

The Insolvency Act 1986

Liquidator's Progress Report

S. 192

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

To the Registrar of Companies

For official use

Company Number

01258754

Name of Company

(a) Insert full name of company

(a) WINDSONG HOLDINGS

Limited

(b) Insert full name(s) and address(es)

I/We (b) WILLIAM MATTHEW HUMPHRIES TAIT OF BDO LLP, 2 CITY PLACE, BEEHIVE RING ROAD, GATWICK, WEST SUSSEX, RH6 0PA AND DAVID HARRY GILBERT OF BDO LLP, 55 BAKER STREET, LONDON, W1W 7EU the liquidator(s) of the company attach a copy of my/our Progress Report under section 192 of the Insolvency Act 1986

Signed

[Handwritten signature]

Date 29.1.2013

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

For Official Use

Liquidation Section

Post Room

WEDNESDAY



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30/01/2013

#298

COMPANIES HOUSE



Tel +44 (0)1293 591000
Fax +44 (0)1293 591001
www.bdo.co.uk

2 City Place
Beehive Ring Road
Gatwick
West Sussex RH6 0PA

28 January 2013

Our Ref MT/KMC/A6

Direct Line 01293 591 146

Email Katie.cooper@bdo.co.uk

TO ALL KNOWN CREDITORS AND SHAREHOLDERS

Dear Sirs

Windsong Holdings Limited - In Creditors' Voluntary Liquidation ("the Company, Windsong")

Registered Address: 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA

Registered number: 01258754

Joint Liquidators: William Matthew Humphries Tait and David Harry Gilbert

**Joint Liquidator Addresses: 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA
and 55 Baker Street, London W1U 7EU**

Date of Appointment: 30 November 2010

I am writing to provide you with an annual progress report in accordance with Section 104A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986.

Please find enclosed a Receipts and Payments account in Appendix 1 showing a balance in hand as at 29 November 2012 of £470,800 and movements in the year since my previous report, for your information

1 Receipts

The Receipts shown are largely self-explanatory, although I would comment specifically on the following:

1.1 Cash in hand

£5,024 has been received from the Joint Liquidators' lawyers, Charles Russell LLP, for fees held on account (including interest accrued in the period) that were not applied to fees drawn in relation to the Company.

1.2 Book Debts

Creditors were advised in the Joint Administrators' final progress report dated 25 November 2010 that £2.7m had been realised and that a further £107k had been received since the commencement of the Liquidation until 30 November 2011

In particular, the sum of £95k was received from Pinnacle Entertainment Limited ("Pinnacle"), an associated company also in Liquidation, by way of a dividend payment. The Company has an inter-company claim against Pinnacle, which was confirmed by an independent adjudicator to be £6.35m. It is anticipated that there will be future



dividend payments from Pinnacle to the Company, although the vast majority of the debt will not be recoverable.

There have been no further book debt recoveries in period covered by this report and the Joint Liquidators do not anticipate any book debt realisations in addition to the inter-company claim

1.3 Bank Interest received

£1,357 has been received for bank interest in the period

2 Payments

2.1 Employment Advisors

ERA Solutions have been retained by the Joint Liquidators to provide advice and assistance in relation to the employee claims, which has included claims made to the Employment Tribunal for protective awards and payment of preferential and unsecured claims. A payment of £300 has been made in period.

2.2 Joint Liquidators' Fees and Disbursements

Details of the Joint Liquidators' remuneration can be found at Paragraph 5.

2.3 Legal Fees

Legal advisors have been instructed to provide advice on issues arising within the Liquidation. In particular it has been necessary to seek legal advice in respect of employee claims made to the employment tribunal. A payment of £513 was made in the period. It is not anticipated that any further fees will be payable in relation to this matter.

2.4 Stationery and Postage

£2,069 has been paid in the period to Imprima UK for the printing and postage of reports to creditors

3 Progress of the Liquidation

3.1 Book Debts and Inter-Company Claim

Both the book debt realisation process and the inter-company claim have been discussed in Paragraph 1.2 above.

3.2 Distribution to unsecured creditors

As detailed in my previous report, the Joint Liquidators were in a position to make a second interim distribution to the unsecured creditors and a notice of intended dividend was enclosed with that report.

