

# 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

06309656

Name of Company

Area Plant & Scaffolding Limited

I / We

Harold J Sorsky, Gable House, 239 Regents Park Road, London, N3 3LF

S Davis, Gable House, 239 Regents Park Road, London, N3 3LF

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 28/07/2014 to 27/07/2015

Signed



Date

24/9/15

Streets SPW  
Gable House  
239 Regents Park Road  
London  
N3 3LF

Ref A1101/HJS/SD/NB

THURSDAY



A07 \*A4H3GR5V\* 01/10/2015 #41  
COMPANIES HOUSE

**Area Plant & Scaffolding Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

| Statement of Affairs |  | From 28/07/2014<br>To 27/07/2015 |
|----------------------|--|----------------------------------|
|                      | <b>GENERAL FIXED CHARGE</b>              |                                  |
| 20,000 00            | Goodwill                                 | 20,000 00                        |
| NIL                  | Database                                 | NIL                              |
| 2,000 00             | Website & Domain Names                   | NIL                              |
|                      | Agent's/Valuers Fees & Expenses          | (1,165 50)                       |
|                      | Solicitors' Fees & Disbursements         | (175 00)                         |
| (34,757 00)          | Scaffolding Hire & Plant LLP             | <u>NIL</u>                       |
|                      |  | 18,659 50                        |
|                      | <b>ASSET REALISATIONS</b>                |                                  |
| 12,000 00            | Plant & Machinery                        | NIL                              |
| 198,450 00           | Scaffolding Stock                        | 118,890 00                       |
| 1,000 00             | Office Furniture & Equipment             | NIL                              |
| 26,550 00            | Motor Vehicles                           | NIL                              |
| 20,000 00            | Contracts/WIP                            | NIL                              |
| 162,519 00           | Book Debts                               | 137,842 50                       |
|                      | Bank Interest Gross                      | <u>208 77</u>                    |
|                      |  | 256,941 27                       |
|                      | <b>COST OF REALISATIONS</b>              |                                  |
|                      | Petitioners Costs                        | 920 00                           |
|                      | Specific Bond                            | 576 00                           |
|                      | Preparation of S of A                    | 6,000 00                         |
|                      | Joint Liquidators Fees                   | 84,850 00                        |
|                      | Agent's/Valuers Fees & Expenses          | 10,489 50                        |
|                      | Solicitors Fees & Disbursements- Fltng C | 6,218 00                         |
|                      | Debt Collection Fees                     | 19,463 06                        |
|                      | Storage Costs                            | 60 00                            |
|                      | Statutory Advertising                    | <u>159 80</u>                    |
|                      |  | (128,736 36)                     |
|                      | <b>UNSECURED CREDITORS</b>               |                                  |
| (185,350 00)         | Trade & Expense Creditors                | NIL                              |
| (90,244 00)          | HM Revenue & Customs - PAYE/NIC/         | NIL                              |
| (200,802 00)         | HM Revenue & Customs - VAT               | NIL                              |
| (16,923 00)          | Lloyds Bank Plc                          | NIL                              |
| (57,262 00)          | Globe Scaffolding Ltd                    | NIL                              |
| (49,357 00)          | R Marsden                                | <u>NIL</u>                       |
|                      |  | NIL                              |
|                      | <b>DISTRIBUTIONS</b>                     |                                  |
| (20,000 00)          | Ordinary Shareholders                    | NIL                              |
| (95,000 00)          | Share Premium                            | <u>NIL</u>                       |
|                      |  | NIL                              |
| <b>(307,176.00)</b>  |  | <b><u>146,864.41</u></b>         |
|                      | <b>REPRESENTED BY</b>                    |                                  |
|                      | VAT Receivable                           | 22,366 17                        |
|                      | Interest Bearing Estate Account          | <u>124,498 24</u>                |
|                      |  | <b><u>146,864.41</u></b>         |

**Licensed Insolvency Practitioners****Area Plant & Scaffolding Limited – in Creditors Voluntary Liquidation****Joint Liquidators' Progress Report to Creditors and Members  
For the Year Ending 27 July 2015****Statutory Information**

|  |  |
|--|--|
| Company name                           | Area Plant & Scaffolding Limited                         |
| Registered Office                      | Gable House<br>239 Regents Park Road<br>London<br>N3 3LF |
| Former registered office               | 73-75 High Street<br>Stevenage<br>Herts<br>SG1 3HR       |
| Registered number                      | 06309656   |
| Joint Liquidators' names               | Harold John Sorsky<br>Stella Davis                       |
| Joint Liquidators' address             | Gable House<br>239 Regents Park Road<br>London<br>N3 3LF |
| Joint Liquidators' date of appointment | 28 July 2015   |

