

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

TUESDAY



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28/11/2017

#42

COMPANIES HOUSE

### 1 Company details

Company number 0 1 1 2 9 1 5 6

Company name in full Alex Smiles Limited

→ Filling in this form

Please complete in typescript or in bold black capitals.

### 2 Liquidator's name

Full forename(s) Steven Philip

Surname Ross

### 3 Liquidator's address

Building name/number 1 St James' Gate

Street

Post town Newcastle upon Tyne

County/Region

Postcode N E 1 4 A D

Country

### 4 Liquidator's name

Full forename(s) Allan David

Surname Kelly

Other liquidator

Use this section to tell us about another liquidator.

### 5 Liquidator's address

Building name/number 1 St James' Gate

Street

Post town Newcastle upon Tyne

County/Region

Postcode N E 1 4 A D

Country

Other liquidator

Use this section to tell us about another liquidator.

# LIQ03

## Notice of progress report in voluntary winding up

6

### Period of progress report

From date	d 3	d 1	m 0	m 8	y 2	y 0	y 1	y 6
To date	d 3	d 0	m 0	m 8	y 2	y 0	y 1	y 7

7

### Progress report

☒ The progress report is attached

8

### Sign and date

Liquidator's signature

Signature

X

*[Handwritten Signature]*

X

Signature date

d 2	d 0	m 1	m 1	y 2	y 0	y 1	y 7
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**In the matter of**

**Alex Smiles Limited in Liquidation  
(‘the Company’)**

**Joint Liquidators’ progress report**

**20 November 2017**

**Steven Philip Ross, Allan David Kelly and Andrew Beckingham  
Joint Liquidators**

**Steven Philip Ross, Allan David Kelly  
RSM Restructuring Advisory LLP  
1 St James’ Gate  
Newcastle upon Tyne NE1 4AD  
Tel: 0191 255 7000  
Email: [restructuring.newcastle@rsmuk.com](mailto:restructuring.newcastle@rsmuk.com)**

**Andrew Beckingham  
Leonard Curtis  
Second Floor  
30 Queens Square  
Bristol  
BS1 4ND**

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## **1 Purpose of report**

This report has been prepared in accordance with insolvency legislation to provide creditors, members and the registrar of companies with information relating to the progress of the liquidation in the period from 31 August 2016 to 30 August 2017. This report should be read in conjunction with any previous reports that have been issued, copies of which are available on request.

This report has been prepared solely to comply with the statutory requirements of Section 104A of the Insolvency Act 1986 and the relevant legislation. It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Company. Any estimated outcomes for creditors are illustrative and may be subject to significant change.

RSM Restructuring Advisory LLP was previously named Baker Tilly Restructuring and Recovery LLP until 26 October 2015.

Neither the Liquidators nor RSM Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report.

## **2 Progress of the liquidation in the previous twelve months**

### **2.1 Realisation of assets / Sale of business**

Following the move from Administration to Creditors Voluntary Liquidation "(CVL)" funds of £587,714.17 were received from the Administrator.

Book debts of £1,260.00 has been realised during the current reporting period, no further realisations are anticipated.

The amount due from the sale of assets from Sustainable Solutions (NE) Limited was received as part of the settlement reached to avoid a court hearing. – See case specific matters for further details.

As you will recall from previous reports, three items of machinery remained on site, one being the Redox. As the assets are buried under waste they can not be dealt with until a new landowner can be found for the site. The current landowners have been in lengthy negotiations with an interested party and a strategy meeting was arranged to discuss the clearing of the site and use / sale of our remaining assets. Richmond Asset Advisory LLP "(RAA)" attended the meeting on our behalf. Despite an agreement being reached it could not be completed due to the purchaser having insurance issues with the site.

Therefore the position regarding the site remains unchanged from the original position on appointment as at 7 May 2015. Due the length of time that has elapsed there are significant concerns that the machinery is no longer operational, thus significantly reducing its value and due issues with the site it is not possible to envisage if and when any progress will be made. Therefore, it is unlikely that any value will be realised for the assets, which had been estimated at £100k.

#### **2.1.2 Deptford Terrace and Environmental Permits**

Following the move into CVL the lease for Deptford Terrace and Environmental permits were disclaimed. The land was disclaimed on 20 September 2016. Security was retained until 28 September 2016 to allow the landowner to find alternative security arrangements following the disclaimer of the lease.

### **2.2 Connected party transactions**

As previously reported, Sustainable Solutions (NE) Limited, of which, John and Stuart Smiles are directors, purchased a number of assets via the online auction. As detailed in 2.1 above the balance outstanding was settled as part of the court settlement.

