

LIQ03

Notice of progress report in voluntary winding up



Companies House

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06/02/2021

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COMPANIES HOUSE

1 Company details

Company number 0 7 0 8 6 7 2 7

Company name in full Sterling Tax Strategies Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Finbarr Thomas

Surname O'Connell

3 Liquidator's address

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

Country

4 Liquidator's name ①

Full forename(s) Henry Anthony

Surname Shinnars

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

Country

② Other liquidator
Use this section to tell us about
another liquidator.

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6

Period of progress report

From date	^d 0	^d 9	^m 1	^m 2	^y 2	^y 0	^y 1	^y 9
To date	^d 0	^d 8	^m 1	^m 2	^y 2	^y 0	^y 2	^y 0

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X 

X

Signature date

^d 0	^d 3	^m 0	^m 2	^y 2	^y 0	^y 2	^y 1
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LIQ03

Notice of progress report in voluntary winding up



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Clare Lloyd**

Company name **Smith & Williamson LLP**

Address **25 Moorgate**

London

Post town **EC2R 6AY**

County/Region

Postcode

Country

DX **119507 Finsbury Square EC2**

Telephone **020 7131 4000**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



Sterling Tax Strategies Limited (in creditors' voluntary liquidation)

Joint liquidators' annual progress report for the period from 9
December 2019 to 8 December 2020

3 February 2021



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1. Glossary

Abbreviation	Description
the Company or STS	Sterling Tax Strategies Limited
the liquidators/joint liquidators or the administrators or joint administrators	Finbarr Thomas O'Connell and Henry Anthony Shinnars
the Companies	Inventive Tax Strategies Limited (in liquidation) Professional Advice Bureau Limited (in liquidation) Sterling Tax Strategies Limited (in liquidation) Bell Strategies Limited (in liquidation)
ITS	Inventive Tax Strategies Limited (in liquidation)
PAB	Professional Advice Bureau Limited (in liquidation)
Bell	Bell Strategies Limited (in liquidation)
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
IR86	Insolvency Rules 1986, as revoked by IR16 If preceded by R, this denotes a rule number
HMRC	HM Revenue & Customs
ECN	Error Correction Notice
Service Companies	PBMC Limited FTP Consulting Limited (in liquidation) Silver Street Marketing Limited
Schemes	SDLT Mitigation Scheme: Unlimited Company, Husband & Wife, Dual Completion, 3S, Crystal, Jovian, Kass, etc

2. Introduction and Summary

This report provides an update on the progress of the liquidation of the Company for the period ended 8 December 2020 and should be read in conjunction with any previous reports.

By way of reminder, we, Finbarr Thomas O'Connell and Henry Anthony Shinnars, of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, were appointed liquidators of the Company on 9 December 2014 following an exit from administration.

The principal trading address of the Company was London Court, London Road, Bracknell, Berkshire, RG12 2UT.

The Company's registered office is 25 Moorgate, London, EC2R 6AY and its registered number is 07086727.

We also have been appointed over the following related companies, collectively referred to together with the Company as ("the Companies"):

- ITS (date of administration 24 October 2013 and date of liquidation 24 April 2018)
- PAB (date of administration 3 December 2013 and date of liquidation 24 April 2018)
- Bell (date of administration 18 December 2013 and date of liquidation 9 December 2014)

The liquidators have also made information available on the Companies' website at www.inventivetax.co.uk. We recommend that creditors refer to this website on a regular basis for updates.

Please note that this report has been produced during the period of the Covid-19 pandemic. In light of the pandemic, we continue to monitor this situation and comply with the current guidance and regulations from the UK government.

As a result of the latest government advice and restrictions, we continue to have limited access to some of our physical case files and where relevant have had to produce this report from records available on our IT systems. We have taken every reasonable step to ensure that the information is accurate but if anything is incorrect or incomplete, we will provide an explanation and corrected information either in the next progress report or as soon as we are in a position to do so.

Our team members are successfully working remotely from home as well as from the office where necessary, and we will continue to do so, as required in line with the UK government's guidelines. We are fortunate to have at hand all the tools needed to communicate virtually, internally and externally.

Please be aware that some case staff may be working outside normal business hours but please be assured that your communications are important to us and will be responded to by the relevant team member who will contact you as soon as they are available to do so. We apologise in advance for any delay in responding to your communication and wish to take this opportunity to thank you for your patience and understanding during this unprecedented and challenging time.

If you have any concerns regarding this matter, please contact Anjna Kalia by email anjna.kalia@smithandwilliamson.com or by telephone 020 7131 8184.

