

Section 106

Return of Final Meeting in a
Creditors' Voluntary Winding UpPursuant to Section 106 of the
Insolvency Act 1986

To the Registrar of Companies

S.106

Company Number

00182442

Name of Company

00182442 Limited formerly Sharp & Nickless Limited

/ We

Darren Terence Brookes, The Old Bank, 187a Ashley Road, Hale, Cheshire, WA15 9SQ

Gary John Corbett, The Old Bank, 187a Ashley Road, Hale, Cheshire, WA15 9SQ

Note The copy account must be
authenticated by the written
signature(s) of the Liquidator(s)

1 give notice that a general meeting of the company was duly held on/summoned for 18 May 2016 pursuant to section 106 of the Insolvency Act 1986, for the purpose of having an account (of which a copy is attached) laid before it showing how the winding up of the company has been conducted, and the property of the company has been disposed of, and that the same was done accordingly / no quorum was present at the meeting,

2 give notice that a meeting of the creditors of the company was duly held on/summoned for 18 May 2016 pursuant to Section 106 of the Insolvency Act 1986, for the purpose of having the said account laid before it showing how the winding up the company has been conducted and the property of the company has been disposed of and that the same was done accordingly/no quorum was present at the meeting

The meeting was held at The Old Bank, 187a Ashley Road, Hale, Cheshire, WA15 9SQ

The winding up covers the period from 10 April 2015 (opening of winding up) to the final meeting (close of winding up)

The outcome of any meeting (including any resolutions passed) was as follows

Signed

Darren Terence Brookes

Date 18 May 2016

Milner Boardman & Partners
The Old Bank
187a Ashley Road
Hale
Cheshire
WA15 9SQ

Ref SH2385/DTB/GJC/AJ

THURSDAY



A57CTEAA

A09

19/05/2016

#187

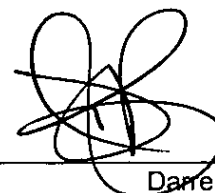
COMPANIES HOUSE

00182442 Limited formerly Sharp & Nickless Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments
From 10 April 2015 To 18 May 2016

S of A £	£	£
ASSET REALISATIONS		
Freehold Land & Property	220,000 00	
Transfer from Administration	6,171 64	
Search fees	286 40	
		226,458 04
COST OF REALISATIONS		
Specific Bond	198 00	
Reimburse Joint Adminsitrators fees	35,000 00	
Joint Liquidators' fees	2,614 54	
Accountancy Fees	1,650 00	
Agents/Valuers Fees	11,525 00	
Legal Fees	4,461 00	
Corporation Tax	1,974 40	
ERA Work	600 00	
Statutory Advertising	211 50	
Other Property Expenses	1,393 27	
Insurance of Assets	3,618 49	
		(63,246 20)
PREFERENTIAL CREDITORS		
Distribution to preferential creditors	211 84	
		(211 84)
UNSECURED CREDITORS		
Distribution to unsecured creditors	163,000 00	
		(163,000 00)
		0 00

REPRESENTED BY

NIL



Darren Terence Brookes
Joint Liquidator



MILNER BOARDMAN
& PARTNERS
Corporate Recovery

**00182442 LIMITED formerly Sharp & Nickless Limited-
IN LIQUIDATION**

Joint Liquidators' Final Report as laid down at the Final Meeting

Covering the Period
10 April 2015 to 18 May 2016

18 May 2016

Milner Boardman and Partners
The Old Bank
187A Ashley Road
Hale
Cheshire
WA15 9SQ

Our Ref DTB/AP/2385/24

Joint Liquidators'
Draft Final Report



CONTENTS

- 1 Statutory Information and Background
- 2 Case Overview
- 3 Asset Realisation and Actions Since Appointment
- 4 Receipts and Payments
- 5 Investigation
- 6 Joint Liquidators' Remuneration
- 7 Joint Liquidators' Disbursements
- 8 Creditors
- 9 Conclusion

