

The Insolvency Act 1986

# Liquidator's Progress Report

# S.192

Pursuant to Sections 92A, 104A and 192 of the Insolvency Act 1986

To the Registrar of Companies

For official use

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Company Number

04487961
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Name of Company

Insert full name of company

04487961 LIMITED (FORMERLY MERCHANT CAPITAL LTD)
--

Insert full name(s) and address(es)

I/We (a) N A Bennett and A J Duncan  
 One Great Cumberland Place, London  
 W1H 7LW

the liquidator (s) of the Company, attach a copy of my/our Progress Report under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 13 February 2014 to 12 February 2015

Signed  Date 8/4/15

Presenter's name, address and reference (if any)

Leonard Curtis  
 One Great Cumberland Place, Marble Arch,  
 London W1H 7LW  
 (Ref CER31)

For Official Use	
Liquidation Section	Post Room

THURSDAY



A08 \*A44ZU1CA\* #170  
 09/04/2015  
 COMPANIES HOUSE



LEONARD CURTIS  
BUSINESS RESCUE & RECOVERY

**04487961 LIMITED (FORMERLY MERCHANT CAPITAL LTD)  
(In Creditors' Voluntary Liquidation)**

Registered Number 04487961

**Joint Liquidators' Annual Progress Report  
for the period from 13 February 2014 to 12 February 2015**

**8 April 2015**

Leonard Curtis

One Great Cumberland Place, Marble Arch, London W1H 7LW

Tel 020 7535 7000 Fax 020 7723 6059

[solutions@leonardcurtis.co.uk](mailto:solutions@leonardcurtis.co.uk)

Ref LJ31/CER/S04401/1010

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TO THE REGISTRAR OF COMPANIES, ALL MEMBERS AND ALL CREDITORS

**1 INTRODUCTION**

- 1.1 A P Davidson and S B Ryman of Shipleys LLP were appointed Joint Liquidators of 04487961 Limited (Formerly Merchant Capital Ltd) ("the Company") at meetings of members and creditors held on 13 February 2013
- 1.2 Please note that A J Duncan and I, N A Bennett, replaced the appointed Joint Liquidators in accordance with an Order of Court dated 18 March 2015, which was made in the High Court of Justice. I am an insolvency practitioner licensed in the UK by the Insolvency Practitioners Association and A J Duncan is an insolvency practitioner licensed in the UK by the Institute of Chartered Accountants in England and Wales
- 1.3 Under the terms of the Order, all creditors of the Company have permission to apply to Court within 28 days of the date of this report for the purposes of applying to vary or discharge the terms of the Order insofar as it affects the Company's estate
- 1.4 This progress report provides an update on the conduct of the liquidation as required by Section 104(A)(1) of the Insolvency Act 1986 ("the Act"). It contains details of the progress made, the expected outcome for creditors and other information that we are required to disclose

**2 PROGRESS OF THE LIQUIDATION**

- 2.1 The Company's registered office has been changed from PO BOX 60317, 10 Orange Street, London WC2H 7WR to One Great Cumberland Place, Marble Arch, London W1H 7LW following the Order of Court. The registered number is 04487961
- 2.2 Please note that this report should be read in conjunction with the previous Joint Liquidators' Annual Progress Report dated 24 March 2014
- 2.3 Creditors should note that the Joint Liquidators have been attempting to realise the remaining assets during this period of the liquidation for the benefit of the Company's creditors
- 2.4 **Book Debts**
- A claim has been submitted in the Special Administration of Pritchard Stockbrokers Limited ('PS') in order to realise an outstanding book debt of £15,699. The Special Administrators have provided several updates with regards to the Financial Conduct Authority action against the directors of PS, however, at present it is uncertain whether there will be a distribution to unsecured creditors in these particular insolvency proceedings
- 2.5 **Inter-Company Debtors**
- 2.5.1 There are inter-company debts of £13,454 and £35,372 owed to the Company by Merchant Turnaround plc ('MT') and Merchant Strategic Renewal plc ('MSR'), respectively
- 2.5.2 With regards to the debt owed by MT, repayment was dependent on the realisation of an ongoing legal dispute with a solicitor who was holding funds in his client account on MT's behalf. We understand that MT was offered £280,000 in partial settlement which has been accepted and should enable the inter-company debt to be repaid in full. However, Mr James Holmes ("Mr Holmes"), a director of the