The Joint Liquidators' reviewed and adjudicated upon the further claims received and a second interim dividend of 20 pence in the £ was duly declared and paid to unsecured creditors in April 2012. The total of dividends distributed in the period was £1,012,083 comprised of; £871,544 to trade and expense creditors, £69,300 to the National

Insurance Fund (including a catch-up dividend of £1,406 relating to the first interim dividend) and £71,239 to former employees

4 Future Prospects

4.1 Inter-Company Debt

The key remaining asset to be realised is the payment due from the Liquidation of Pinnacle in respect of the inter-company debt, which is discussed at Paragraph 1.2. The Joint Liquidators are unable to estimate the timing or quantum of further realisations as this will be dependent on the outcome of the Liquidation of Pinnacle.

Creditors should note that the winding up process cannot be completed until a final distribution is made from Pinnacle to the Company, at which point all asset realisations will be complete.

4.2 Other assets

Since the period covered by this report, the Joint Liquidators have received an offer to purchase the rights to a number of master records that have been identified as belonging to the Company. A contract for sale and purchase price are currently being finalised although I note that the sums involved are not substantial.

4.3 Creditors

4.3.1 Secured Creditors

There are no amounts due to any secured creditor.

4.3.2 Preferential Creditors

As detailed in my previous reports, in the Administration, a distribution was made to known preferential creditors on 30 September 2010 of 100 pence in the £ totalling £18,311. Following receipt of further claims a distribution of £9,849 (100 pence in the £) was made on 30 March 2011. No further distributions have been made in the period and no further distributions are anticipated.

4.3.3 Unsecured Creditors

Under the provisions of Section 176A of the Act, the Joint Liquidators must state the amount of funds available to unsecured creditors in respect of the Prescribed Part. This provision only applies where the Company has granted a floating charge to a creditor after 15 September 2003.

In this case, the Company granted a floating charge to Coface Receivables Finance Limited ("Coface") on 8 October 2008, however at the date the Administrators were appointed there was no balance due to Coface.

As detailed in 3.2, following the "Notice of Intended Dividend" being circulated to all creditors and the payment of a second interim dividend, the Liquidators' have agreed the claims of the unsecured creditors, excluding employees in the sum of £4,142,401.

Employee unsecured claims have been agreed at £787,345, following the finalisation of certain protective awards and unfair dismissal claims.

In the Administration, a distribution of 20 pence in the £ was made to unsecured creditors totalling £912,323. Further distributions of £45,511 have been made in the period to 29 November 2011 to former employees whose claims have been subsequently agreed or amended.

As detailed above, a second interim distribution of 20 pence in the £ was declared and paid to unsecured creditors in April 2012. The total of dividends distributed in the period was £1,012,083, comprised of; £871,544 to trade and expense creditors, £69,300 to the National Insurance Fund (including a catch-up dividend of £1,406 relating to the first interim dividend) and £71,239 to former employees.

As detailed in 4.1, the payment of a further interim dividend will be dependent upon the timing of a dividend payment from Pinnacle. If it is deemed likely that a final distribution from Pinnacle will not be forthcoming in the medium-term the Joint Liquidators will consider paying a third interim dividend to unsecured creditors being mindful of the cost benefit to creditors as a whole for conducting two further distributions.

Once a final distribution has been received from Pinnacle the Joint Liquidators will be in a position to pay a final distribution from the Liquidation estate of the Company.

4.4 Expenses Incurred during the period of this report

As detailed on the enclosed Receipts and Payments account at Appendix I and discussed in section 2, the Joint Liquidators are aware that the following costs have been incurred:

- Liquidators' remuneration is discussed further at Paragraph 5. Creditors should note that the figures discussed at Paragraph 5 relate to the period covered by this report only. Joint Liquidators' remuneration of c. £12k, has been incurred but not drawn at the date of this report.
- As detailed in Paragraph 2.4, stationery and postage costs of £2k have incurred and paid in the period.
- As a result of the Company's connection with the Liquidation of Pinnacle, the Company's books and records are stored in conjunction with those of Pinnacle. These costs have been paid out of the Pinnacle Liquidation and need to be apportioned appropriately between the two Companies. It is anticipated that a refund of approximately £4k will be paid by the Company to Pinnacle.
- The Company has incurred a potential corporation tax liability in the period, from interest received on funds held in the Liquidation bank accounts. However, the Liquidators are able to offset certain costs against the liability and it is probable that the liability will be negligible.

5 Liquidators' Remuneration

Pursuant to the Insolvency Rules 1986, the Joint Liquidators are obliged to fix their remuneration in accordance with Rule 4.127(2) of the Insolvency Rules 1986. This permits remuneration to be fixed either

- (1) as a percentage of the assets realised and distributed, and/or

(2) by reference to the time the Joint Liquidators and the staff have spent attending to matters in the liquidation; and/ or

(3) as a set amount.