APPENDICES

- 1 Receipts and Payments Account
- 2 Milner Boardman and Partners' Time Analysis and Practice Fee Recovery Policy
- 3 Creditor's Rights in Relation to Liquidator's Remuneration

1 Statutory Information and Background

- 1 1 On 30 April 2014, the Directors of the Company appointed Colin Burke and Darren Brookes of Milner Boardman & Partners as Joint Administrators under paragraph 22 of Schedule B1 of the insolvency act 1986
- 1 2 On 10 April 2015 the Company was placed into Creditors Voluntary Liquidation as an exit route out of the Administration as agreed by creditors and Gary Corbett and Darren Brookes were appointed as Joint Liquidators
- 1 3 The Liquidation is being handled by Milner Boardman & Partners, situated at The Old Bank, 187A Ashley Road, Hale, Cheshire, WA15 9SQ
- 1 4 The Company's former registered office was 77 College Street, Long Eaton, NG10 4NN and its trading address was the factory premises to the rear of 77 College Street, Long Eaton. The Company traded as Sharp & Nickless
- 1 5 The registered office of the Company is c/o Milner Boardman & Partners, The Old Bank, 187A Ashley Road, Hale, Cheshire, WA15 9SQ and its registered number is 00182442
- 1 6 It is considered that the EC Regulation on Insolvency Proceedings applies to these proceedings, which are main proceedings as defined in Article 3 of the EC Regulations

2. Case Overview

- 2 1 The principal business activity of the Company was that of the manufacture of biscuits, particularly specialising in the production of brandy snaps
- 2 2 Unfortunately, following the death of the director, Mr Holbrook, in April 2014, it became apparent that the Company was not in a position to continue to trade without ongoing financial support and without a director who was able to run the business
- 2 3 The chattel assets including plant & machinery, vehicles, stock and fixtures and fittings together with the goodwill, IPR, trading name of the Company and book debts were realised during the Administration. However, a sale of the Company's property, namely the land to the rear of 77 College Street, Long Eaton, had not completed at the time the Company was placed into Liquidation

3. Asset Realisation and Actions Since Appointment

- 3 1 **Freehold Land & Property** – As previously advised, the Company traded from the bakery to the rear of 77 College Street, Long Eaton, however, the title to the property was in question and investigations needed to be made to establish ownership of the property and to clarify the boundaries. Subsequently, it was established that the Company owned the land and bakery, including the garages at 77 College Street. Once ownership

had been established, the Joint Liquidators instructed independent property agents, Eddisons, to carry out a valuation and to prepare a report on the marketing strategy for the property. Eddisons, recommended that the property be sold by way of an auction. Given the unique nature of the site and the fact that the market had not been tested, they recommended this as the best route in order to maximise realisations. Eddisons suggested a guide/reserve price of £125,000 and the property was placed in an auction sale on 21 May 2015. The property was sold at the auction for the sum of £220,000. Legal completion of the property took place on 23 June 2015 and the funds were transferred to the Joint Liquidators accordingly.

- 3.2 **Transfer from Administration** – At the time the Company was placed into Liquidation there were funds held by the Joint Administrators totalling £6,171.64, which were duly transferred upon appointment.
- 3.3 **Search Fees** – The purchaser of the property paid the search fees direct to the Land Registry and therefore this fee was refunded to the Joint Liquidators by the solicitors as they had charged the fee to the estate.
- 3.4 The Joint Liquidators have continued to liaise with all parties throughout the sales process, which has included managing the security and maintenance of the property and have complied with the insurance requirements. We have also continued to communicate with the agents and solicitors on all sides in order to successfully complete a sale of the property.
- 3.5 The Joint Liquidators have continued to keep creditors informed of the sale process and have also held meetings with the major creditor and their representatives in order to keep them advised of the manner and progress of the sale. Once the sale was completed, we paid the costs incurred and turned our attention to agreeing creditor claims as soon as possible. All proving creditors received a first and final dividend, which was distributed on 19 November 2015. I can confirm that all cheques have now cleared the account and therefore the case can be closed.
- 3.6 There were no further asset realisations in this matter.

