

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 9 7 3 4 8 7 8

Company name in full Depta Ltd

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Hasib

Surname Howlader

### 3 Liquidator's address

Building name/number Third Floor

Street 112 Clerkenwell Road

Post town London

County/Region

Postcode E C 1 M 5 S A

Country

### 4 Liquidator's name ①

Full forename(s)

Surname

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

#### ② Other liquidator

Use this section to tell us about  
another liquidator.

# LIQ03

## Notice of progress report in voluntary winding up

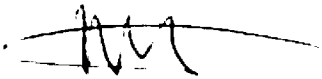
### 6 Period of progress report

From date	<sup>d</sup> 1	<sup>d</sup> 6	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
To date	<sup>d</sup> 1	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1

### 7 Progress report

<input checked="" type="checkbox"/> The progress report is attached
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### 8 Sign and date

Liquidator's signature	Signature X  X
Signature date	<sup>d</sup> 1 <sup>d</sup> 1 <sup>m</sup> 1 <sup>m</sup> 1 <sup>y</sup> 2 <sup>y</sup> 0 <sup>y</sup> 2 <sup>y</sup> 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 **Aron Williams**

Company name **Hudson Weir Limited**

Address **Third Floor**

**112 Clerkenwell Road**

Post town **London**

County/Region

Postcode **E C 1 M 5 S A**

Country

DX

Telephone **0207 099 6086**

**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

**Depta Ltd**  
**(In Liquidation)**  
**Liquidator's Summary of Receipts & Payments**

Statement of Affairs £		From 16/09/2020 To 15/09/2021 £	From 16/09/2019 To 15/09/2021 £
	ASSET REALISATIONS		
2,500.00	Business Intellectual Property	NIL	NIL
Uncertain	Director's Loan Account	NIL	NIL
5,000.00	Work-in-progress	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(60,074.16)	Crown Creditors	NIL	NIL
(560.00)	Subcontractor Creditors	NIL	NIL
(15,175.72)	Trade Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(68,409.88)</b>		<b>NIL</b>	<b>NIL</b>
	REPRESENTED BY		
			<b>NIL</b>

**DEPTA LTD – IN CREDITORS’ VOLUNTARY LIQUIDATION (“THE COMPANY”)**

**LIQUIDATOR’S PROGRESS REPORT TO CREDITORS AND MEMBERS**

**FOR THE YEAR ENDING 15 SEPTEMBER 2021 (“THE REPORTING PERIOD”)**

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## EXECUTIVE SUMMARY

A summary of key information in this report is provided below:

### Assets

Asset	Estimated to realise per Statement of Affairs (£)	Realisations to date (£)	Anticipated future realisations (£)	Total anticipated realisations (£)
Antecedent Transactions	Nil	Nil	Uncertain	Uncertain
Total	Nil	Nil	Uncertain	Uncertain

### Expenses

Expense	Amount per fees and expenses estimates (£)	Expense paid to date (£)	Anticipated further expense to closure (£)	Total anticipated expense (£)
Liquidator's Remuneration	32,056	Nil	Uncertain	Uncertain
Insolvency Bond*	45	45	Nil	45
Statutory Advertising*	147	147	Nil	147
Storage and collection of records	300	Nil	Nil	Nil
Land Registry Searches	Nil	Nil	9	9
Postage	Nil	Nil	2	2
Software Usage Fees	Nil	Nil	52	52
Total	32,548	192	63	255

\*Please note that these expenses were included within the pre-appointment fee paid and drawn in full, prior to the commencement of the Liquidation, such that they are not included within the Receipts and Payments account.

### Dividend prospects

Creditor class	Dividend paid to date (£)	Anticipated dividend, based upon the above (£)
Secured creditor	-	-
Preferential creditors	-	-
Unsecured creditors	-	Uncertain
Total	-	Uncertain

### Summary of key issues outstanding

- Ongoing enquiries being made of the Director and shareholder in relation to potential antecedent transactions and illegal dividends.

### Closure

The outstanding task, as detailed above, is required to bring the Liquidator's investigations into the affairs of the Company and conduct of the Director to a conclusion. It is estimated that this will take a further six months to complete.