Company, MT and MSR, has advised that realising the settlement is proving to be difficult and a Consent Order is now being sought

2 5 3 With regards to the debt owed by MSR, Mr Holmes has previously advised that repayment is dependent on the sale of some shares owned by MSR in an oil and gas company which was due to be listed on the stock exchange Mr Holmes has instructed a broker to sell these shares who has recently advised that some potential buyers had been found, however, no transactions have yet been completed

2 5 4 Mr Holmes continues to provide regular updates regarding the repayment of the inter-company balances

2 5 5 There is a further inter-company debt of £443,559 owed by the Company's parent company, Merchant House Group plc ('MHG')

2 5 6 A D Cadwallader and I, N A Bennett, of Leonard Curtis were appointed Joint Administrators of MHG on 12 April 2013 and it was subsequently placed into liquidation during March 2014 A claim for the inter-company balance has been submitted and the dividend prospects are uncertain at this stage

## 2 6 Book of Structured Product Investors

2 6 1 As previously advised, the Book of Structured Product Investors ("the Book") was sold to Manx IFA Limited ("Manx") under a Sale & Purchase Agreement ("SPA") which completed on 23 December 2013 An initial payment structure was agreed with regards to the purchase price, however, due to difficulties Manx had experienced in accessing the data in the Book, it was agreed, at a meeting held on 1 July 2014, that the payment schedule would be amended as follows

- £3,000 plus VAT to be paid immediately on 1 July 2014
- £4,000 plus VAT to be paid on 21 July 2014
- The greater of £25,000 plus VAT or the Net Profit for Year 1 plus VAT, with the end of Year 1 being 30 September 2014
- The greater of £50,000 plus VAT or the Net Profit for Year 2 plus VAT, with the end of Year 2 being 30 June 2015
- The greater of £50,000 plus VAT or the Net Profit for Year 3 plus VAT, with the end of Year 3 being 30 June 2016

2 6 2 In accordance with the amended payment schedule, funds totalling £7,000 plus VAT and the greater of £25,000 or the Net Profit for Year 1 plus VAT should have been realised during this period of report However, only two payments totalling £4,667 have been received

2 6 3 It was brought to the former Joint Liquidators attention that Manx had been dissolved on 14 October 2014 as a result of failing to file outstanding documents with the Registrar of Companies The required filings were subsequently made by Manx and the Company was restored on 1 December 2014 This has hindered the payment of the amounts which have now fallen due for payment and we are currently liaising with Manx as to when these payments will be brought up to date

2 6 4 A personal guarantee ("PG") has been provided by Mr Holmes for the initial payments totalling £10,000 and we are currently in discussions with solicitors, Barker Gotelee ("BG"), who were instructed to prepare the SPA with regards to recovering the outstanding sums

2 6 5 Prior to the completion of the sale of the Book, the former Joint Liquidators were made aware that an entity called Absolute Partners ("AP") had a claim to the beneficial rights of a portion of the names in the Book It was calculated that the names for which AP held title amounted to approximately 20% of those which were

in the Book and it was therefore agreed that AP would receive 20% of any realisations. A payment of £920 was duly made to AP during this period under review.

**2.7 Purchase of Company Name**

Manx also purchased the Company name as part of the SPA of the Book. A sum of £1,000 was paid on completion and deferred payments of £2,000 will become payable on or before 30 June 2015 and 30 June 2016.

**2.8 Bank Interest**

During this reporting period the former Joint Liquidators have realised bank interest totalling £4.68. This interest has been generated from the funds held in the liquidation bank account.

**3 ASSETS THAT REMAIN TO BE REALISED**

The assets which remain to be realised are the book debts, inter-company debts and the deferred consideration owed in respect of the sale of the Book and the Company name, as referred to above.

**4 RECEIPTS AND PAYMENTS ACCOUNT AND OUTCOME FOR CREDITORS**

**Receipts and Payments Account**

4.1 We attach at Appendix A, a summary of receipts and payments during the period of this report.

4.2 Expenses incurred but not yet paid (excluding category 2 disbursements (see paragraph 6.4 below)), are as follows. Where exact sums are not available the figures have been estimated.

