

**Joint Liquidators' Annual  
Progress Report to Creditors**

**Advantage Accountants Limited  
( in Compulsory Liquidation ) –  
“ the Company / AA ”**

**5 February 2016**



\*Q5062B62\*

QIQ

06/02/2016

#90

COMPANIES HOUSE

## **CONTENTS**

- 1 Introduction and Statutory Information
- 2 Realisation of Assets
- 3 Investigations
- 4 Creditors
- 5 Liquidators' Remuneration
- 6 Liquidators' Expenses
- 7 Creditors' Rights
- 8 Next Report

## **APPENDICES**

- A Receipts and Payments Account for the Period from 6 December 2014 to 5 December 2015 and Cumulative Receipts and Payments Account from 6 December 2013 to 5 December 2015
- B Time Analysis for the Period from 6 December 2014 to 5 December 2015 and Cumulative Time Analysis from 6 December 2013 to 5 December 2015
- C Detailed Narrative of Work Undertaken During the Period
- D Additional Information in relation to Liquidators' Fees pursuant to Statement of Insolvency Practice 9

## **1 Introduction and Statutory Information**

- 1.1 Paul Robert Boyle and I, Anthony Murphy, were appointed Joint Liquidators of Advantage Accountants Limited ( " the Company / AA " ) on 6 December 2013 following the presentation of a petition for the compulsory winding up of the Company. The winding-up order was made on 3 December 2013 in the High Court of Justice, Chancery Division, Companies Court, number 8438 of 2013. This report provides an update on the progress in the liquidation for the year ended 5 December 2015.
- 1.2 Please note that, following the period of this report, Paul Robert Boyle was removed from office as Joint Liquidator under a Block Transfer Order sealed by the Court on 22 January 2016. The removal is purely for administrative reasons as Mr Boyle is based in Manchester. I would note that there will be no cost implications to the estate, nor any other impact on the liquidation.
- 1.3 The trading address of the Company is 9 Albert Road, Southport, Merseyside, PR9 0LP.
- 1.4 The registered office of the Company has been changed to c/o Harrison's Business Recovery & Insolvency ( London ) Limited ( " Harrison's " ), 4<sup>th</sup> Floor, 25 Shaftesbury Avenue, London, W1D 7EQ, and its registered number is 06620975.
- 1.5 The EC Regulation on Insolvency Proceedings 2000 applies to the liquidation. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.
- 1.6 *This report should be read in conjunction with previous reports and correspondence to creditors*

## **2 Realisation of Assets**

- 2.1 Attached at Appendix A is a summary of the Joint Liquidators' Receipts and Payments Account for the Period from 6 December 2014 to 5 December 2015 ( " the Period " ), together with a Cumulative Receipts and Payments Account from the date of appointment on 6 December 2013 to 5 December 2015.

- 2.2 The following assets have been realised in the Period:

### **Leasehold Property**

- 2.3 As previously reported, the Company's monies were used to purchase the long leasehold of a public house called The Seahawk Public House ( " The Seahawk " ) in Manchester. Please see previous reports to creditors for further details.
- 2.4 The Liquidators successfully applied to Court to transfer the long lease of The Seahawk into AA's name, and the Court Order was granted on 6 November 2014. The Liquidators, on the recommendation of independent valuation agents, Winterhill, accepted the offer from Trafford Housing Trust ( " THT " ) to purchase the lease for £92,500.
- 2.5 A number of issues delayed completion of the sale, including:

- THT raised numerous queries in relation to the assignment of the lease.
  - THT's internal processes lead to undue delay in the lease being sealed
  - Due to the location of The Seahawk, and for security and insurance reasons, the locks needed to be changed and the site cleared. The costs associated with securing and clearing The Seahawk totalled some £1,000, due the number of entry points to the premises, the clearing down and draining down ( of combustibles, for example ) required for insurance purposes, and the amount of furniture on site. The costs included the provision and changing of locks and padlocks, site clear out, skip hire, and draining down.
  - The tenants of The Seahawk vacated the Property on 9 January 2015, as agreed between the Liquidators and Trafford Borough Council ( " TBC " ). The tenants had sought to obtain an extension to the timescale for vacating The Seahawk, which was refused by TBC. The tenants also sought to obtain compensation from the Liquidators for the loss of their business, which was being run from The Seahawk.
- 2.6 The Liquidators resisted any claims for compensation and successfully ensured that the original schedule for vacating was adhered to
- 2.7 The sale eventually completed on 17 February 2015. As a condition of sale, the Liquidators were required to pay THT's legal fees ( totalling £450 ), and the outstanding rent ( totalling £4,350 ) due in respect of The Seahawk
- 2.8 The sale proceeds, net of the above costs, were received by the Liquidators on 24 February 2015