4. Receipts and Payments

- 4.1 A receipts and payments account for the period 10 April 2015 to 18 May 2016 is enclosed with this report at appendix 1.
- 4.2 Receipts for this period total £226,458.04 and relate to the sale of the freehold land and property, the transfer from the Administration and the refund of search fees.
- 4.3 Payments for the period total £226,458.04 and relate to specific bond, reimbursement of Joint Administrators' fees, accountancy fees, agent's fees, legal fees, corporation tax, ERA work, Joint Liquidators' fees, statutory advertising, other property expenses, insurance of assets, distribution to preferential creditors and distribution to unsecured creditors.
-

5. Investigation

- 5 1 As part of our duties as Joint Liquidators, we undertook enquiries into the Company's previous trading activities. The purpose of this aspect of the investigation was to ascertain the existence and whereabouts of any Company assets, whether disclosed on the director's sworn statement of affairs or not. It was also to establish whether any conduct matters justified further investigation taking into account public interest, potential recoveries, funds available to fund an investigation and the cost involved.
- 5 2 This investigation necessitated an examination of the books and records maintained by the Company, together with Company correspondence either retained by the Company or provided to us subsequently by creditors.
- 5 3 We have also examined the conduct of the individuals concerned in the management of the Company and have, where necessary, interviewed the directors of the Company.
- 5 4 We have complied with our statutory duty under the Company Directors Disqualification Act 1986 by submitting an appropriate return to the Secretary of State.

6. Joint Liquidators' Remuneration

- 6 1 The creditors agreed that the remuneration of the Joint Liquidators is to be calculated on a time cost basis and charged at the applicable rates of Milner Boardman & Partners and to be drawn as and when appropriate. This was agreed at a meeting of creditors held on 30 April 2014 during the period of Administration. The policy of Milner Boardman & Partners is to charge the time, directly to each case, of all staff with the exception of secretarial staff. The attached summary at appendix 2 is intended to provide a breakdown of time costs incurred to date. Please note that Milner Boardman & Partners record time in 6 minute units. Details of the current charge out rates of Milner Boardman & Partners are included within the Practice Fee Recovery Policy which is also attached at appendix 2.
- 6 3 As you can see from the attached summary at appendix 2, the time costs to date are £13,276, which represents 53.9 hours at an average rate of £246.30 per hour. As is shown in the attached receipts and payments account an amount of £2,614.54 has been drawn in respect of Joint Liquidators' fees. The remaining balance of time costs will be written off. As agreed by creditors, the Joint Administrators' unpaid remuneration of £44,277 could be paid out of the assets of the Company in the Liquidation and in priority to the costs and expenses of the Liquidation. We can report, however, that an amount of £35,000 has been reimbursed in respect of the outstanding Joint Administrators' fees and the balance of time costs has been written off.
- 6 4 Attached at appendix 3 are details of creditor's rights in relation to the Liquidator's remuneration and expenses. A copy of "A creditors' guide to Liquidators' fees" is available via "www.insolvency-practitioners.org.uk" by clicking on "Regulation and Guidance" and then "Creditors Guides" and then clicking on "Liquidators' Fees November 2011" or alternatively a hard copy may be requested from this office.