The creditors committee has approved the Joint Liquidators' remuneration on a time cost basis.

The Joint Liquidators' total time costs for the period are £31,695.40 for 179 hours at an average charge out rate of £177 per hour. The total time costs for the Liquidation to date are £73,813 75. I enclose a schedule pursuant to Statement of Insolvency Practice 9, which analyses the costs incurred to date and indicates the work undertaken in that respect in Appendix II. To date, the Liquidators have drawn fees of £62,251.

In accordance with Rule 4 49 of the Insolvency Act 1986, a Liquidator must report to creditors on the work he has done in the period where fees have been drawn. I refer creditors to Paragraphs 1-3 of this report for details of the work performed by the Liquidators during the period covered by this report.

Creditors may request a copy of a guide entitled, "A creditors' guide to Liquidators' fees" by contacting Katie Cooper of my office. The policy of BDO LLP in respect of fees and disbursements is attached to this report.

6 Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. We therefore report that the sum of £28 has been drawn in respect of category 1 disbursements for travel expenses. In addition, the sum of £1 has been incurred but not drawn in respect of company searches.

Liquidators often charge expenses for example postage, stationery, photocopying charges, mileage, telephone and fax costs, which cannot economically be recorded in respect of a specific case. Such expenses, which are apportioned to cases, require the approval of the creditors, before they can be drawn and these are known as category 2 disbursements. The policy of BDO LLP is to charge mileage only as a category 2 disbursement.

7 Creditors' rights

I provide at the end of this report an extract from the Insolvency Rules 1986 setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the liquidation.

If you require any further information please do not hesitate to contact Katie Cooper of my office.

Yours faithfully



Matthew Tait
Joint Liquidator



Enc

William Matthew Humphries Tait and David Harry Gilbert are authorised to act as Licensed Insolvency Practitioners by the Insolvency Practitioners Association

Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Liquidators' fees and expenses:**Rule 4.49E Creditors' and members' request for further information**

(1) If-

- (a) within the period mentioned in paragraph (2)-
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (iii) members of the company in a members voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or
- (b) with the permission of the court upon an application made within the period mentioned in paragraph (2)-
 - (i) any unsecured creditor, or
 - (ii) any member of the company in a members' voluntary winding up,

makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4 49B(1)(e) or (f) (including by virtue of Rule 4 49C(5)) or in a draft report under Rule 4 49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter[s] in a draft report under Rule 4 49D or a progress report required by Rule 4 108 which (in either case) was previously included in a progress report not required by Rule 4 108

(2) The period referred to in paragraph (1)(a) and (b) is-

- (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4 108, and
- (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case

(3) The liquidator complies with this paragraph by either-

- (a) providing all of the information asked for, or
- (b) so far as the liquidator considers 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) the liquidator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information

Rule 4.131 Creditors' claim that remuneration is or other expenses are excessive

(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

(1A) Application may be made on the grounds that-

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or

- (c) expenses incurred by the liquidator,
is or are, in all the circumstances, excessive or, in the case of an application under sub paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question (“the relevant report”)
- (2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days’ notice but which is without notice to any other party
If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders-
- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
 - (b) an order fixing the basis of remuneration at a reduced rate or amount,
 - (c) an order changing the basis of remuneration,
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
 - (e) an order that the liquidator or the liquidator’s personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,
- and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation



Windsong Holdings Limited - in Creditors Voluntary Liquidation
Joint Liquidators' Receipts and Payments Account

Windsong Holdings Limited
(In Creditors' Voluntary Liquidation)

Joint Liquidators' Abstract Of Receipts And Payments
for the period 30 November 2010 (date of Liquidation) to 29 November 2012

	Notes	30/11/2011 to 29/11/2012	30/11/2010 to 29/11/2012
RECEIPTS			£
Balance of funds transferred from Administration			1,303,964
Cash In Hand		5,023	5,023
Book Debts			107,288
VAT Refund			386,372
Tax Refund		43	43
Bank Interest Gross		1,357	3,673
Bank Charges Refund			160
Input VAT transferred from Administration	1	-	53,358
VAT control account transferred from Administration	1		4,459
		<u>6,423</u>	<u>1,864,340</u>
PAYMENTS			
Employment Advisors		300	1,912
Administrators Fees			118,854
Administrators Disbursements			56
Committee Expenses			80
Liquidators Fees		46,886	62,251
Liquidators Disbursements		-	28
Legal Fees		513	10,370
Corporation Tax		-	43
Stationery & Postage		2,069	3,333
Independent Adjudicators Fees		-	20,027
Statutory Advertising		-	182
Bank Charges		-	284
Unclaimed Dividends Fee		-	25
Dividends Unclaimed in Administration	2	-	8,474
Output VAT from Administration	1	-	85,707
VAT Irrecoverable		-	309
Input VAT	3	9,540	14,162
		<u>59,308</u>	<u>326,097</u>
DISTRIBUTIONS			
Dividend to Preferential creditors			
Employees		-	9,849
Dividend to Unsecured creditors			
Employees	4	71,239	116,750
National Insurance Fund	4	69,300	69,300
Trade and expense creditors	4	871,544	871,544
Balances in Hand		<u>-1,064,968</u>	<u>470,800</u>
		<u>6,423</u>	<u>1,864,340</u>