**Receipts and Payments Account**

The Joint Liquidators' Receipts & Payments Account for the period from 28 July 2014 to 27 July 2015 is enclosed

**Assets**

Independent professional agents Williams & Partners Ltd ("WPL"), were instructed by APSL to identify and value the Company assets prior to appointment. Their report valued the chattel assets on both a going concern basis and a forced sale basis. The figures reported as Estimated to Realise in the Statement of Affairs, however, were the Director's own

**Goodwill**

This was valued by WPL on a willing buyer basis as between £18,000 and £25,000, and on a forced sale basis as between £Nil and £10,000. The Director estimated that this would realise £20,000

This value has been successfully achieved as part of a sale comprising the majority of the Company's assets collectively, the details of which are set out below

**Licensed Insolvency Practitioners**Database

The Company did not own a formal database of any value as all main contractors' details are open to the general market. Accordingly it was not possible to realise any value for this information.

Debtors

The remaining debtor ledger, which included "applications for payment", had a book value on appointment of approximately £203,148 but was prudently estimated to realise £162,519 in liquidation.

Globe Scaffolding (Cambridge) Limited (formerly Abbey Scaffolding (Cambridge) Ltd), to whom the goodwill and contracts/WIP of APSL were sold as described below and previously, were retained to assist with collection of the outstanding ledger, as they were effectively taking over the trading relationships going forward.

I am pleased to report that £137,842.50 has successfully been recovered in the reporting period. It is not certain what proportion of the remaining ledger is collectable, but I will be reporting further on this point in due course.

Website & Domain Names

This was valued by WPL on a willing buyer basis as between £1,500 and £2,000, and on a forced sale basis at £Nil. The Director estimated this to realise £2,000.

As described below, in accordance with the valuation agents' advice the Joint Liquidators accepted an offer which included this asset with the goodwill of APSL.

Plant & Machinery

This comprised one Caterpillar telescopic handler and was valued by WPL on a willing buyer basis as between £16,000 and £19,000, and on a forced sale basis at between £10,000 and £12,000. The Director estimated this to realise £12,000.

I am pleased to confirm that, as reflected in the sale details given below, an apportioned value of £12,000 was achieved for these assets.

Scaffolding Stock

This comprised tubing, fittings and other peripherals, approximately 75% of which was in use at the date of liquidation on site at various locations. This was valued by WPL on a willing buyer basis at £318,058, and on a forced sale basis at £138,267. The Director estimated this to realise £198,450.

Again, as set out below, I am pleased to confirm that sale terms successfully agreed reflected an apportionment of £198,450 relating to this asset, despite difficulties in locating/identifying all the stock in question.

Office Furniture & Equipment

This was described as being subject to excessive wear and tear. It was valued by WPL on a willing buyer basis as between £1,800 and £2,200, and on a forced sale basis at £750 and £1,000. The Director estimated this to realise £1,000.

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This was included in the sale agreed with a value apportioned of £1,000

**Motor Vehicles**

These comprised a variety of commercial vehicles, generally with high mileage and in average to poor condition. These were valued by WPL on a willing buyer basis in total as between £36,350 and £45,750, and on a forced sale basis at between £22,050 and £26,550. The Director estimated these to realise £26,550.

These assets were included in the sale agreed and I am pleased to confirm that the apportioned value obtained was £26,550.

**Contracts/WIP**

These comprised ongoing engagements being carried out by the Company at the date of liquidation which involved further costs to complete. They were valued by WPL on a willing buyer basis as between £18,915 and £22,700, and on a forced sale basis at £Nil. The Director estimated these to realise £20,000.

These assets were included in the sale agreed and again I am pleased to confirm that the apportioned value obtained was £20,000.

**Disposals to Connected Parties**

I have previously reported as required to all known creditors on 18 August 2014 on the matter of these asset disposals as follows -

Notice of meetings of members and creditors to place Area Plant and Scaffolding Limited ("APSL") into liquidation were given by the director on 9 July 2014, and the Company instructed independent valuation agents Williams & Partners Ltd ("WPL"), to value the Company's assets prior to liquidation as previously stated.