#### **Christmas Star Limited Settlement ( " CSL Settlement " )**

- 2.9 Please see previous reports for full details of this matter. The Liquidators accepted an offer of £200,000 from Christmas Star Limited ( " CSL " ) in full and final settlement of the loan from AA to CSL. These monies were payable in instalments and a Consent Order was filed in Court in November 2014
- N.B. The director of CSL, Mr Carl Rayson ( " CR " ), agreed to be added to the Consent Order, as a defendant to the proceedings, and accordingly, was bound personally by the terms of the Consent Order.
- 2.10 As previously reported, CSL paid the first instalment of £40,000 but failed to pay the further instalments totalling £160,000
- 2.11 The Liquidators met with CR on 11 February 2015 to determine why CSL failed to make the remaining payments. CR confirmed that CSL had encountered trading difficulties in December 2014
- 2.12 CR made proposals for repayment, however, no payments were made by CR. The Liquidators requested information regarding CR's assets and liabilities via his accountant. The information provided identified various properties in which CR had a legal interest

- 2.13 CR's accountant also confirmed that CR had sought advice from an Insolvency Practitioner about proposing an Individual Voluntary Arrangement ( " IVA " ) with his creditors
- 2.14 As there was little apparent progress in negotiations, in early June 2015, the Liquidators instructed Mishcon de Reya LLP ( " MDR " ) to obtain charging orders in respect of CR's properties.
- 2.15 A series of offers were made by CR to the Liquidators. The offers involved dealing with CR's other third party creditors, and included the possibility of CR entering into an IVA with his creditors ( including AA )
- 2.16 The idea of an IVA was abandoned by CR, and the other further offers made to the Liquidators which were difficult to properly assess for a variety of reasons, including:
- The provision of incomplete information to the Liquidators
  - A failure by CR to properly engage with the Liquidators.
  - CR's lack of proper professional advice
- 2.17 On 24 June 2015, interim charging orders ( " the Charges " ) were obtained over five properties owned by CR.
- 2.18 In August 2015, the Liquidators received a revised offer from CR, whereby a third party would take the benefit of the Charges in return for a payment to the Company of £125,000. The revised offer was accepted by the Liquidators for the following reasons:
- Enforcing the security over CR's properties would be costly and time consuming.
  - Uncertainty in establishing the true value of the equity in CR's properties.
  - Uncertainty surrounding the true nature and extent of CR's other creditors, including loans advanced against CR's properties
- 2.19 A further hearing took place on 2 September 2015, at which the Charges were made final. The effect of the Charges was that the Liquidators' claim became secured.
- 2.20 The Liquidators received £125,000 from a friend of CR's, Mr Charles Smith, in October 2015. In total, £165,000 has been received in respect of the CSL Settlement, and there will be no further realisations

#### **Loan to Quadrant Development Holdings Limited ( " QDHL " )**

- 2.21 As previously reported, QDHL had agreed to repay the £85,000 loan received from the Company. The monies were received in full from QDHL in September 2014
- 2.22 It was claimed by a third party, Mr Anthony Hanlon ( also a creditor of AA ), that the monies loaned from the Company to QDHL had originated from Mr Hanlon. Mr Hanlon sued CR and QDHL in respect of these monies. The claim by Mr Hanlon was originally for several hundred thousand pounds, but reduced to the £85,000 which QDHL had already paid to the Liquidators
- 2.23 In the Court case between Mr Hanlon, Devereux International Foundation ( " Devereux " ), CR, QDHL and the Liquidators on 23 July 2015, AA was held to be an agent of one of Mr Hanlon's companies ( Devereux ) in advancing the loan monies to QDHL.

- 2.24 Judgment was obtained against CR and QDHL. CR's solicitors then demanded repayment of the £85,000 from the Liquidators, in order that QDHL could remit these funds to Mr Hanlon to satisfy the judgment, failing which proceedings would be issued against AA.
- 2.25 On the advice of their solicitors, the Liquidators paid the £85,000 directly to Mr Hanlon in August 2015 (with the agreement of all the parties).
- 2.26 Whilst the outcome of the Court case was disappointing in terms of the assets available in the liquidation, the impact is reduced somewhat as the creditor claims in liquidation have decreased by £85,000.

