

Liquidator's Progress Report

S.192

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

To the Registrar of Companies

Company Number

05773134

Name of Company

Citri Limited

I / We

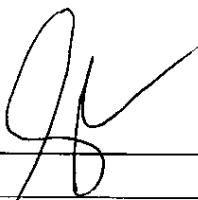
Gerald Maurice Krasner, 4th Floor, Cathedral Buildings, Dean Street, Newcastle upon Tyne, NE1 1PG

Gillian Margaret Sayburn, 4th Floor, Cathedral Buildings, Dean Street, Newcastle upon Tyne, NE1 1PG

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 04/07/2015 to 03/07/2016

Signed



Date

1/9/16

Begbies Traynor (Central) LLP
4th Floor
Cathedral Buildings
Dean Street
Newcastle upon Tyne
NE1 1PG

Ref CI024CVL/GMK/GMS/AMD

TUESDAY



A5GWWZ3N

A09

04/10/2016

#231

COMPANIES HOUSE

Citri Limited

(In Creditors' Voluntary Liquidation)

Progress report

Period: 4 July 2015 to 3 July 2016

Contents

- 1 Interpretation
- 2 Company information
- 3 Details of appointment of Liquidators
- 4 Progress during the period
- 5 Estimated outcome for creditors
- 6 Liquidators' remuneration and disbursements
- 7 Liquidators' expenses
- 8 Assets that remain to be realised and work that remains to be done
- 9 Other relevant information
- 10 Creditors' rights
- 11 Conclusion

Appendices

- 1 Liquidators' account of receipts and payments for the period 4 July 2015 to 3 July 2016
- 2 Liquidators' time costs and disbursements
- 3 Statement of Liquidators' expenses

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.

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Citri Limited (In Creditors' Voluntary Liquidation)
"the Liquidation"	The appointment of Liquidators pursuant to Section 98 of the Act on 4 July 2011
"the Liquidators", "we", "our" and "us"	Gerald Maunce Krasner and Gillian Margaret Sayburn of Begbies Traynor (Central) LLP, 4th Floor, Cathedral Buildings, Dean Street, Newcastle upon Tyne, NE1 1PG
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"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

Company registered number	05773134
Company registered office	Begbies Traynor (Central) LLP, 4th Floor Cathedral Buildings, Dean Street, Newcastle upon Tyne, NE1 1PG
Former trading address	1 Bankside, The Watermark, Gateshead, NE11 9SY

3 DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	4 July 2011
---------------------------	-------------

Date of liquidators' appointment

Gerald M Krasner – 30 December 2014
Gillian M Sayburn – 5 November 2015

Changes in Liquidator (if any)

Andrew D Haslam was replaced as Liquidator by Gillian M Sayburn as Joint Liquidator by order of the court on 5 November 2015

4. PROGRESS DURING THE PERIOD

This report should be read in conjunction with our previous reports to creditors issued on 6 July 2011, 6 August 2012, 27 August 2013, 9 September 2014 and 27 August 2015

Attached at Appendix 1 is our abstract of receipts and payments for the period from 4 July 2014 to 3 July 2015

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 the report only. Our previous reports contain details of the work undertaken since our appointment.

General case administration and planning

The Liquidators have undertaken reviews of the case and filed relevant documents. There is no direct financial benefit to creditors from these actions, however they enable the efficient administration of the Liquidation.

Compliance with the Insolvency Act, Rules and best practice

The Liquidators have drafted and issued a progress report to creditors, ensure the case is adequately bonded and reconciled the bank statements. There is no direct financial benefit to creditors from these actions, however they are statutory requirements. Andrew D Haslam was replaced by Gillian M Sayburn as Liquidator by order of the Court on 5 November 2015.

Realisation of assets

RECEIPTS

Cash at Bank

HSBC Bank plc identified further cash to transfer to the Liquidators of £1,548. No further funds are expected to be realised in this regard.

Commission Clawbacks

As detailed above the only remaining asset is the Liquidators' interest in the Commission Clawbacks. Phoenix CPG Limited ("Phoenix") have continued to pursue the monies due and have set up payment plans with a number of the parties involved. Several of the large clawback claims are being pursued through the court at

present and the Liquidators have agreed with Phoenix that such funds as are received at present be used to fund the litigation action. The clawbacks have been considerably more complicated to recover than initially anticipated. The Liquidators' interest in the clawback claims is currently estimated to realise in the region of £100,000.

PAYMENTS

Insolvency Practitioners' Bond

Premiums of £73 have been paid to Marsh Limited in respect of the Gillian M Sayburn's bond.