As part of WPL's valuation procedures, potential offers were sought for the business and/or assets of APSL without divulging APSL's identity, which enabled WPL to gauge what interest the market would show, with likely bids.

WPL are experienced in the disposal of scaffolding tubing & ancillary equipment, and in the sector generally, and were able to specifically advise on the issues to consider in the circumstances.

As previously stated, following meetings of APSL's members and creditors on 28 July 2014, myself and Harold John Sorsky of this firm were appointed Joint Liquidators.

Upon appointment, the Joint Liquidators were briefed by WPL as to the potential realisable values for the business and assets, the interest shown and potential offers, as well as various options for disposal, including continuing to trade the business.

On the basis of the advice provided, the Joint Liquidators were of the view that the costs to continue trading to achieve the very best possible price for the Company's business and assets would have outweighed any benefit to creditors against selling as soon as possible utilising existing interest expressed. Accordingly, the Joint Liquidators decided to achieve a sale at the earliest possible opportunity if a suitable offer could be obtained.

The costs considered in relation to the assets to be incurred by continuing to trade included -

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- 1) insuring continuing operations, in terms of public liability and theft/loss of assets etc,
- 2) suitably securing all the sites and Company assets located there, and
- 3) complying with health and safety regulations as necessary

for the period required to adequately market and achieve a sale for the maximum achievable price

In addition, the Joint Liquidators took into account the potential effect of continuing to trade in liquidation on employee issues, continuance/preserving the value of contracts/WIP, hire/supplier agreements and access to scaffolding etc assets on site

As a consequence, and on the basis of WPL's continuing advice, an offer received from Abbey Scaffolding (Cambridge) Limited ("Abbey Scaffolding") (now Globe Scaffolding (Cambridge) Limited) was accepted on the terms set out below -

Sale Consideration (apportioned by asset)

| <u>Asset</u>                          | <u>Price</u><br>(net)<br>£ |
|---------------------------------------|----------------------------|
| Scaffolding Stock (and related items) | 198,450                    |
| Motor Vehicles                        | 26,550                     |
| Plant & Machinery                     | 12,000                     |
| Goodwill                              | 20,000                     |
| Contracts                             | 20,000                     |
| Furniture & Equipment                 | <u>1,000</u>               |
| Total                                 | £ <u>278,000</u>           |

The sale related only to such right and title as APSL possessed in the business and assets. The transfer was stated to be on a "going concern" basis and accordingly all amounts expressed in the sale agreement were stated exclusive of VAT.

The sale consideration was to be paid on a deferred consideration basis as follows -

- 1) £68,000 to be recognised as already paid by Abbey Scaffolding to third parties on behalf of the Seller on or before the date of the sale agreement (being wages and salaries due and paid to employees of the business involved in ongoing project work),
- 2) £30,000 payable on completion of the sale,
- 3) £20,000 payable on or before 15 August 2014,
- 4) The remainder payable in 18 equal monthly instalments of £8,889, in each case payable on the last business day of each month commencing September 2014

I can confirm that the amounts due or recognised as due under points 1), 2) and 3) have already been settled in accordance with the sale terms, and the balance payable under point 4) is being paid in accordance with the agreed terms. The amounts received as reflected on the receipts and payments account enclosed will not be apportioned equally against each asset until the full balance is received and the account for the reporting period enclosed should be understood on that basis.

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Globe Scaffolding (Cambridge) Limited (formerly Abbey Scaffolding (Cambridge) Ltd) is related to APSL by virtue of sharing a common director

**Liabilities**Secured Creditors

As previously advised, the Company granted charges as follows -

- To Bibby Financial Services Limited ("Bibby"), a Debenture, for all monies due, incorporating fixed and floating charges over the undertaking and all property and assets of the Company. This was created on 30 March 2010 and registered at Companies House on 31 March 2010. This is showing as satisfied and no liability is believed to be owed to Bibby, and no claim has been received from them.
- To Scaffolding LLP, a Debenture, for £140,000, details of the security as stated in that document, over the various items as reflected in that Debenture. This was created on 29 April 2011 and registered at Companies House on 19 May 2011. Whilst not showing as satisfied, the Register states that all of the property or undertaking (secured by the charge) has been released from the charge. It is understood that this charge was created in error and that no liability exists to Scaffolding LLP, and no claim has been received from them.
- To Scaffolding Hire and Plant LLP ("SHPL"), a Debenture, for £140,000, which is stated to incorporate fixed and floating charges over the various items as reflected in that Debenture. This was created on 27 June 2011 and registered at Companies House on 6 July 2011. The Company's records reflect a balance owed to SHPL of £34,756.89 as at 30 June 2014.

