

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

5920520

Name of Company

Brentwood Hotels Limited

For We

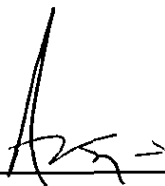
Anthony Cliff Spicer
25 Moorgate
London
EC2R 6AY

Henry Anthony Shinnars
25 Moorgate
London
EC2R 6AY

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 10/01/2013 to 09/01/2014

Signed



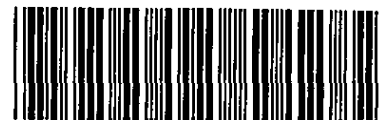
Date

6/2/14

Smith & Williamson LLP
25 Moorgate
London
EC2R 6AY

Ref BRBS299/AHS/LN4/TRDF

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COMPANIES HOUSE

Brentwood Hotels Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

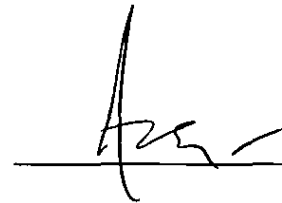
Statement of Affairs		From 10/01/2013 To 09/01/2014	From 13/07/2010 To 09/01/2014
	ASSET REALISATIONS		
1,321,768 00	Furniture & Equipment	NIL	NIL
790 00	Motor Vehicles	NIL	NIL
68,170 00	Stock	NIL	NIL
880,864 00	Book Debts	31 37	2,952 25
	Corporate Tax Interest	4 49	4 49
	Corporate Tax Refund	463 78	463 78
	Insurance Refund	NIL	634 41
114,241 00	Rates Refund	NIL	114,180 04
	Cash From Administration	NIL	244,363 41
	Bank Interest Gross	980 89	6,443 83
	Gross Interest on Rate Refund	NIL	2,349 64
	Third Party Funds	NIL	61 13
	VAT Refund from Administration	NIL	127,416 26
	Litigation Settlement	30,000 00	30,000 00
	Insurance Claim Settlement (Imperial)	NIL	108,543 64
		<u>31,480 53</u>	<u>637,412 88</u>
	COST OF REALISATIONS		
	Administration EFT POS Charges	NIL	6,049 01
	Liquidation Storage Costs	NIL	1,136 65
	Liquidator's Fees	NIL	76,931 50
	Liquidator's Expenses	NIL	1,145 90
	Final Administrators' Fees	NIL	59,474 00
	Final Administrators' Expenses	NIL	65 70
	Employee Agent Fees	NIL	255 88
	Insurance Agent	NIL	7,000 00
	Legal Fees (1)	14,000 00	24,500 00
	Legal Expenses	142 06	449 29
	Tax paid at Source on Rates Interest	NIL	463 78
	Rates Agent	9,625 00	19,250 00
	Rates Agent Expenses	NIL	333 01
	Admin Expense - Storage Costs	NIL	241 28
	Admin Trading Expenses	NIL	7,088 88
	Statutory Advertising	NIL	188 50
	Storage Costs - Liquidation	1,719 96	1,916 44
	Admin Expense - Insurance of Assets	NIL	44,390 68
	Bank Charges	NIL	50 00
	Amex Charges	NIL	338 18
		<u>(25,487 02)</u>	<u>(251,268 68)</u>
	PREFERENTIAL CREDITORS		
	H M Revenue & Customs - Tax	NIL	441 87
	H M Revenue & Customs - NIC	NIL	124 58
	The Insolvency Service	NIL	24,319 72
	Employees Wage Arrears	NIL	213 13
	Employees Holiday Pay	NIL	1,429 70
		<u>NIL</u>	<u>(26,529 00)</u>
	UNSECURED CREDITORS		
(1,394,411 00)	Trade & Expense Creditors	NIL	NIL
(2,938,364 00)	Unspecified unsecured non-pref claims	NIL	NIL
(14,719,608 00)	Inter-company creditors	NIL	NIL