Staff Parking

Parking costs of £2 have been discharged in the period.

Staff Mileage

This is a Category 2 disbursement. Mileage costs of £11 have been discharged in relation to travel to meetings regarding the Company.

Irrecoverable VAT

The Company was not VAT registered and as such any VAT incurred cannot be recovered.

Postage

£190 in relation to the postage of documents to creditors has been discharged in the period.

Books and Records Storage Costs

Restore plc has been paid £9 for storing the Company's records.

Contribution to Costs re Clawbacks

As detailed in previous reports, the agreement with Phoenix re the Commission Clawbacks provides that the costs relating to collecting the clawbacks be split evenly between Phoenix and the Company. Costs of £5,099 have been attributed to the Company in the period. These funds have been deducted from the monies held by Phoenix for distribution to the Company. Phoenix continues to hold £146 of funds that could be distributed to the Company, in anticipation of incurring further costs.

Statutory Advertising

Courts Advertising Limited has been paid £5 for advertising the removal of Andrew D Haslam and the appointment of Gillian M Sayburn in the London Gazette.

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

The Liquidators have continued to deal with creditors' queries and update their claims throughout the period. The benefit to creditors is clear.

5 ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the Directors' Statement of Affairs included within the report sent to creditors further to our appointment as Liquidators.

On the basis of realisations to date, we estimate an outcome for each class of the Company's creditors as follows:

Secured creditor

The outcome for HSBC Bank plc is dependent upon the amount of Commission Clawbacks received.

Preferential creditors

There are no known preferential claims

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

Details of how the prescribed part for unsecured creditors is calculated were provided in our progress report for the period 4 July 2012 to 3 July 2013. The quantum of the distribution to be made available under Section 176A of the act is dependant upon the amount of Commission Clawbacks received.

On present information we do not intend to make an application to court under Section 176A(5) of the Act for an order not to distribute the prescribed part of net property to the unsecured creditors. However, we reserve our position generally in this regard should circumstances materially change.

Unsecured creditors

Based upon realisations to date and estimated future realisations it is anticipated there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors other than by virtue of the Prescribed Part.

6. LIQUIDATORS' REMUNERATION AND DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act by reference to the time properly given by us (as Liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the winding up.

We are also authorised to draw disbursements, including disbursements for services provided by our firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report.

Our time costs for the period from 4 July 2014 to 3 July 2015 amount to £3,643 which represents 22.8 hours at an average rate of £159.78 per hour.

Our time costs for the whole period of the Liquidation amount to £85,989 which represents 452.6 hours at an average rate of £190 per hour.

To 3 July 2015, we have drawn the total sum of £72,601 on account of our remuneration.

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

Category 2 Disbursements

In accordance with the resolution obtained in relation to disbursements, the following Category 2 disbursements have been charged to the case since our last report to creditors

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage – attending meetings regarding eh Company at 45p per mile	11 25
TOTAL	11 25

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

- ☐ Time Costs Analysis for the period 4 July 2014 to 3 July 2015 and for the whole period of the Liquidation
- ☐ Begbies Traynor (Central) LLP's charging policy

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2010' 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]

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

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

General case administration and planning

Whilst the case remains open the Liquidators will continue to review and file documents as necessary

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Act and Rules require IPs to (1) produce progress reports (2) produce a final report (3) convene and hold final meetings of the Company and its creditors (4) file information with the Registrar of Companies (5) ensure that the case is adequately bonded

Realisation of assets

The Liquidators will continue to liaise with Phoenix to realise the Commission Clawbacks

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

The Liquidators will continue to liaise with the creditors. A distribution will need to be paid by virtue of Section 176A of the Act and as such the Liquidators will need to review and agree the creditor claims and administer the distribution.

How much will this further work cost?

The Liquidators currently expect this further work will cost £10,000. This is on the basis that the Commission Clawbacks are realised in full in the next 12 months.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as follows:

- Statutory advertising - £169
- Books and records storage - £20

9. OTHER RELEVANT INFORMATION

Investigations and reporting on Directors' 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.

In addition, as explained in the report circulated at the meeting of creditors convened pursuant to Section 98 of the Act, such report having also been sent to creditors following the meeting, a Liquidator is also required to consider the conduct of the Company's Directors and to make an appropriate submission to the Department for Business Energy and Industrial Strategy.

We can confirm that we have discharged our duties in these respects.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 4.49E 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.