#### **Payments made to Mulligan & Sons Limited ( " M&S " )**

- 2.27 As previously reported, the Liquidators' solicitors made formal demand of M&S for the settlement sum of £64,000 plus interest, and a winding up petition against M&S was filed by the Liquidators in December 2014. A winding up order was made in respect of M&S on 9 February 2015.
- 2.28 The Official Receiver acted as Liquidator of M&S and the case was not transferred to an Insolvency Practitioner. On 6 October 2015, the Official Receiver filed notice of the completion of the winding up at Companies House and, accordingly, there will be no recoveries from M&S.

#### **Other Receipts**

- 2.29 In the Period, cash at bank totalling £115 and bank interest totalling £1,947 have been received.
- 2.30 All funds were being held in interest bearing bank accounts, but have recently been transferred to non-interest bearing bank accounts.

### **3 Investigations**

- 3.1 In a compulsory liquidation, the duty to investigate the Company's affairs is the responsibility of the Official Receiver. There is no requirement on the Liquidators to submit a report or return on the directors' conduct to the Department for Business Innovation and Skills. Where matters are brought to the Liquidators' attention, these are reported as appropriate to the Official Receiver for further consideration.
- 3.2 As noted in the previous report, given the circumstances of this case, the Liquidators have been required to conduct extensive investigations in order to establish whether there are any matters that might lead to recoveries for the estate. The Liquidators' assessment took into account information provided by creditors, either at the initial meeting, or as a response to the Liquidators' request to complete an investigation questionnaire.
- 3.3 Due to the nature of the investigations, the Liquidators do not wish to disclose any further information in this regard. However, there has been time incurred to comply with the Liquidators' statutory duties to assist the various investigating authorities. These costs are unavoidable and are a cost of the estate.

## **4 Creditors**

### **Secured Creditors**

- 4.1 HSBC Bank PLC ( " HSBC " ) holds a fixed and floating charge over the Company's assets. As at the date of the Liquidators' appointment, the Company's indebtedness to HSBC was nil

### **Preferential Creditors**

- 4.2 The Company does not have any preferential creditors

### **Unsecured Creditors**

- 4 3 The Liquidators have received claims totalling £2,088,838 from 7 creditors. These claims have been agreed
- 4 4 A claim was received purportedly for £677,427. The Claimant was unable to provide sufficient evidence as to how this claim arose, nor any adequate supporting documentation. The Liquidators investigated the validity of the claim and wrote to the Claimant setting a deadline to respond, failing which it would be removed from the list of AA's creditors. No response was received and the claim was excluded from the dividend distribution
- 4 5 The work done by the Liquidators in excluding this claim means a significant enhancement of the dividend return to other, proving creditors.
- 4.6 A first interim dividend of £400,000 ( 19 15 pence in the pound ) was declared and distributed to AA's unsecured creditors ( excluding TEWH ) on 3 July 2015
- 4.7 A final dividend will be paid to the Company's unsecured creditors shortly. The quantum of the final dividend is subject to the final costs of the liquidation, and is estimated to be in the order of **2.5 pence / £**. *Please note this is an estimate only and may be subject to change.*

## **5 Liquidators' Remuneration**

- 5.1 At the first meeting of the creditors' committee held on 1 July 2014, the Committee approved that the basis of the Joint Liquidators' remuneration be fixed by reference to the time properly spent by the Liquidators and their staff in dealing with the liquidation
- 5 2 The Joint Liquidators' time costs for the Period from 6 December 2014 to 5 December 2015 are approximately £96,900. This represents 419 hours at an average hourly rate of £231 per hour. Attached at Appendix B is a summary of the Joint Liquidators' time costs prepared in accordance with Statement of Insolvency Practice 9, detailing the activity costs incurred by staff grade during the Period, in respect of the costs fixed by reference to the time properly spent by the Liquidators and their staff in managing the liquidation
- 5.3 The time costs incurred in the Period primarily relate to the following matters.
- Adjudication and admission / rejection of unsecured creditor claims
  - Extensive and extended negotiations with CR
  - Obtaining security over CR's properties and making arrangements to enforce the security
  - Review of documentation and liaising with MDR in relation to the proceedings issued by Mr Hanlon and the outcome of the hearing

- 5.4 Please note that the Detailed Narrative of Work Undertaken During the Period is attached at Appendix C.
- 5.5 In the Period, the Liquidators have drawn fees and disbursements ( in relation to Court fees, travel, and statutory advertising ) totalling £139,075 and £233 respectively.
- 5.6 **The creditors' committee has, at all times, been kept appraised of the progress of the liquidation and the time costs incurred.**
- 5.7 Also attached at Appendix B is a Cumulative Time Analysis from the date of appointment on 6 December 2013 to 5 December 2015, which provides details of the Liquidators' total time costs since appointment.
- 5.8 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <http://www.harrisons.uk.com/creditors-guide-fees>.
- 5.9 Attached at Appendix D is additional information in relation to Harrisons' policy on staffing, the use of subcontractors, disbursements and details of current charge-out rates by staff grade.