6 5 The main areas where time costs have been incurred are 'Administration and Planning', 'Investigations', 'Realisation of Assets' and 'Creditors' These are discussed in more detail below

6.6 Administration and Planning

6 6 1 A total of £7,328 has been spent on administration and planning, including time spent on meetings and telephone conversations with the director and the Company accountant, complying with statutory duties, reporting to creditors and general administrative work, preparing reports and dealing with correspondence

6.7 Investigations

6 7 1 A total of £215 has been spent on dealing with investigations and has included preparing and submitting a return to the Secretary of State

6 8 Realisation of Assets

6 8 1 A total of £1,780 has been spent on dealing with realisation of assets which includes dealing with the sale of the property This has included liaising throughout the sale process with the agents instructed to market and auction the property Additionally, the Joint Liquidators have continued to communicate and correspond with the appointed solicitors to ensure the legal completion of the sale

6.9 Creditors

6 9 1 A total of £3,953 has been spent on dealing with creditors Work carried out relates to dealing with the preferential creditors and unsecured creditors, including HM Revenue & Customs The Joint Liquidators have corresponded with all creditors to advise of the appointment and to agree their claims in order to make a distribution from asset realisations Any creditor queries and correspondence have also been dealt with The dividend to creditors was advertised and declared, claims were agreed and the dividend was distributed accordingly

7. Joint Liquidators' Disbursements

7 1 With regard to disbursements, specific expenditure relating to the administration of the insolvent's estate and payable to an independent third party is recoverable without creditor approval Payments made in respect of the above are defined as "Category 1 disbursements" Category 1 disbursements incurred in this case total £25,631 66 since appointment

7 2 We have drawn £25,631 66 in respect of Category 1 disbursements in this case

7 3

Type of expense	Amount incurred in reporting period (£)	Amount drawn in reporting period (£)
Statutory advertising	211 50	211 50
Specific bond	198	198
Agents' fees	11,525	11,525
Accountancy Fees	1,650	1,650
Legal Fees	4,461	4,461
Corporation tax	1,974 40	1,974 40
ERA Work	600	600
Other property expenses	1,393 27	1,393 27
Insurance of Assets	3,618 49	3,618 49

7 4 Expenditure incidental to the administration of the insolvent's estate, which by its nature includes an element of shared or allocated costs, are recoverable with creditors' approval. Payments in respect of this type of expense are referred to as "Category 2 disbursements". Category 2 disbursements require creditor authorisation before they can be drawn. Category 2 disbursements include staff mileage costs. Milner Boardman & Partners have not charged Category 2 disbursements.

7 5 All disbursements are shown net of VAT and as the Company was registered for VAT purposes, VAT totalling £11,311 35 was recoverable for the benefit of the insolvent's estate.

7 6 We have used the following agents or professional advisors in this reporting period:

Agent/Professional Advisor	Nature of work	Basis of fees
Eddisons	Valuer	Percentage of realisations
NJ Goodman	Solicitor	Fixed fee
TLL Accountants	Accountants	Fixed fee
ERA Solutions	ERA Work	Fixed fee

7 7 The professional advisers were selected on a basis of our perception of their experience and ability to perform this type of work and nature and complexity of the assignment and the basis of our fee arrangement with them. The fees charged have been reviewed and we are satisfied they are reasonable in the circumstances.

7 8 Eddisons, independent agents and valuers, were instructed to deal with a sale of the Company's property by way of auction. This involved inspecting and valuing the property to establish a reserve price for the auction. They also produced marketing information to send to potential purchasers in order to maximise realisations. Eddisons also arranged regular property inspections to comply with the insurance requirements and arranged any maintenance and repairs that were necessary. The property was included in one of their property auctions and sold as detailed above. Their agreed fee

included £750 plus VAT for providing a report in respect of the property, 1 25% of the sale price and an auction entry charge of £650 plus VAT

- 7 9 Solicitors, NJ Goodman & Co, were instructed to correspond with the director and the director's solicitors to answer a number of queries concerning the property. They also carried out work to ascertain the title and boundaries of the property which was uncertain. Once a sale had been agreed, they carried out all legal matters associated with the sale of the property.
- 7 10 Accountants, TLL Accountants, were instructed to carry out detailed work in the computation of the Capital Gains Tax of the Company following the disposal of the property utilising the March 1982 valuation procedure.
- 7 11 ERA Solutions were instructed to assist in calculating the preferential employee residual claims and to advise on any unsecured employee residual claims.

