

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



A09 06/09/2017 #281  
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 5 7 7 3 1 3 4

Company name in full Citri Limited

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

### 2 Liquidator's name

Full forename(s) Gerald Maurice

Surname Krasner

### 3 Liquidator's address

Building name/number 4th Floor

Street Cathedral Buildings

Post town Dean Street

County/Region Newcastle upon Tyne

Postcode N E 1 1 P G

Country

### 4 Liquidator's name ①

Full forename(s) Gillian Margaret

Surname Sayburn

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

### 5 Liquidator's address ②

Building name/number 4th Floor

Street Cathedral Buildings

Post town Dean Street

County/Region Newcastle upon Tyne

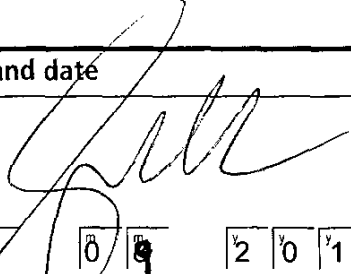
Postcode N E 1 1 P G

Country

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

LIQ03

Notice of progress report in voluntary winding up

<b>6</b>	<b>Period of progress report</b>											
From date	<sup>d</sup> 0	<sup>d</sup> 4	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 6				
To date	<sup>d</sup> 0	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7				
<b>7</b>	<b>Progress report</b>											
<input checked="" type="checkbox"/> The progress report is attached												
<b>8</b>	<b>Sign and date</b>											
Liquidator's signature	<sup>Signature</sup> X  X											
Signature date	<sup>d</sup> 0	<sup>d</sup> 1	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7				

LIQ03

## Notice of progress report in voluntary winding up

**Presenter information**

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

Contact name	Gerald Maurice Krasner
Company name	Begbies Traynor (Central) LLP
Address	4th Floor Cathedral Buildings
Post town	Dean Street
County/Region	Newcastle upon Tyne
Postcode	N E 1 1 P G
Country	
DX	
Telephone	0191 2699820

**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)

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# **Citri Limited**

## **(In Creditors' Voluntary Liquidation)**

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### **Progress report**

**Period: 4 July 2016 to 3 July 2017**

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### **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 2016 to 3 July 2017 and for the whole period of the Liquidation
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**

<b><u>Expression</u></b>	<b><u>Meaning</u></b>
"the Company"	Citri Limited (In Creditors' Voluntary Liquidation)
"the Liquidation"	The appointment of Liquidators on 4 July 2011
"the Liquidators", "we", "our" and "us"	Gerald Maurice 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 (England and Wales) Rules 2016
"secured creditor" and "unsecured creditor"	"Secured creditor", in relation to a Company, means a creditor of the Company who holds in respect of his debt a security over property of the Company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and  (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 of the Act

## **2. COMPANY INFORMATION**

Trading name:	None
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:	4 July 2011 – Gerald M Krasner 5 November 2015 – Gillian M Sayburn
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, 27 August 2015 and 1 September 2016.

#### **Receipts and Payments**

Attached at Appendix 1 is our abstract of receipts and payments for the period from 4 July 2016 to 3 July 2017 and for the whole period of the Liquidation.

#### **RECEIPTS**

##### **Bank Interest Gross**

Bank interest of £0.96 was received during the report period. This amount is usually subject to Corporation Tax, however, due to an understanding/working arrangement reached with HM Revenue and Customs there will be no Corporation Tax liability in this case.

#### **PAYMENTS**

##### **Legal Fees**

Ward Hadaway has provided general legal advice to the Liquidators. Costs of £1,054.50 have been incurred and discharged.

##### **Contribution to legal costs**

Pheonix have advised that £116.37 of receipts they were holding for the benefit of the Company have been allocated to legal costs.

##### **Storage Costs**

A cost of £13.00 has been incurred in the period for storage of the Company's books and records and Liquidation files which is payable to Restore plc.

#### **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 reviewed the strategy on matters arising. There is no direct financial benefit to creditors from these actions.

Compliance with the Insolvency Act, Rules and best practice

The Liquidators have drafted and issued a progress report to creditors, ensured the case is adequately bonded and reconciled the bank statements. There is no direct financial benefit to creditors.

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

The Liquidators have continued to deal with creditors queries and updated their claims throughout the period.

## 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 and in our previous progress report.

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

**Secured creditors**

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

**Preferential creditors**

There are no known preferential creditors.

**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**

Unsecured creditors were estimated at £849,248.92 and to date we have not admitted any claims as we are not yet in a position to pay a dividend. The outcome for unsecured creditors is dependant upon the amount of commission clawbacks received.

## 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 4 July 2016 to 3 July 2017 amount to £3,853.00 which represents 21.8 hours at an average rate of £176.74 per hour.

Our time costs for the period for the whole period of the Liquidation amount to £89,841.50 which represents 474.4 hours at an average rate of £189.38 per hour.