## 6 Liquidators' Expenses

- 6.1 The following expenses have been incurred since the Liquidators' last progress report to creditors.

Supplier / Service Provider	Nature of expense incurred	Amount incurred £	Paid £	Amount Outstanding £
Mishcon de Reya LLP ( "MDR " )	Legal fees ( see below for further details of the work completed )	98,239	88,303	9,936 ( see details below )

Expenses incurred and paid in the Period are detailed on the Receipts and Payments Account attached at Appendix A

### Legal Fees and Disbursements

- 6.2 As stated above, MDR has incurred legal fees totalling £98,239 in the Period, which relate to the following matters
- The CSL settlement
  - Communications regarding CR.
  - Issuing statutory demands
  - Preparing documentation and advice on charging orders.
  - Preparing for and attendance at Court hearing
  - Advice in relation to the QDHL judgment and return of the £85,000 monies.
  - The sale of the Seahawk
  - Preparation of licence to assign the Seahawk lease



- M&S winding up application and advice, including liaison with Counsel
- Other general advice in relation to the liquidation.

6.3 Please note that, in recognition the cost sensitivities in this case, *MDR has agreed to apply a discount of £2,690 to its outstanding costs*. Accordingly, MDR's outstanding costs total £7,246 plus VAT, and no further legal costs will be incurred in the liquidation

6.4 MDR has also incurred ( and been paid ) legal disbursements totalling £24,439 in the Period, in relation to the following

- Counsel fees
- Court fees
- Photocopying costs.
- Courier costs.
- Company searches
- Land Registry fees

#### **Agent's Fees – Winterhill**

6.5 As stated above, Winterhill has incurred ( and been paid ) fees totalling £4,128 in the Period, which relate to the following matters:

- Providing a valuation report on The Seahawk
- Site clearance support in relation to The Seahawk
- Sale and disposal advice in relation to The Seahawk
- General assistance and asset valuation advice regarding the office furniture and vehicles.

## **7 Creditors' Rights**

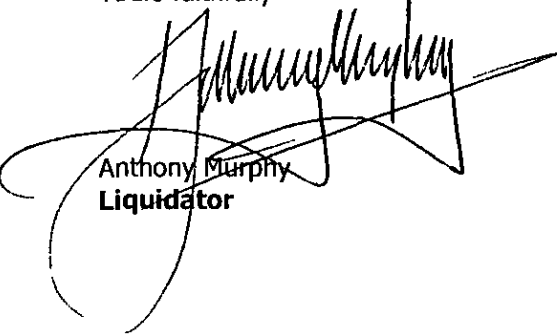
7.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor ( with the concurrence of at least 5% in value of the unsecured creditors ) may request in writing that the Liquidators provide further information about their remuneration or expenses, which have been itemised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

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

## **8 Next Report**

- 8.1 The Liquidators are required to provide a further report on the progress of the liquidation within two months of the end of the next anniversary of the liquidation, unless the Liquidators have concluded matters prior to this ( which is likely ). It is anticipated that the Liquidator will pay a final dividend to creditors shortly and proceed to close the case. The Liquidator will write to all creditors with the final progress report ahead of convening the final meeting of creditors.

Yours faithfully



Anthony Murphy  
**Liquidator**

**Appendix A - Receipts and Payments Account for the Period from 6 December 2014 to 5 December 2015 and Cumulative Receipts and Payments Account from 6 December 2013 to 5 December 2015**

