

LIQ03

Notice of progress report in voluntary winding up



Companies House

FRIDAY



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20/03/2020

#322

COMPANIES HOUSE

1 Company details

Company number 04901086

Company name in full Accessories Direct Distribution Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Henry Anthony

Surname Shinnars

3 Liquidator's address

Building name/number Smith & Williamson LPP

Street 25 Moorgate

Post town London

County/Region

Postcode EC2R 6AY

Country United Kingdom

4 Liquidator's name ①

Full forename(s) Andrew Stephen

Surname McGill

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number Smith & Williamson LLP

Street 3rd Floor

9 Colmore Row

Post town Birmingham

County/Region

Postcode B3 2BJ

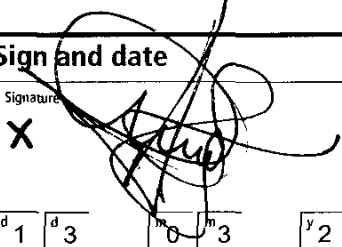
Country United Kingdom

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report															
From date	d	0	d	4	m	0	m	3	y	2	y	0	y	1	y	9
To date	d	0	d	3	m	0	m	3	y	2	y	0	y	2	y	0
7	Progress report															
<input checked="" type="checkbox"/> The progress report is attached																
8	Sign and date															
Liquidator's signature	<div>Signature</div> <div>X  X</div>															
Signature date	d	1	d	3	m	0	m	3	y	2	y	0	y	2	y	0

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 Cameron Dalrymple-Rockett

Company name Smith & Williamson LLP

Address 25 Moorgate

Post town London

County/Region

Postcode E C 2 R 6 Y

Country United Kingdom

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



Accessories Direct Distribution Limited (in creditors' voluntary liquidation)

Joint liquidators' annual progress report for the period from 4
March 2019 to 3 March 2020

13 March 2020



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1. Glossary

Abbreviation	Description
the Company	Accessories Direct Distribution Limited
the liquidators/joint liquidators	Henry Anthony Shinnars and Andrew Stephen McGill
SIP	Statement of Insolvency Practice (England & Wales)
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
SOA	Statement of Affairs
HMRC	HM Revenue & Customs
the Landlord	Ash Investments (UK) Limited
RPS	Redundancy Payments Service
EOS	Estimated Outcome Statement
DLA	Directors' Loan Account
IVA	Individual Voluntary Arrangement

2. Introduction and Summary

This report is our first progress report since appointment and covers the period from 4 March 2019 to 3 March 2020.

By way of reminder, we, Henry Anthony Shinnars and Andrew Stephen McGill, of Smith & Williamson LLP, 25 Moorgate, London EC2R 6AY, were appointed liquidators of the Company on 4 March 2019.

The principal trading address of the Company was Unit 19, Pilsworth Way, Burry BL9 8RE.

The Company's registered office is now 25 Moorgate, London EC2R 6AY and its registered number is 04901086.

3. Realisation of assets

Attached at Appendix I is our receipts and payments account for the period from 4 March 2019 to 3 March 2020.

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

3.1 Directors' Loan account

This date realised any assets of the Company. The principle asset of the Company is the directors' outstanding DLA. According to the SOA, this amounts to £169,913.00.

The figure disclosed in the SOA has been reviewed and verified.

The directors are in the process of IVAs which commenced on 21 March 2019. The outstanding DLA is a joint debt to be paid by both directors during the course of their IVAs. The directors' only asset subject to the IVA is the equity in their residential property. The sums realised upon the sale of the property will be used to settle the DLA debt.

The joint liquidators have recently been informed by the supervisors of the directors' IVAs that an offer of £495,000 has been accepted for the directors' residential property. This is less than anticipated, but a reduced offer was accepted as the mortgagee had been granted a repossession order, adjourned until 2 March 2020. If the action for repossession had continued, the equity available to repay the DLA would have been significantly reduced.

As a result of the reduced sale price, the distribution from the IVAs to the Company will be less than anticipated. The estimated distribution is likely to be c.£33,000.

The liquidators are continuing to monitor the progress of the IVA and are in regular correspondence with the supervisors.

3.2 Book debts

According to the director's SOA, there were book debts of £590.97 due to the Company. Upon further review, the joint liquidators were provided with insufficient information to pursue these debts.

3.3 Assets still to be realised

The only remaining asset is the DLA.

4. Investigations

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

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

Shortly after appointment, we 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 as a response to our request to complete an investigation questionnaire. Our investigations have not revealed any issues requiring further reporting.

5. Creditors

Please note that, where creditors have submitted claims in foreign currency, they have been converted to £Sterling at the applicable rate at the date of liquidation, 4 March 2019. If any creditor considers the rate to be unreasonable, they may apply to court for determination.