## STATUTORY INFORMATION

Company name:	Depta Ltd
Registered office:	Third Floor 112 Clerkenwell Road London EC1M 5SA
Former registered office:	88 South Norwood Hill London SE25 6AQ
Registered number:	09734878
Former Liquidator's name:	Manjit Shokar ("the Former Liquidator")
Former Liquidator's address:	Third Floor, 112 Clerkenwell Road, London, EC1M 5SA
Former Liquidator's date of appointment:	16 September 2019
Liquidator's name:	Hasib Howlader ("the Liquidator")
Liquidator's address:	Third Floor, 112 Clerkenwell Road, London, EC1M 5SA
Liquidator's date of appointment:	28 October 2019
Change of Liquidators:	Hasib Howlader replaced Manjit Shokar as Liquidator of the Company, following an order of the court made on 28 October 2019

## LIQUIDATOR'S ACTIONS SINCE THE LAST ANNUAL PROGRESS REPORT

During the Reporting Period, the Liquidator has been in discussions with the Director seeking further information in respect of certain transactions which were brought to the Liquidator's attention whilst undertaking a review of the Company bank statements.

The transactions in question appear to be solely connected party transactions, between the Company, the Director and both shareholders. The Liquidator is currently awaiting comment from the Director before considering what steps may be appropriate in respect of potential recovery actions available.

In addition to the above, time has been spent seeking updates from ITC Valuers Limited ("ITC") in relation to the completion of the sale of the Company's business and assets and the receipt of the full deferred consideration. The sale of originally completed on 16 December 2019 and relate to the sale of the Company's goodwill and intellectual property, together with some work-in-progress, for the sum of £7,500, plus VAT. To date, ITC have only notified the Liquidator of the initial payment of £1,500 having been received.

There is certain work that the Liquidator is required, by the insolvency legislation, to undertake in connection with the Liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since the last Annual Progress Report is contained in Appendix 2.

## RECEIPTS AND PAYMENTS



The Liquidator's Receipts & Payments Account for the Reporting Period is attached at Appendix 1.

You will note that no receipts or payments have been made, although it is understood that ITC hold funds of £1,500 on behalf of the Liquidation in respect of the sale of the business and certain assets of the Company.

## ASSETS

### Work-In-Progress ("WIP") & Business Intellectual Property ("IPR")

As stated in the previous Progress Report, the Liquidator sold these assets to DH Soundstop Limited on 16 December 2019 for the sum of £7,500 plus VAT, of which £5,000 and £2,500 were apportioned to the WIP and IPR, respectively.

It is understood that ITC are currently holding £1,500 subject to the deduction of their associated fees and expenses.

As highlighted above, time has been spent in chasing ITC for an update in relation to the receipt of the balance of £7,500 including VAT. However, at this time it is currently uncertain if the full balance has been received.

### Antecedent Transactions

In accordance with the Liquidator's statutory duty to investigate the affairs of the Company and the conduct of the Director, the Liquidator has undertaken a review of the Company's bank statements to ascertain if there are any transactions which may be contested for the benefit of the insolvent estate.

The Liquidator has identified a number of transactions, and is currently in the process of seeking further information from the Director and shareholders as to the basis of these payments being met by the Company.

At this time, the Liquidator does not propose to disclose the specific details of these transactions to avoid prejudicing any potential future litigation.

## LIABILITIES

### Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no current charges over its assets.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case, there were no creditors secured by a floating charge such that the prescribed part provisions do not apply.

### Preferential Creditors

The Statement of Affairs ("SOA") did not include any amounts being owed to preferential creditors and no such claims have been received to date.

### Crown Creditors

The SOA included £60,074 owed to HM Revenue & Customs ("HMRC"). HMRC's final claim of £78,673 has been received and relates to unpaid PAYE/NIC, VAT and Corporation Tax

### Non-preferential unsecured Creditors

The SOA included five non-preferential unsecured creditors with an estimated total liability of £15,736. The Liquidator has received a claim from one creditor at a total of £1,446.

Claims have not been received from four creditors with original estimated claims in the SOA of £14,049.

### DIVIDEND PROSPECTS

#### Non-Preferential Unsecured Creditors

It is unlikely that a dividend will be paid to any class of creditor as there are currently insufficient asset realisations. .

### INVESTIGATIONS INTO THE AFFAIRS OF THE COMPANY

Within three months of appointment, the Liquidator is required to submit a confidential report to the Secretary of State to include any matters which came to his attention during the course of this work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. The Liquidator would confirm that this report was submitted.

As stated above, the Liquidator has identified a number of transactions that require further explanation from the parties involved, and is currently in the process of seeking the same from the Director and shareholders in order that he may determine what steps, may be taken.

The Liquidator does not propose to disclose the specific details of these transactions to avoid prejudicing any potential future litigation.

Matters requiring further investigation that may lead to potential recovery actions have been identified, and the work outlined above was undertaken to further those investigations with a view to making recoveries for the benefit of the creditors.

### PRE-APPOINTMENT REMUNERATION

The Board previously authorised the payment of a fee of £4,000 plus expenses and VAT, for the Former Liquidator's assistance with preparing the SOA, convening a written resolution process for shareholders to consider the winding-up of the Company, and arranging the deemed consent procedure for creditors to appoint a liquidator.

The fee for undertaking the above was paid by the Director personally and drawn in full prior to the commencement of the Liquidation.

### LIQUIDATOR'S REMUNERATION

The Liquidator's remuneration was approved by creditors, on 9 October 2019, on a time cost basis based on a fees estimate of £32,056. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors.

The Liquidator's total time costs to 15 September 2021 amount to £18,553, representing 68 hours of work at a average charge out rate of £272 per hour, (of which £6,409, representing 19 hours of work, was charged in the Reporting Period, at a average charge out rate of £334 per hour).

The Liquidator has drawn no remuneration to date, owing to insufficient asset realisations.

A detailed schedule of the time costs incurred 15 September 2021, compared with the original fees estimate, is attached as Appendix 4.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at [www.hudsonweir.co.uk/resources/](http://www.hudsonweir.co.uk/resources/). There are different versions of these Guidance Notes, and in this case please refer to the most recent version. Please note that we have also provided further information about an office holder's remuneration and expenses in the practice fee recovery sheet, which is enclosed at Appendix 3.

## LIQUIDATOR'S EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- Category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- Category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid Category 2 expenses require approval in the same manner as an office holder's remuneration.

The Liquidator has incurred total expenses of £63, of which £11 was incurred Reporting Period. The Liquidator has not been able to draw any expenses in this matter.

The following expenses have been incurred to 15 September 2021:

Type of expense	Amount incurred/ accrued in the Reporting Period (£)	Amount incurred/ accrued in the Liquidation (£)
Land Registry Searches	9	9
Postage	2	2
Software Usage Fees	-	52
Total	11	63

The Liquidator is required to seek approval before he can pay any expenses to associates, or pay expenses where there is an element of shared costs, which are known as Category 2 expenses. The Liquidator can confirm that no Category 2 expenses have been incurred.

Nature of expense	Estimated expenses (£)	Expenses incurred to date (£)
Insolvency Bond	45	45
Statutory Advertising	147	147
Storage and collection of records	300	-
Land Registry Searches	-	9
Postage	-	2
Software Usage Fees	-	52
Total	492	255

As you can see above, the total expenses incurred to date are in line with the total expenses estimated the Liquidator would incur when the remuneration was approved.

## FURTHER INFORMATION

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

An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Liquidator as being excessive, and/or the basis of the Liquidator's remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Hudson Weir Limited can be found at <https://www.hudsonweir.co.uk/provision-of-services-regulations/>.

## Complaints

Every endeavour will be made to try to resolve any issues that may arise. However, if any matter is not dealt with to your satisfaction, please refer to our Complaint Policy at <https://www.hudsonweir.co.uk/provision-of-services-regulations/>.

Should you have any queries please do not hesitate to contact Nicholas Andrew Stratten on 020 7681 6086.

## GDPR

Hudson Weir Limited's GDPR privacy policy can be viewed at [www.hudsonweir.co.uk/privacy-policy](http://www.hudsonweir.co.uk/privacy-policy).

## Ethics

Please also be advised that Liquidator is bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

## General ethical considerations

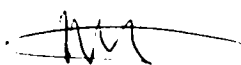
During the Reporting Period, no new threats to compliance with the Code of Ethics have been identified.

## SUMMARY

The Liquidation will remain open until the Liquidator has concluded his investigations into the transactions outlined above.

The Liquidator estimates that this will take approximately six months and once resolved the Liquidation will be finalised and the files will be closed.

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Aron Williams on 0207 099 6086, or by email at [aron@hudsonweir.co.uk](mailto:aron@hudsonweir.co.uk).