**Advantage Accountants Limited**  
**( in Liquidation )**  
**Joint Liquidators' Abstract of Receipts & Payments**

Estimated to Realise		From 06/12/2014	From 06/12/2013
£		To 05/12/2015	To 05/12/2015
		£	£
	<b>ASSET REALISATIONS</b>		
92,500.00	Leasehold Property	92,500.00	92,500 00
-	Office Furniture & Equipment	NIL	350 00
-	Book Debts	NIL	1,500 00
-	Cash at Bank	115 37	656,099 95
125,000 00	Settlement - Carl Rayson / Christmas Star	125,000 00	165,000 00
-	Settlement - Quadrant Development Holdings	NIL	85,000 00
-	Bank Interest Gross	1,947 29	2,610 04
		<u>219,562.66</u>	<u>1,003,059 99</u>
	<b>COST OF REALISATIONS</b>		
	Re-payment of funds to Anthony Hanlon	(85,000.00)	(85,000.00)
	O R Disbursements	NIL	(2,235.00)
	DTI Audit Fees	(88.00)	(176 00)
	DTI Cheque Fees	(18 95)	(25.70)
	Secretary of State Fees	(2,071.38)	(67,272 64)
	Petitioning Creditor's Costs	NIL	(10,682 00)
	Liquidators' Disbursements	NIL	(1,242 57)
	Liquidators' Remuneration	(139,075 01)	(209,075 01)
	Court Fees	(150 00)	(150 00)
	Agents'/Valuers' Fees	(5,020 00)	(5,250 00)
	Agents'/Valuers' Disbursements	(128.00)	(248 00)
	Legal Fees	(88,302.61)	(108,569 11)
	Legal Disbursements	(24,438.89)	(24,441 89)
	Corporation Tax	(389 46)	(522 01)
	Trafford Housing Trust's Legal and Surveyor	(450 00)	(450 00)
	Expert Fees - Process Servers	(142 50)	(142 50)
	Category 1 Travel Expenses	(6 00)	(6 00)
	Storage Costs	(15.00)	(30 00)
	Statutory Advertising	(76 62)	(76 62)
	Rent due to Trafford Council	(4,350.00)	(4,350 00)
	Insurance of Assets	(604 96)	(604 96)
	Telegraphic Transfer Fees	(23 00)	(23 00)
		<u>(350,350.38)</u>	<u>(520,573 01)</u>
	<b>UNSECURED CREDITORS</b>		
	Trade & Expense Creditors	(400,000 00)	(400,000 00)
			<u><u>82,486.98</u></u>
	<b>MADE UP AS FOLLOWS</b>		
	VAT Receivable		24,395 13
	Insolvency Services Bank Account ( Formerly Interest Bearing now Non-Interest Bearing )		58,091 85
			<u><u>82,486.98</u></u>

**Appendix B - Time Analysis for the Period from 6 December 2014 to 5 December 2015 and Cumulative Time Analysis from 6 December 2013 to 5 December 2015**

# Time Entry - Detailed SIP9 Time & Cost Summary

ADVAN001 - Advantage Accountants Ltd  
From 06/12/2014 To 05/12/2015  
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
10 Advice Pre Appointment	0.00	0.00	0.30	0.00	0.30	46.50	155.00
100 Administration & Planning	1.40	0.30	3.50	0.10	5.30	1,164.00	219.62
101 Case planning	0.20	1.50	0.00	0.00	1.70	471.50	277.35
104 Maintenance of records	0.00	4.60	7.80	1.20	13.60	2,550.00	187.50
105 Statutory reporting	1.60	1.20	20.40	0.10	23.30	4,071.00	174.72
106 Cashiering	0.00	14.60	17.10	20.90	52.60	9,260.50	175.39
107 Bordereau	0.00	0.30	0.60	0.00	0.90	169.50	188.33
108 Case Review / Diary	0.00	0.00	5.10	0.00	5.10	775.50	152.06
109 Dealing with Debtor / Directors	1.30	0.00	0.00	0.00	1.30	578.50	445.00
110 Dealing with Court	0.70	0.00	0.00	0.00	0.70	311.50	445.00
111 Dealing with Official Rec	1.20	0.00	0.00	0.00	1.20	534.00	445.00
112 Dealing with Existing Advisors	0.00	0.10	0.00	0.00	0.10	25.50	255.00
115 Insurance	0.00	0.00	0.70	0.00	0.70	108.50	155.00
120 General Correspondence	0.00	0.40	4.10	0.00	4.50	737.50	163.89
123 Appt Holder VAT and Tax Returns	0.00	5.06	6.40	0.50	11.96	2,336.79	195.42
Administration & Planning	6.40	28.26	68.00	22.80	123.46	23,140.79	187.44
500 Creditors	3.00	24.57	17.20	0.00	44.77	10,285.84	229.31
501 Communication with creditors	7.60	0.30	14.60	0.00	22.50	5,721.50	254.29
502 Employee Claims	0.00	0.00	0.40	0.00	0.40	62.00	155.00
504 Claims Trade and Expense	0.30	0.00	0.00	0.00	0.30	133.50	445.00
507 Creditor's Committee	9.30	43.63	27.50	0.00	80.43	19,526.84	242.78
511 Dividends Unsecured Cred	0.70	3.60	30.30	0.00	34.60	5,926.00	171.27
512 Dividends and Distributions	0.00	17.20	5.00	0.00	22.20	5,171.00	232.93
Creditors	20.90	89.30	95.00	0.00	205.20	48,806.48	228.10
200 Investigations	1.00	2.70	0.90	0.00	4.60	1,273.00	276.74
204 Client Accounts - Investigations	0.00	0.20	0.00	0.00	0.20	51.00	255.00
Investigations	1.00	2.90	0.90	0.00	4.80	1,324.00	275.83
300 Realisation of assets	0.00	50.98	5.90	0.00	56.88	13,875.40	243.94
301 Ident. securing and insuring assets	0.00	0.30	0.00	0.00	0.30	76.50	255.00
303 Debt collection	23.20	0.00	0.20	0.00	23.40	10,349.00	442.28
304 Sale of business and assets	0.00	0.00	0.50	0.00	0.50	62.50	125.00
305 Land and Property	1.80	0.10	2.30	0.00	4.20	1,138.00	270.95
Realisations of Assets	25.00	51.38	8.90	0.00	85.28	25,501.40	299.03
400 Trading	0.00	0.50	0.00	0.00	0.50	127.50	255.00
Trading	0.00	0.50	0.00	0.00	0.50	127.50	255.00
Total Hours	53.30	172.34	170.80	22.80	419.24	96,990.17	231.14