### **2.3 Investigations**

Creditors will recall that, following an extensive review by the Joint Administrators into the affairs of

Company and due consideration of relevant information acquired in the course of appraising and realising the assets of the Company, together with information provided by the Company Directors, Creditors and other Stakeholders, a number of potential issues were identified as requiring further investigation.

Substantial investigative work was undertaken in the administration proceedings and legal advisors were appointed to assist in the consideration of relevant findings and any potential resulting claims.

These investigations have been continued over the last 12 months and are now largely complete, the Joint Liquidators having now been able to secure those Company's records which had been subject to restrictions by the Environment Agency. However, the Joint Liquidators still propose to finalise the interrogation of the Company's digital records and steps are on-going in this respect. We are hopeful that this exercise can be concluded shortly.

Having due regard to the investigations conducted to date, no legal proceedings are presently envisaged, but the Joint Liquidators reserve all rights pending the final outcome of their on-going enquiries.

In the meantime if any Creditor wishes to discuss, or bring to our attention any particular matters which they consider are relevant or may require further investigation, they are invited to contact Leonard Curtis Business Solutions Group at the address provided earlier within this report.

The Joint Liquidators have complied with their statutory obligations under the Company Directors Disqualification Act 1986 and the appropriate report has been submitted to the relevant authority.

## **2.4 Case specific matters**

As detailed in section 2.1.2 the licences and lease of Depford Terrace have been disclaimed.

The company operated two pension schemes. 20 20 Trustee Services Limited were instructed to provide an initial assessment, which has subsequently been referred to Clumber Consultancy Limited to appropriately deal with the schemes.

Gunner Cook LLP ("GCL") were instructed to assist with regards to potential landfill tax refunds. Their cost will be agreed as a percentage of net realisations. It was initially estimated that the claim would be in the region of £15k however in February 2017 GCL received information suggesting that the claim could be in excess of £100k. GCL have advised early this month that they are currently waiting a generic opinion from counsel on constructive trust arguments and all matter are on hold.

A settlement with John and Stuart Smiles was reached on 20 October 2016 and sanctioned by court at a hearing on 26 October 2016. The agreement was:

1. The Joint Administrators agree to pay (within 7 days) to John and Stuart Smiles the sum of £41,207.20, being the sum of £59,797.40 (in respect of wages paid by Johan and Stuart Smiles) less the amount owed to the Company by Sustainable Solutions (NE) Limited (which the parties agree is £18,590.20) of which John and Stuart Smiles act as agents, as an expense of the administration without further set off or deduction.
2. The Joint Administrators agree to pay (within 7 days) to John Smiles the sum of £8,885.90 an expense of the Administration without set off or deduction in connection with expenses incurred by him in preparing machinery and equipment for auction.
3. John and Stuart Smiles and the Joint Administrators further agree that the arrears of rent and dilapidations and other obligations under the lease to Alex Smiles and other expenses the subject of dispute in this application (including British Gas (electricity and gas), Sunderland Council (Rates) and Northumbrian Water) shall, to the extent that they constitute valid claims against Alex Smiles Limited (in Liquidation) to be determined by the liquidators in accordance with the provisions of the Insolvency Act 1986 and the Insolvency Rules 1986, rank as unsecured claims

The court ordered that:

1. The remuneration incurred by the Administrators shall be fixed by the court upon a time basis pursuant to rule 2106(6) of IR 1986 and capped at £268,937.60, which sum the Administrators may claim forwith.

2. The Administrators be discharged from liability with effect from 28 days following the filing of the Administrators' final report at Companies House pursuant to paragraph 98(2)(c) of Schedule B1 of the Insolvency Act 1986.
3. The Administrators' costs of the application be paid as an expenses of the administration.
4. No order as to any other parties' costs.

## **2.5 Administration and planning**

- Statutory filing of documents at Companies House;
- Undertaking file reviews;
- Handling receipts and payments;
- Dealing with incoming mail;
- Corresponding with former company employees;
- Corresponding with unsecured creditors; and
- Liaising with Directors.

## **3 Details of what remains to be done and matters preventing closure**

### **3.1 Assets remaining to be realised**

As detailed in 2.1 three items of machinery, remain in site. As explain in section 2.1 any further realisations are doubtful and the case will progress on the basis that no further recoveries will be received.

Book debt collections are on going, however, no further significant recoveries are anticipated.

The claim for landfill tax refunds is on hold pending the opinion from counsel.