Right to make an application to court

Pursuant to Rule 4.131 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

Gerald M Krasner
Joint Liquidator

Dated 1 September 2016

LIQUIDATORS' ACCOUNT OF RECEIPTS AND
PAYMENTS

Citri Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 04/07/2015 To 03/07/2016	From 04/07/2011 To 03/07/2016
	SECURED CREDITORS		
(164 500 00)	HSBC Bank plc	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	HIRE PURCHASE		
4,643 65	IT Equipment	<u>NIL</u>	<u>NIL</u>
(4,643 65)	Cavendish Business Finance Limited	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	ASSET REALISATIONS		
Uncertain	Office equipment, computers etc	<u>NIL</u>	<u>6 201 00</u>
Uncertain	Commission Clawbacks	<u>NIL</u>	<u>NIL</u>
NIL	Directors' overdrawn loan account	<u>NIL</u>	<u>NIL</u>
NIL	HSBC Bank plc - Current Account	<u>NIL</u>	<u>NIL</u>
1 00	Sundry refunds - rates, insurance etc	<u>NIL</u>	<u>1,741 92</u>
Uncertain	Potential Litigation Income	<u>NIL</u>	<u>NIL</u>
Uncertain	Future Commissions	<u>NIL</u>	<u>135,773 64</u>
Uncertain	Investment in Citri Wealth Managemen	<u>NIL</u>	<u>NIL</u>
	Clawbacks held by Phoenix	<u>NIL</u>	<u>5,245 02</u>
	Cash at Bank	<u>1,548 43</u>	<u>9,532 65</u>
	Bank Interest Gross	<u>5 42</u>	<u>32 96</u>
		<u>1,553 85</u>	<u>158,527 19</u>
	COST OF REALISATIONS		
	Insolvency Practitioners' Bond	<u>72 50</u>	<u>107 50</u>
	Agent's Fees	<u>NIL</u>	<u>5 000 00</u>
	Statement of Affairs Fee	<u>NIL</u>	<u>5,000 00</u>
	Joint Liquidators' Fees	<u>NIL</u>	<u>72 601 00</u>
	Completion of Tax Affairs	<u>NIL</u>	<u>200 00</u>
	Companies House Search Fees	<u>NIL</u>	<u>1 00</u>
	Computer Equipment for Data Storage	<u>NIL</u>	<u>86 64</u>
	Staff Parking Charges	<u>2 09</u>	<u>18 82</u>
	Staff Mileage	<u>11 25</u>	<u>82 35</u>
	Legal Fees - Ward Hadaway	<u>NIL</u>	<u>7,600 00</u>
	Irrecoverable VAT	<u>57 30</u>	<u>18,236 89</u>
	Postage	<u>190 45</u>	<u>190 45</u>
	Royal Mail Redirection	<u>NIL</u>	<u>81 72</u>
	Books & Records Storage Costs	<u>9 00</u>	<u>57 75</u>
	Contribution to Costs re Clawbacks	<u>5,098 65</u>	<u>5,098 65</u>
	Statutory Advertising	<u>5 00</u>	<u>242 60</u>
		<u>(5 446 24)</u>	<u>(114 605 37)</u>
	FLOATING CHARGE CREDITORS		
	HSBC Bank plc	<u>NIL</u>	<u>33 033 82</u>
		NIL	(33 033 82)
	UNSECURED CREDITORS		
(788 870 92)	Trade Creditors	<u>NIL</u>	<u>NIL</u>
(17 378 00)	Storeys SSP (Landlord)	<u>NIL</u>	<u>NIL</u>
(43 000 00)	HM Revenue & Customs-PAYE/NIC	<u>NIL</u>	<u>NIL</u>
NIL	HM Revenue & Customs-VAT	<u>NIL</u>	<u>NIL</u>
NIL	HM Revenue & Customs-Corporation	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	DISTRIBUTIONS		
(822 909 00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(1,836,656 92)</u>		<u>(3,892 39)</u>	<u>10,888 00</u>
	REPRESENTED BY		
	Bank 2 Current		<u>10,741 63</u>
	PHOENIX CPG		<u>146 37</u>
			<u>10,888 00</u>

LIQUIDATORS; TIME COSTS AND DISBURSEMENTS

- a Time Costs Analysis for the period from 4 July 2014 to 3 July 2015 and for the whole period of the Liquidation, and
- b Begbies Traynor (Central) LLP's charging policy