Notes

- 1 There was a net VAT payment due by Company from the preceding Administration period
- 2 Following the distribution made in the preceding Administration, there were a number of dividend cheques that had not cleared. These were set aside from the funds held in the estate and as such were listed as payments out of the Liquidation. All unclaimed.
- 3 VAT is treated by the Liquidators under the Company's VAT registration and is recoverable in full.
- 4 An interim distribution of 20p in the £ was paid in the period to unsecured creditors as follows

	£
29 Mar 12 Trade and expense creditors	871,544
27 Apr 12 Employees	68,954
11 Oct 12 Employees (catch up dividend)	2,285
15 May 12 The National Insurance Fund	67,893
11 Oct 12 The National Insurance Fund (catch up dividend)	1,407
	<u>1,012,083</u>

Windsong Holdings Limited - in Creditors Voluntary Liquidation
Summary of time charged and rates applicable

Windsong Holdings Limited in Creditors' Voluntary Liquidation
 Summary of Time Charged and Rates Applicable for the Period From 30 November 2010 (date of liquidation) to 29 November 2012

Description	PARTNER 30/11/2011 - 29/11/2012		MANAGER 30/11/2011 - 29/11/2012		ADMINISTRATOR 30/11/2011 - 29/11/2012		OTHER STAFF 30/11/2011 - 29/11/2012		TOTAL FOR PREVIOUS PERIOD 30/11/2010 - 29/11/2011		GRAND TOTAL		AVERAGE RATE £
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
Steps on Appointment													
Statutory documentation									2 70	413 10	2 70	413 10	153 00
Setting up internal files								0 45	68 85	0 45	68 85	153 00	153 00
Other matters								0 50	76 50	0 50	76 50	153 00	153 00
Total	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	3 65	558 45	3 65	558 45	153 00
Planning and Strategy													
Historic Performance Review			0 50	164 00	0 50	83 50			1 50	492 00	2 50	739 50	295 80
Strategy Planning			1 25	307 50	0 30	28 80			4 75	1,193 25	5 05	1,222 05	241 99
Reporting			1 75	471 50	0 80	112 30			6 25	1,685 25	8 80	2,269 05	257 85
Total	0 00	0 00	1 75	471 50	0 80	112 30	0 00	0 00	6 25	1,685 25	8 80	2,269 05	257 85
General Administration													
VAT													
Taxation									17 55	2,737 90	17 55	2,737 90	156 01
Conduct Reports					1 05	175 35			1 75	447 00	2 80	622 35	222 27
Receipts and payments accounts			4 30	1,417 65	10 95	1,473 15	24 15	2,873 85	42 55	6,431 05	81 95	12,195 70	148 82
Remuneration issues					0 35	58 45			0 50	123 00	0 85	181 45	213 47
Statutory matters			4 75	1,558 00					0 50	123 00	5 25	1,681 00	320 19
General meetings					29 25	3,667 95			0 25	38 25	0 25	38 25	153 00
General Administration/Correspondence			0 50	137 25	29 25	3,667 95			33 30	5,742 55	63 05	9,547 75	151 43
Maintain internal files					0 10	11 90			8 15	1,604 85	8 25	1,616 75	195 97
Total	0 00	0 00	9 55	3,112 90	41 70	5,386 80	24 15	2,873 85	105 85	17,446 50	181 25	28,820 05	159 01
Assets Realisation/Dealing													
Other Matters									1 25	307 50	1 25	307 50	246 00
Total	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	1 25	307 50	1 25	307 50	246 00
Employee Matters													
Dealing with Employees					1 50	250 50			4 10	1,008 60	5 60	1,259 10	224 84
Other Matters			2 85	944 95					4 40	1,115 40	7 25	2,060 35	284 19
Total	0 00	0 00	2 85	944 95	1 50	250 50	0 00	0 00	8 50	2,124 00	12 85	3,319 45	258 32