### **3.2 Other outstanding matters**

Clarification from the utility company regarding supply to the company's former trading site is on-going. Following this clarification and confirmation of the landfill tax refund situation, we will be in a position to confirm the likely hood of dividends to creditors.

## **4 Creditors' claims and dividend prospects**

Dividend prospects and projected returns to creditors, where known, are detailed in Appendix A, including any amount under the prescribed part. Please note that these are indicative only and should not be used as the sole or principal basis for any bad debt provision or other purposes. They may be subject to revision and additional costs.

The agreement of creditors' claims by the Joint Liquidators is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by creditors themselves.

### **4.1 Prescribed part**

The 'Prescribed Part' is a statutory amount, calculated as a percentage of net floating charge realisations, which entitles unsecured creditors to a share of realisations. This is calculated on a sliding scale up to maximum of £600,000 before costs.

There are no creditors secured by charges over the assets and undertakings of the Company created on or after 15 September 2003. There is therefore no requirement to estimate the amount of the Prescribed Part of the assets under Section 176A of the Insolvency Act 1986.

## **5 Receipts and payments summary**

We attach as Appendix B a summary of our receipts and payments for the period from 31 August 2016 to 30 August 2017.

## **VAT basis**

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately.

## **6 Costs and Joint Liquidators' remuneration**

### **6.1 Closure costs in prior administration**

Details of the fee agreed by court for the previous administration procedure are identified in the receipts and payments account.

### **6.2 Joint Liquidators' remuneration and disbursements**

The Joint Liquidators' remuneration has not yet been approved, a request which will be sought from the creditors shortly.

Approval for the drawing of disbursements, including category 2 disbursements shall also be requested.

Details of the current rates are attached at Appendix D.

### **6.3 Remuneration and disbursements incurred in the period from 31 August 2016 to 30 August 2017**

RSM and Leonard Curtis have incurred time costs of £28,872.05 and £9,777.50 in the current period respectively. *An analysis of time incurred in the period is attached at Appendix G. Details of the sums drawn in respect of remuneration in the period covered by the report are shown on the receipts and payments account (Appendix B).*

Category 2 disbursements incurred in the period are detailed in Appendix E.

## **7 Joint Liquidators' statement of expenses**

### **7.1 Statement of expenses**

A statement of the expenses incurred during the period, is attached at Appendix F. This includes all expenses incurred by the Joint Liquidators in the period of the report irrespective of whether they have been paid or not and may include estimated amounts where actual invoices have not been received. The receipts and payments abstract at Appendix B sets out the expenses actually paid in the period.

### **7.2 Detailed cost breakdown**

Attached to this report are five Appendices relating to my costs on this assignment:

- Appendix C: RSM Restructuring Advisory LLP charging, expenses and disbursements policy statement;
- Appendix D: RSM Restructuring Advisory LLP Newcastle charge out and disbursement rates;
- Appendix E: Joint Liquidators' disbursements table;
- Appendix F: Statement of expenses incurred by the Joint Liquidators' in the period from 31 August 2016 to 30 August 2017; and
- Appendix G: Joint Liquidators' time cost analysis for the period from 31 August 2016 to 30 August 2017.

The work that we do as Joint Liquidators is derived from the responsibilities placed upon us by the underlying legal and regulatory framework for work of this nature in general. The actual matters with which we are dealing are set out briefly in both this report and in our earlier reports to creditors.

We believe this case generally to be of average complexity and accordingly no extraordinary responsibility has to date fallen upon us as Joint Liquidators. The underlying basis of charging proposed to and approved by the creditors has been RSM Restructuring Advisory LLP standard charge out rates. RSM Restructuring Advisory LLP charge out rates have been reviewed periodically.



### 7.3 Other professional costs

Bond Dickinson have incurred costs (including disbursements) of £16,030.20 plus VAT, in the current period in relation to the following matters; meetings, calls and correspondence, advice in relation to property issues including drafting a licence to occupy, advising on pension fund release, considering and advising on environmental issues, reviewing correspondence with the EA and drafting a letter to the EA, reviewing security, advising and preparing documents for court for remuneration hearing and liaising with Counsel concerning the court hearings for remuneration.

During the current period costs of £32,254.22 plus VAT have been settled in respect of costs incurred prior to this date and £15,670.000 plus VAT for costs incurred in the current period. Bond Dickinson have WIP outstanding of £360 plus VAT.

Clarke Willmott LLP ("Clarke Willmott") is the appointed solicitors to advise the Administrators specifically on issues relating to the conduct of directors. Clarke Willmott has outstanding costs of £716.50 plus VAT relating to prior periods.

