

COPY - Revised
Figures

Balance in C.A. Current Account at 18.3.09

£52,155

Payments Due

Ian Kerr : 26 weeks sal in lieu of notice	£23,500
Statutory Redundancy	£8,000
Holiday Pay owed 2.5 weeks	£2,259
Mary Kerr : 12 weeks sal. In lieu of notice	£4,826
Statutory Redundancy	£5,775
Holiday Pay owed 2 weeks	£1,005
Car under terms of notice	£4,000
Tax & NIC due April (for March)	<u>£2,078</u>
<u>TOTAL</u>	<u>£51,443</u>

(Lucy & Charlotte's salaries in lieu of notice & Statutory Redundancy & Holiday Pay have already been paid).

Balance after the above payments

£712

Still to be Paid

3450
Solicitors' Fees, Accountants Fee, Prof. Indemnity Run-Off Insurance, Court Fine, VAT owed, Visa March/April, Continuing business costs during winding up (phone, any petrol etc). - 1000
(Prosecution) Court Fees: 1000
2500
Apr M Sal's + NIC: 6000
10,000 at mag. court
TOTAL: £27,950

Invoicing for period from end Dec 08 to 2nd March 09 (to cessation of trading) amount to £11,707.
Outstanding invoices (prev. Qtr & meeting sundries owed) £342

TOTAL DUE **£12,049**

I feel that we will be very fortunate if items still to be paid for are covered by the above invoices due. This is assuming also that all companies are going to pay when invoiced.

Our Constitution at item 11 states in full :-

"The level of subscription is based on an annual budget which is sufficient to cover the Association running costs.

Any surplus above a prudent contingency reserve will be used to reduce subsequent subscription levels and/or quarterly charges.

Conversely, should the Association incur any financial liability, it is to be shared equally between its members.

If any member is in arrears for more than 5 months, strictures will be applied over the arrears.

16 cos @ £1,500 = £24,000*
16 cos @ £2,000 = 32,000
* If 5 cos don't pay - no spare (£1,500)
SIF 27,950
Inc. - 11,707
SIF £16,250

The extent of members' liability will be in respect of any debts arising from the management of the Association's day to day business.

In addition, the Association will have Professional Indemnity Insurance and Directors' Professional Liability insurance to cover any legal liabilities."

I am waiting to hear from Marsh Brokers regarding the position on Run Off Insurance. The renewal date of the existing Prof. Indemnity Insurance would have been 1st April 09.

In summary, there is going to be a significant shortfall after statutory & redundancy payments to the staff and me. I think it is only right & proper that the payments due to staff should be made now before other charges & costs accrue.

I will now:-

1. Make payments due to staff.
2. Send out invoices with a request for speedy payment.
3. Call you when Marsh's response is known.

Regarding those items in the category of "Still to be Paid" our accountant says that the members need to be made aware that there is going to be a shortfall and there should be agreement from them to cover this.

Regards

Ian