3. Realisation of assets

Attached at Appendix I is our receipts and payments account for the period from 9 December 2019 to 8 December 2020. This account includes cumulative figures for the period from 9 December 2014 to 8 December 2020.

3.1 Bank interest

The joint liquidators' bank account received interest of £1,148.04.

3.2 Assets still to be realised

The only matter outstanding is the joint liquidators' investigations and any recoveries which may arise from potential actions.

4. Investigations

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 at the initial meeting and as a response to our request to complete an investigation questionnaire.

Our investigations, which are on-going, have included but have not been limited to, the beneficiaries of the funds extracted from the Company by way of the management fee arrangements with the Service Companies. Our legal advisors, will be assisting with pursuing these potential claims on a conditional fee arrangement basis.

Sanction will be sought where appropriate from the creditors' committee in respect of any subsequent actions that the liquidators may wish to pursue.

4.1 Service charge monies paid to the Service Companies

Our primary focus will continue to be the investigation into the payment of £1.9m by the director from Company funds since 2009 to various Service Companies of which the director was the beneficiary. Total funds paid out across the Companies during this time are estimated at £18.5m.

5. Creditors

5.1 Secured creditors

There are no charges or debentures listed at Companies House. The liquidators are not aware of any creditors who have purported to hold a secured claim against the Company.

5.2 Prescribed Part

Insolvency legislation provides for funds to be set aside for the unsecured creditors from any assets subject to a floating charge that was created after 15 September 2003. These funds (the prescribed part) are paid to the unsecured creditors and are not available for the chargee unless the unsecured creditors have been paid in full.

The joint liquidators are not aware that the Company has any debt due to any floating charge creditors and accordingly the prescribed part requirements does not therefore apply.

5.3 Ordinary preferential creditors

There are no ordinary preferential creditors.

5.4 Unsecured creditors

We have received claims totalling £3,824,375 from 233 creditors. Total claims as per the director's SOA were £1,560. The difference is attributable to the number of failed Schemes and the director's assumption that the insurance policies would pay out in respect of a challenge by HMRC on the validity of the Schemes.

Any potential dividends to the creditors is dependent on the outcome of the joint liquidators' investigations.

6. Liquidators' remuneration

The administration committee (subsequently the liquidation creditors' committee) 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 administration.

This was granted following the members of the creditors' committee granting approval at a meeting held on 20 March 2014. Please note that the basis of our remuneration continues in the liquidation.

The liquidators' time costs are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
9 December 2014 to 8 December 2015	87.10	24,480.44	281.06	2,768.50
9 December 2015 to 8 December 2016	57.70	17,026.75	295.09	Nil
9 December 2016 to 8 December 2017	84.75	24,660.50	290.98	Nil
9 December 2017 to 8 December 2018	42.40	11,912.50	280.96	Nil
9 December 2018 to 8 December 2019	20.15	5,314.25	263.73	Nil
9 December 2019 to 8 December 2020	19.87	5,464.96	£275.08	Nil
Total	311.97	88,859.40	284.84	2,768.50

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

Also attached as Appendix III, is a cumulative time analysis for the period from 9 December 2014 to 8 December 2020 which provides details of the liquidators' time costs since appointment. A total of £2,768.50 has been drawn on account of these costs.

A detailed narrative explanation of these costs can be found in the "Outstanding matters" section of this report (see section 8).

The joint liquidators anticipate the future costs will be in the region of £10,000 however this is dependent on the joint liquidators' investigations. Please note that this estimate is based on present information and may change due to unforeseen circumstances arising.

On a general note, creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include investigating the former officers of the company as required by the Company Directors' Disqualification Act 1986.

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

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

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

It should be noted that, whilst this statement makes reference to the need to provide creditors with a fees and costs estimate in the event that fees are being drawn on a time costs basis, this requirement only applies to appointments on or after 1 October 2015. Prior to 1 October 2015, there was no statutory obligation to produce fees and costs estimates.

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

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

7. Liquidation expenses

7.1 Subcontractors

We have utilised the services of the following subcontractors during the current period:

Provider/service	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £
Freelance Computers (updating and maintaining the Company's webpage)	Hourly rate and disbursements	19.00	19.00	Nil

7.2 Professional advisers

Moon Beever are instructed by the liquidators to provide legal advice across the Companies. Moon Beever have been engaged due to their knowledge and experience in HMRC related claims and litigation expertise. Moon Beever provide the best value and service to the creditors and are regulated by the Solicitors Regulation Authority (SRA). There is no conflict of interests matters and Moon Beever adhere to the professional and ethical standards. Their service and costs are under regular review.

To date, no legal fees have been paid directly by the Company, however legal fees may be reallocated to the Companies at a later date on the basis of the proportionate benefit received by the Company as regards legal advice.