8. Creditors

8.1 Secured Claims

- 8 1 1 According to Companies House, there were no secured creditors in this case.
- 8 1 2 Under Section 176A of the Insolvency Act 1986, where after 15th September 2003 a company has granted to a creditor a floating charge, a proportion of the net property realised, must be made available exclusively for the unsecured creditors.
- 8 1 3 In this case, the provision did not apply as there was no charge registered against the Company.

8.2 Preferential Creditors

- 8 2 1 According to the statement of affairs, it was anticipated that preferential creditor claims would total £211. Preferential creditor claims totalling £211.84 have been received in respect of employees' holiday pay.
- 8 2 2 A distribution of 100p in the £ was made to preferential creditors on 14 September 2015 accordingly.

8.3 Unsecured Creditors

- 8 3 1 The statement of affairs included £4,636 owed to HM Revenue & Customs ("HMRC") in relation to PAYE/NIC. HMRC's final claim in this matter was £4,636.77.
- 8 3 2 The statement of affairs included unsecured creditors totalling approximately £458,368, which included trade and expense creditors of £10,465, the Estate of Mr J Holbrook at £372,078 and employee claims for redundancy and notice pay of £74,481. Unsecured claims received in this case total £447,891.54. The claims received from trade and expense creditors totalled £9,869.90, as not all creditors proved their debts in this

matter. The claim received in respect of redundancy and notice pay paid to the employees from the National Insurance fund totalled £61,306.33, and was less than anticipated as some employees had mitigated their claims in respect of notice pay.

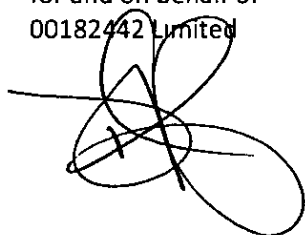
- 8.3.3 On 19 November 2015 a first and final dividend in the amount of 36.39p in the pound was paid to unsecured creditors. A total of £163,000 was distributed.

9. Conclusion

- 9.1 The winding up of the Company is now complete and we have been able to summon final meetings of the Company's members and creditors to receive our final report and seek our release as Joint Liquidators. Creditors and members should note that as we have now obtained our release as Joint Liquidators, our case files will be placed in storage.

Should you require further information please contact this office on 0161 927 7788

Yours faithfully
for and on behalf of
00182442 Limited



Darren Brookes
Joint Liquidator



MINER BOARDMAN
& PARTNERS
Corporate Recovery

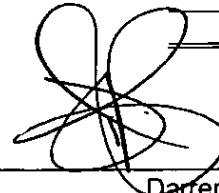
Appendix 1

Receipts and Payments Account

**00182442 Limited formerly Sharp & Nickless Limited
(In Liquidation)**

JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 10/04/2015 To 18/05/2016 £	From 10/04/2015 To 18/05/2016 £
RECEIPTS			
Freehold Land & Property		220,000 00	220,000 00
Transfer from Administration		6,171 64	6,171 64
Search fees		286 40	286 40
		<u>226,458 04</u>	<u>226,458 04</u>
PAYMENTS			
Specific Bond		198 00	198 00
Reimburse Joint Adminsitrators fees		35,000 00	35,000 00
Joint Liquidators' fees		2,614 54	2,614 54
Accountancy Fees		1,650 00	1,650 00
Agents/Valuers Fees		11,525 00	11,525 00
Legal Fees		4,461 00	4,461 00
Corporation Tax		1,974 40	1,974 40
ERA Work		600 00	600 00
Statutory Advertising		211 50	211 50
Other Property Expenses		1,393 27	1,393 27
Insurance of Assets		3,618 49	3,618 49
Distribution to preferential creditors		211 84	211 84
Distribution to unsecured creditors		163,000 00	163,000 00
		<u>226,458 04</u>	<u>226,458 04</u>
BALANCE - 18 May 2016			<u><u>0.00</u></u>