Brentwood Hotels Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 10/01/2013 To 09/01/2014	From 13/07/2010 To 09/01/2014
		NIL	NIL
	SHAREHOLDERS		
(1 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(16,666,551 00)		5,993.51	359,615 20
REPRESENTED BY			
	VAT Receivable		5,110 10
	Non-Interest Bearing C/A		359,416 86
	FLT Vat Control Account		(4,911 76)
			359,615.20

Note

The Bank account was made non-interest bearing on 31 July 2013



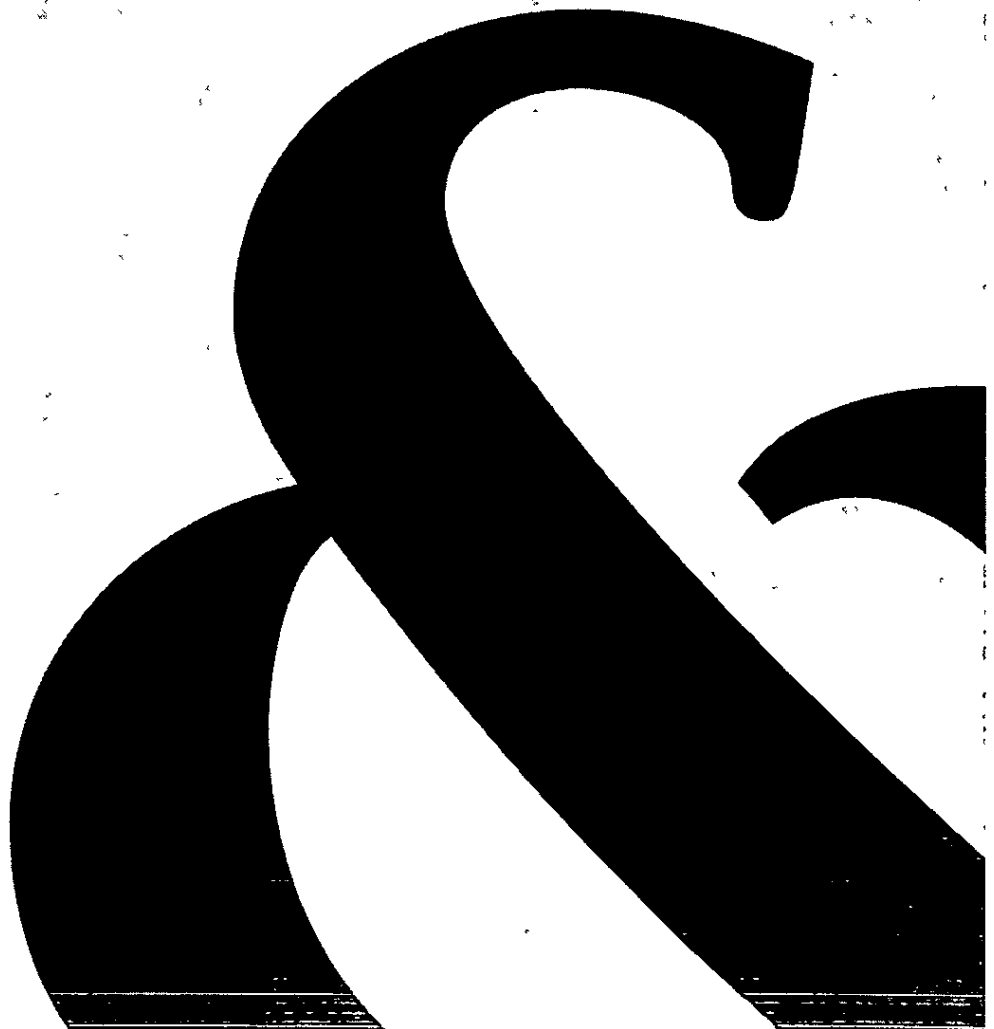
Anthony Cliff Spicer
Joint Liquidator

**Smith &
Williamson**

Brentwood Hotels Limited

In creditors' voluntary liquidation
Joint liquidators' annual report to
creditors and members

3 March 2014



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1. Glossary

Abbreviation	Description
the Company	Brentwood Hotels Limited
the liquidators/joint liquidators	Anthony Cliff Spicer and Henry Anthony Shinnors
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
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

Further to my appointment as joint liquidator I present my report to creditors and members on the progress of the liquidation.