Staff Grade	Consultant/Partner	Director	Snr Mgr	Mngr	Asst Mgr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	10	0.4				3.0	1.3	0.1	2.4	6.8	855.00	125.30
Administration						0.1	1.3	0.1	2.4	5.3	881.00	166.23
Total for General Case Administration and Planning	10	0.4				3.1	1.3	3.1	2.4	11.3	1,736.00	153.83
Compliance with the Insolvency Act, Rules and best practice												0.00
Appointment												0.00
Banking and Bonding		0.4				0.4		0.8	2.8	4.4	404.00	105.45
Case Closure												0.00
Statutory reporting and statement of affairs						4.1				4.1	717.50	175.00
Total for Compliance with the Insolvency Act, Rules and best practice		0.4				4.5		0.8	2.8	8.5	1,181.50	138.00
Investigations												0.00
CCDA and investigations												0.00
Total for investigations												0.00
Realisation of assets	10											0.00
Debt collection												0.00
Property business and asset sales										1.0	395.00	395.00
Retention of Title/Third party assets						0.6				0.6	105.00	175.00
Total for Realisation of assets	10					0.6				1.6	500.00	312.50
Trading												0.00
Total for Trading												0.00
Dealing with all creditors claims (including employees), correspondence and distributions												0.00
Secured												0.00
Others						1.1		0.3		1.4	225.50	161.07
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions						1.1		0.3		1.4	225.50	161.07
Meetings												0.00
Other												0.00
Tax												0.00
Litigation												0.00
Total for Other matters												0.00
Total hours by staff grade	20	0.8				9.3	1.3	4.2	5.2	22.8		
Total time cost by staff grade	790.00	276.00				1,627.50	175.50	462.00	312.00		3,843.00	
Average hourly rate £	395.00	345.00	0.00	0.00	0.00	175.00	135.00	110.00	60.00			159.78
Total fees drawn to date £											72,601.00	

Staff Grade	Consultant/Partner	Director	Snr Mgr	Mngr	Asst Mgr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning												
Administration	32.5	1.4				8.2	24.3	3.0		35.5	5,045.50	142.13
Total for General Case Administration and Planning	32.5	1.4				2.4	109.3	0.1	35.1	180.8	30,928.00	171.06
Compliance with the Insolvency Act, Rules and best practice						10.6	133.6	3.1	35.1	218.3	35,373.60	166.31
Appointment	2.0									2.0	780.00	395.00
Banking and Bonding		0.9				0.7	0.2	0.8	3.4	6.0	752.00	125.33
Case Closure												0.00
Statutory reporting and statement of affairs	1.0	10.0				8.1	28.2			47.3	9,068.50	191.74
Total for Compliance with the Insolvency Act, Rules and best practice	3.0	10.9				8.8	28.4	0.8	3.4	55.3	10,811.50	191.89
Investigations							9.4			31.4	9,959.00	317.17
CDDA and investigations	22.0						9.4			31.4	9,959.00	317.17
Total for investigations	22.0						9.4			31.4	9,959.00	317.17
Realisation of assets												
Debt collection	19.0					7.7	5.4			33.1	9,718.50	293.55
Property business and asset sales	13.0					10.5	47.1			70.6	13,331.00	188.82
Retention of Time/Third party assets							0.3			0.3	40.50	135.00
Total for Realisation of assets	32.0					18.2	53.8			104.0	23,088.00	222.80
Trading												0.00
Total for Trading												0.00
Dealing with all creditors claims (including employees), correspondence and distributions						1.1	5.0			6.1	867.50	142.21
Secured						4.1	27.7	0.3		32.1	4,480.00	139.88
Others												0.00
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions						5.2	32.7	0.3		38.2	5,367.50	140.25
Other matters which includes meetings, tax litigation, pensions and travel												
Meetings							6.9			6.9	931.50	135.00
Other												0.00
Tax							0.5			0.5	87.50	135.00
Litigation												0.00
Total for Other matters							7.4			7.4	999.00	135.00
Total hours by staff grade	89.5	12.3				42.8	285.3	4.2	38.5	452.6		
Total time cost by staff grade	35,352.50	4,243.50				7,490.00	35,815.60	462.00	2,625.00		85,988.50	
Average hourly rate £	395.00	345.00	0.00	0.00	0.00	175.00	135.00	110.00	68.18			169.99
Total fees drawn to date £											72,601.00	

BEGBIES TRAYNOR (CENTRAL) LLP

DISBURSEMENTS AND EXPENSES POLICY AND CHARGE OUT RATES

NEWCASTLE UPON TYNE AND TEESSIDE OFFICES

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.

Where the office holder's remuneration is proposed to be fixed on an additional or alternative basis, sufficient information will be provided to creditors in order to allow them to consider whether to approve the proposed basis or bases of the office holder's remuneration.

Following approval, further information will be provided to creditors regarding the office holder's fees as required by the legislation and best practice guidance.