We have sought and obtained agreement from the respective creditors' committees, to utilise the Companies' funds where available (predominantly PAB and STS), for the benefit of all four Companies, in order to appeal HMRC's decision regarding the ECN VAT monies (which has now been concluded) and to progress our investigations into the payment of the Companies' funds to the Service Companies by the directors, prior to the administration of the Companies. Where appropriate, the funds expended will be reapportioned accordingly.

Moon Beaver have agreed to assist the joint liquidators with their investigations on a contingent fee basis. If a successful outcome is obtained then their legal fees and disbursements will be applied proportionately across the Companies. Any future legal fees drawn, will only be applied if a successful outcome is obtained and currently the quantum of future legal fees is uncertain.

Name of professional advisers	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £
Moon Beaver LLP (Legal advice in relation to VAT ECN)	Hourly rate and disbursements	Nil	19,377.50 plus disbursements of 35.98	Nil
Moon Beaver LLP (Legal advice in relation to the investigations)	Contingent fee basis	55,932.00	Nil	55,932.00

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid. Please note that the legal fees have been paid from the estate of PAB.

7.3 Liquidators' disbursements

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

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Storage	8.32	Nil	8.32
Total	8.32	Nil	8.32

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

7.4 Category 2 disbursements

No category 2 disbursements have been incurred or paid in this reporting period.

7.5 Policies regarding use of third parties and disbursement recovery

Appendix IV provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of disbursements.

8. Outstanding matters

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

- Finalise the investigations into the Service Companies
- Closure of the liquidation, including preparing and issuing a final report to the creditors

The joint liquidators anticipate the future costs in respect of the outstanding matters to be in the region of £75,000 across all four Companies with £10,000 of future costs expected to be attributable to the Company. This is dependent on the outcome of our ongoing investigations and the legal advice received.

Legal costs in relation to reviewing the funds paid to the Service Companies will be charged on a conditional fee basis by Moon Beaver. Should there be a successful outcome then the legal fees and disbursements will be applied proportionately across the Companies. However at present, I am unable to quantify future legal costs that may be incurred.

If a successful outcome is achieved in relation to the joint liquidators' investigations than the benefit to creditors is that they may receive a dividend.

8.1 All investigation matters and related claims for the recovery of funds

The joint liquidators are investigating an action in respect of the fees paid to the Service Companies.

A summary of the proposed actions has been put to the creditors' committees and a cost estimate provided. The committees are supportive of the strategy of the liquidators. Progress on the investigations has been unavoidably delayed due to the decision of HMRC in respect of the VAT ECNs and the necessity for the liquidators to challenge the decision. The joint liquidators' future costs are estimated to be £5,000 in relation to this matter.

8.2 Conclusion of the liquidation, including preparing and issuing of the final report

The joint liquidators will obtain tax clearance and if sufficient funds are available, declare a first and final dividend to creditors.

Further costs are estimated to be £5,000 for the above.

9. Privacy and Data Protection

As part of our role as joint liquidators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at <https://smithandwilliamson.com/rsgdpr>. If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact Anjna Kalia of our office if you believe this applies.

10. Creditors' rights

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

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

The above rights apply only to matters which have not been disclosed in previous reports.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Finbarr Thomas O'Connell or Henry Anthony Shinnars in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

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

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

ii) Telephone number: +44 300 678 0015

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

11. Next report

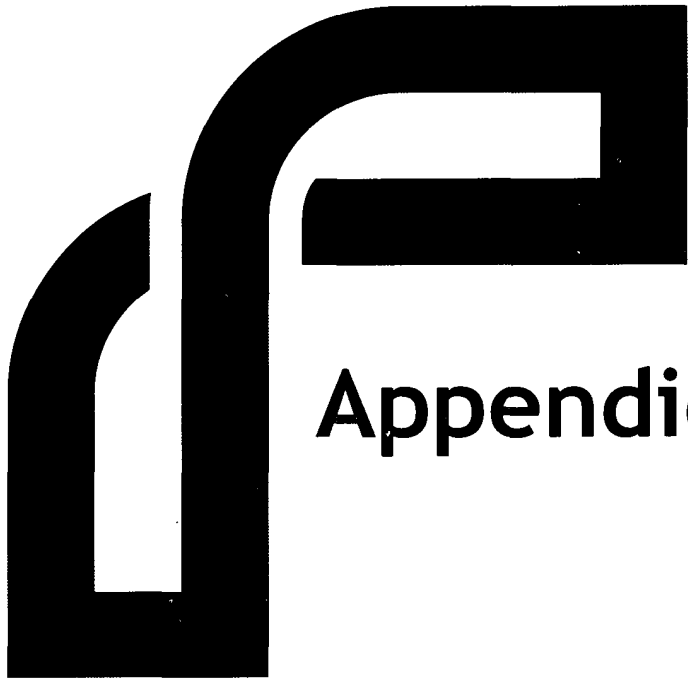
We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation unless we have concluded matters prior to this, in which case we will write to all creditors with our final account, prior to vacating office.