The Joint Liquidators have confirmed the validity of the SHPL Debenture and a first and final distribution has been made under the floating charge to SHPL's benefit of £18,659.50, representing the balance of fixed charge proceeds available. However, this payment was made subsequent to the current reporting period and consequently is not reflected on the enclosed receipts and payments account.

Preferential Creditors

Claims have been received from 13 former employees. The preferential proportion of these claims totals approximately £84,969. To the extent that the Redundancy Payments Service ("RPS") accepts any part of these claims, the RPS will have a subrogated claim for this amount in the liquidation.

Prescribed Part

Under the provisions of the Insolvency Act 1986, the Liquidator must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the Company has granted a floating charge to a creditor after 15 September 2003.

The Company granted a Debenture to SHPL dated 27 June 2011 as previously described, which is stated to incorporate a floating charge. The estimated net property of the company was £146,820.57 as at 27 July 2015. However, as previously advised, there has subsequently been a distribution to the chargeholder SHPL of £18,659.50, and as a result the revised estimate for the prescribed part of the net property for unsecured creditors is

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approximately £11,630 This amount is subject to the costs of the liquidation and the final amount owed to preferential creditors

**Other Crown Creditors/Employee Liabilities**

The Statement of Affairs reflected approximately £90,244 owing to HM Revenue & Customs ("HMRC") in respect of PAYE/NIC for various periods and £200,802 in respect of VAT

A claim was subsequently received from HMRC for £125,702 16 in respect of PAYE/NIC, but it is not clear how the difference between and the previous estimate arises A claim of £135,328 has been received in respect of VAT and it is not clear why this should differ so greatly from the Director's estimate

As previously stated, 13 claims have been received from employees, and the unsecured portion of the claims totals approximately £81,289 To the extent that the Redundancy Payments Service ("RPS") accepts any part of these claims, the RPS will have a subrogated claim for this amount in the liquidation

**Non-preferential unsecured Creditors (excluding HMRC and employees)**

The Statement of Affairs reflected 25 unsecured creditors, excluding HMRC, with an estimated liability of £325,803 I have received claim from unsecured creditors (excluding HMRC and employees) of £115,370 88 There are a further creditors with originally estimated claims in the Statement of Affairs of £111,319 93 from whom claims have not yet been received

**Dividend Prospects**

As previously stated, there has recently been a distribution to the secured chargeholder SHPL under its fixed charge of £18,659 50

On present indications, there should be funds available to pay a distribution to preferential creditors of 100p/£, and a further distribution to SHPL under its floating charge after funds set aside under the prescribed part provisions The amount available for this distribution is dependent on the extent of further realisations, the costs of the liquidation and the ultimate total of preferential claims received

The estimate of prescribed part funds available to unsecured creditors is currently stated at £11,630, as described above, and on current indications it is anticipated that there may be further funds available for distribution to the unsecured creditors, although the quantum and timing of such a distribution to unsecured creditors cannot be estimated at present

**Investigation into the Affairs of the Company**

An initial investigation into the Company's affairs was made to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved

There were no matters that justified further investigation in the circumstances of this appointment at that time

Within six months of my appointment as Joint Liquidator, I was required to submit a confidential report to the Secretary of State to include any matters which had come to my attention during the course of my work which might indicate that the conduct of any past or present director would make him or her unfit to be concerned with the management of the Company I would



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confirm that my report has been submitted

**Pre-Appointment Remuneration**

The Board previously authorised the payment of a fee of £6,000 plus VAT for assistance with preparing the Statement of Affairs and convening and holding the meeting of creditors at a meeting held on 28 July 2014

The fee for preparing the Statement of Affairs and convening and holding the meeting of creditors was met from asset realisations as agreed at the meeting of creditors held on 28 July 2014