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 and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest.

Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

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/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her 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, in 6 minute units, at the individual's hourly rate in force at that time; the hourly rates applicable to this case are detailed below.

This is of course only applicable to those cases where the office holder is remunerated on a time cost basis, rather than the additional or alternative bases explained in SIP9.

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

Best practice guidance classifies expenses into two broad categories.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 6 April 2010)

² Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 6 April 2010)

- *Category 1 disbursements (where creditor approval is not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. Such expenditure may include Court fees, filing fees, company search fees, ML Regulation ID fees, oath fees, redirection of mail, external storage of books and records, external printing copying and stationery, postages, etc as well as legal fees, property agent fees, security, valuer fees, auctioneer and agent fees, utility costs etc. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (where creditor approval is required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

The following items of expenditure may be charged to the case (subject to creditor approval)

- Internal meeting room usage for the purpose of statutory meetings is charged at the rate of £100 per meeting. The Newcastle upon Tyne and Teesside offices do not at this time make any such charge to the insolvent estate for internal meeting room usage.
 - Car mileage is charged at the rate of 45 pence per mile.
 - Storage of books and records (when not chargeable as a *Category 1 expense*) 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. The Newcastle upon Tyne and Teesside offices do not at this time make any such charge to the insolvent estate for the internal storage of books and records.
- *Expenses which should be treated as Category 2 disbursements (creditor approval is required)*

In addition to the 2 Categories referred to above best practice guidance indicates that where payments are made or are to be made to outside parties in which the office holder or his firm or any associate has an interest these payments should be treated as Category 2 disbursements.

Such Category 2 disbursements would for example include payments made to other entities within the Begbies Traynor Group (BTG) e.g. BTG Asset Consulting, BTG Corporate Finance, BTG Commercial Finance, BTG Tax, BTG Global Network (incorporating BTG Forensic, BTN Risk and BTG Intelligence).

BTG Asset Consulting, a division of BTG Consulting LLP which is itself part of BTG, charges £125 per hour for their advice regarding asset appraisal and disposal etc.

BTG Global Network provide a wide range of services, the most likely to be used in an insolvency procedure is in relation to enquiries and investigations into the location of assets or individuals surveillance and other investigative services, costs range from £100 to £250 per hour.

Where we have used or intend to use other entities within the Begbies Traynor Group that fact will be disclosed in the report to which this Appendix is attached or in future reports to creditors detailing the reasons for the instruction, the nature of the work undertaken, the basis of remuneration and the costs thereof.

The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*.

- Telephone and facsimile
- Printing and photocopying
- Stationery
- Postages

BEGBIES TRAYNOR (CENTRAL) LLP

CHARGE-OUT RATES

NEWCASTLE UPON TYNE AND TEESSIDE OFFICES

Begbies Traynor (Central) LLP 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 to the Newcastle upon Tyne and Teesside offices of Begbies Traynor (Central) LLP as at the date of the report to which this Appendix is attached are as follows

Grade of staff	Charge-out Rate (£ per hour)
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Junior Administrator	110
Support	110

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead

Only where a significant amount of time is spent at one time on a case is a charge made for support staff

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units)

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				
Insolvency Practitioners' Bond	Marsh Limited	72 50	72 50	NIL
Staff Parking Charges	Newcastle City Council	2 09	2 09	NIL
Postage	Neopost	190 45	190 45	NIL
Books & Records Storage Costs	Restore plc	9 00	9 00	NIL
Contribution to Costs re Clawbacks	Phoenix CPG Limited	5,098 65	5,098 65	NIL
Statutory Advertising	Courts Advertising Limited	5 00	5 00	NIL
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>)				
Staff Mileage	Begbies Traynor (Central) LLP	11 25	11 25	NIL

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Insolvency Practitioners' Bond	Marsh Limited	107 50
Agent's Fees	BTG Corporate Finance LLP	5,000 00
Statement of Affairs Fee	Begbies Traynor (Central) LLP	5,000 00
Completion of Tax Affairs	Tait Walker LLP	200 00

Companies House Search Fees	Companies House	1 00
Computer Equipment for Data Storage	Maplins Limited	86 64
Staff Parking Charges	Various	18 82
Staff Mileage	Begbies Traynor (Central) LLP	82 35
Legal Fees	Ward Hadaway	7,600 00
Postage	Neopost	190 45
Royal Mail Redirection	Royal Mail	81 72
Books and Records Storage Costs	Restore plc	57 75
Contribution to Costs re Clawbacks	Phoenix CPG Limited	5,098 65
Statutory Advertising	Courts Advertising Limited	242 60