Trading Related Matters																			
Business Management																			
Trading Accounts																			
Total	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	2 25	553 50	61 50	0 25	2 00	492 00	2 00	61 50	246 00

Creditor Claims																				
Preferential Creditors				3 75	446 25													3 75	446 25	119 00
Non-Preferential Creditors			0 75	246 00	3,241 10						10 95	1,752 80	5,239 90	37 00				37 00	5,239 90	141 62
Other Creditors	1 75	789 25		5 45	754 15						33 05	7,334 85	8,878 25	40 25				40 25	8,878 25	220 58
Other Matters											1 50	369 00	369 00	1 50				1 50	369 00	246 00
Total	1 75	789 25	0 75	246 00	4,441 50	0 00	0 00	0 00	0 00	45 50	9,456 65	14,933 40	14,933 40	82 50				82 50	14,933 40	362 20

Reporting																				
Reporting to Committee	3 00	1,353 00	6 00	1,968 00	425 85					29 00	8,107 75	11,854 60	11,854 60	40 55				40 55	11,854 60	292 35
Statutory Reporting					2,722 10					0 75	184 50	2,906 60	2,906 60	17 05				17 05	2,906 60	170 48
Total	3 00	1,353 00	6 00	1,968 00	3,147 95	0 00	0 00	0 00	0 00	29 75	8,292 25	14,761 20	14,761 20	57 60				57 60	14,761 20	256 27

Distribution and Closure																				
Distributions			8 15	2,694 95	3,901 95													31 60	6,596 90	208 76
Work										5 00	1,694 25	1,694 25	1,694 25	5 00				5 00	1,694 25	338 85
Total	0 00	0 00	8 15	2,694 95	3,901 95	0 00	0 00	0 00	0 00	5 00	1,694 25	1,694 25	1,694 25	5 00				36 60	8,291 15	226 53

Total	4 75	2,142 25	29 05	9,438 30	17,241 00	24 15	2,873 85	208 00	42,118 35	386 75	73,813 75	73,813 75	190 86
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Windsong Holdings Limited - In Creditors' Voluntary Liquidation

William Matthew Humphries Tait and David Harry Gilbert of BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA and 55 Baker Street, London W1U 7EU appointed Joint Liquidators on 30 November 2010

Attached is information on the work undertaken in respect of this appointment together with the policies of BDO LLP in respect of fees and disbursements for such work. This is submitted in support of the request for approval of remuneration.



A report summarising the work undertaken by the Liquidators and their staff in dealing with all issues arising in the Liquidation for the period of this report is attached together with

- Receipts and payments account for the period 30/11/11 to 29/11/12
- Statement of Insolvency Practice - Analysis of time costs for the period 30/11/11 to 29/11/12

BDO LLP Remuneration and Disbursements Policy

In accordance with best practice I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency follows: This in no way implies that staff at all such grades will work on the case

GRADE £

Partner1	559
Partner 2	451
Director	388
Senior Manager	328-357
Manager	246-279
Assistance Manager	221
Senior Executive	209
Executive	139-190
Junior Executive	119
Trainee	75-96
Support staff/Secretary	75

The rates charged by BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 OPA are reviewed in December and July each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories -

Pre Appointment
Steps upon Appointment
Planning and Strategy
General Administration
Asset Realisation/Management
Trading Related Matters
Employee Matters
Creditor Claims
Reporting
Distribution and Closure
Other Issues

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.



Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

1) Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories

2) Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), searches at Companies House, land registry searches, fees in respect of swearing legal documents, external printing costs etc. In each case the recharge will be reimbursement of a specific expense incurred.

A further disbursement under this heading is the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the Inland Revenue Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff.

Where applicable, disbursements will be subject to VAT at the prevailing rate

3) Category 2

Additionally some firms recharge expenses for example postage, stationery, photocopying charges, mileage, telephone and fax costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors, before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP, effective from 1 July 2003, is not to recharge any expense which is not a specific cost to the case, therefore there will be no category 2 disbursements charged, with the exception of mileage. Category 2 disbursements, because they are imprecise, require approval by the creditors before they can be drawn.

Mileage under this heading is the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 40p per mile is raised which is in line with the Inland Revenue Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff.

4) Detail of Work Undertaken

We refer creditors to the main body of the report for details of all work undertaken.

5) Conclusion

We trust you have found this report informative regarding the work undertaken in respect of this insolvency. Any issues you may have arising from this report should be directed to: William Matthew Humphries Tait at BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA.