

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 09334491

Company name in full Smart Contractors Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Craig James

Surname Povey

3 Liquidator's address

Building name/number 8th Floor

Street One Temple Row

Post town Birmingham

County/Region

Postcode B25LG

Country

4 Liquidator's name ①

Full forename(s) Richard

Surname Toone

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 31st Floor

Street 40 Bank Street

Post town London

County/Region

Postcode E145NR

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

From date	^d 1	^d 4	^m 0	^m 9	^y 2	^y 0	^y 2	^y 0
To date	^d 1	^d 3	^m 0	^m 9	^y 2	^y 0	^y 2	^y 1

7 Progress report

☐ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 1	^d 1	^m 1	^m 1	^y 2	^y 0	^y 2	^y 1
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

**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 **Jake Beake**

Company name **Begbies Traynor (London) LLP**

Address **31st Floor**

40 Bank Street

Post town **London**

County/Region

Postcode **E 1 4 5 N R**

Country

DX

Telephone **020 7516 1500**

**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

Smart Contractors Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 14/09/2020 To 13/09/2021 £	From 14/09/2017 To 13/09/2021 £
	ASSET REALISATIONS		
	Bank Interest Gross	6.10	1,322.20
156.25	Cash at Bank	NIL	291.07
Uncertain	Furniture & Equipment	NIL	NIL
Uncertain	Intangible Assets	NIL	NIL
NIL	Intercompany Debtor	NIL	NIL
	Other Funds	NIL	242,241.77
	Third Party Contribution	NIL	4,454.18
Uncertain	VAT Refund	NIL	NIL
		6.10	248,309.22
	COST OF REALISATIONS		
	Corporation Tax	NIL	150.86
	Counsel's Fees	650.00	650.00
	Electronic Filing Fee	NIL	12.00
	Legal Fees (1)	6,827.00	12,222.51
	Meeting Room	NIL	43.33
	Office Holders Fees	35,500.10	35,500.10
	Preparation of S. of A.	NIL	3,500.00
	Specific Bond	NIL	20.00
	Statutory Advertising	NIL	153.00
	Tracing Agents	NIL	1,500.00
		(42,977.10)	(53,751.80)
	UNSECURED CREDITORS		
(35,970.85)	Directors	NIL	NIL
	HM Revenue & Customs	178,954.48	178,954.48
(264,426.03)	Trade & Expense Creditors	NIL	NIL
		(178,954.48)	(178,954.48)
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(300,340.63)		(221,925.48)	15,602.94
	REPRESENTED BY		
	Interest Bearing Bank Account		100.00
	Interest Bearing Current Account		2,002.12
	Vat Control Account		13,500.82
			15,602.94

Smart Contractors Limited (In Creditors' Voluntary Liquidation)

Progress report

Period: 14 September 2020 to 13 September 2021
("the Review Period")

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

Contents

- ❑ Interpretation
- ❑ Company information
- ❑ Details of appointment of liquidators
- ❑ Progress during the period
- ❑ Estimated outcome for creditors
- ❑ Remuneration and expenses
- ❑ Liquidators' expenses
- ❑ Assets that remain to be realised and work that remains to be done
- ❑ Other relevant information
- ❑ Creditors' rights
- ❑ Conclusion
- ❑ Appendices
 - 1. Liquidators' account of receipts and payments
 - 2. Liquidators' time costs and expenses
 - 3. Statement of Liquidators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Smart Contractors Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 14 September 2017.
"the liquidators", "we", "our" and "us"	Craig Povey of Begbies Traynor (London) LLP, 31st Floor, 40 Bank Street, London, E14 5NR and Richard Toone of Begbies Traynor (London), 31st Floor, 40 Bank Street, London, E14 5NR
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s):	Smart Contractors Limited
Company registered number:	09334491
Company registered office:	31st Floor, 40 Bank Street, London, E14 5NR
Former trading address:	84-88 Macdonald Street, Birmingham, B5 6TN

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	14 September 2017
Date of liquidators' appointment:	14 September 2017

Changes in liquidator (if any):

None

4. PROGRESS DURING THE PERIOD

This is our fourth progress report and should be read in conjunction with our previous progress reports.

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 14 September 2021 to 13 September 2021.

Receipts

4.1 Bank Interest

Bank interest in the sum of £6.10 was received during the Review Period.