**Joint Liquidators' Remuneration**

The Joint Liquidators' remuneration was previously authorised by creditors at a meeting held on 28 July 2014, to be drawn on a time cost basis. Total time costs to 27 July 2015 amount to £85,083.33, representing 243.10 hours work at an average charge out rate of £349.99 per hour, as set out on the schedule enclosed

The Joint Liquidators have drawn fees on account against accrued time costs of £84,850

A description of the routine work undertaken in the liquidation to date is as follows -

1 Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on IPS
- Review and storage
- Case bordereau
- Case planning and administration
- Preparing reports to members and creditors

2 Cashiering

- Maintaining and managing the Joint Liquidators' cashbook and bank account
- Ensuring statutory lodgements and tax lodgement obligations are met

3 Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining creditor information on IPS
- Reviewing and adjudicating on proofs of debt received from creditors

4 Investigations

- Review and storage of books and records
- Preparing a return pursuant to the Company Directors Disqualification Act

5 Realisation of Assets

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- Sale of assets and recovery of proceeds
- Monitoring and assisting debtor recoveries

In addition, I have been obliged to spend considerable time dealing with Lloyds Bank Plc as regards recovery of the cash balance held at appointment and subsequent debtor receipts, to the extent that I was obliged to instruct solicitors to resolve the matter after many months of fruitless correspondence. However, as a result of this action, I am pleased to report that I was ultimately able to recover £41,500.94 from the Bank for the benefit of the liquidation estate.

A copy of 'A Creditors Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals is available at the link -

[http://www.streetsspw.co.uk/sites/www.streetsspw.co.uk/files/documents/guide\\_to\\_liquidators\\_fees\\_nov2011.pdf](http://www.streetsspw.co.uk/sites/www.streetsspw.co.uk/files/documents/guide_to_liquidators_fees_nov2011.pdf)

A hard copy of this document can be obtained on request from the address below. For your information I enclose schedules of my firm's current and previous charge out rates for the period of the liquidation, which I trust you will find self-explanatory.

**Other Costs of the Liquidation**

These are as set out on the account of receipts and payments enclosed, and to the extent that these have not been dealt with previously in this report, or are set out below, I would comment as follows -

**Petitioner's Costs**

These represent a refund of winding-up petition costs to HM Revenue and Customs as a legal priority.

**Joint Liquidators' Expenses**

I have incurred expenses/disbursements to 27 July 2015 of £795.80

I have drawn £36.00 in the period to 8 May 2015

I have incurred the following expenses in the period since my appointment as Joint Liquidator -

| Type of expense       | Amount incurred/accrued in the reporting period |
|-----------------------|---|
| Specific Bond         | £ 576.00  |
| Storage Costs         | £ 60.00   |
| Statutory Advertising | £ 159.80  |

I have incurred the following category 2 disbursements in the period since my appointment as Liquidator report -

| Type of category 2 disbursement | Amount incurred/ accrued in the reporting period |
|---------------------------------|--|
| Storage Costs                   | £ 60.00  |

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For your information, please find enclosed schedules of my firm's current and previous disbursement charges for the period of the liquidation, which I trust you will find self-explanatory

I have used the following agents or professional advisors in the reporting period -

| Professional Advisor                     | Nature of Work                        | Basis of Fees   |
|--|---------------------------------------|---|
| Williams & Partners Limited              | Valuer/Auctioneer                     | Fixed Cost Report (£1,000)<br>Percentage of realisations<br>(3.75% on net sales of<br>£278,000)<br>Disbursements (£230) |
| Sylvester Amiel Lewin & Horne LLP        | Solicitors                            | Time costs (£1,750 net) –<br>Drafting of Sale Agreement   |
| Isadore Goldman                          | Solicitors                            | Time costs (£1,643 net) –<br>Advising on validity of<br>debenture   |
| Clyde & Co                               | Solicitors                            | Time costs (£3,000 net) –<br>Correspondence/negotiation<br>with Lloyds Bank Plc   |
| Globe Scaffolding<br>(Cambridge) Limited | Assistance with<br>collection of debt | Percentage of realisations<br>(15% on collections of<br>£129,753.54)  |

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case.

**Further Information**

An unsecured creditor may, with the permission of the Court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Joint Liquidators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request such details within the same time limit.