5.1 Secured creditors

Bibby Financial Services Limited holds a fixed and floating charge over the Company's assets, as recorded at Companies House. The director advised that there was no debt due and the joint liquidators are in the process of verifying the position. In the period covered by this report no amounts has been paid on account.

Chargeholder	Type of charge	Date	Amount due £	Paid in current period £	Total paid at period end £
Bibby Financial Services Limited	Fixed and Floating	4 September 2014	TBC	Nil	Nil

5.2 Prescribed Part

As can be seen above, the Company granted a floating charge to Bibby Financial Services Limited on 4 September 2014. As we are yet to ascertain the amount of the indebtedness, we are not in a position to determine whether we are required to make a prescribed part out of the Company's net floating charge property for unsecured creditors.

If we are required to comply with this requirement, we will write to creditors accordingly.

5.3 Preferential creditors

During the period, the liquidators have received a claim of £536.06 from the RPS in regards to the Company's former employees. We are in the process of reviewing this claim.

5.4 Unsecured creditors

We have received claims totalling £192,834.93 from 9 creditors. Total claims as per the director's SOA were £200,105.89.

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

	SOA claims	Claims received	Claims agreed
Amount of claims (£)	200,105.89	192,834.93	Nil
Number of claims	24	9	Nil

6. Liquidators' remuneration

The creditors approved 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. This was granted following the joint liquidators providing a fees' and expenses' estimate and the requisite majority of creditors granting approval by means of a resolution by correspondence on 3 May 2019.

The liquidators' time costs are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
4 March 2019 to 3 March 2020	120.15	27,197.00	226.36	Nil

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

The joint liquidators' costs to date are £27,197.00, as above, compared to our original estimate of £20,048 and only the incurred time costs within the approved estimate will be drawn. Appendix II provides a detailed breakdown of the current period's costs, while Appendix III provides a copy of the previously authorised time cost estimate breakdown.

As the time cost have exceeded the previously approved estimate, going forward, the joint liquidators' will not be seeking authority from creditors to draw additional amount of fees for the next year of liquidation.

A detailed narrative explanation of future work can be found in the 'Outstanding matters' section of this report. Please note that this work is based on present information and may change due to unforeseen circumstances arising.

On a general note, creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include dealing with former employees' claims through the Redundancy Payments Service and providing information relating to the company and its former officers to the Insolvency Service as required by the Company Directors' Disqualification Act 1986.

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

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

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

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

On a general note, please be aware that the charge out rates are subject to an annual review.

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 incurred the following disbursements in the current period:

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Statutory advertising	169.00	Nil	169.00
Liquidators' bonds	140.00	Nil	140.00
Storage	4.32	Nil	4.32
Company Searches	6.00	Nil	6.00
Total	319.32	Nil	319.32

7.4 Category 2 disbursements

The joint liquidators have not incurred any Category 2 disbursements.

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.

8. Outstanding matters

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

- Verify position of Bibby Financial Services Limited;
- Continue to monitor the distribution from the IVA;
- Receive distribution for outstanding DLA;
- Agree preferential claims and facilitate a distribution;
- Agree unsecured claims;
- Distribution to preferential and unsecured creditors;
- Obtaining tax clearance;
- Closure of the liquidation, including preparing and issuing our final report.

9. 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 Cameron Dalrymple-Rockett of our office if you believe this applies.

10. 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.

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 Henry Anthony Shinnars or Andrew Stephen McGill in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

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

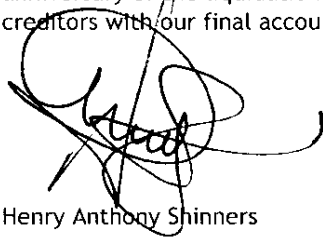
i) Email: insolvency.enquiryline@insolvency.gsi.gov.uk

ii) Telephone number: +44 300 678 0015

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

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 creditors with our final account, prior to vacating office.



Henry Anthony Shinnars

Joint Liquidators

Date: 13 March 2020

I Receipts and payments account

Receipts and payments account to 3 March 2020

**Accessories Direct Distribution Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £		From 04/03/2019 To 03/03/2020 £
	ASSET REALISATIONS	
590.97	Book Debts	NIL
169,913.00	Directors' Loan Account	NIL
		NIL
	UNSECURED CREDITORS	
(129,850.27)	Banks/Institutions	NIL
(26,000.00)	Inland Revenue	NIL
(6,000.00)	Inland Revenue - VAT	NIL
(38,255.62)	Trade & Expense Creditors	NIL
		<u>NIL</u>
	SHAREHOLDERS	
(2.00)	Ordinary Shareholders	NIL
		<u>NIL</u>
<u>(29,603.92)</u>		<u>NIL</u>
	REPRESENTED BY	
		<u>NIL</u>

Notes and further information required by SIP 7

- The liquidators' remuneration has been approved.
- We have not yet sought approval of or drawn any other costs that would require the same approval as our remuneration.
- 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 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 an expense of the liquidation and shown as irrecoverable VAT.