Payments

4.2 Counsels Fees

The sum of £650.00 has been paid in respect of Counsel's fees during the Review Period. A total of £2,575 has been incurred in this regard during the entire period of liquidation of which £1,925.00 remains to be paid and will be settled once we are in receipt of VAT repayment from HM Revenue and Customs ("HMRC").

4.3 Legal Fees

Legal fees of £6,827.00 have been paid to Lewis Onion Solicitors ("LO") during the Review Period in respect of their fees. During the liquidation period, a total of £12,222.51 has been incurred and paid in respect of legal fees, of which the sum of £5,395.51 was paid during the previous Review Period to Charles Russell Speechlys ("CRS"). Please refer to section 7 for further details on the work undertaken in this regard.

Please refer to section 5 for details on distributions made to creditors.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of this report only. Our previous reports contains details of the work undertaken since our appointment.

General case administration and planning

The Joint Liquidators are required to meet a considerable number of statutory and regulatory obligations. Many of these tasks may assist in the efficient and compliant progression of the administration of the case, but also have a direct benefit of enhancing realisations for the insolvent estate. All of this helps ensure that the work is carried out to a high professional standard.

The following material work was carried out in this category:

- Discussions between the case administrator, director and the lead partner in respect of ongoing case strategy, with particular regard to the ongoing terms of the settlement agreement with the directors;
- Maintaining case files which must include the records to show and explain the Liquidation, its strategy and any decisions made by the Liquidator that materially affect the Liquidation; and
- Conducting periodic case reviews to ensure that the Liquidation is progressing efficiently, effectively and in line with the statutory requirements.

It is necessary to do the above work as I am required to maintain records to demonstrate how the Liquidation is administered and to document the reasons for decisions made in the Review Period. We do not anticipate this work has provided a direct financial benefit to creditors.

Compliance with the Insolvency Act, Rules and best practice

The following material work was carried out in this category:

- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments;
- Maintaining an adequate statutory bond and completing periodic bordereau reviews;
- Periodic reviews of ethical, anti-money laundering and anti-bribery safeguards;
- Filing relevant documents with the Registrar of Companies; and
- Preparing and issuing my previous annual progress report to creditors.

It is necessary to do the above work to comply with the Insolvency Act, Rules and best practice guidelines. We do not anticipate this work has provided a direct financial benefit to creditors.

Investigations

As reported previously, the director's statement of affairs ("**SOA**") showed that cash at bank totalled £156, however, the joint liquidators discovered a further Company-operated bank account with a cash balance totalling £57,583. The amount of £242,242.00 was also credited to the account after the Company was placed into liquidation. During the previous reporting periods, advice was sought from Lewis Onions Solicitors, CRS and Mr Peter Shaw QC of 9 Stone Buildings ("**Counsel**") to determine the source and nature of these funds and how the joint liquidators should treat them.

Furthermore, HMRC, who were not shown to be owed anything according to the SOA submitted a claim of £9,820,042.62 in the liquidation and hence required further investigations. As part of these investigations, adverts were placed in the Gazette and The Times newspaper inviting parties who may have a legitimate claim to come forward. As these investigations have now concluded, I am able to confirm that no 3rd party responses were received, and these funds were transferred into the liquidation estate.

It is worth noting that the joint liquidators did receive one response from the Director of the Company Ms Abid who asserted a claim to an element of the Funds held, however Counsel's advice deemed the evidence provided by Ms Abid to be insufficient and subsequently Ms Abid's claim was rejected.

Dealing with all creditors' claims (including employees), correspondence and distributions

- Preparation of decision notices and voting forms
- Collate and examine proofs and votes to establish decisions
- Admission and adjudication on claims
- Distribution of preferential and unsecured dividends and preparation of notifications to creditors

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedures, tax, litigation, pensions and travel

- Seeking approval of the joint liquidators' further fees through the previous report
- Preparation/submission of Corporation Tax Returns
- Ensuring all VAT matters are dealt with appropriately

The above work is of a statutory nature which must be adhered to, however, such work has not provided any financial benefit to the Company's creditors.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the director's statement of affairs in our initial report.

5.1 Secured creditors

The Company has not granted any charges over its assets.

5.2 Preferential creditors

There are no preferential creditors.

5.3 Unsecured creditors

As stated in previous reports, HMRC were not originally included as a creditor in the Company's Statement of Affairs, however, a claim of £9,820,043 has been received during the course of the liquidation. This claim has been adjudicated and the full amount was admitted to the estate during the Review Period.