Hasib Howlader  
Liquidator

# Appendix 1 – Receipts and Payments Account

## **Depta Ltd** **(In Liquidation)** **Liquidator's Summary of Receipts & Payments**

Statement of Affairs £		From 16/09/2020 To 15/09/2021 £	From 16/09/2019 To 15/09/2021 £
	ASSET REALISATIONS		
2,500.00	Business Intellectual Property	NIL	NIL
Uncertain	Director's Loan Account	NIL	NIL
5,000.00	Work-in-progress	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(60,074.16)	Crown Creditors	NIL	NIL
(560.00)	Subcontractor Creditors	NIL	NIL
(15,175.72)	Trade Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(68,409.88)</u>		<u>NIL</u>	<u>NIL</u>
	REPRESENTED BY		
			<u>NIL</u>

## Appendix 2 – Details of work undertaken during the Reporting Period

### 1. Administration

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder (and their managers). It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Reviewing the strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the office holder's estate bank account.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Preparing and filing Corporation Tax returns.

### 1. Creditors

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

- Maintaining up to date creditor information on the case management system.

### 2. Investigations

- Reviewing the Company's bank statements to ascertain what the final position is with regard to transactions which require further explanation from the Director.
- Writing to the Director and shareholder seeking further information and chasing for response as and where required.

### 3. Realisation of Assets

- Chasing ITC Valuers Limited for an update on the sale of the Company's assets

Appendix 3 - Time Cost Analysis and Charge Out Rates & Policy Regarding the Recovery of Expenses Pursuant to Statement of Insolvency Practice 9

Time Entry - SIP9 Time & Cost Summary + Cumulative

DEPT001 - Depia Ltd  
Project Code: POST  
From: 16/09/2020 To: 15/09/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)	Total Hours Cum (POST Only)	Total Time Costs Cum (POST Only)
Admin & Planning	1.00	2.80	4.50	1.10	9.40	3,089.00	328.62	25.77	7,052.12
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.40	130.00
Creditors and Distributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.60	684.00
Fixed Charge	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	1.50	2.60	0.00	4.10	1,300.50	317.20	28.70	7,714.00
Pre-Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.60	0.30	0.10	1.00	349.00	349.00	5.50	1,432.50
Reporting	0.00	2.70	2.00	0.00	4.70	1,670.50	355.43	4.70	1,670.50
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours / Costs	1.00	7.60	9.40	1.20	19.20	6,409.00	333.80	68.67	18,683.12
Total Fees Claimed						0.00			
Total Disbursements Claimed						0.00			

# Time Entry - SIP9 Time & Cost Summary

DEPT001 - Depia Ltd  
Project Code: POST  
From: 16/09/2019 To: 15/09/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	2.70	3.70	16.70	2.67	25.77	7,052.12	273.71
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors and Distributions	0.00	0.30	3.30	0.00	3.60	684.00	190.00
Fixed Charge	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.40	7.10	4.40	16.80	28.70	7,714.00	268.78
Pre-Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.30	1.10	2.00	2.10	5.50	1,432.50	260.45
Reporting	0.00	2.70	2.00	0.00	4.70	1,670.50	355.43
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	3.40	14.90	28.40	21.56	68.27	18,553.12	271.78
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	



## CHARGE OUT RATES & POLICY REGARDING THE RECOVERY OF EXPENSES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9

The following information applies to all appointments of Insolvency Practitioners acting as:-

Liquidator, Receiver, Administrator or Administrative Receiver of a Limited Company

Trustee in Bankruptcy

Supervisor of an Individual, Company or Partnership Voluntary Arrangement

Administrator under the Insolvent Estates Order

Monitor

When acting as Nominee, the provisions of the Insolvency Act require that the amount of the fees payable to the Office-holder be specified within the Debtor's proposals. Such fees will nevertheless be fixed to take account of the Office-holder's expected time costs arising as referred to below.

### 1. POLICY ON FEES

Fees are either fixed by reference to time costs, or as a percentage of realisations and distributions, or a set amount or any combination of all three. Where fees are agreed on a time cost basis, rates may be varied from time to time, at the sole discretion of the practice, and such changes will be notified in retrospect with each report to Creditors. It is our policy to use as junior grade of staff as compatible with the efficient conduct of the matter in order to ensure costs are kept to a minimum.