An unsecured creditor may, with the permission of the Court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to Court to challenge the amount and/or basis of the Joint Liquidators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to Court within the same time limit.

**Summary**

The liquidation will remain open until the issues relating to debtors and work in progress have been resolved.

**Licensed Insolvency Practitioners**

Should you have any queries regarding this report, or the liquidation in general, please contact Neil Barry at this office on 020-8371 5000

At Streets SPW we always strive to provide a professional and efficient service, however we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. If you should have cause to complain about the way that we are acting, you should, in the first instance, put details of your complaint in writing to our complaints officer Shirish Shah at this office. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an online form available at <http://www.gov.uk/complain-about-insolvency-practitioner>, or you can email [ip.complaints@insolvency.gov.uk](mailto:ip.complaints@insolvency.gov.uk), or you may phone 0845 602 9848 - calls are charged at between 1p and 10.5p per minute from a land line, or for mobiles, between 12p and 41p per minute if you are calling from the UK.



**Stella Davis**  
Joint Liquidator

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**Area Plant & Scaffolding Ltd - in Liquidation**

**Schedule of Joint Liquidators' costs for the period 28 July 2014 to 27 July 2015 (inclusive)**

|  | Partner           |                  | Manager       |                  | Administrator |                 | Assistant   |             |
|--|-------------------|------------------|---------------|------------------|---------------|-----------------|-------------|-------------|
|  | Hours             | Cost             | Hours         | Cost             | Hours         | Cost            | Hours       | Cost        |
| <b>Administration and Planning</b>                                   |                   |                  |               |                  |               |                 |             |             |
| Case Planning  |                   |                  |               |                  |               |                 |             |             |
| Case Set Up  | 5 75              | £2,475 00        | 12 45         | £3,112 50        | 0 25          | £37 50          |             |             |
| Appointment Notification   |                   |                  |               |                  |               |                 |             |             |
| Maintenance of Records   |                   |                  |               |                  |               |                 |             |             |
| Statutory Reporting, Filing & Correspondence<br>(including taxation) |                   |                  |               |                  |               |                 |             |             |
| <b>Realisation of Assets</b>   | 88 90             | £44,279 98       | 62 69         | £15,670 85       |               |                 |             |             |
| Identifying, Securing, Insuring                                      |                   |                  |               |                  |               |                 |             |             |
| Debt Collection  |                   |                  |               |                  |               |                 |             |             |
| Realisation of assets  |                   |                  |               |                  |               |                 |             |             |
| <b>Creditors</b>   | 8 28              | £4,051 66        | 43 60         | £10,900 01       | 7 00          | £1,050 00       |             |             |
| Creditors – Communication with                                       |                   |                  |               |                  |               |                 |             |             |
| Creditors Claims   |                   |                  |               |                  |               |                 |             |             |
| <b>Investigations</b>  | 0 60              | £240 00          | 12 28         | 3,070 83         | 1 30          | £195 00         |             |             |
| Review/analysis  |                   |                  |               |                  |               |                 |             |             |
| <b>Total</b>   | <b>103 53</b>     | <b>51,046 64</b> | <b>131 02</b> | <b>32,754 19</b> | <b>8 55</b>   | <b>1,282 50</b> | <b>0 00</b> | <b>0 00</b> |
| Average Hourly charge out rate                                       | £493 06           |                  | £249 99       |                  | £150 00       | £0 00           |             |             |
| <b>Total Hours</b>   | <b>243 10</b>     |                  |               |                  |               |                 |             |             |
| <b>Total Cost</b>  | <b>£85,083 33</b> |                  |               |                  |               |                 |             |             |
| <b>Average</b>   | <b>£349 99</b>    |                  |               |                  |               |                 |             |             |

# STREETS

# SPW PLC

Licensed Insolvency Practitioners

## Creditors Guide to Remuneration & Disbursements

### Remuneration Rates\*

Our current charge-out rates which may be amended from time to time are as follows

| Position                   | Hourly Charge Out Rate (£) |
|----------------------------|----------------------------|
| Senior Partner             | 500                        |
| Partner                    | 400                        |
| Associate                  | 375                        |
| Senior Manager             | 300                        |
| Manager                    | 250                        |
| Administrator              | 150                        |
| Assistants & Support Staff | 90                         |