Nature of Expenses	Incurred This Period £	Incurred To Date £	Paid £	Unpaid £
Barker Gotelee	6,462.00	22,399.00	6,150.00	16,249.00
Postage	43.17	150.22	129.20	21.02
Storage	25.00	112.59	87.59	25.00
<b>Total</b>	<b>6,530.17</b>	<b>22,661.81</b>	<b>6,366.79</b>	<b>16,295.02</b>

4.3 BG were instructed to assist with the sale of the Book and Company name. BG provided assistance in producing the SPA and they were also instructed to review a number of contracts that related to the Company.

**Creditors**

**4.4 Secured Creditors**

There are no secured creditors of the Company.

**4.5 Preferential Creditors**

The only claims which are preferential are those of employees who were made redundant at the date of liquidation for unpaid wages and accrued holiday pay. These are estimated to total £20,512. A distribution to preferential creditors is dependent on future realisations.

## 4.6 Unsecured Creditors

4.6.1 Details of the Company's unsecured creditors are as follows

	Statement of Affairs amount £	Total value of claims received £	Total dividend paid £	Dividend rate £
<b>Unsecured Creditors</b>				
Trade & Expense Creditors	875,031.32	3,578,396.75	-	N/a
Employees	55,182.37	0.00	-	N/a
Redundancy Payments Office	48,623.60	0.00	-	N/a
HMRC (VAT)	53,180.96	0.00	-	N/a
HMRC (PAYE/NIC)	210,442.15	26,326.37	-	N/a
HMRC (Corporation Tax)	61,265.00	0.00	-	N/a
Contractor Commission Payable	144,073.21	123,563.32	-	N/a
Loan – Jordasic UK Limited	69,613.00	69,613.00	-	N/a
<b>TOTAL PAID</b>	<b>1,517,411.61</b>	<b>3,797,899.44</b>	<b>-</b>	<b>N/a</b>

4.6.2 Any dividend will be dependent on the final level of realisations

## 5 INVESTIGATIONS

5.1 The previous Joint Liquidators have complied with the statutory obligations under the Company Directors Disqualification Act 1986 and the appropriate report has been submitted to the relevant authority

5.2 The previous Joint Liquidators have carried out enquiries that they considered to be proportionate to the circumstances of the case. After completing these enquiries, a potential preference claim, pursuant to Section 239 of the Act, against MHG was identified. We are currently undertaking an analysis of the intercompany account with MHG at the time the loan was granted to establish the strength of the claim.

## 6 JOINT LIQUIDATORS' REMUNERATION AND DISBURSEMENTS

6.1 At a meeting of the Liquidation Committee 25 February 2014 it was resolved that the Joint Liquidators remuneration be payable by reference to time properly given by the Joint Liquidators and their staff in attending to matters arising in the liquidation. As advised in the previous report dated 24 March 2014 the former Joint Liquidators time costs at 12 February 2014 were £50,086.80. Thereafter further costs of £17,100.80 have been incurred during the period of this report. These total costs are summarised at Appendix B and comprise 85 hours and 30 minutes work at an average rate of £200.08 per hour.

6.2 During the period of the liquidation, the former Joint Liquidators have continued to realise the Company assets for the benefit of Company creditors as referred to in paragraph 2. In addition, they have dealt with various creditor enquiries that have been received in reference to the Company and have complied with all statutory obligations in accordance with the relevant sections and rules of the Act.

6.3 In accordance with the approval given, £1,565.91 has been paid on account of these costs. The outstanding time costs will be drawn dependant on any further asset realisations being achieved. Details of our company's charge out rates and policy regarding the recharge of disbursements, staff allocation,

support staff and the use of subcontractors are attached at Appendices C and D Further information may be found in "Guide to Liquidator's Fees" This may be downloaded from [www.leonardcurtis.co.uk/resources/creditorsguides](http://www.leonardcurtis.co.uk/resources/creditorsguides) or is available from our office free of charge on request

- 6.4 Creditors also approved the basis for recharging disbursements that include an element of allocated cost or payments to outside parties in which the Joint Liquidators or their companies have an interest In this case the following Category 2 costs have been incurred during the liquidation and, where indicated, reimbursed to our company

Type	Incurred This Period £	Incurred To Date £	Paid £	Unpaid £
Internal photocopying @ 10p per copy	35 25	982 50	969 00	13 50
General stationery, postage, telephone etc @ £100 per 100 creditors/ members or part thereof	26 10	26 10	26 10	-
<b>Total</b>	<b>61 35</b>	<b>1,008 60</b>	<b>995 10</b>	<b>13 50</b>