Finbarr Thomas O'Connell and Henry Anthony Shinnars

Joint Liquidators

Date: 3 February 2021



Appendices

I Receipts and payments account

Receipts and payments account to 8 December 2020

Statement of Affairs	From 09/12/2019 To 08/12/2020	From 09/12/2014 To 08/12/2020
£	£	£
ASSET REALISATIONS		
Bank Interest Gross	1,148.04	5,576.95
Cash at Bank - Transfer from Admin.	NIL	619,745.61
Transfer VAT from Administration	NIL	1,067.52
	<u>1,148.04</u>	<u>626,390.08</u>
COST OF REALISATIONS		
Corporation Tax	195.03	283.63
IT Costs	19.00	109.25
Joint Administrators' Fees	NIL	36,150.30
Legal Expenses	NIL	3.20
Legal Fees	NIL	16,484.50
Liquidator's Expenses	NIL	546.52
Liquidator's Fees	NIL	2,768.50
Statutory Advertising	NIL	75.00
Storage Costs	NIL	11.04
	<u>(214.03)</u>	<u>(56,431.94)</u>
	<u>934.01</u>	<u>569,958.14</u>
REPRESENTED BY		
RBS Clients Deposit (Interest Bearing)		569,939.14
VAT Receivable		19.00
		<u>569,958.14</u>

Notes and further information required by SIP 7

- The liquidators' remuneration has been approved.
- We have sought approval to draw any other costs that would require the same approval as our remuneration.
- No payments have been made to us from outside the estate.
- Details of payments made to sub-contractors are shown in the body of our report.
- Information concerning the liquidators' remuneration and disbursements incurred is provided in the body of our report.
- Information concerning the ability to challenge the liquidators' remuneration and expenses of the liquidation is provided in our report.
- All bank accounts are interest bearing.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is an expense of the liquidation and shown as irrecoverable VAT.

Notes and further information required by SIP

No significant expenses have been paid in this reporting period.

II Time analysis for the period

From 9 December 2019 to 8 December 2020

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	0.00	0.00	0.35	9.55	0.00	9.90	2,434.00	245.86
Cashiering general, including bonding	0.10	0.00	0.00	0.82	0.00	0.92	298.46	325.62
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary	0.45	0.00	0.25	3.50	0.00	4.20	1,215.25	289.35
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.10	0.00	0.00	2.15	0.00	2.25	597.75	265.67
Director/manager review, approval and signing	0.45	0.00	0.50	0.00	0.00	0.95	433.00	455.79
Investigations								
Investigation of legal claims	0.35	0.00	0.00	0.60	0.00	0.95	318.50	335.26
Creditors								
Unsecured creditors	0.00	0.00	0.00	0.70	0.00	0.70	168.00	240.00
Total	1.45	0.00	1.10	17.32	0.00	19.87	£5,464.96	£275.08

Explanation of major work activities undertaken

A description of work undertaken in the liquidation is as follows:

Administration and planning

This section of the analysis encompasses the cost of the liquidators and their staff in complying with their statutory obligations, internal compliance requirements, and all tax matters. This work includes the following:

- Dealing with routine correspondence
- Maintaining physical case files and electronic case details on IPS (electronic case management software)
- General case planning and administration
- Ensuring statutory lodgement and tax lodgement obligations are met
- Preparing the 6 monthly compliance reviews
- Maintaining and managing the liquidators' cash book and bank accounts
- Cashiering duties such as bank reconciliations and paying invoices
- Drafting the annual report to members and creditors

Investigations

- Gathering information with regard to the Service Companies and the monies paid to them by the Company

Creditors

Work under this section includes correspondence and other contact with the creditors of the Company. The work includes the following:

- Attending to creditor enquiries by phone calls, emails and letters

III Cumulative time analysis

From 9 December 2014 to 8 December 2020

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	0.70	2.40	12.60	58.15	0.00	73.85	17,798.25	241.01
Initial post-appointment notification letters, including creditors	0.00	0.00	0.00	4.50	0.00	4.50	810.00	180.00
Cashiering general, including bonding	0.10	0.00	0.00	7.57	0.00	7.67	1,766.21	230.38
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary	3.00	3.25	6.25	17.90	0.00	30.40	8,437.50	277.55
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.20	0.00	2.10	13.00	0.00	15.30	3,449.00	225.42
Filing, file and information management	0.00	0.00	0.00	10.00	0.25	10.25	1,600.00	156.10
Pre-appointment non creditor tax	0.00	0.00	0.25	0.00	0.00	0.25	77.50	310.00
Agents and advisers, general	0.00	0.00	1.00	0.00	0.00	1.00	347.50	347.50
Filing - Administration and planning	0.00	0.00	0.00	1.00	0.00	1.00	160.00	160.00
Director/manager review, approval and signing	1.25	0.00	3.50	0.05	0.00	4.80	1,844.75	384.32
Other	0.00	0.00	0.50	1.35	0.00	1.85	416.00	224.86
Investigations								
Investigation of legal claims	1.75	1.75	2.35	0.60	0.00	6.45	2,329.00	361.09
SIP2 and SIP4 obligations (inc CDDA86 forms)	0.00	0.00	0.50	1.00	0.00	1.50	315.00	210.00
Enquiries of advisers	0.00	0.00	2.50	0.00	0.00	2.50	775.00	310.00
Other	0.10	0.00	0.25	0.00	0.00	0.35	127.50	364.29
Realisation of assets								
Solicitors' claims	0.00	0.00	0.00	0.50	0.00	0.50	115.00	230.00
Debtors not financed (includes reassigned debtors)	42.15	0.20	0.00	0.00	0.00	42.35	20,404.69	481.81
Liaising with agents (general)	0.00	0.00	0.00	0.85	0.00	0.85	136.00	160.00
VAT reclaim	13.35	5.65	9.35	15.20	0.00	43.55	12,349.75	283.58
Creditors								
Crown (not RPO etc)	0.00	0.00	0.00	0.25	0.00	0.25	40.00	160.00
Unsecured creditors	0.85	3.25	4.45	20.75	2.50	31.80	7,494.25	235.67
Creditors' committee	0.70	3.20	11.10	6.30	0.00	21.30	6,136.50	288.10
Other	0.00	0.00	0.50	0.00	0.00	0.50	155.00	310.00
Case-Specific 3, AML/Compliance								
AML - if done post appointment	0.00	0.00	0.00	0.20	0.00	0.20	40.00	200.00
Corporate Tax								
Corporate tax	2.00	0.00	1.15	5.85	0.00	9.00	1,735.00	192.78
Total	66.15	19.70	58.35	165.02	2.75	311.97	£88,859.40	£284.84

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

Introduction

Detailed below are:

- Smith & Williamson LLP's policy in relation to:
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Disbursement recovery
- Smith & Williamson LLP's current charge out rates

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director as joint office holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add value to the assignment.

Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also, chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only 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 and creditors' committee 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 2020.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates	London office £/hr		Regional offices £/hr	
	From	From	From	From
	1/7/14	1/7/15	1/7/14	1/7/15
Partner	480	480	350	350
Associate Director	370	370	295-325	295-325
Managers	235-310	235-310	190-285	190-290
Other professional staff	150-235	150-235	110-170	120-175
Support & secretarial staff	85	85	28-75	60-135

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates	London office £/hr		Regional offices £/hr	
	From	From	From	From
	1/7/16	1/7/17	1/7/16	1/7/17
Partner / Director (from 1 January 2016)	435-485	435-500	350-375	350-375
Associate Director	370-380	390-410	295-305	295-315
Managers	235-315	250-350	190-290	190-310
Other professional staff	150-235	160-305	120-175	120-180
Support & secretarial staff	85-90	80-170	60-135	60-135

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2018	London office £/hr		Regional offices £/hr	

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

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

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2020	London office £/hr	Regional offices £/hr
Partner / Director	495-570	396-456
Associate Director	465	372
Managers	285-400	228-320
Other professional staff	190-465	152-204
Support & secretarial staff	105	84

Notes

1. Up to 31 July 2020 time is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1-minute units or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised, and London rates apply. The cashiering

function time is incorporated within 'Other professional staff' rates.

Smith & Williamson LLP	London office
Corporate Tax	£/hr
Charge out rates as at 1 July 2020	
Partner / Director	625-740
Associate Director	500
Managers	270-430
Other professional staff	95-230
Support & secretarial staff	65

Smith & Williamson LLP	London office
Corporate Tax	£/hr
Charge out rates as at 1 July 2019	
Partner / Director	575-690
Associate Director	460
Managers	245-400
Other professional staff	115-210
Support & secretarial staff	60

www.smithandwilliamson.com

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

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