The unsecured creditors as per the Statement of Affairs totalled £300,397.00. Claims totalling £10,119,914.87 have been received during the liquidation, although only HMRC's claim has been accepted.

The total sum of £178,954.48 was paid to HMRC by way of an unsecured dividend distribution of 1.82 pence in the £.

Dividend	Date of Dividend	Amount (pence in £)
First	25 January 2021	1.82

Notice that no further dividend will be declared

We confirm that no further dividend will be declared in respect of unsecured claims as the balance of funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation.

5.4 Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

6. REMUNERATION & EXPENSES

6.1 Remuneration

The creditors authorised the fee of £3,500 plus VAT and disbursements for assisting the director in placing the company into liquidation and with preparing the Statement of Affairs on 25 October 2017.

The fee for assisting with the Statement of affairs and placing the company into liquidation was paid from the first set of realisations on appointment and is disclosed on the receipts and payments account.

Our remuneration has been fixed by a decision of the creditors obtained via a Decision Procedure by way of correspondence by reference to the time properly given by us (as Joint Liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of CVR Global LLP, now Begbies Traynor (London) LLP in attending to matters arising in the winding up based around the following resolutions, approved by creditors on 25 October 2017:

- That a liquidation committee be established if sufficient nominations are received
- That the fees in connection with preparing the statement of affairs and convening the meetings of members, and seeking decisions from creditors be approved and that a fee of £3,500, plus VAT and disbursements, be drawn from the assets of the company

- That the Joint Liquidators' remuneration be fixed on a time costs basis in accordance with the time properly given by them and their staff in attending to matters arising during the Liquidation, estimated to be £12,634. Such remuneration may be drawn from time to time from funds available.
- That the Joint Liquidators' be authorised to draw Category 2 disbursements.

Following the joint liquidators' further fee request, further remuneration was approved by creditors on 30 November 2020:

- That a liquidation committee not be established.
- That the joint Liquidators' remuneration be fixed on a time costs basis in accordance with the time properly given by them and their staff in attending to matters arising during the Liquidation, estimated to be £55,000 but capped at £49,000. Such remuneration may be drawn from time to time from funds available.

The following further information in relation to our time costs and expenses is set out at Appendix 2:

- ☐ Time Costs Analysis for the Review Period and cumulative
- ☐ CVR Global LLP's charging policy
- ☐ Begbies Traynor (London) LLP's charging policy

To date, we have drawn the total sum of £35,500.10 on account of our remuneration, against total time costs of £63,525.50 incurred since the date of our appointment.

Our time costs for the period from 14 September 2021 to 13 September 2021 amount to £16,989.50 which represents 56.5 hours at an average rate of £300.70 per hour.

6.2 Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case and gives the total costs and average hourly rate charged for each work type. An additional analysis is also attached which details the time costs for the entire period for which we have administered the liquidation.

Please note that analysis provides details of the work undertaken by us and our staff following our appointment only.

6.3 Disbursements

To date, we have also drawn Category 1 expenses in the amount of £1,728.33. During the Review Period, a total of £26.88 was incurred in respect of printing and postage fees and the sum of £3.00 was incurred in respect of Storage costs. Please refer to Appendix 3 for further details.

Category 2 Disbursements

No Category 2 disbursements were incurred during the Review Period.

Information about this insolvency process may be found on the R3 website at: www.creditorinsolvencyguide.co.uk. A copy of 'A Creditors' Guide to Fees' can be found at www.r3.org.uk/index.cfm?page=1591. A hard copy of both guides may be obtained on request.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. A cumulative statement showing the total expenses incurred since the date of our appointment also appears at Appendix 3.

7.1 Solicitors

As previously reported and mentioned above in section 4, advice was sought from CRS and Lewis Onions Solicitors to advise on the undisclosed bank account operated by the Company and the funds received into that account post-appointment.

7.2 Counsel's Fees

As report previously, advice was sought from Counsel in relation to recovered funds. Since appointment, total time costs of £2,575 were incurred in respect of Counsel's fees, of which £650 plus VAT has been paid.

8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

As detailed in the director's statement of affairs, the Company held no assets.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

No further work remains to be completed and the Liquidators intend on closing the Liquidation shortly.

8.1 Expenses

Details of expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to creditors which included all of the expenses that we anticipate that we will incur throughout the liquidation, provided in Appendix 3.

9. OTHER RELEVANT INFORMATION

9.1 Investigations and reporting on director's conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. We can confirm that we have discharged our duties in these respects.