Meade King LLP have incurred costs of £195.00 in prior periods which remain outstanding. These costs were in review and advice on the lending from and security granted to LBCF and also to assist in relation to issuing letters before action to a number of debtors.

### 8 Creditors' right to information and ability to challenge remuneration and expenses

In accordance with the provisions of the relevant legislation creditors have a right to request further information about remuneration or expenses and to challenge such remuneration or expenses.

A request for further information must be made in writing within 21 days of receipt of this report.

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to court that the remuneration charged, the basis fixed or expenses incurred by the liquidator are in all the circumstances excessive.

A Guide to Liquidators Fees, which provides information for creditors in relation to the remuneration of a Liquidator, can be accessed at <http://rsm.insolvencypoint.com> under 'general information for creditors'. A hard copy can be requested from my office by telephone, email or in writing.

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question.

Should you have any further queries please do not hesitate to contact me.



**Steven Phillip Ross**  
**RSM Restructuring Advisory LLP**  
**Joint Liquidator**

Steven Phillip Ross, Allan David Kelly and Andrew Beckingham (Leonard Curtis) are licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment

## Appendix A

### Statutory, dividend and other information

Company name:	Alex Smiles Limited
Company number:	01129156
Date of appointment:	31 August 2016
Joint Liquidators:	Steven Philip Ross, Allan David Kelly and Andrew Beckingham
Functions:	The Joint Liquidators' appointment specified that they would have power to act jointly and severally. The Joint Liquidators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment.
Date of incorporation:	15 August 1973
Previous company names:	None
Trading name:	Alex Smiles Limited
Trading address:	Deptford Terrace, Deptford, Sunderland SR4 6DD
Principal activity:	Wholesale Trade and Commission Trade, Except of Motor Vehicles and Motorcycles
Registered office:	RSM Restructuring Advisory LLP, 1 St James' Gate Newcastle upon Tyne NE1 4AD
Correspondence address & contact details of case manager	Kelly Allison, RSM Restructuring Advisory LLP, 1 St James' Gate, Newcastle upon Tyne NE1 4AD. 0191 255 7000
Name, address & contact details of Joint Liquidators Primary Office Holder	Steven Philip Ross, RSM Restructuring Advisory LLP, 1 St James' Gate, Newcastle upon Tyne NE1 4AD. 01912557000. IP Number: 9503.
Joint Office Holders	Allan David Kelly, RSM Restructuring Advisory LLP, 1 St James' Gate, Newcastle upon Tyne NE1 4AD. 0191 255 7000. IP Number: 9156. Andrew Beckingham, Leonard Curtis Business Solutions Group, 40 Queens Square, Bristol, BS1 4QP. 0117 929 4900. IP Number: 8683.

Dividends	Estimated amount due at the date of appointment (Administration )	Paid to Date	Estimated future Prospects
Secured creditor – Lloyds Commercial Finance Limited	£5,009	£5,009 from book debt collections in Administration	Payment In full via Administration
Secured creditor – Lloyds Bank Plc (Under Omnibus guarantee with Waste Recycling Limited)	£260,000	£80,279.70 via the Administration of Waste Recycling Limited	Not known
Secured creditor – BIDCO Limited	£1,821,568	£500,000 via	Shortfall will rank as

		mortgagee in possession.	an unsecured creditor.
Preferential creditors	£26,216.43	NIL	Not known
Unsecured creditors	£8,540,874.31	NIL	Not known
Estimated net property	£N/A		
Estimated prescribed part available for unsecured creditors	£ N/A		