Brentwood Hotels Limited ("the Company") moved from administration into liquidation on 13 July 2010, when the appropriate notice was filed at Companies House. In accordance with the administrators' proposals dated 8 September 2009 as amended and approved by creditors, I was appointed as joint liquidator together with James Money. Since then there have been several changes in offices holders, which I summarise below.

In accordance with an order made on 27 July 2011 by Registrar Barber (sitting in the Companies Court, Chancery Division) relating to an application for a block transfer of insolvency appointments, resulted in Steven Butt replacing James Money as joint liquidator. Subsequently, and in accordance with an order made on 10 January 2012 by Registrar Barber sitting in the Companies Court, Chancery Division in the High Court of Justice following an application for a block transfer of insolvency appointments, Mr Butt has been replaced as liquidator by Henry Shinnors.

The Company's registered office is 25 Moorgate, London, EC2R 6AY and its registered number is 5920520.

3. Realisation of assets

Attached at Appendix I is our receipts and payments account for the period from 10 January 2013 to 9 January 2014. This account includes cumulative figures for the period from 13 July 2010 to 9 January 2014.

The receipts and payments account also includes a comparison with the director's/directors' SOA values from the prior administration period.

3.1. Third Party Settlements

In previous reports, we have made reference to further recoveries becoming available from claims made against third parties. One claim has now been settled on confidential terms with a recovery for the Estate of £30,000.00. There remains one further claim which may result in a realisation, and we are working with our legal advisers to seek to achieve a further realisation for the estate.

4. Investigations

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

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

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 either at the initial meeting or as a response to our request to complete an investigation questionnaire. Our investigations have not revealed any issues requiring further report.

5. Creditors

5.1. Secured creditors

The Company had no secured creditors.

5.2. Preferential creditors

A summary of preferential claims is detailed below

Preferential creditor	SOA claims £	Agreed claims £	Claims yet to be agreed £
Employee claims	2,209 28	2,209 28	Nil
Department for Business Innovation & Skill	24,319.72	24,319 72	Nil
Total	26,529 00	26,529 00	Nil

Preferential creditor claims have been paid in full.

5.3. Unsecured creditors

The Company did not grant any floating charges and the Prescribed Part requirements do not apply.

Our records currently reflect claims totalling circa £98 million. My team have been reviewing creditor claims, and where possible resolving any issues in preparation for a dividend payment. As noted previously, I anticipate that there will be a distribution to unsecured creditors. However, the timing and quantum remains uncertain as the agreement of the quantum of claims with some creditors has not been completed and the final total figure for realisations is uncertain, due to the one matter referred to earlier under the third party settlements section.

Significant creditors include HMRC and claims from landlords, utility suppliers and internet sales portals.

If creditors have not submitted claim details, then they are requested to do so as a matter of urgency. A claim form is attached.

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.

The liquidators' time costs are

Period	Total hours hrs	Total cost £	Average hourly rate £/hr	Fees drawn £
13 July 2010 – 9 January 2013	797 65	187,057 25	234 51	76,931 50

10 January 2013 – 9 January 2014

154 45

32,284 25

209 03

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 appendix.

Also attached as Appendix III, is a cumulative time analysis for the period from 13 July 2010 to 9 January 2014 which provides details of the liquidators' time costs since appointment. A total of £76,931.50 has 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'

http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Liquidators_Fees_Nov2011.pdf

Details of our charge out rates and policies in relation to the use of staff are provided at Appendix IV.