9.2 Use of personal information

Please note that in the course of discharging our statutory duties as liquidators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

10. CREDITORS' RIGHTS

10.1 Right to request further information

Pursuant to Rule 18.9 of the Rules, 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, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

10.2 Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

We will report again in approximately twelve months' time or at the conclusion of the liquidation, whichever is the sooner.

The following outstanding matters are preventing the case from being closed:

- Finalising the administrative matters to bring the case to closure

Should you require further explanation of any matters contained within this report, you should contact our office and speak to the case administrator, Ashly Sunny in the first instance, who will be pleased to assist.



C J POVEY
Joint Liquidator

Dated: 11 November 2021

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 14 September 2021 to 13 September 2021

Smart Contractors Limited(In Liquidation)
Joint Liquidators' Summary of Receipts and Payments

RECEIPTS	From 14/09/2017 To 13/09/2020 (£)	From 14/09/2020 To 13/09/2021 (£)	Total (£)
Cash at Bank	291.07	0.00	291.07
Bank Interest Gross	1,316.10	6.10	1,322.20
Third Party Contribution	4,454.18	0.00	4,454.18
Other Funds	242,241.77	0.00	242,241.77
	248,303.12	6.10	248,309.22
PAYMENTS			
Specific Bond	20.00	0.00	20.00
Preparation of S. of A.	3,500.00	0.00	3,500.00
Office Holders Fees	0.00	35,500.10	35,500.10
Counsel's Fees	0.00	650.00	650.00
Electronic Filing Fee	12.00	0.00	12.00
Legal Fees (1)	5,395.51	6,827.00	12,222.51
Corporation Tax	150.86	0.00	150.86
Meeting Room	43.33	0.00	43.33
Statutory Advertising	153.00	0.00	153.00
Tracing Agents	1,500.00	0.00	1,500.00
HM Revenue & Customs	0.00	178,954.48	178,954.48
	10,774.70	221,931.58	232,706.28
BALANCE	237,528.42	-221,925.48	15,602.94

COSTS AND EXPENSES

- a. CVR Global LLP's charging policy;
- b. Begbies Traynor (London) LLP's charging policy;
- c. Time Costs Analysis for the period from 14 September 2020 to 13 September 2021
- d. Cumulative Time Costs Analysis for the period from 14 September 2017 to 13 September 2021

CVR Charge-out Rates for the firm

Time charging policy

Charge-out rates are normally reviewed annually when rates are adjusted to reflect such matters as inflation; increases in direct wage costs; and changes to indirect costs such as Professional Indemnity Insurance. It is the firm's policy for the cashier's time spent on an assignment to be charged to the case. However, secretarial and office admin support time is charged only in respect of identifiable blocks of time devoted to the case where we consider it to be viable to do so. All time is recorded in 6-minute units.

Staff	Charge out rates £
Insolvency Practitioner/Partners	390-495
Consultants	390-495
Directors	360-390
Associate Directors	330-360
Managers	300-330
Assistant Manager	290-310
Senior Executive	240-275
Executive	155-190
Cashier	135-185
Secretarial/Admin/Analyst	90-125

Direct expenses ("Category 1 Disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case, will be charged to the estate at cost, with no uplift. These include but are not limited to such items as advertising our appointment, meetings and requesting claims from creditors, storage in relation to the books and records of the company or individuals and the assignment records, online reporting facilities in relation to the uploading of documents and reports for creditors, bonding and other insurance premiums to protect the estate and its assets, and properly reimbursed expenses incurred by personnel in connection with the case.

Indirect expenses ("Category 2 Disbursements")

It is our normal practice to also charge the following indirect disbursements ("Category 2 Disbursements as defined by SIP 9) to the case, where appropriate:

Circulars to creditors:

Plain/headed paper including photocopying	12p per side
Envelopes	12p each
Postage	Actual cost

Room Hire

For the convenience of creditors and to save the cost of booking an outside hotel room, meetings of creditors are occasionally held internally at our offices. Where meetings of creditors are held in one of our internal meeting rooms, a charge of £100 plus VAT may be levied to cover the cost of booking the room.

Travel

Mileage incurred as a result of any necessary travelling is charged to the estate at the H M Revenue & Customs approved rate, currently 45p per mile.

All of the above costs are subject to amendment by the firm at any time and if amended will be notified to creditors with the next circular sent to all creditors.