- 6.5 During the liquidation the following professional advisors, including subcontractors have been used

Name of Professional Advisor	Service Provided	Basis of Fees
Barker Gotelee LLP	Legal Services	Time Costs Basis
James Owen & Co Limited	Valuing and sale of assets	Fixed Fee

## 7 CREDITORS' RIGHTS

- 7.1 A secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may, within 21 days of the receipt of this report, make a request in writing to us for further information about remuneration or expenses set out in this report
- 7.2 Within 14 days of receipt of the request, we must provide all of the information asked for, except so far as we consider that -
- i) the time or cost of preparation of the information would be excessive, or
  - ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
  - iii) we are subject to an obligation of confidentiality in respect of the information

we must also give reasons for not providing all of the information

- 7.3 Any creditor of the Company, who need not be the same creditor who asked for the information, may within 21 days of our giving reasons for not providing all of the information, or if we fail to provide the information within 14 days of being so requested, apply to the Court and the Court may make such order as it thinks just
- 7.4 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to Court on the grounds that the basis fixed for our remuneration, the remuneration charged or the expenses incurred by us as set out in this progress report are excessive

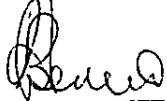


**04487961 Limited (Formerly Merchant Capital Ltd) – In Creditors' Voluntary Liquidation**

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If you require further information please contact our office in **writing** Electronic communications should include a full postal address

Yours faithfully



**N A BENNETT**  
Joint Liquidator

Licensed in the UK by the Insolvency Practitioners Association

**Summary of Joint Liquidators' Receipts and Payments  
from 13 February 2013 to 12 February 2015**

	Statement of Affairs £	13 February 2013 to 12 February 2014 £	13 February 2014 to 12 February 2015	£
<b>RECEIPTS</b>				
Book Debts	Uncertain	6 68	-	6 68
Inter-Company Debtors	492,384	-	-	-
Book of Structured Product Investors	Uncertain	3,000 00	4,666 67	7,666 67
	<u>492,384</u>	<u>3,006 68</u>	<u>4,666 67</u>	<u>7,673 35</u>
Cash at Bank		7,683 98	-	7,683 98
Bank Interest Gross		1 11	4 68	5 79
Third Party Contribution		2 00	-	2 00
Costs Relating to Name Change		580 00	-	580 00
Purchase of Company Name		1,000 00	-	1,000 00
Third Party Funds (DP Advice)		2,580 00	-	2,580 00
		<u>14,853 77</u>	<u>4,671 35</u>	<u>19,525 12</u>
<b>PAYMENTS</b>				
Agents' Fees		2,000 00	-	2,000 00
Agents' Disbursements		82 00	-	82 00
Legal Fees'		4,650 00	1,500 00	6,150 00
Statutory Advertising		-	169 20	169 20
IT Assistance		-	40 00	40 00
Postage		-	129 20	129 20
Companies House/Judgement Searches		-	13 00	13 00
Storage Costs		-	87 59	87 59
Photocopying Charges		-	969 00	969 00
Facsimile/Telephone Costs		-	26 10	26 10
Companies House Fee for Name Change		10 00	-	10 00
Sale Agreement Payment to Third Party		600 00	920 00	1,520 00
Preparation of Statement of Affairs		5,000 00	-	5,000 00
Statement of Affairs Disbursements		220 66	-	220 66
Joint Liquidators' Remuneration - on account		-	1,565 91	1,565 91
		<u>12,562 66</u>	<u>5,420 00</u>	<u>17,982 66</u>
<b>Balance in Hand</b>		2,291 11	(748 65)	1,542 46

04487961 Limited (Formerly Merchant Capital Limited) In Creditors Voluntary Liquidation  
 Summary of Joint Liquidators time costs from 13 February 2014 to 12 February 2015