We have drawn the total sum of £72,601.00 on account of our remuneration in accordance with the approval obtained.

No Category 2 disbursements have been drawn during the period.

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 2016 to 3 July 2017
- ☐ Cumulative Time Costs Analysis for the whole period of the Liquidation
- ☐ Begbies Traynor (Central) LLP's charging policy

#### **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.

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](http://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 undertake reviews and consider the strategy going forward.



#### Compliance with the Insolvency Act, Rules and best practice

The Insolvency Act and Rules requires the Liquidators 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. These actions will continue to be completed during the course of the Liquidators' appointment.

#### Realisation of assets

The Liquidators will continue to receive Commission Clawbacks from Phoenix.

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

The Liquidators will continue to liaise with the creditors and look to pay a dividend if appropriate.

#### **How much will this further work cost?**

The Liquidators currently expect this further work will cost £10,000.

#### **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:

- Storage costs of £100.00
- Statutory Advertising of £101.52

## 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, 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**

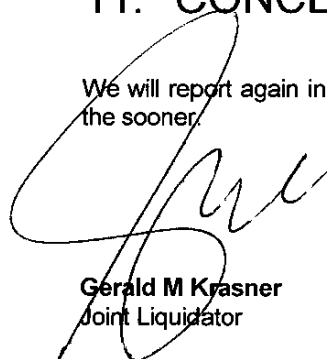
Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

#### **Right to make an application to court**

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

## 11. CONCLUSION

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

A large, stylized handwritten signature in black ink, appearing to read 'Gerald M Krasner', is written over the text of the signature block.

**Gerald M Krasner**  
Joint Liquidator

Dated: 1 September 2017

# LIQUIDATORS' ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 4 July 2016 to 3 July 2017 and for the whole period of the Liquidation

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

Statement of Affairs £		From 04/07/2016 To 03/07/2017 £	From 04/07/2011 To 03/07/2017 £
	<b>SECURED CREDITORS</b>		
(164,500.00)	HSBC Bank plc	NIL	NIL
		NIL	NIL
	<b>HIRE PURCHASE</b>		
4,643.65	IT Equipment	NIL	NIL
(4,643.65)	Cavendish Business Finance Limited	NIL	NIL
		NIL	NIL
	<b>ASSET REALISATIONS</b>		
Uncertain	Office equipment, computers etc	NIL	6,201.00
Uncertain	Commission Clawbacks	NIL	NIL
NIL	Directors' overdrawn loan account	NIL	NIL
NIL	HSBC Bank plc - Current Account	NIL	NIL
1.00	Sundry refunds - rates, insurance etc	NIL	1,741.92
Uncertain	Potential Litigation Income	NIL	NIL
Uncertain	Future Commissions	NIL	135,773.64
Uncertain	Investment in Citri Wealth Managemen	NIL	NIL
	Clawbacks	NIL	4,568.97
	Cash at Bank	NIL	9,532.65
	Bank Interest Gross	0.96	33.92
		0.96	157,852.10
	<b>COST OF REALISATIONS</b>		
	Insolvency Practitioners' Bond	NIL	107.50
	Agent's Fees	NIL	5,000.00
	Statement of Affairs Fee	NIL	5,000.00
	Joint Liquidators' Fees	NIL	72,601.00
	Completion of Tax Affairs	NIL	200.00
	Companies House Search Fees	NIL	1.00
	Computer Equipment for Data Storage	NIL	86.64
	Staff Parking Charges	NIL	18.82
	Staff Mileage	NIL	82.35
	Legal Fees - Ward Hadaway	1,054.50	8,654.50
	Irrecoverable VAT	210.90	18,447.79
	Postage	NIL	190.45
	Royal Mail Redirection	NIL	81.72
	Books & Records Storage Costs	NIL	57.75
	Statutory Advertising	NIL	242.60
	Contribution to Legal Costs	116.37	4,568.97
		(1,381.77)	(115,341.09)
	<b>FLOATING CHARGE CREDITORS</b>		
	HSBC Bank plc	NIL	33,033.82
		NIL	(33,033.82)
	<b>UNSECURED CREDITORS</b>		
(788,870.92)	Trade Creditors	NIL	NIL
(17,378.00)	Storeys SSP (Landlord)	NIL	NIL
(43,000.00)	HM Revenue & Customs-PAYE/NIC	NIL	NIL
NIL	HM Revenue & Customs-VAT	NIL	NIL
NIL	HM Revenue & Customs-Corporation	NIL	NIL

Statement of Affairs		From 04/07/2016 To 03/07/2017	From 04/07/2011 To 03/07/2017
£		£	£
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(822,909.00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		<u>NIL</u>	<u>NIL</u>
<u>(1,836,656.92)</u>		<u>(1,380.81)</u>	<u>9,477.19</u>
	REPRESENTED BY		
	Bank 2 Current		9,477.19
			<u>9,477.19</u>

01 August 2017 11:29

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## LIQUIDATORS' TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 4 July 2016 to 3 July 2017; and
- c. Cumulative Time Costs Analysis for the period from 4 July 2011 to 3 July 2017.