Company Searches & Electronic Verification of Identity

Included in expense and/or disbursements, Company Searches and electronic Verification of Identity include an element of shared costs. Such expenses are of an incidental nature but are generally incurred on each case. In line with the cost of the external provision of such services, a charge of £15 plus VAT is levied to cover the cost of these searches.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration. Within our fee estimate creditors can see how we propose to be remunerated. In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He will delegate tasks to members of staff. Such delegation assists the office holder as it allows him to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ☐ *Category 1 disbursements (approval not required)* – specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ☐ *Category 2 disbursements (approval required)* – items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- ☐ Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £150 per meeting;
- ☐ Car mileage is charged at the rate of 45 pence per mile;
- ☐ Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates
- ☐ Circulars to creditors:
 - Plain/headed paper including photocopying 12p per side
 - Envelopes 12p each
 - Postage actual cost
- ☐ Included in expense and/or disbursements, Company Searches and electronic Verification of Identity include an element of shared costs. Such expenses are of an incidental nature but are generally incurred on each case. In line with the cost of the external provision of such services, a charge of £15 plus VAT is levied to cover the cost of these searches.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally but vary to suit local market conditions. The rates applying for work undertaken by staff based in our London office (being the location from which the appointment will primarily be administered), as at the date of this report are as follows:

Grade of staff	Charge-out rates	Complex charge out rates
Consultant/Partner	645	710
Director	515	565
Senior Manager / Associate Director	440	485
Manager	410	455
Assistant Manager	315	315
Senior Administrator / Senior Executive	290	290
Administrator / Executive	220	245
Trainee Administrator / Analyst	160	180
Support	160	180

In addition, where it is considered to be appropriate to do so, work may also be undertaken by members of staff based in our regional offices. The rates applying for such members of staff, as at the date of this report, are as follows:

Grade of staff	Charge-out rate (£ per hour)
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead. Time is recorded in 6-minute units.

SIP9 SMART CONTRACTORS LTD - Creditors Voluntary Liquidation - LSMAR65389.CVL : Time Costs Analysis From 14/09/2020 To 13/09/2021

Staff Grade	Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	9.2	0.2	3.5			4.1		0.2	17.2	6,068.00	352.79
	Administration	0.9				0.1	0.1	1.2		2.3	642.00	279.13
	Total for General Case Administration and Planning:	10.1	0.2	3.5		0.1	4.2	1.2	0.2	19.5	6,710.00	344.10
	Appointment						0.2			0.2	38.00	190.00
Compliance with the Insolvency Act, Rules and best practice	Banking and Bonding			0.3			4.2	1.1	3.1	8.7	1,435.00	164.94
	Case Closure	0.1					0.2			0.3	77.00	256.67
	Statutory reporting and statement of affairs	1.2		4.3			6.8			12.3	3,367.00	273.74
	Total for Compliance with the Insolvency Act, Rules and best practice:	1.3		4.6			11.4	1.1	3.1	21.5	4,917.00	228.70
Investigations	CDDA and investigations	1.0		0.3						1.3	582.00	447.69
Realisation of assets	Total for Investigations:	1.0		0.3						1.3	582.00	447.69
	Debt collection											0.00
	Property, business and asset sales	0.1								0.1	39.00	390.00
	Retention of Tiller/Third party assets											0.00
Trading	Total for Realisation of assets:	0.1								0.1	39.00	390.00
	Trading											0.00
	Total for Trading:											0.00
	Secured											0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Others	3.0		6.5			2.3	0.1		11.9	4,222.00	354.79
	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	3.0		6.5			2.3	0.1		11.9	4,222.00	354.79
	Seeking decisions of creditors											0.00
Other matters which includes meetings, tax, litigation, pensions and travel	Meetings			0.1						0.1	36.00	360.00
	Other											0.00
	Tax		0.1	0.1			1.0	0.3		1.5	270.50	180.33
	Litigation			0.6						0.6	213.00	355.00
	Total for Other matters:		0.1	0.8			1.0	0.3		2.2	519.50	236.14
	Total hours by staff grade:	15.5	0.3	15.7		0.1	18.9	2.7	3.3	56.5		
	Total time cost by staff grade £:	7,095.00	108.00	#####		27.50	3,298.50	299.00	578.50		16,989.50	
	Average hourly rate £:	457.74	360.00	355.61	0.00	275.00	174.52	110.74	175.30			300.70
	Total fees drawn to date £:										0.00	