SCHEDULE 1

	Partner		Manager		Assistant Manager		Senior Administrator		Administrator		Assistant		Total	
	Time	Cost	Time	Cost	Time	Cost	Time	Cost	Time	Cost	Time	Cost	Time	Cost
<b>Administration and Planning</b>														
Case Planning	1.25	£592.50	1.80	£581.00	0.00	£0.00	0.00	£0.00	15.00	£2,113.50	0.00	£0.00	18.05	£3,287.00
Administrative Set Up	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Appointment notification	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Maintenance of Records	0.00	£0.00	1.14	£327.00	0.20	£48.50	0.00	£0.00	7.60	£1,073.50	8.13	£917.30	17.07	£2,366.30
Statutory Reporting	1.50	£712.50	3.20	£904.00	0.00	£0.00	0.00	£0.00	14.70	£2,063.00	0.10	£11.00	18.50	£3,690.50
<b>Realisation of Assets</b>														
Identifying Securing Insuring	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.40	£56.00	0.00	£0.00	0.40	£56.00
Retention of Title	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Debt Collection	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.30	£42.00	0.00	£0.00	0.30	£42.00
Sales-property business & assets	5.25	£2,490.00	1.80	£576.00	0.00	£0.00	0.00	£0.00	7.10	£1,002.50	0.00	£0.00	14.15	£4,068.50
<b>Creditors</b>														
Creditors – Communication with Creditors Claims	1.50	£697.50	0.60	£198.00	0.00	£0.00	0.00	£0.00	0.70	£98.00	0.00	£0.00	2.80	£993.50
	0.00	£0.00	0.40	£128.00	0.30	£72.00	0.00	£0.00	0.80	£112.00	0.00	£0.00	1.50	£312.00
<b>Investigations</b>														
SIP2 Review	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
CDDA Reporting	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Antecedent Transactions	1.50	£720.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	5.10	£725.00	0.00	£0.00	6.60	£1,446.00
<b>Trading</b>														
Management of Operations	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Accounting for Trading	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Ongoing Employees	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.60	£84.00	0.00	£0.00	0.60	£84.00
<b>Tax</b>														
Tax	0.00	£0.00	0.00	£0.00	0.00	£0.00	2.50	£500.00	1.00	£145.00	1.00	£110.00	4.50	£755.00
<b>Average hourly charge out rate</b>	11.00	£5,212.50	8.94	£2,714.00	0.60	£120.50	2.50	£500.00	53.30	£7,515.50	9.23	£1,038.30	85.47	£17,100.80
	£473.86		£303.58		£0.00		£200.00	£0.00	£0.00		£112.49		£755.00	
<b>Total Hours</b>	85.47													
<b>Total Cost</b>	£17,100.80													
<b>Average</b>	£													

£ 200.08

04487961 Limited (Formerly Merchant Capital Limited) In Creditors Voluntary Liquidation  
 Summary of Joint Liquidators Time Costs from 13th February 2013 to 12th February 2015

