30/03/2016 to 29/03/2017

Signed



Date

23/5/2017

AABRS Limited
Langley House
Park Road
London
N2 8EY

Ref: R1012/AS/MP/NM/DO/MA/NS/SC

THURSDAY



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COMPANIES HOUSE

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**Liquidator's Annual
Progress Report to
Creditors & Members**

**RMR Financial Services Limited T/A
Compass Debt Counsellors
In Liquidation**

25 April 2017

RMR FINANCIAL SERVICES LIMITED T/A COMPASS DEBT COUNSELLORS - IN LIQUIDATION

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RMR FINANCIAL SERVICES LIMITED T/A COMPASS DEBT COUNSELLORS - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, Alan Simon of AABRS Limited, Langley House, Park Road, London, N2 8EY, was appointed as Liquidator of RMR Financial Services Limited (the **Company**) on 30 March 2016. This progress report covers the period from 30 March 2016 to 29 March 2017 (the **Period**).
- 1.2 The principal trading address of the Company was Compass House, 195 Derby Road, Long Eaton, Nottingham, NG10 4LQ. The business traded under the name Compass Debt Counsellors.
- 1.3 The registered office of the Company has been changed to Langley House, Park Road, East Finchley, London, N2 8EY and its registered number is 04498095.

2 Progress of the Liquidation

- 2.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period.
- 2.2 At Appendix A is my Receipts and Payments Account for the Period.
- 2.3 Attached at Appendix B is a time analysis outlining the time spent by the Liquidator and his staff during the Period.
- 2.4 Attached at Appendix C is a time analysis for the period from 30 March 2016 to 3 March 2017 and the estimate of time for the period of one year which was provided to the Liquidation committee for the purposes of agreeing my remuneration in this matter.
- 2.5 Further information about the basis of remuneration agreed in this case and the Liquidator's fees estimate can be found in section 4 of this report, together with any relevant information about revisions to this estimate, where applicable.

Administration (including statutory compliance & reporting)

- 2.6 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated would need to be done in this area was outlined to creditors in my initial fees estimate/information.
- 2.7 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidator.
- 2.8 Some of the work undertaken by an insolvency practitioner is required by statute and may not necessarily provide a financial benefit to creditors, but is required on every case by statute. Examples of this work include investigations required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 or dealing with the claims of the former employees via the National Insurance Fund.
- 2.9 Below are details of the work I have undertaken during the reporting period:-

RMR FINANCIAL SERVICES LIMITED T/A COMPASS DEBT COUNSELLORS - IN LIQUIDATION

- (i) Notifying creditors of the liquidator's appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House
- (ii) Preparing and issuing annual progress reports to members and creditors
- (iii) Lodging statutory documents with the Registrar of Companies for the purposes of the liquidation
- (iv) Complying with statutory duties in respect of the liquidator's specific penalty bond
- (v) Creation and update of case files on my firm's Insolvency software
- (vi) Securing and storage of the Company's books and records
- (vii) Completion and filing of the notice of the Company's insolvency to HMRC
- (viii) Completion of statutory duties in relation to identifying a pension scheme
- (ix) Initial assessment required by the Statement of Insolvency Practice 2 and the Company Directors Disqualification 1986 (CDDA) including review of the company's books and records and the identification of potential asset realisations which may be pursued in the liquidation.
- (x) Case progression reviews
- (xi) Opening, maintaining the liquidation estate cashbook and bank account
- (xii) Dealing with all post-appointment VAT and corporation tax compliance
- (xiii) Establishing and holding periodic meetings of the liquidation committee and associated filing formalities together with seeking guidance in respect of other case specific statutory and investigation matters
- (xiv) Reviewing client contracts to establish the basis and structure of fees the company was entitled to charge.
- (xv) Instructing Accura Accountants Limited ("AAL") to assist me in preparing accounts for the Company.
- (xvi) Setting out the basis of the fee structure as per the contracts to AAL in order for them to assess the changes required to the previous Company accounts.
- (xvii) Liaising with HM Revenue and Customs with regard to a terminal loss relief claim with the assistance of AAL.
- (xviii) Reconciling the Company's 11 bank accounts for the period from my instruction to the date of appointment to establish the correct position and balance on each account.
- (xix) Setting out to the bank, in writing, the position in relation to funds that should have been held in the Company bank account in trust.

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- (xx) Liaising with the Company's bankers in relation to the unauthorised transfer of funds into accounts to extinguish overdrafts
- (xxi) Confirming bank account balances to the bank as per correspondence received from them on 3 March 2016.
- (xxii) Corresponding with the Financial Conduct Authority ("FCA") in relation to the circumstances of the failure of the Company
- (xxiii) Liaising with the FCA to confirm the position in relation to ongoing correspondence with clients and further action/recovery processes instigated.
- (xxiv) Providing periodic updates to the FCA in relation to the progress and investigative matters
- (xxv) Corresponding with the FCA in respect of the client monies in hand
- (xxvi) Corresponding with entities who provided the Company with 'cloud' data storage
- (xxvii) Instructing solicitors to assist with my investigations into the Company's Affairs and with the issuance of Statutory Demands and subsequent bankruptcy petitions against the Company's Directors and to deal with the applications and hearings to set aside the demands
- (xxviii) Drafting and preparing witness statements and exhibits in evidence to be presented at the above mentioned hearings to set aside the bankruptcy petitions issued against the company's directors
- (xxix) Liaising with solicitors in respect of various matters including bankruptcy petitions and other avenues of recoveries
- (xxx) Extensive correspondence with the company's previous accountants to obtain and investigate the company's accounts and other relevant financial information
- (xxxi) Investigation and enquiries into entities with which the Company traded to establish the nature and extent of their involvement in the affairs of the Company and investigating the merits of claims against such third parties
- (xxxii) Dealing with voluminous enquiries and correspondence received from the company's clients/creditors. Creditors are advised that as at the date of writing this report the company's clients number 2,266 of which we have received correspondence from 758. It should further be noted that as at the date of writing this report I estimate to receive claims from approximately 1,751 clients totalling £5,640,013.50
- (xxxiii) Other investigation matters and potential avenues for recovery which cannot be fully disclosed at this juncture as it could potentially prejudice the outcome.

2.10 Based on the position of the case, the current work which remains to be completed is the following:-

RMR FINANCIAL SERVICES LIMITED T/A COMPASS DEBT COUNSELLORS - IN LIQUIDATION

- (i) Further investigation and recovery action which as stated above, cannot be fully disclosed at this time as they could ultimately lead to criminal proceedings
- (ii) Continuing to liaise with the FCA in relation to the administration of this matter.
- (iii) Submitting waiver documentation to the FCA in order to obtain permission to utilise client funds for the purposes of investigations
- (iv) Periodic updates to the Liquidation committee.
- (v) Liaising with cloud service providers to obtain access to Company records.
- (vi) Liaising with the Bankruptcy trustees in relation to distributions to the Liquidation estate
- (vii) Providing bankruptcy trustees with information relating to the financial affairs of the Directors.
- (viii) Investigating and reviewing the tax affairs of the Company.
- (ix) Liaising with the Company's accountants to further investigate Company transactions.

Realisation of Assets

- 2.11 It is considered that the work the Liquidator and his staff have undertaken to date will bring a financial benefit to creditors. This may be a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations and the extent of any 3rd party security, result in a distribution to the preferential and unsecured creditors of the Company.

2.12 Office Equipment and IT

- (i) The Directors' Statement of Affairs indicated that no realisations were anticipated from the office equipment and IT equipment owned by the Company.
- (ii) According to the draft management accounts for the year ended 30 September 2014, the fixtures and fittings had a book value of £4,848. The items consisted mostly of old office furniture and equipment and the costs of removal and marketing of the assets were likely to exceed any benefit to the liquidation estate. Accordingly the assets were abandoned.

2.13 Cash at Bank

- (i) The Directors' Statement of Affairs indicated that cash at bank was estimated to realise a sum of £1,956.67 and £1,958.67 has been received following reconciliation of the Company's bank account.

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2.14 Rent Deposit

- (i) The Directors' Statement of Affairs indicated that no recoveries were anticipated from the rent deposit.
- (ii) According to information provided by solicitors acting on behalf of the Landlord, a deposit of £5,000 was being held and was due to the Landlord for dilapidations and outstanding rent. Therefore, no recoveries were made.

2.15 Tax Refund

- (i) Creditors should note that at the time of my appointment no provision had been made for a tax refund however through my investigation of the company's accounts and other financial information a terminal loss claim was identified further details of which are provided below.
- (ii) In accordance with Section 39 of The Corporation Tax Act 2010, a company is entitled to reclaim corporation tax paid in prior periods. This is referred to as a terminal loss relief claim. This enables the Company to carry back trading losses that occur in the final accounting period which can then be offset against profits made in up to all of the previous 3 accounting periods consecutively.
- (iii) I would confirm that shortly after my appointment I instigated discussions with HM Revenue & Customs in this regard. On 3 May 2016, HM Revenue and Customs confirmed that the sum of £58,866.12 remained outstanding in respect of unpaid tax for the period from 1 October 2013 to 30 September 2014. My review of the Company's SAGE records indicated that circa £220,000 of Corporation Tax had been paid.
- (iv) I provided HM Revenue and Customs with information relating to the circumstances surrounding the failure of the Company as well as details of the creditors' claims at that time and based on my assessment of the information obtained from the Company records argued that the Company had been loss making for some time and the profits declared in the accounts for the year ended 30 September 2014 were incorrect. Furthermore, it was likely that the profits for the prior years were materially mis-stated and therefore the payments made in relation to Corporation Tax were incorrect.
- (v) On 11 July 2016, I received a response from HM Revenue and Customs which confirmed that they would not process a claim for repayment on the basis of the information supplied and revised accounts would need to be prepared to enable them to consider the position further.
- (vi) The position was discussed with the liquidation committee members at the initial committee meeting where I advised and sought guidance and approval of my intentions to instruct AAL to assist me in the preparation of the accounts and information.
- (vii) The committee sanctioned the instruction of AAL who then prepared the revised accounts which were submitted to HM Revenue and Customs on 13 September 2016 with an explanation of the analysis conducted and a request for terminal loss relief to be granted.

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- (viii) A tax refund of £232,752.93 plus interest of £2,827.52 was received from HM Revenue and Customs on 31 March 2017.

2.16 Cash held in Client Account

- (i) As set out within the update sent to creditors in October 2016, client funds of £24,365.38 were received from the bank after my appointment.
- (ii) These funds represent client money and are held in a separate designated account in trust for the clients and therefore are not reflected on the Receipts and Payments account attached at Appendix A.
- (iii) The FCA guidelines provide that these funds are to be distributed *pari passu* between the Company clients. However, given the number and quantum of client claims received, the cost of doing the same would be disproportionate.
- (iv) It is my intention to obtain permission to use the funds for my further investigation purposes via a waiver application to the FCA. Accordingly I shall of course be seeking further legal advice in this regard.

Unrealised Assets

- 2.17 Based on the current position of the case, the remaining unrealised assets include the following:-

- (i) A number of causes of action have been identified which may result in recoveries for the benefit of creditors, these continue to be pursued
- (ii) Ultra vires dividends

Creditors (claims and distributions)

- 2.18 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. A Liquidator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 2.19 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2.20 The above work will not necessarily bring any financial benefit to creditors generally, however a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.
- 2.21 I consider the following matters worth noting in my report to creditors at this stage:

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- In accordance with the company's statement of affairs there are approximately three hundred and fifteen unsecured creditor claims in this case with a value per the Directors' Statement of Affairs of £208,806.68. As at the date of the Statement of Affairs, I had been contacted by 292 clients of the Company who indicated that they had claims in this matter.
- To date, I have now received 758 client claims totalling £4,270,560.33.
- According to the records of the Company, there should be approximately 1,751 client claims totalling £5,640,013.50.
- In addition, I have received claims from four trade and expense creditors totalling £157,463. I have yet to receive claims from fourteen creditors whose debts are estimated to total £79,588.99.
- Seventeen employee claims have been received. Their preferential claims total £10,427.97. The National Insurance Fund has submitted a preferential claim of £6,610.01.
- There is no qualifying floating charge holder.
- The Company granted a trust Deed (Rent Deposit) to Orion Security Print Limited on 26 February 2013.

Investigations

- 2.22 Some of the work the Liquidator is required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations. This work may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidator can pursue for the benefit of creditors.
- 2.23 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.
- 2.24 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the s98 meeting or as a response to my request to complete an investigation questionnaire.
- 2.25 During the course of my investigations, it has emerged that ultra vires dividends under the provisions of Section 830 of The Companies Act 2006 in the amount of circa £950,000 were paid to the Company's shareholders. On the basis of my investigations and work conducted by Accura Accountants Limited to restate the accounts for the year ended 30 September 2014, it was clear that the Company was insolvent at the time that the dividends were declared.
- 2.26 Meetings were held collectively with the directors where my concerns regarding the ultra vires dividends were explained and discussed.

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- 2.27 Therefore, these dividends are illegal and entirely repayable in accordance with Section 212 of The Insolvency Act 1986.
- 2.28 In an effort to resolve the position I contacted the Directors to obtain their proposals to repay the sums. No funds were ultimately received and any payment proposals from the directors were derisory.
- 2.29 As a result, on 19 September 2016 Statutory Demands were issued against the three shareholders.
- 2.30 Applications to set aside the Statutory Demands were made by all three shareholders on the basis that the information I was relying on was incorrect and that no client funds remained outstanding and therefore the company was insolvent at the time these dividends were draw.
- 2.31 Counsel was instructed to provide representation on my behalf as the three separate court hearings which were held and as part of the proceedings. As advised earlier in this report I submitted witness statements to the court demonstrating that the demands should be allowed to proceed. The court's decision was to allow them to stand.
- 2.32 Hearings were set for the bankruptcy petitions, as a result of which Mr Robert Michael Solloway was made bankrupt on 22 March 2017 at Derby County Court a Bankruptcy Order was made against Mr Richard Mott on 24 April 2017. I am hopeful that further recoveries will be made from the bankruptcy estates.
- 2.33 Mr Harrison has made further representations personally to object to the basis of the bankruptcy petition. Moreover, as Mr Harrison is a litigant in person the court allowed him additional time to present his claim "stet" which was held on 22 May 2017.
- 2.34 At the hearing the Judge considered the information presented by Mr Harrison. On the basis that sufficient time was not available to fully consider the matter a further adjournment was granted. The matter is to be listed for a 90 minutes hearing on the first available date after 1 July 2017. In addition to the above, a number of other issues have come to light. At this stage, I believe that to disclose this information to creditors may prejudice my enquiries in this matter.
- 2.35 However, in order to assist my investigations, I have enclosed a creditors questionnaire which I would be obliged if client creditors would complete and return to me preferably via email.

3 Creditors

Secured Creditors

- 3.1 The Company granted a Trust Deed (Rent Deposit) to Orion Security Print Limited on 26 February 2013.
- 3.2 According to information provided by solicitors acting on behalf of the Landlord, a deposit of £5,000 was being held and this has been retained against the outstanding rent and dilapidations.

RMR FINANCIAL SERVICES LIMITED T/A COMPASS DEBT COUNSELLORS - IN LIQUIDATION

Preferential Creditors

3.3 A summary of preferential claims is detailed below.

Preferential claim	Received Claim £	Statement of Affairs Claim £	Dividend paid p in the £1
Employee claims (Total number of claims = 17)	10,427.97	Nil	Nil
Department for Business Innovation & Skills (BIS)	6,610.01	Nil	Nil

Unsecured Creditors

3.4 To date, I have received 758 client claims totalling £4,270,560.33.

3.5 In addition, I have received claims from four trade and expense creditors totalling £157,463. I have yet to receive claims from fourteen creditors whose debts are estimated to total £79,588.99.

Qualifying Floating Charge Holder (QFC)

3.6 The Company did not grant any floating charges to a secured creditor. Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors (known as the **Prescribed Part**), which only applies to charges created after 15 September 2003.

4 Liquidator's Remuneration

4.1 At the first meeting of the Creditors' Committee on 30 March 2016, the Liquidator's remuneration was approved as detailed below:

- A fixed fee of £12,000
- 40% of realisations up to £150,000
- 30% on further realisations of £150,000
- 20% on realisations in excess of £312,000 referred to above

These fees were to be discharged as and when funds are available.

4.2 In addition, the basis for recharging Category 2 disbursements incurred by the Liquidator be fixed and payable on the basis of the firm's published tariff, disclosed to creditors prior to the initial meeting and that the Liquidator be authorised to be reimbursed such disbursements as and when funds permit.

4.3 The extensive work involved in investigating the affairs of the Company by my office was outlined to the Creditors' Committee at the second meeting held on 28

RMR FINANCIAL SERVICES LIMITED T/A COMPASS DEBT COUNSELLORS - IN LIQUIDATION

September 2016. A revision to the Liquidator's remuneration was discussed and informally agreed.

4.4 At a remote meeting of the Creditors' Committee on 14 March 2017, the Committee passed the following resolutions:

- That the remuneration of the Liquidator be agreed on the basis of time spent by the Liquidator and his staff attending to matters arising in the Liquidation in accordance with the fees estimate provided to the committee. The liquidator be authorised to draw his remuneration on account of costs incurred as and when funds permit.
- That the basis for recharging Category 2 disbursements incurred by the Liquidator be fixed and payable on the basis of the firm's published tariff, disclosed to creditors prior to the meeting and that the Liquidator be authorised to be reimbursed such disbursements as and when funds permit.
- That costs incurred by Accura Accountants Limited in this matter shall be payable as Category 2 disbursements

4.5 A copy of that estimate is attached at Appendix C of this report.

4.6 At the date of this report, I would confirm that my fees estimate for the liquidation remains unchanged.

4.7 My time costs for the Period are £185,949.70. This represents 966.23 hours at an average rate of £192.45 per hour. Attached as Appendix B, is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by me in managing the liquidation.

4.8 During the period the Liquidator has drawn no remuneration against his accrued time costs. Disbursements of £410 have been drawn during the Period. I would further advise that in the following period the sum of £165,000 has been drawn against my cumulative time costs of £185,949 which represents 966 hours at an average rate of £192.49 per hour. Further comprehensive information is provided in my time estimate and SIP grid and will be provided in my next report.

4.9 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from www.aabrs.com/resources/creditors-guides.

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

5 Creditors' Rights

5.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report.

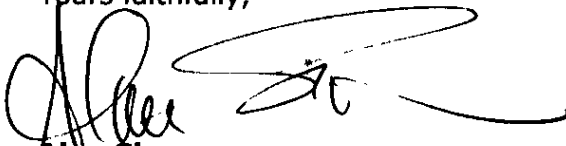
RMR FINANCIAL SERVICES LIMITED T/A COMPASS DEBT COUNSELLORS - IN LIQUIDATION

- 5.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

6 Next Report

- 6.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors.

Yours faithfully,



Alan Simon
Liquidator

Appendix A

RMR Financial Services Limited T/A Compass Debt Counsellors (In Liquidation) Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 30/03/2016 To 29/03/2017 £	From 30/03/2016 To 29/03/2017 £
	ASSET REALISATIONS		
NIL	Office Equipment and IT	NIL	NIL
1,956.67	Cash at Bank	1,958.67	1,958.67
NIL	Rent Deposit	NIL	NIL
	Bank Interest Gross	3.30	3.30
		<u>1,961.97</u>	<u>1,961.97</u>
	COST OF REALISATIONS		
	Specific Bond	40.00	40.00
	R4.62 - Expenses of Creditors Meeting	440.33	440.33
	Legal Fees	350.00	350.00
	Statutory Advertising	370.00	370.00
		<u>(1,200.33)</u>	<u>(1,200.33)</u>
	UNSECURED CREDITORS		
(40,114.70)	Trade & Expense Creditors	NIL	NIL
(60,805.00)	Directors	NIL	NIL
(10,311.19)	Barclays Bank Plc	NIL	NIL
(37,283.78)	HM Revenue & Customs (PAYE)	NIL	NIL
(292.00)	Potential Client Creditor Claims	NIL	NIL
(0.01)	HM Revenue & Customs (VAT)	NIL	NIL
(60,000.00)	HM Revenue & Customs (Corporation	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(1,000.00)	Ordinary Shares	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(207,850.01)</u>		<u>761.64</u>	<u>761.64</u>
	REPRESENTED BY		
	VAT Receivable		24.67
	Bank 1 Deposit		736.97
			<u>761.64</u>

Time Entry - Detailed SIP9 Time & Cost Summary

R1012 - RMR Financial Services Limited T/A Compass Debt Counsellors

From: 30/03/2016 To: 29/03/2017

Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 Administration & Planning	0.00	7.00	0.00	0.70	7.70	1,442.00	187.27
101 Case planning/review/strategy and checklists	15.10	57.10	0.00	3.80	76.00	17,986.00	236.66
102 Set-up Administrator/IPS/Initial correspondence	0.00	3.70	0.00	1.60	5.30	847.00	159.81
103 Cashiering - set-up, maintenance & control of accs	0.00	1.90	0.00	2.80	4.70	741.00	157.66
104 Post Appointment VAT & CT	12.00	16.70	0.00	2.10	30.80	8,867.00	287.89
105 Statutory filing with ROC, Court & DTI	0.00	2.10	0.00	0.50	2.60	444.00	170.77
107 Books & Records administration	0.00	1.50	0.00	1.80	3.30	393.00	119.09
Administration & Planning	27.10	90.00	0.00	13.30	130.40	30,720.00	235.56
600 Case Specific	0.00	0.00	0.00	0.50	0.50	80.00	160.00
Case specific matters	0.00	0.00	0.00	0.50	0.50	80.00	160.00
500 Creditors	1.50	46.20	0.00	0.50	48.20	9,633.00	197.78
501 Correspondence/Preparation of Reports/Meetings	9.90	40.40	1.50	207.20	259.00	31,034.00	119.82
502 Claims / Proofs	1.50	21.60	0.00	62.80	85.90	10,441.00	121.55
505 ERA scheme admin	0.20	1.00	0.00	2.90	4.10	686.00	167.32
506 Committee	15.80	56.30	0.00	0.70	72.80	17,870.00	245.47
Creditors	28.90	165.50	1.50	274.10	470.00	69,564.00	148.01
200 Investigations	11.90	114.43	0.00	0.00	126.33	27,096.70	214.49
201 SIP 2 review & CCDA reporting	0.80	52.80	0.00	5.40	59.00	10,878.00	184.37
202 Antecedent transactions	33.70	71.20	0.00	0.00	104.90	28,693.00	273.53
203 Directors Disqualification	0.00	1.00	0.00	0.00	1.00	190.00	190.00
Investigations	46.40	239.43	0.00	5.40	291.23	66,857.70	229.57
300 Realisation of assets	0.00	5.00	0.00	0.00	5.00	950.00	190.00
301 Ident, securing, insuring & bonding	0.00	0.00	0.00	0.40	0.40	56.00	140.00
302 Freehold & Leasehold property	0.30	0.00	0.00	1.50	1.80	270.00	150.00
303 Intangible assets	0.40	0.40	0.00	0.00	0.80	256.00	320.00
304 Tangible assets	0.00	4.70	0.00	0.00	4.70	893.00	190.00
305 Debtors claims	7.10	8.20	0.00	0.40	15.70	4,789.00	305.03
306 Cash & Bank balances/VA contribs & reviews/IPO	7.40	32.60	0.00	0.00	40.00	9,524.00	238.10
307 Pensions / Policies	0.00	0.00	0.00	0.50	0.50	45.00	90.00
309 Cashiering - banking realisations & payment costs	0.00	0.20	0.00	1.10	1.30	190.00	146.15
Realisations of Assets	15.20	51.10	0.00	3.90	70.20	16,973.00	241.78
402 Preparation of Accounts / Forecasts	3.90	0.00	0.00	0.00	3.90	1,755.00	450.00
Trading	3.90	0.00	0.00	0.00	3.90	1,755.00	450.00
Total Hours	121.50	546.03	1.50	297.20	966.23	185,949.70	192.45
Total Fees Claimed			Version 15-01-14			0.00	25 April 2017 10:19

Analysis Code	Classification of Work Function	Partner / Director	Manager	Other Senior Professionals	Artists & Support Staff	Total Estimated Hours	Total Estimated Costs	Average Hourly Rate
100	Administration & Planning	2.00	6.00	-	1.10	9.10	2,159.60	237.32
101	Case planning/review/strategy and checklist	3.00	28.00	-	20.00	51.00	9,250.00	181.37
102	Set-up Administration/IPS/Initial correspondence	-	-	-	-	-	-	-
103	Cashiering - set-up, maintenance & control of accounts	-	3.00	-	4.00	7.00	1,999.00	157.00
104	Post Appointment VAT & CT	2.00	4.00	-	1.50	7.50	1,844.00	245.87
105	Statutory filing with ROC, Court & DII	0.20	1.00	-	0.50	1.70	343.00	201.76
106	Pensions Admin	-	-	-	-	-	-	-
107	Books & Records administration	1.00	2.00	-	1.00	4.00	956.00	239.00
	Administration & Planning	8.20	44.00	-	28.10	80.30	15,051.60	194.91
500	* Creditors	3.00	12.00	2.00	4.00	21.00	4,434.00	211.14
501	Correspondence/Preparation of Reports/Meetings	4.00	60.00	-	50.00	114.00	19,700.00	172.81
502	Claims / Proofs	0.50	10.00	-	40.00	50.50	7,515.00	148.81
503	Secured Finance Creditors & Landlord	-	-	-	-	-	-	-
504	Preferential	-	-	-	-	-	-	-
505	ERA scheme admin	-	2.00	-	-	5.00	778.00	155.60
506	Committee	15.00	45.00	-	7.00	67.00	16,027.00	239.21
507	Planning/Preparation/Payment of Dividends	-	-	-	-	-	-	-
	Creditors	22.50	129.00	2.00	101.00	257.50	48,454.00	188.17
200	Investigations	9.00	45.00	-	3.00	57.00	12,783.00	224.26
201	SIP 2 review & CCDA reporting	-	-	-	-	-	-	-
202	Antecedent transactions	30.00	40.00	-	-	70.00	20,900.00	298.57
203	Directors Disqualification	2.00	3.00	-	-	5.00	1,455.00	291.00
	Investigations	41.00	88.00	-	3.00	132.00	35,138.00	266.20
300	Realisation of assets	-	2.00	-	2.00	4.00	642.00	160.50
304	Tangible assets	-	5.00	-	-	5.00	925.00	185.00
305	Debtor claims	11.00	15.00	-	5.00	31.00	8,405.00	271.13
306	Cash & Bank balances-VA contribs & reviews/PO	3.00	16.00	-	-	19.00	4,110.00	226.84
309	Cashiering, Banking realisations & payment costs	-	2.00	-	5.00	7.00	1,050.00	150.00
	Realisations of Assets	14.00	40.00	-	12.00	66.00	15,132.00	232.30
Total Hours		85.70	301.00	2.00	144.10	535.80	114,575.60	481.58

RMR FINANCIAL SERVICES LIMITED T/A COMPASS DEBT COUNSELLORS - IN LIQUIDATION

Appendix D

Additional Information in Relation to the Liquidator's Fees, Expenses & Disbursements

1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Director, 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.
- 1.3 We are not proposing to utilise the services of any sub-contractors in this case.

2 Professional Advisors

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

Name of Professional Advisor	Basis of Fee Arrangement
Sylvester Amiel Lewin & Horne LLP (legal advice)	Contingent fee basis
Accura Accountants Limited (accountancy services)	Hourly rate and disbursements
Chris Gossop LLB (Process Server)	Fixed Fee basis
South Square (Legal Counsel)	Time cost basis and disbursements

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

3 Liquidator's Expenses & Disbursements

- 3.1 The estimate of expenses (including disbursements) which were anticipated was provided to members of the Creditors' Committee when the basis of my fees were approved, a copy of which is set out below:

Expense	Estimated cost - £
Solicitors' costs for advice	26,845.00
Statutory advertising	1,084
Specific penalty bond	460.00
Processing server	700.00
External meeting room hire	100.00

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Category 2 disbursements charged by the firm:	
2nd class postage (circulars only, per copy & depending on size) – 40p – 75p	1,518.00
Photocopying (circulars only, per page) – 15p	1,186.00
Accura Accountants Limited	6,000.00
Expense	Estimated cost - £
Storage (per box, per year) – 17 boxes at £50 each per year	850.00
Virtual Hosting Meeting - £50 per meeting	200.00

Current position of Liquidator's expenses

- 3.2 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

	Paid in the Period £	Incurred but not paid to date £	Total anticipated cost £
Petitioner's costs	0.00	3,810.00	3810.00
Specific penalty bond	40.00	0.00	40.00
R4.62 – expenses of creditors' meeting	440.33	0.00	440.33
Sylvester Amiel Lewin & Horne LLP – legal costs	0.00	20,600.00	20,600.00
Sylvester Amiel Lewin & Horne LLP – disbursements	350.00	0.00	350.00
Statutory advertising	370.00	0.00	370.00
Category 2 disbursements			
Accura Accountants Ltd	0.00	2,970.00	2,970.00
Storage costs	0.00	850.00	2,550.00

- 3.3 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.
- 3.4 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. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidator's fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

RMR FINANCIAL SERVICES LIMITED T/A COMPASS DEBT COUNSELLORS - IN LIQUIDATION

1 Charge-Out Rates

- 1.1 AABRS Limited's current charge-out rates effective from 1 April 2017 are detailed below. Please note this firm records its time in minimum units of 6 minutes.
- 1.2 There has been no material increase in charge out rates since the commencement of the liquidation.
- 1.3 A schedule of charge out rates as at 1 April 2017 are shown below:-

	(Per hour) £
Director	£475
Manager	£190-£290
Other Senior Professionals	£180-£190
Assistants & Support Staff	£40-£180