SIP9 SMART CONTRACTORS LTD - Creditors Voluntary Liquidation - LSMAR65389.CVL : Time
Costs Analysis From 14/09/2017 To 13/09/2021

Staff Grade	Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	18.9	2.7	0.2	4.5	0.1	5.0	23.5	0.7	4.7	60.3	16,181.50
	Administration	0.9					0.1	0.1	1.2		2.3	642.00
	Total for General Case Administration and Planning:	19.8	2.7	0.2	4.5	0.1	5.1	23.6	1.9	4.7	62.6	16,823.50
Compliance with the Insolvency Act, Rules and best practice	Appointment	0.1	0.4	0.2				2.3			3.0	646.50
	Banking and Bonding		0.2		0.5			5.1	1.4	13.5	20.7	3,484.50
	Case Closure	0.1						0.2			0.3	77.00
Investigations	Statutory reporting and statement of affairs	1.2	1.8		5.8		10.1	13.8			32.7	8,007.00
	Total for Compliance with the Insolvency Act, Rules and best practice:	1.4	2.4	0.2	6.3		10.1	21.4	1.4	13.5	56.7	12,215.00
												215.43
Realisation of assets	GDAA and investigations	10.5	23.9		6.9		9.8	23.7			74.8	21,285.00
	Total for Investigations:	10.5	23.9		6.9		9.8	23.7			74.8	21,285.00
												284.56
Trading	Debt collection											0.00
	Property, business and asset sales	1.5	0.4		5.1		3.9	1.4			12.3	3,704.00
	Retention of Title/Third party assets		2.2				0.5				2.7	868.00
Dealing with all creditors claims (including employees), correspondence and distributions	Total for Realisation of assets:	1.5	2.6		5.1		4.4	1.4			15.0	4,572.00
	Trading											0.00
	Total for Trading:											0.00
Other matters which includes meetings, tax, litigation, pensions and travel	Secured									0.2	0.2	24.00
	Others	3.1	0.8		6.8		1.1	2.9	0.1		14.8	4,996.00
	Creditors committee											0.00
Other matters which includes meetings, tax, litigation, pensions and travel	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	3.1	0.8		6.8		1.1	2.9	0.1	0.2	15.0	5,020.00
	Seeking decisions of creditors											
	Meetings	1.2	0.1		0.1			0.1			1.5	675.00
Total hours by staff grade:	Other							0.2			0.2	31.00
	Tax		0.1	0.1	0.1		0.3	1.5	0.3		2.4	419.50
	Litigation	3.4			1.5		0.2	1.9			7.0	2,484.50
Total time cost by staff grade £:	Total for Other matters:	4.6	0.2	0.1	1.7		0.5	3.7	0.3		11.1	3,610.00
	Total hours by staff grade:	40.9	32.6	0.5	31.3	0.1	31.0	76.7	3.7	18.4	235.2	
Average hourly rate £:	Total time cost by staff grade £:	19,038.00	11,162.00	174.00	10,731.00	27.50	7,483.50	11,606.50	389.00	2,914.00		63,525.50
	Average hourly rate £:	465.48	342.39	348.00	342.84	275.00	241.40	151.32	105.14	158.37		270.09
Total fees drawn to date £:												
	Total fees drawn to date £:										0.00	

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Stationary & Postage	DocuLand Reprographics & Scanning Bureau	3.00	-	3.00
Storage	Total Data Management	26.88	-	26.88
Counsel's fees	Peter Shaw QC	650.00	650.00	-
Total		679.88	650.00	29.88

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Category 1 Expenses				
Counsel's Fees	Peter Shaw QC	2,575.00	650.00	1,925.00
Tracing Agents Fees	Carnoustie Consultants Limited	1,500.00	1,500.00	-
Legal Fees	CRS	5,395.51	5,395.51	-
Legal Fees	Lewis Onions Solicitors	6,827.00	6,827.00	-
Stationary & Postage	DocuLand Reprographics & Scanning Bureau	3.00	-	3.00
Storage Fees	Total Data Management	26.88	-	26.88
Statutory Advertising	Courts Advertising	511.25	153.00	358.25
Bonding	JLT Specialty	20.00	20.00	-
Electronic Filing Fee	Insolvency Point	12.00	12.00	-
Total		16,870.64	14,557.51	2,313.13
Expenses incurred with entities within the Begbies Traynor Group <i>(for further details see Begbies Traynor Charging Policy)</i>				
Category 2 Expenses				