SCHEDULE 2

	Partner		Manager		Assistant Manager		Senior Administrator		Administrator		Assistant		Total	
	Time	Cost	Time	Cost	Time	Cost	Time	Cost	Time	Cost	Time	Cost	Time	Cost
Administration and Planning	2 25	£1 057 50	10 00	£2 804 30	0 00	£0 00	0 00	£0 00	83 00	£10 302 00	0 33	£34 65	95 58	£14 198 45
Case Planning	0 00	£0 00	0 00	£0 00	0 00	£0 00	0 00	£0 00	0 00	£0 00	0 70	£75 00	0 70	£75 00
Administrative Set Up	0 00	£0 00	0 30	£92 70	0 00	£0 00	0 00	£0 00	3 50	£402 50	1 50	£159 00	5 30	£854 20
Appointment notification	0 00	£0 00	3 44	£962 90	0 20	£48 50	0 00	£0 00	19 75	£2 522 25	19 44	£2 209 25	43 33	£5 990 40
Maintenance of Records	0 50	£247 50	4 50	£1 314 50	0 00	£0 00	0 00	£0 00	30 90	£4 081 00	0 10	£11 00	37 25	£6 235 25
Statutory Reporting	1 75	£828 75												
Realisation of Assets	0 00	£0 00	1 00	£240 00	0 00	£0 00	0 00	£0 00	9 20	£1 075 50	0 00	£0 00	10 20	£1 315 50
Identifying Securing Insuring	0 00	£0 00	0 00	£0 00	0 00	£0 00	0 00	£0 00	0 00	£0 00	0 00	£0 00	0 00	£0 00
Retention of Title	0 00	£0 00	0 25	£60 00	0 00	£0 00	0 00	£0 00	2 85	£370 25	0 00	£0 00	3 10	£430 25
Debt Collection	0 00	£0 00	25 05	£9 604 50	0 00	£0 00	0 00	£0 00	41 60	£5 626 15	0 00	£0 00	88 65	£22 449 40
Sales-property business & assets	22 00	£10 218 75												
Creditors	6 75	£3 075 00	5 70	£1 674 80	0 00	£0 00	0 00	£0 00	15 75	£1 918 75	0 00	£0 00	28 20	£6 668 55
Creditors - Communication with Creditors Claims	0 00	£0 00	0 40	£128 00	0 30	£72 00	0 00	£0 00	8 05	£945 75	0 00	£0 00	8 75	£1 145 75
Investigations	0 00	£0 00	0 00	£0 00	0 00	£0 00	0 00	£0 00	14 50	£1 693 75	0 00	£0 00	14 50	£1 693 75
SIP2 Review	0 00	£0 00	1 20	£374 10	0 00	£0 00	0 00	£0 00	6 00	£690 00	0 00	£0 00	7 20	£1 064 10
CDDA Reporting	0 00	£0 00	3 00	£927 00	0 00	£0 00	0 00	£0 00	11 15	£1 433 00	0 00	£0 00	19 15	£4 715 00
Antecedent Transactions	5 00	£2 355 00												
Trading	0 00	£0 00	0 00	£0 00	0 00	£0 00	0 00	£0 00	0 00	£0 00	0 00	£0 00	0 00	£0 00
Management of Operations	0 00	£0 00	0 00	£0 00	0 00	£0 00	0 00	£0 00	0 00	£0 00	0 00	£0 00	0 00	£0 00
Accounting for Trading	0 00	£0 00	0 50	£154 50	0 00	£0 00	0 00	£0 00	6 85	£802 75	0 00	£0 00	7 35	£957 25
Ongoing Employees	0 00	£0 00												
Tax	0 00	£0 00	0 00	£0 00	0 00	£0 00	2 95	£590 00	1 00	£145 00	1 00	£110 00	4 95	£845 00
Tax														
Average hourly charge out rate	38 25	£17 782 50	55 34	£15 337 30	0 50	£120 50	2 95	£590 00	254 10	£32 008 65	23 07	£2 588 90	495 10	£22 588 90
	£464 90	£277 15	£241 00	£200 00	£125 97	£112 65								
Total Hours	374 21													
Total Cost	£68 437 85													
Average	£182 89													

**ADDITIONAL INFORMATION IN RELATION TO THE POLICY OF LEONARD CURTIS REGARDING FEES AND DISBURSEMENTS**

The following information relating to the policy of Leonard Curtis is considered to be relevant

**Staff Allocation and Support Staff**

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case.

Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution of the secured and/or preferential creditors, a creditors' committee or creditors generally, that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters arising in the appointment, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the office holders reserve the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

With effect from 6 January 2014 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis

	Previous Rates			New Rates	
	Standard	Complex		Standard	Complex
	£	£		£	£
Director	425	531	Director	450	562
Senior Manager	385	481	Senior Manager	410	512
Manager 1	330	413	Manager 1	365	456
Manager 2	285	356	Manager 2	320	400
Administrator 1	230	287	Administrator 1	260	325
Administrator 2	210	262	Administrator 2	230	287
Administrator 3	190	237	Administrator 3	210	262
Administrator 4	135	168	Administrator 4	150	187

**The Use of Subcontractors**

Details of any subcontractor(s) used are given in the attached report.

**Professional Advisors**

Details of any professional advisor(s) used are given in the attached report. Unless otherwise indicated the fee arrangement for each will be based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors will be based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

**Disbursements**

Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as a "category 1 disbursement". Category 1 disbursements will generally comprise supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Where we propose to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, documents storage or communication facilities provided by us) they must be disclosed and be authorised by those responsible for approving the liquidator's remuneration. Such expenditure is referred to as a "category 2 disbursement". In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision.