SIP9 Citri Limited - Creditors Voluntary Liquidation - 84C1024.CVL : Time Costs Analysis From 04/07/2016 To 03/07/2017

Staff Grade	Consultant/Partner	Director	Sr Mgr	Mngr	Asst Mngr	Sr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average Hourly Rate £
General Case Administration and Planning					0.2					1.2	306.00	255.00
		1.0										
		1.0		1.0	0.2				1.0	2.0	405.00	202.50
									1.0	3.2	711.00	222.19
Compliance with the Insolvency Act, Rules and best practice												0.00
		0.5			0.2				2.8	3.5	381.50	109.00
												0.00
												0.00
					3.5					3.5	717.50	205.00
		0.5			3.7				2.8	7.0	1,099.00	157.00
Investigations								5.0		5.0	550.00	110.00
								8.0		8.0	886.00	110.00
Realisation of assets		0.8			0.7					1.5	415.50	279.67
					4.9					4.9	1,004.50	205.00
		0.8			5.6					6.4	1,424.00	222.50
Trading												0.00
												0.00
												0.00
Dealing with all creditors claims (including employees), correspondence and distributions												0.00
												0.00
												0.00
												0.00
												0.00
Other matters which includes meetings, tax, litigation, pensions and travel												0.00
		0.2								0.2	69.00	345.00
												0.00
		0.2										0.00
												0.00
		2.5		1.0	9.5			5.0	3.8	6.2	89.00	345.00
		882.50		285.00	1,947.50			550.00	228.00	21.8	3,853.00	
	0.00	345.00	0.00	285.00	203.00	0.00	0.00	110.00	60.00			178.74
											0.00	

SIP9 Citri Limited - Creditors Voluntary Liquidation - 84CI024.CVL : Time Costs Analysis From 04/07/2011 To 03/07/2017

Staff Grade	Consultant/Partner	Director	Sr Mgr	Mngr	Asst Mngr	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning				1.0	0.2	6.2	24.3	3.0		36.7	5,351.50	145.82
	32.5	2.4				2.4	109.3	0.1	36.1	182.8	31,333.00	171.41
	32.5	2.4		1.0	6.2	19.8	133.6	3.1	36.1	218.6	36,684.50	167.73
Compliance with the Insolvency Act, Rules and best practice	2.0											
		1.4			0.2	0.7	0.2	0.8	6.2	9.5	1,133.50	119.32
												0.00
	1.0	10.0			3.5	8.1	28.2			50.8	9,787.00	192.66
	3.0	11.4			3.7	6.8	28.4	0.8	8.2	62.3	11,719.50	187.87
Investigations	22.0						9.4	5.0		36.4	10,569.00	288.71
	22.0						9.4	5.0		36.4	10,569.00	288.71
Realisation of assets	19.0	0.8			0.7	7.7	6.4			34.6	10,136.00	292.85
	13.0				4.9	10.5	47.1			75.5	14,335.50	189.87
							0.3			0.3	40.50	135.00
	22.9	9.8			5.8	18.2	53.8			110.4	24,512.00	222.83
Trading												0.00
												0.00
Dealing with all creditors claims (including employees), correspondence and distributions						1.1	5.0			6.1	867.50	142.21
						4.1	27.7	0.3		32.1	4,490.00	139.86
												0.00
												0.00
												0.00
		0.2					0.5			0.7	136.50	195.00
												0.00
												0.00
	89.5	14.9		1.0	9.5	42.8	285.3	9.2	42.3	7.6	1,068.00	148.33
	35,352.50	5,108.00		285.00	1,947.50	7,480.00	35,815.50	1,012.00	2,853.00	474.4	89,841.50	
	395.00	345.00		285.00	205.00	175.00	135.00	110.00	87.43		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 guidance<sup>1</sup> 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 guidance<sup>2</sup> 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:

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

<sup>2</sup> 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 stationary, 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:

<b>Grade of staff</b>	<b>Charge-out Rate (£ per hour)</b>
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 LIQUIDATORS' 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				
Legal Fees	Ward Hadaway	1,054.50	1,054.50	NIL
Storage Costs	Restore plc	13.00	NIL	13.00
Contribution to legal costs	Phoenix CPG Limited	116.37	116.37	NIL

## CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Insolvency Practitioners' Bond	Marsh Limited	107.50
Agents 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	8,654.50
Postage	Neopost	190.45
Royal Mail Redirection	Royal Mail	81.72
Books and Records Storage	Restore plc	70.75
Statutory Advertising	Courts Advertising Limited	242.60