7. Liquidation expenses

7.1. Professional advisers

On this assignment we have used the professional adviser 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 adviser	Basis of fee arrangement	Costs incurred in the period £	Costs paid in the period £	Total costs outstanding at period end £
Addleshaw Goddard LLP (legal advice)	Hourly rate and disbursements	14,142 06	14,142 06	Nil
Turner Morum LLP (rates refund work)	Savings achieved	9,625 00	9,265 00	Nil

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

We expect that some legal advice will be incurred in respect of finalising certain creditor claims and concluding the insolvency

7.2. Liquidators' disbursements

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

	Incurred in	Paid in	Total costs
--	-------------	---------	-------------

Description	the period £	the period £	outstanding at period end £
Storage costs	1,719 96	1,719 96	Nil

7.3. Policies regarding use of third parties and disbursement recovery

Appendix IV provides details of our 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

- Adjudicating all creditor claims and paying a dividend
- 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 only apply 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 with our draft final progress report ahead of convening the final meetings of creditors and members.

A handwritten signature in black ink, appearing to read 'Anthony', with a stylized flourish at the end.

Anthony Cliff Spicer

Joint Liquidators

Date 4 March 2014

I Receipts and payments account

Brentwood Hotels Limited (In Liquidation) Joint Liquidators' Abstract of Receipts & Payments			
Statement of Affairs		From 10/01/2013 To 09/01/2014	From 13/07/2010 To 09/01/2014
	ASSET REALISATIONS		
1,321,768 00	Furniture & Equipment	NIL	NIL
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(2,938,364 00)	Unspecified unsecured non-pref claims	NIL	NIL
(14,719,608 00)	Inter-company creditors	NIL	NIL
		NIL	NIL

Statement
of AffairsFrom 10/01/2013
To 09/01/2014From 13/07/2010
To 09/01/2014

		SHAREHOLDERS		
(1 00)		Ordinary Shareholders	NIL	NIL
			<u>NIL</u>	<u>NIL</u>
			<u>5,993 51</u>	<u>359,615 20</u>
		REPRESENTED BY		
		VAT Receivable		5,110 10
		Des Client Deposit NIB 31 7 13		359,416 86
		FLT Vat Control Account		(4,911 76)
				<u>359,615 20</u>

(16,666,551 00)**Notes and further information required by SIP 7**

- 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 our remuneration and disbursements incurred to date is provided in the body of the report
- Information concerning the ability to challenge remuneration and expenses of the liquidation is provided in our report
- All amounts in the receipts and payments account are shown exclusive of VAT. VAT is expected to be payable / recoverable on all transactions in the estate subject to VAT. In the event of any variations to this, such amounts would be disclosed as irrecoverable VAT

II Time analysis for the period

Brentwood Hotels Limited
Breakdown of time spent by Smith & Williamson LLP employees
for the period 10 January 2013 - 9 January 2014

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner	Associate director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	1 00	9 70	1 05	12 95	0 00	24 70	5,842 00	236 52
Initial post-appointment notification letters, including creditors	0 00	0 00	0 00	0 10	0 00	0 10	16 00	160 00
Cashiering general, including bonding	0 00	0 00	1 20	5 95	0 00	7 15	1,147 00	160 42
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	0 00	0 80	0 00	3 30	0 00	4 10	791 00	192 93
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0 50	0 90	0 00	5 40	0 00	6 80	1,356 00	199 41
Filing, file and information management	0 00	0 00	0 00	9 55	0 00	9 55	1,433 50	150 10
Filing - Administration and planning	0 10	0 00	0 00	0 00	0 00	0 10	48 00	480 00
Director/manager review, approval and signing	0 65	0 00	0 00	0 00	0 00	0 65	306 00	470 77
Other	0 00	0 00	0 00	8 65	0 00	8 65	1,312 50	151 73
Investigations								
Investigation of legal claims	0 00	11 80	0 00	0 00	0 00	11 80	4,016 00	340 34
Enquiries of advisers	0 00	0 20	0 00	0 00	0 00	0 20	67 00	335 00
Realisation of assets								
Other	0 00	1 30	0 00	0 00	0 00	1 30	446 00	343 08
Creditors								
Unsecured creditors	0 00	13 60	0 10	32 95	9 00	55 65	10,488 50	188 47
Other	1 00	0 00	0 00	0 00	0 00	1 00	440 00	440 00
Corporate Tax								
Corporate Tax	5 75	0 00	0 00	15 95	1 00	22 70	4,574 75	201 53
Total	9 00	38 30	2 35	94 80	10 00	154 45	32,284 25	209 03