# Time Entry - Detailed SIP9 Time & Cost Summary

ADVAN001 - Advantage Accountants Ltd  
From 06/12/2013 To 05/12/2015  
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
10 Advice Pre Appointment	0.00	2.90	4.00	0.60	7.50	1 619.50	215.93
100 Administration & Planning	2.30	1.73	6.20	3.60	13.83	2 717.42	196.44
101 Case planning	1.20	7.60	0.10	2.10	11.00	2 747.00	249.73
103 Appointment notification	0.00	0.20	0.30	0.50	5.00	675.00	135.00
104 Maintenance of records	0.00	4.60	10.00	8.20	22.80	3 718.00	163.07
105 Statutory reporting	1.60	2.30	20.70	0.10	24.70	4 389.00	177.69
106 Cashflow	0.00	15.80	20.40	27.50	63.70	10 920.20	171.43
107 Bordereau	0.00	0.30	0.60	0.90	3.40	169.50	188.33
108 Case Review / Diary	0.00	0.00	13.40	0.00	13.40	2 062.00	153.88
109 Dealing with Debtor / Directors	1.30	0.70	0.00	2.70	4.70	1 094.50	232.87
110 Dealing with Court	0.70	0.00	0.20	0.00	0.90	342.50	380.56
111 Dealing with Official Rec	1.20	0.00	0.45	1.50	3.15	777.75	246.90
112 Dealing with Existing Advisors	0.00	0.10	0.00	0.10	0.10	25.50	255.00
113 Dealing with Directors	1.20	0.80	1.70	1.60	5.30	1 150.50	217.08
115 Insurance	0.00	1.40	1.80	0.90	4.10	715.50	174.51
120 General Correspondence	0.00	0.40	4.10	0.00	4.50	737.50	163.89
122 Plnr Review and Signing	0.50	0.00	0.00	0.00	0.50	192.50	385.00
123 Appt Holder VAT and Tax Returns	0.00	5.36	7.00	0.50	12.86	2 488.29	193.52
125 Statutory meetings	1.00	0.00	0.00	2.10	3.10	707.50	228.23
Administration & Planning	11.00	44.19	90.95	55.90	202.04	37 249.66	184.37
600 Case Specific	0.00	0.00	0.40	0.30	0.70	87.50	125.00
606 Client Dealings/Communications	0.30	0.00	0.00	0.00	0.30	133.50	445.00
607 Client Accounts	0.00	0.00	1.15	0.00	1.15	143.75	125.00
Case specific matters	0.30	0.00	1.55	0.30	2.15	364.75	169.65
500 Creditors	7.10	45.99	33.90	11.10	98.09	21 415.71	218.32
501 Communication with creditors	26.40	0.30	16.10	2.90	45.70	14 664.50	320.89
502 Employee Claims	0.40	0.00	0.40	0.00	0.80	240.00	300.00
504 Claims Trade and Expense	0.30	0.00	0.00	0.30	0.30	133.50	445.00
507 Creditor's Committee	16.10	63.77	40.20	1.00	121.07	29 619.84	244.65
511 Dividends Unsecured Cred	0.70	3.60	30.30	3.30	37.90	6 190.00	163.32
512 Dividends and Distributions	0.00	17.20	5.00	0.00	22.20	5 171.00	232.93
Creditors	51.00	130.86	125.90	18.30	326.06	77 434.55	237.48
200 Investigations	38.70	49.80	26.80	88.60	203.90	44 807.50	219.75
204 Client Accounts Investigations	0.00	0.20	0.00	0.00	0.20	51.00	255.00
Investigations	38.70	50.00	26.80	88.60	204.10	44 858.50	219.79
300 Realisation of assets	1.90	82.67	29.45	10.60	124.62	27 464.36	220.38
301 Ident securing and insuring assets	0.00	0.30	0.00	0.00	0.30	76.50	255.00
303 Debt collection	60.10	0.00	0.20	1.20	61.50	26 919.50	437.72
304 Sale of business and assets	0.00	0.00	0.50	0.00	0.50	62.50	125.00
305 Land and Property	18.70	0.10	4.50	0.00	23.30	8 933.50	383.41
307 Other Assets	0.60	0.00	0.00	0.00	0.60	267.00	445.00