NB - Time costs are calculated in 6 minute units

### Agents Costs

These are charges at cost, based upon the charge(s) made by Agents instructed  
The Term "Agent" includes, but may not be limited to -

- Auctioneers/ Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Agents
- Solicitors

### Disbursement Rates\*

It is this company's policy to recharge expenses or disbursements directly incurred on a case which may include elements of shared or allocated costs. These costs will be recharged where specifically identifiable and shall be subject to approval by those responsible for agreeing remuneration. Incidental expenses or disbursements are disclosed from time to time on estate receipts and payments accounts circulated. At this time our charges are as follows

| Disbursement        | Basis of Charge  |
|---------------------|--|
| Bond                | At cost of mandatory cover required in accordance with the Insolvency Act 1986 |
| Insurance of Assets | At cost in relation to asset coverage requirements                             |
| Company Searches    | At cost incurred   |
| Travel              | Motor vehicle at 45p per mile. All other forms of travel at actual cost        |
| Meeting Room Hire   | £100 per meeting   |
| Postage             | At cost  |
| Storage Costs/ Box  | £10 per box, per 6 months  |

*\*Please note that these rates are subject to change from time to time, in line with changes in costs incurred by this company. These rates are correct as at 1 January 2014*

# STREETS | SPW

## Licensed Insolvency Practitioners

### Practice Fee Recovery Policy for Streets SPW

#### Introduction

The insolvency legislation was changed in April 2010 for insolvency appointments commenced from that time in order to allow more flexibility on how an office holder's fees are charged to a case. This sheet explains how we may apply the alternative fee bases. The legislation now allows different fee bases to be used for different tasks within the same appointment. The basis or combination of bases set for a particular appointment are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court. Further details about how an office holder's fees are approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at [www.streetsspw.co.uk](http://www.streetsspw.co.uk). Alternatively a hard copy may be requested from Streets SPW, Gable House, 239 Regents Park Road, London N3 3LF.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn and time costs incurred and will also enable the recipients to see the average rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under the old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

#### Time cost basis

This is the basis that we use in the majority of cases and we use charge-out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

#### Streets SPW charge-out rates

| Grade of staff              | Current charge-out rate per hour (£)<br>effective from 1 January 2015 |
|-----------------------------|---|
| Partner - appointment taker | 400-500   |
| Associate                   | 375   |
| Senior Manager              | 300   |
| Manager                     | 250   |
| Administrator               | 150   |
| Assistants & Support Staff  | 90  |

Where necessary and appropriate, members of staff from SPW (UK) LLP, a connected accountancy and tax practice of which Streets SPW is a trading name in respect of insolvency work undertaken by the LLP, will undertake work on a case on either a time cost (charged at their normal charge-out rate) or fixed fee basis.

#### SPW (UK) LLP charge-out rates

| Grade of staff | Current charge-out rate per hour (£)<br>effective from 1 January 2015 |
|----------------|---|
| Partner        | 275   |
| Associate      | 175   |
| Manager        | 150   |
| Senior         | 105   |
| Semi-senior    | 65  |
| Junior         | 45  |

These charge-out rates charged are reviewed on 1 January each year and are adjusted if appropriate to take account of inflation and the firm's overheads. No increase has been applied to Streets SPW's rates since 1 December 2010.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Each unit of time is 6 minutes. The work is recorded under the following categories -

- Administration and Planning
- Case Specific Matters
- Creditors
- Investigations
- Realisation of Assets
- Trading

#### **Percentage basis**

The legislation now allows fees to be charged on a percentage of the value of the property with which the office holder has to deal. Different percentages can be used for different assets or types of assets. Where we would like to realise any asset or type of assets on a percentage basis we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

#### **Fixed fee**

The legislation now allows fees to be charged at a set amount. Different set amounts can be used for different tasks. Where we would like to charge a set amount for a task or different set amounts for different tasks we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

#### **All bases**

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the office holder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

#### **Agent's costs**

Charged at cost based upon the charge made by the agent instructed, the term agent includes -

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

#### **Disbursements**

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the office holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either category 1 or category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Streets SPW, in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.



It is proposed that the following category 2 disbursements are recovered -

|              |                          |
|--------------|--------------------------|
| Room Hire    | £100                     |
| Mileage      | 45p per mile             |
| Storage      | £10 per box per 6 months |
| Photocopying | 15p per sheet            |