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
- 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
- Ensuring statutory lodgements and tax lodgements obligations are met
- Submitting Corporation Tax returns (when due)

- The time recorded under other corresponds to work and payment of the Turner Morum invoice, preliminary work on report drafting

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 We continue to receive periodic enquiries from suppliers and other parties in relation to the current operational status of the Company's former hotel business
- Adjudicating creditor claims and where necessary contacting creditors in respect of these. This has been a focus of our work in more recent months (and is the primary focus now). For the more significant claims we have reviewed the information available, sought advice from our legal advisers, and in some cases requested supplementary information from the creditors.

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 and possible routes to recovery. The work includes the following

- Correspondence with lawyers in respect of certain antecedent transactions
- Discussions with certain parties as regard to the above and settlement negotiation

Realisation of assets

This section is in relation to the realisation of the Company's assets The work includes the following

- Correspondence regarding an earlier rates refund
- Work pursuing a possible recovery from an associated insolvency

III Cumulative time analysis

Brentwood Hotels Limited
Breakdown of time spent by Smith & Williamson LLP employees
for the period 13 July 2010 -9 January 2014

Hours

Classification of work function	Partner	Associate director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff	Total hours	Time cost	Average hourly rate
Administration and planning								
Statutory returns, reports & meetings	1 00	46 15	78 55	33 40	3 65	162 75	40,026 00	245 94
Initial post-appointment notification letters, including creditors	0 00	1 10	2 00	0 10	0 15	3 35	878 50	262 24
Cashiering general, including bonding	0 00	1 75	36 05	15 10	11 55	64 45	12,637 75	196 09
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	1 00	21 65	28 75	6 05	0 25	57 70	15,374 50	266 46
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0 50	5 30	28 65	16 85	0 00	51 30	11,282 75	219 94
Protection of company records (incl electronic)	0 00	0 40	0 00	0 00	0 00	0 40	134 00	335 00
Insurance & general asset protection	0 00	0 00	6 75	0 50	0 00	7 25	1,666 25	229 83
Filing, file and information management	0 00	3 00	14 70	27 55	0 10	45 35	8,590 75	189 43
Filing - Administration and planning	0 10	0 00	0 00	0 00	0 00	0 10	48 00	480 00
Director/manager review, approval and signing	1 40	12 45	0 70	0 00	0 00	14 55	4,964 25	341 19
Other	1 00	1 40	33 35	21 85	9 75	67 35	12,660 25	187 98
Investigations								
Directors correspondence & conduct questionnaires	0 00	0 55	4 75	0 00	0 00	5 30	1,300 50	245 38
Statutory books and accounting records review	0 00	0 40	1 00	0 00	0 00	1 40	369 00	263 57
Investigation of legal claims	0 00	37 50	0 00	0 00	0 00	37 50	12,583 50	335 56
SIP2 and SIP4 obligations (inc CDDA86 forms)	0 00	4 30	9 75	0 00	0 00	14 05	3,731 75	265 60
Asset tracing (e.g. Land Registry and Company Searches)	0 00	1 00	0 00	0 00	0 00	1 00	335 00	335 00
Enquiries of advisers	0 00	4 80	1 50	0 00	0 00	6 30	1,960 50	311 19
Realisation of assets								
Fixed charge Property (land and buildings)	0 00	9 55	0 00	0 00	0 00	9 55	3,199 25	335 00
Debtors not financed (includes reassigned debtors)	0 00	7 25	4 15	0 00	0 00	11 40	3,404 00	298 60