# Time Entry - Detailed SLP9 Time & Cost Summary

ADVAN001 - Advantage Accountants Ltd  
From 06/12/2013 To 05/12/2015  
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
308 Distribution to Shareholders	0 00	0 00	0 10	0 00	0 10	12 50	125 00
Realisations of Assets	81 30	83 07	34 75	11 80	210 92	63 735 86	302 18
400 Trading	0 00	0 50	0 00	0 00	0 50	127 50	255 00
Trading	0 00	0 50	0 00	0 00	0 50	127 50	255 00
Total Hours	182 30	308 63	279 95	174 90	945 78	223,770 82	236 60



## **Detailed Narrative of Work Undertaken During the Period**

### **Administration:**

- Filing
- Cashiering
- Liaising with the Insolvency Service regarding the Insolvency Service bank account ( " ISA " ) receipts and payments.
- Liaising with the Insolvency Service regarding ISA bank details
- Maintenance of cashbook.
- Amendments to cashbook.
- Bank account reconciliations.
- Case reviews, file reviews and internal correspondence and meetings regarding case progress.
- Maintenance of records
- Completion, review and approval of case checklists and diary
- VAT reclaims
- Arranging return of VAT overpayment by HM Revenue & Customs
- Paying VAT to HM Revenue & Customs
- Corporation tax return
- Liaising with insurers regarding insurance of assets.
- Bonding and bond reviews
- Review, approval and arranging payment of invoices for liquidation expenses
- Processing cheque requisitions
- Liaising with the Company's bankers
- Companies House searches.
- Collating documents for, and correspondence with, the police
- Review of costs.
- Internal correspondence
- Calculating Secretary of State fees.
- Liaising with the Insolvency Service regarding recovery of Secretary of State fees originally paid on receipts that were subsequently repaid
- Saving email correspondence
- Preparing the case for closure.
- Clearance letters
- Liaising with the Official Receiver regarding Transeuro Worldwide Holdings Limited

### **Creditors**

- Review of receipts into the Company's pre-appointment bank account to identify possible creditor claims
- Investigation of possible creditor claims
- Reviewing and adjudicating creditors' claims
- Maintaining and updating schedule of creditors' claims adjudication
- Calculation of first dividend distribution, including full review of funds available and outstanding costs
- Preparation, review and approval of dividend to creditors
- Issuing and distribution of creditors' dividend cheques
- Review of interest charged on claims and legal position on interest charges.

- Calculation of legal fee apportionment for dividend
- Correspondence with creditors
- Preparation, review, approval and distribution of the annual progress report
- Correspondence with creditors' committee, including formal and informal progress reports and regular updates on case progression.
- Correspondence with Anthony Hanlon and Anne Kershaw at Kennedys Law LLP.
- Communications with Robin Howard – Hesketh's claim in the liquidation
- General correspondence with the creditors' committee, including providing case updates.
- Review of employee position.
- Consideration of preferential claims
- Correspondence with the Official Receiver regarding Omni Trustees' claim.
- Correspondence with Metis Law LLP regarding Omni Trustees' claim
- Liaising with Debbie Smith regarding creditors' claims
- Correspondence with Vince Cheshire regarding dissolution of trusts
- Resolving problems with dividend cheques
- Arranging re-issue of dividend payments, including liaising with the Insolvency Service regarding change of payee details and method of payment.
- Preparation of estimated outcome statement.
- Calculation of possible second dividend distribution
- Correspondence regarding Mr Hanlon's claim against CR and QDHL.
- Involvement in court application by Mr Hanlon.
- Monitoring progress of court application by Mr Hanlon
- Correspondence with various parties regarding Mr Hanlon court application and the Liquidators' involvement
- Consideration and review of CR judgment, including discussions with MDR
- Obtaining advice in relation to repayment of Anthony Hanlon monies
- Arranging repayment of £85,000, including liaising with the Insolvency Service
- Liaising with Kennedys Law LLP regarding repayment of £85,000 monies.