Darren Terence Brookes
Joint Liquidator



Appendix 2

Milner Boardman & Partners' Time Analysis and Practice Fee Recovery Sheet

Milner Boardman & Partners

TIME & CHARGEOUT SUMMARIES

00182442 Ltd Formerly Sharp And Nickless Ltd CVL

HOURS							
Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	3 20	26 60	0 00	0 60	30 40	7,328 00	241 05
Investigations	0 00	1 00	0 00	0 00	1 00	215 00	215 00
Realisation of Assets	3 30	2 60	0 00	0 00	5 90	1,780 00	301 69
Creditors	2 40	14 20	0 00	0 00	16 60	3,953 00	238 13
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	3,293 00	9,878 00	0 00	105 00		13,276 00	
Total Hours	8 90	44 40	0 00	0 60	53 90		
Average Rate	370 00	222 48	0 00	175 00			

PRACTICE FEE RECOVERY POLICY FOR MILNER BOARDMAN & PARTNERS

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at www.insolvency-practitioners.org.uk. Alternatively a hard copy may be requested from Milner Boardman & Partners. Please note, however, that the guides have not yet been updated for the revised legislation, so we have provided further details in this policy document.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Charge Out Rates

Grade of staff	Current charge-out rate per hour, effective from 1 April 2015 £	Previous charge-out rate per hour, effective from 1 November 2008 £
Partner – appointment taker	370	295 to 370
Senior Manager	255	N/A
Manager	215	215
Case Administrator	175	175
Support Staff	175	175

These charge-out rates charged are reviewed on 1 April 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. The work is generally recorded under the following categories

- Administration and Planning
- Investigations
- Realisation of Assets
- Creditors
- Trading
- Case specific matters

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and on new appointments we now only seek time costs for the following categories, where applicable

- Investigations
- Distributions
- Trading

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate, any additional work undertaken, or proposed to be undertaken, the hourly rates proposed for each part of the work, and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court

Members' Voluntary Liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to Members' Voluntary Liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Disbursements

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Milner Boardman & Partners, in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

Milner Boardman & Partners do not seek to recover Category 2 disbursements.



Appendix 3

Creditor's Rights in relation to Liquidator's Remuneration

Milner Boardman & Partners – information Sheet for Creditors

What if a creditor is dissatisfied with liquidation remuneration?

If a creditor believes that the liquidator(s) remuneration is too high, the basis is inappropriate, or the expenses incurred by the liquidator(s) are in all the circumstances excessive he may, provided certain conditions are met, apply to the court.

Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the liquidator a copy of the application and supporting evidence at least 14 days before the hearing.

If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the liquidation.

Creditor's rights to information on the liquidator's remuneration and expenses

Within 21 days of receipt of a progress report (or 7 business days where the report has been prepared for the purpose of a meeting to receive the office holder's resignation) a creditor, or in the case of an MVL a member, may request the office holder to provide further information about the remuneration and expenses set out in the report. A request must be in the writing, and may be made by

- A secured creditor, or
- An unsecured creditor with the concurrence of at least 5% in value of the creditors (including that creditor) of the permission of the court,
- In the case of an MVL, by members of the company with at least 5 % of the total voting rights of the all members having the right to vote at general meetings, or
- With the permission of the court –
 - Any unsecured creditor
 - In the case of an MVL, any member

The office holder must provide the requested information within 14 days, unless he considers that

- The time or cost involved in preparing the information would be excessive, or
- Disclosure would be prejudicial to the conduct of the proceedings or might be expected to lead to violence against any person, or
- The office holder is subject of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information

Any creditor may apply to the court within 21 days of the office holder's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information

If any creditors have any queries, please contact 0161 927 7788