II Time analysis for the period

From 4 March 2019 to 3 March 2020

Accessories Direct Distribution Limited
Breakdown of time spent by Smith & Williamson LLP employees
for the period ended 3 March 2020

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	0.20	0.00	0.90	7.00	0.00	8.10	1,848.00	228.15
Initial post-appointment notification letters, including creditors	0.40	0.00	1.90	12.15	0.00	14.45	2,892.25	200.16
Cashiering general, including bonding	0.00	0.00	0.00	1.25	0.00	1.25	364.75	291.80
Job planning, reviews and progression (incl 6 month reviews and planning meetings, checklist & diary)	0.80	0.00	3.75	11.70	0.00	16.25	3,759.00	231.32
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.45	0.00	0.60	1.65	0.00	2.70	724.50	268.33
Protection of company records (incl electronic)	0.00	0.00	0.40	0.00	0.00	0.40	117.50	293.75
Filing, file and information management	0.00	0.00	0.15	6.35	0.00	6.50	1,217.50	187.31
Agents and advisers, general	0.00	0.00	0.00	0.75	0.00	0.75	131.25	175.00
Filing - Administration and planning	0.00	0.00	0.10	0.00	0.00	0.10	29.00	290.00
Director/manager review, approval and signing	0.15	0.00	0.00	1.80	0.00	1.95	404.75	207.56
Other	0.00	0.00	0.50	0.00	0.00	0.50	150.00	300.00
Investigations								
Directors' correspondence & conduct questionnaires	0.00	0.00	0.25	1.55	0.00	1.80	343.75	190.97
Statutory books and accounting records review	0.95	0.00	0.25	16.00	0.00	17.20	3,719.50	216.25
Investigation of legal claims	0.00	0.00	4.20	0.25	0.00	4.45	1,288.25	289.49
SIP2 and SIP4 obligations (incl CDDA86 forms)	0.15	0.00	0.95	0.75	0.00	1.85	484.75	262.03
Enquiries of advisers	0.00	0.00	1.05	0.00	0.00	1.05	315.00	300.00
Director/manager review, approval and signing	0.20	0.00	0.00	0.50	0.00	0.70	207.75	296.79
Realisation of assets								
Fixed charge Property (land and buildings)	0.00	0.00	0.00	0.15	0.00	0.15	31.50	210.00
Debtors not financed (includes reassigned debtors)	0.60	0.00	2.00	0.00	0.00	2.60	895.50	344.42
Other chattel assets	0.10	0.00	0.00	0.40	0.00	0.50	136.00	272.00
Financed assets (only if equity-otherwise creditors, incl HP and leasing)	0.00	0.00	0.00	1.75	0.00	1.75	306.25	175.00
IPO/IPA and voluntary contributions	0.00	0.00	0.00	1.75	0.00	1.75	332.50	190.00
Director/manager review, approval and signing	0.00	0.00	0.00	0.75	0.00	0.75	131.25	175.00
Other	0.00	0.00	3.90	7.85	0.00	11.75	2,510.75	213.68
Creditors								
Fixed charge creditors	0.00	0.00	0.00	0.50	0.00	0.50	105.00	210.00
HP & lease creditors	0.00	0.00	0.80	0.25	0.00	1.05	275.75	262.62
RPO and ERA claims & tribunals	0.00	0.00	0.00	6.75	0.00	6.75	1,181.25	175.00
Employees & pension (other) (incl Jobcentre/CSA etc)	0.20	0.00	0.85	2.00	0.00	3.05	718.00	235.41
Crown (not RPO etc)	0.30	0.00	0.00	0.00	0.00	0.30	159.00	530.00
Unsecured creditors	1.20	0.00	2.60	5.20	0.00	9.00	2,336.75	259.64
AML/Compliance								
AML - if done post appointment	0.00	0.00	0.00	0.25	0.00	0.25	80.00	320.00
Total	5.70	0.00	25.15	89.30	0.00	120.15	£27,197.00	£226.36

Explanation of major work activities undertaken

Administration and Planning

This section of the analysis encompasses the cost of the office holders 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; administration; and general case progression, including adjustments in appointment strategy.
- Preparing reports to stakeholders.
- Maintaining and managing the appointment's cash book and bank accounts.
- Dealing client identification and internal Smith & Williamson LLP compliance requirements.

Investigations

Investigations include work carried out as a consequence of the obligations placed upon us to investigate the Company's affairs. The work undertaken is that described in SIP2 and SIP4 which govern both the investigations of the Company's failure and also examine the conduct of the directors. 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.
- Asset tracing (including land registry and company searches).
- Preparing a return/report pursuant to the Company Directors' Disqualification Act.

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. Given that there are minimal company assets, minimal time has been apportioned to asset realisation. The work will generally include:

- Reviewing records for any undisclosed assets.
- Correspondence with the supervisors of the directors' IVAs.
- Realisation of Directors' Loan Account through the IVAs.
- Discussions with Landlord as to lease liability.

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 our insolvency database.
- Producing and updating EOS.
- Communications with possible chargeholder.
- Correspondence with employees and the RPS in respect of potential claims.

III Previous fee estimate

From 4 March 2019 to 3 March 2020

Accessories Direct Distribution Limited ('the Company')								
Fees estimate according to number of hours, grade of staff and expected work to be undertaken								
Anticipated case duration	1	Year						
	Partner / Director	Associate Director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Hourly rate (£)	485	420	315	170	90			
						Total hours	Total estimated time costs (£)	Average hourly rate
Classification of work function								
Administration & Planning Statutory compliance, reporting to stakeholders, accounting, protecting company records, travelling, bonding case set-up, planning and reviewing and filing	2.00	-	10.00	13.50	0.20	25.70	6,433.00	250.31
Realisation of Assets Identifying, securing, insuring assets, dealing with assets subject to retention of title and debt collections collection, Property, business and asset sales	0.50	-	5.00	6.50	0.20	12.20	2,940.50	241.02
Creditors Communication with creditors, Creditors' claims (including employees, other preferential creditors and the Crown), dealing with the Prescribed part (if applicable), adjudicating and distributing		-	2.50	6.50	0.20	9.20	1,910.50	207.66
Investigations Reviewing books, records and antecedent transactions, assessing directors' conduct and reporting to the Disqualification Unit and liaising with creditors (or the Committee)	2.00	-	15.00	18.00	0.10	35.10	8,764.00	249.69
Totals	4.50	-	32.50	44.50	0.70	82.20	20,048.00	243.89

Comparison to Initial Fee Estimate

Our time costs for the first year is higher than originally anticipated. Our actual time costs for the current period were £27,190.00, against the approved £20,048.00.

The joint liquidators will not be seeking approval from creditors for the time costs for the duration of the case. Below is a table detailing the differences between the approved estimate and the time costs incurred.

Category	Estimate (£)	Actual (£)	Difference (£)	Reason
Administration & Planning	6,433.00	11,638.50	5,205.50	Time allocated to this category is more than originally estimated as more time has been spend administering the liquidation of the Company. This time also encompasses, review of the proposed IVA documents for the director, as the Company is a creditor and preparation of possible outcomes from the IVA and its effect on the return for creditors.
Investigations	2,940.50	6,359.00	3,418.50	Time allocated to this category is more than originally estimated as the liquidators have fully investigated the Company's books and records to ensure that there have been no transactions that would require any legal recourse.
Realisation of Assets	1,910.50	4,343.75	2,433.25	Time allocated to this category is more than originally anticipated as the liquidators have been in regular correspondence with the supervisors of the IVA to ensure the equity in the property was realised. As the liquidators have not yet received the amount due from the IVA, no steps have been taken to agree claims.
Creditors	8,764.00	4,775.75	(3,988.25)	Time allocated to creditors is less than originally estimated as the liquidators have not had to spend as much time dealing with correspondence with creditors or reviewing claims.
AML/Compliance	Nil	80.00	(80.00)	Time allocated to AML/Compliance is slightly more than anticipated as the work done was to ensure that the initial case setup was compliant with the firm's regulatory processes. Creditors should not draw any adverse inference from this time.
Total	20,048.00	27,197.00	7,149.00	

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 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 two types of Category 2 disbursement, namely S&WFS's fees, as referred to above, and 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 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 2019.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2018	London office £/hr	Regional offices £/hr
Partner / Director	450-520	360-380
Associate Director	420	290-320
Managers	250-365	225-310
Other professional staff	170-320	140-185
Support & secretarial staff	90	60-140

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2019	London office £/hr	Regional offices £/hr
Partner / Director	470-540	376-432
Associate Director	440	352
Managers	270-380	216-304
Other professional staff	180-380	144-192
Support & secretarial staff	100	80

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.

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

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