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Room Hire	£100
Storage of office files (6 years)	£88.75 per box
Business Mileage	45p a mile

**Shipleys LLP**  
**10 Orange Street, Haymarket, London WC2H 7DQ**

**CREDITORS' GUIDE TO FEES**  
**EFFECTIVE FROM 1 JANUARY 2014**  
**CHARGE-OUT RATES**

**Staff Allocation and Support Staff**

An objective and practical approach is taken to each case which includes active Principal involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Set out below are the relevant charge-out rates per hour worked for the grades of all staff. Time is charged by reference to actual work carried out on each assignment. There has been no allocation of any general or overhead costs.

<b>Grade</b>	<b>Charge-out rate (£ per hour) plus VAT where applicable</b>
<b>Principal*</b>	465 - 495
<b>Manager</b>	250 - 325
<b>Assistant Manager</b>	240 - 250
<b>Senior Administrator</b>	220 - 240
<b>Administrator</b>	140 - 190
<b>Assistant &amp; Cashier</b>	110 - 265

\* or equivalent

NB Time costs are calculated at 6 minute units

The time of support staff is not charged to a case except when the initial set up is being performed and appointment documentation is prepared. Support staff will also occasionally charge their time when performing a sizeable administrative task within the case. Support staff charge their time at the £110/hr Assistant rate shown on the preceding table.

Specialist departments with the firm such as Tax and VAT may sometimes charge their time if and when the Office Holders may require their expert advice. The figures below provide details of the charge-out rates per hour worked for typical staff involved in this way.

<b>Grade</b>	<b>Charge-out rate (£ per hour) plus VAT where applicable</b>
<b>Tax Principal*</b>	300-400
<b>Tax Manager</b>	250
<b>Tax Practitioner</b>	200
<b>Tax Assistant</b>	145

Details of historic charge out rates in respect of the London office are provided at the end of this guide. Should any creditor wish to receive details of the charge out rates for the London office in force prior to those shown, these can be provided upon request.

## DISBURSEMENTS

### Category 1 Disbursements

These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. Examples of equivalent costs that may be reimbursed to the office holders without uplift and do not require prior approval are given below.

Category	Basis of Charge
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
Travel	All forms other than mileage at actual cost
Room Hire	All external venues at actual cost
Stationery	At cost incurred
Storage	Charge at actual cost incurred for storage (and retrieval, when appropriate) of records
Other	At actual cost charged

### Category 2 Disbursements

These are costs that are directly referable to the appointment in question but not to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. In the event of charging for Category 2 disbursements the following items of expenditure are recharged on the basis specified.

Category	Basis of Charge
Business Mileage	Motor vehicle at 40p per mile
Internal Room Hire	Held at Shipleys LLP, 10 Orange Street, Haymarket, London WC2H 7DQ £50
Photocopying	Specific calculation of 25 pence per sheet x number of creditors
Facsimiles	£1 for 1 <sup>st</sup> page and 10 pence for each additional page

### Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holder or his staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.

### Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery or relevant disbursements. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

**LONDON OFFICE - HISTORIC CHARGE OUT RATES - 1 APRIL 2007 ONWARDS**

	01/04/07-31/12/07	01/01/08-31/12/08	01/01/09-31/12/09	01/01/10-31/12/10	01/01/11-31/12/11	01/01/12-31/01/12
	Charge-out rate (£ per hour) plus VAT where applicable					
Principal*	360-370	375	395	395-445	410-460	460
Director	n/a	340	355	375-400	n/a	n/a
Manager	285-300	300	300	245-270	280	300-325
Assistant Manager	200-220	222	180-228	180-250	260	n/a
Senior Administrator	160-210	175-210	140-190	175-220	200-225	210-230
Administrator	110-155	127-165	100-165	75-155	85-160	125-170
Assistant & Cashier	50-95	50-100	50-215	50-240	99-245	100-245

	01/02/12-30/04/12	01/05/12-31/07/12	01/08/12-31/12/12	01/01/13-30/04/13	01/05/13-31/12/13
	Charge-out rate (£ per hour) plus VAT where applicable				
Principal*	460	400-480	400-480	450-480	465-495
Director	n/a	n/a	n/a	n/a	n/a
Manager	300-325	300-325	230-325	240-325	240-326
Assistant Manager	n/a	n/a	n/a	230-240	230-240
Senior Administrator	210-230	210-230	210-230	220-235	220-235
Administrator	125-170	125-170	125-170	125-185	125-185
Assistant & Cashier	100-250	100-250	100-250	110-260	110-260

\* or equivalent