Stock	0 00	2 25	0 00	0 00	0 00	2 25	753 75	335 00
Other chattel assets	0 00	0 35	0 75	0 00	0 00	1 10	293 50	266 82
Sale of business as a whole, including liaison with legal advisers agents etc	0 00	0 30	0 00	0 00	0 00	0 30	100 50	335 00
Cash at Bank	0 00	0 10	0 25	0 00	0 00	0 35	92 25	263 57
Liaising with agents (general)	0 00	0 00	1 00	0 00	0 00	1 00	235 00	235 00
Other	0 00	4 40	3 50	0 00	0 00	7 90	2,307 00	292 03
Trading								
Trading on decision and day 1-3 operations	0 00	18 50	0 00	0 00	0 00	18 50	6,197 50	335 00
Sales and customers	0 00	2 45	0 00	0 00	0 00	2 45	820 75	335 00
Purchasing/suppliers (not landlord)	0 00	1 30	0 00	0 00	0 00	1 30	435 50	335 00
Accounting	0 00	2 40	0 00	0 00	0 00	2 40	804 00	335 00
Staff and payroll (inc PAYE/NIC for trading period)	0 00	0 00	1 50	0 00	0 00	1 50	352 50	235 00
Premises issues (inc landlord and site clearance)	0 00	2 00	0 00	0 00	0 00	2 00	670 00	335 00
Shutdown or handover	0 00	8 10	26 75	0 00	0 00	34 85	7,964 75	228 54
Filing-trading	0 00	0 00	7 00	0 00	0 00	7 00	840 00	120 00
Other	0 00	4 55	25 25	0 00	0 00	29 80	7,458 00	250 27
Creditors								
Floating charge creditors	0 00	0 20	0 00	0 00	0 00	0 20	67 00	335 00
HP & lease creditors	0 00	0 00	1 00	0 00	0 00	1 00	235 00	235 00
RPO and ERA claims & tribunals	0 00	0 00	1 00	2 20	0 00	3 20	565 00	176 56
Employees & pension (other) (Incl Jobcentre/CSA etc)	0 00	1 50	2 15	12 75	0 00	16 40	2,906 25	177 21
Unsecured creditors	4 10	20 55	33 50	65 20	32 75	156 10	28,765 25	184 27
Distributions for prefs and unsecured	0 00	0 00	3 75	3 70	0 00	7 45	1,436 25	192 79
Other	2 00	8 10	1 00	0 00	4 25	15 35	4,104 75	267 41
Corporate Tax								
Corporate Tax	21 15	0 00	3 10	52 15	2 25	78 65	16,790 50	213 48
Total	32 25	235 60	362 15	257 40	64 70	952 10	219,341 50	230 38

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

Introduction

Detailed below are:

- Smith & Williamson's policy in relation to
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Disbursement recovery
- Smith & Williamson'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 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 our 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 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 2013.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates from 1 July 2013 (excl VAT)	London office £/hr	Regional offices £/hr
Partner	480	350-375
Associate Director	370	295-325
Managers	235 - 310	190 - 285
Other professional staff	150-235	110 - 170
Support & secretarial staff	85	28 - 75

Smith & Williamson LLP Corporate Tax Charge out rates from 1 July 2013	£/hour
Director	470-535
Associate Director	350-360
Manager	175-295
Administrator	50-155

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 case.
3. The firm's cashiering function is centralised and London rates apply.

An overview of the rates altered within the period, are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2013.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates	Prior to 1 July 2013 £/hr	Current £/hr
Partner	440 - 520	480
Associate Director	335 - 420	370
Managers	235 - 310	235 - 310
Other professional staff	140 - 200	150-235
Support & secretarial staff	62 - 250	85

Notes

1 Time is recorded in units representing 3 minutes or multiples thereof.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates	Prior to 1 July 2013 £/hr	Current £/hr
Partner	435 - 520	470 - 535
Associate Director	340 - 350	350 - 360
Senior Manager	285	295
Managers	180 - 235	175 - 245
Senior	155	85-155
Tax Trainee	80 - 100	80 - 100
Support & Secretarial	-	50 - 60