## **Statutory**

- Filing forms at Companies House
- Correspondence with Companies House
- Advertising in the London Gazette

## **Asset Realisations**

- Preparation, review and approval of deposit vouchers for asset realisations
- Review of settlement agreements
- Correspondence with Winterhill Asset Limited ( " Winterhill " ) regarding the sale of the Company's office furniture and equipment.
- Telephone calls, emails, letters and meetings with Mr Rayson and Andrew Eagle regarding the repayment and settlement of the loans made by the Company to CSL and QDHL
- Emails to CR regarding information requests
- Review of CR's assets and liabilities, including investigatory work
- Establishing and reviewing properties owned by CR and associated charges
- Land Registry searches regarding CR's properties
- Liaising with MDR regarding obtaining charging orders over CR's properties

- Consideration of enforcement of security over CR's properties
- Correspondence with MDR regarding statutory demand.
- Liaising with CR's accountant regarding information required
- Liaising with CR and Begbies Traynor Central LLP regarding possible IVA
- Liaising with CR and CR's accountant regarding settlement offers.
- Correspondence with MDR regarding winding up of M&S.
- Correspondence with the Official Receiver regarding winding up of M&S
- Correspondence with the Official Receiver regarding loans from AA to M&S.
- Telephone calls and emails to MDR regarding CSL, QDHL and M&S loans and settlements
- Correspondence with MDR regarding CSL settlement.
- Monitoring position regarding CSL settlement payments and arrears.
- Review and consideration of proposals for payment from CR regarding CSL settlement.
- Correspondence with MDR regarding the lease of The Seahawk, details of the property, insurance policy, tenancy details and rent arrears.
- Arranging payment of rent regarding The Seahawk.
- Liaising with the tenants of The Seahawk, including regarding vacant possession
- Arranging repayment of rent paid by the tenants in relation to The Seahawk.
- Arranging vacant possession of The Seahawk.
- Arranging site clearance and change of locks for The Seahawk.
- Attending to the completion of the sale of The Seahawk lease.
- Reviewing documentation received in relation to The Seahawk.
- Correspondence with Winterhill regarding valuation and sale of The Seahawk.
- Correspondence with Trafford Housing Trust regarding sale of The Seahawk.
- Correspondence with MDR regarding sale of The Seahawk
- Review of the sale agreement and TR1 form for The Seahawk lease.
- Review of licence to assign regarding The Seahawk.
- Consideration of VAT position on the sale of The Seahawk lease and discussion with MDR
- Liaising with MDR regarding ISA bank account details
- Arranging collection of keys to The Seahawk, including liaison with Winterhill.
- Letters, emails and phone calls with HSBC regarding cash at bank.

## **Investigations**

- Review of the Company's bank statements
- Review of books and records
- Correspondence regarding the whereabouts of Mr and Mrs Ryder.

## Appendix D -

### ADDITIONAL INFORMATION IN RELATION TO LIQUIDATORS' FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE NUMBER 9

#### 1 Policy

Detailed below is Harrison's Business Recovery & Insolvency ( London ) Limited's ( " Harrison's " ) policy in relation to:

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements.

##### 1.1 *Staff allocation and the use of subcontractors*

Harrison's' general approach to resourcing assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The case team will usually consist of a Director, Manager, Administrator and/or an Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

Harrison's is not proposing to utilise the services of any sub-contractors in this case.

##### 1.2 *Professional advisors*

In this assignment, Harrison's has used the professional advisors listed below. Also indicated alongside is the basis of the fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Mishcon de Reya LLP (legal advice)	Hourly rate and disbursements
AUA Insolvency Risk Services Limited (insurance)	Risk based premium
Winterhill Asset Limited (valuation and disposal advice)	Hourly rate and disbursements

The choice of advisors was based on Harrison's' perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.

##### 1.3 *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 of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be

any properly reimbursed expenses incurred by personnel in connection with the case.

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

The Liquidators have not incurred any category 2 disbursements in the Period.

## **2 Charge-out rates**

A schedule of Harrison's charge-out rates was issued to creditors at the time the basis of the Liquidators' remuneration was approved. Below are details of this firm's charge out rates:

	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Directors	305 – 550	305 – 550	305 – 550
Managers	250 – 350	250 – 350	250 – 350
Senior Case Supervisors	175 – 250	175 – 250	175 – 250
Case Supervisors	125 – 205	125 – 205	125 – 205
Assistants/Trainee Case Supervisors	100 – 150	100 – 150	100 – 150

Please note that this firm records its time in minimum units of 6 minutes