#### 1.1. CHARGE-OUT RATES

Where the approved basis of remuneration is on a time costs basis, work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. Details of charge-out rates effective from 1 May 2020 and 1 April 2021 are as follows:

	Rate from 1 May 2020 Per hour (£)	Rate from 1 April 2021 Per Hour (£)
Directors/Insolvency Practitioners	560	600
Senior Managers and Managers	360-415	370-425
Administrators	140-275	145-285
Secretaries & Support Staff	110	120

Rates vary between individuals, reflecting experience and qualification. Please note that support staff time is charged to the case at the rate indicated. Rates are subject to review annually. Any change in rates will be advised to creditors.

For further information on the manner in which an Office Holder's fees may be fixed, please refer to the guidance notes in relation to fees which can be downloaded from <https://www.hudsonweir.co.uk/resources/>.

### 1.2. FIXED AND % FEES

Where fees are authorised and approved as a fixed fee and/or % fee this fee is to cover the costs incurred by the Insolvency Practitioner and his staff and does not include any additional direct costs.

## 2. RECOVERY OF EXPENSES

An expense is a directly attributable cost to the estate which is neither an office holder's remuneration nor a distribution to creditors or members. Expenses can include disbursements, payments met by the office holder and subsequently recovered from the estate, and are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

Category 1 expenses are payments to independent third parties and do not have to be approved prior to payment, but when reporting to the creditors committee and creditors during the course of the liquidation the actual expenses incurred will be compared with the original estimate provided with any material difference explained (e.g. where legal costs rise due to escalated recovery action).

Category 2 expenses are payments to associates, or parties with a professional or personal relationship, or payments which have an element of shared costs. These expenses require approval in the same manner as an office holder's remuneration. This will include any case related travel or subsistence incurred by staff working on this case. Where it is necessary for staff to travel from the office, business mileage may be charged at the HMRC rate of 45p per mile.

An estimate of expenses (including disbursements) is provided to creditors when the basis of the office-holder's fees are approved.

The expenses recovered by the practice are as follows:-

Where this is the case, agreement to the recovery of category 2 expenses as authorised is to

Expenses	Charge
Category 1	
Indemnity Bond	At cost of mandatory cover required in accordance with the Insolvency Act 1986 for each appointment
Insurance of assets	At cost in relation to asset coverage requirements
Company searches	At cost incurred
Statutory Advertising	At cost incurred
External postage	At cost incurred
Category 2	
Mileage (where any staff of office holder of utilises their own vehicle)	45p/mile

include these, otherwise, direct costs.

## 3. Specialist Professional Advisors

On occasion it is necessary for the office holder to engage with specialist professional advisers. Professional advisers are selected with regard to the specific requirements and based upon the office-holders professional judgement of their experience and ability to perform the necessary work, the complexity and nature of the assignment and the basis of the fee arrangement with to ensure a fair and reasonable cost to the estate.

Expenses incurred in respect of specialist advisers are subject to independent assessment prior to engagement and reported in accordance with current guidance. Unless a significant personal or professional relationship, that may give rise to a potential threat or conflict, has been identified with any Advisor their costs are regarded as category 1 expenses.

#### 4. Use of Subcontractors

It is not our policy to use sub-contractors. If it is necessary to use sub-contractors for the benefit of the estate full disclosure will be provided to creditors in the regular progress report for individual cases with an explanation of the work to be undertaken, why it is necessary and the cost incurred.

#### Appendix 4 - Time Costs Summary Comparison with Fees Estimate

	Original fees estimate			Actual time costs incurred during the Reporting Period			Total time costs incurred to date		
Work category	Number of hours	Average hourly rate £ per hour	Total fees £	Number of hours	Average hourly rate £ per hour	Total time costs £	Number of hours	Average hourly rate £ per hour	Total time costs £
Administration (including statutory reporting)	52	200	10,411	9	329	3,089	26	274	7,052
Case Specific Matters	-	-	-	-	-	-	0.40	-	*130
Creditors (claims and distribution)	27	226	5,980	-	-	-	4	190	684
Investigations	39	203	7,915	4	317	1,301	29	269	7,714
Realisation of assets	28	200	5,600	1	349	349	6	260	1,434
Reporting	11	195	2,150	5	355	1,601	5	355	1,671
Total	157	205	32,056	19	334	6,409	69	272	18,683

*\*It has been noted that time costs have been posted to "case specific matters". Please note that the time costs posted to this code have been posted incorrectly and fees shall not be drawn against this element.*