## Appendix B

### Receipts and Payments Abstract - Alex Smiles Limited In Liquidation

From: 31/08/2016 To: 30/08/2017

SOA Value £		31/08/2016 to 30/08/2017 £	Total to 30/08/2017 £	£
	<b>TRANSFERS FROM ADMINISTRATOR</b>			
18,876.00	Interest Bearing Current Account	587,741.17	587,741.17	
	VAT Receivable (Payable)	<u>(4,730.80)</u>	<u>(4,730.80)</u>	
			583,010.37	583,010.37
	<b>SECURED ASSETS</b>			
265,009.00	Debtors (Pre-Appointment)	1,260.00	1,260.00	
500,000.00	Freehold Land and Property	<u>0.00</u>	<u>0.00</u>	
			1,260.00	1,260.00
	<b>SECURED CREDITORS</b>			
(2,106,577.00)	Fixed Charge Claims	<u>0.00</u>	<u>0.00</u>	
			0.00	0.00
	<b>ASSET-REALISATIONS</b>			
0.00	Bank Interest Gross	294.66	294.66	
74,600.00	Motor vehicles	0.00	0.00	
10,237.60	Other Current Assets	0.00	0.00	
560,850.00	Plant and Machinery	0.00	0.00	
131,200.00	Stock/Inventory on Hand	<u>0.00</u>	<u>0.00</u>	
			294.66	294.66
	<b>COST OF REALISATIONS</b>			
0.00	Administration Expenses - Court	(50,093.10)	(50,093.10)	
0.00	Administrators fees	(198,929.60)	(198,929.60)	
0.00	Agents / Valuers Fees	(2,700.00)	(2,700.00)	
0.00	Bank Charges	(15.00)	(15.00)	
0.00	Corporation Tax	(20.23)	(20.23)	
0.00	Disbursement: Courier Fee	(22.90)	(22.90)	
0.00	Disbursement: Mileage	(218.88)	(218.88)	
0.00	Disbursement: Phone	(70.95)	(70.95)	
0.00	Disbursement: Postage	(1,042.27)	(1,042.27)	
0.00	Disbursement: Specific Bond	(20.00)	(20.00)	
0.00	Disbursement: Travel Expenses	(699.70)	(699.70)	
0.00	Disbursement: Website Charge	(8.00)	(8.00)	
0.00	Insurance	(28,327.07)	(28,327.07)	
0.00	Legal Fees	(49,842.27)	(49,842.27)	
0.00	Pension Advice	(50.00)	(50.00)	
0.00	Security Costs	(7,230.00)	(7,230.00)	
0.00	Statutory Advertising	<u>(84.60)</u>	<u>(84.60)</u>	
			(339,374.57)	(339,374.57)
	<b>PREFERENTIAL CREDITORS</b>			
(15,744.56)	Holiday Pay	0.00	0.00	
(12,651.57)	Wages	<u>0.00</u>	<u>0.00</u>	
			0.00	0.00
	<b>UNSECURED CREDITORS</b>			
(3,610,209.69)	Associated Creditors	0.00	0.00	
(1,341,568.00)	Deficiency In Security	0.00	0.00	
(63,754.06)	Department of Employment	0.00	0.00	
(134,860.32)	Employees	0.00	0.00	
(272,647.00)	HM Revenue and Customs	0.00	0.00	
(3,117,835.24)	Trade and Expense Creditors	<u>0.00</u>	<u>0.00</u>	
			0.00	0.00
	<b>EQUITY</b>			
(550,000.00)	Ordinary	<u>0.00</u>	<u>0.00</u>	
			0.00	0.00
(9,665,074.84)			<u>245,190.46</u>	<u>245,190.46</u>
	<b>REPRESENTED BY</b>			
	Interest Bearing Current Account		218,440.00	
	VAT Receivable (Payable)		26,750.46	

## **Appendix C**

### **RSM Restructuring Advisory LLP charging, expenses and disbursements policy statement**

#### **Charging policy**

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done.
- The current charge rates for RSM Restructuring Advisory LLP Newcastle are attached.
- Time billed is subject to Value Added Tax at the applicable rate, where appropriate.
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.
- RSM Restructuring Advisory LLP's charge out rates are reviewed periodically.

#### **Expenses and disbursements policy**

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to the relevant approving party, but do not require approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 1' disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest, require the approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 2' disbursements.
- A resolution to consider approving category 2 disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP Newcastle will be proposed to the relevant approving party in accordance with the legislative requirements.
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant approving party.
- Expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate, where appropriate.

## Appendix D

### RSM Restructuring Advisory LLP Newcastle current charge out and category 2 disbursement rates

Hourly charge out rates		
	Rates at commencement £	Current rates £
Partner	350.00 to 440.00	385.00 to 485.00
Directors / Associate Directors	247.50 to 330.00	275.00 to 330.00
Manager	247.50	215.00 to 275.00
Assistant Managers	132.00 to 192.50	230.00
Administrators	132.00 to 192.50	145.20 to 215.00
Support staff	71.50 to 115.50	78.55 to 127.05

Category 2 disbursement rates	
Internal room hire	£100
Subsistence	£25 per night (from 3 <sup>rd</sup> September 2013) £23 per night (up to 2 <sup>nd</sup> September 2013)
Travel (car)	38p per mile (up to and including 31 March 2010) 40p per mile (from 1 April 2010) 42.5p per mile (from 1 April 2011)
'Tracker' searches	£10 per case

## LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS

The following Leonard Curtis policy information is considered to be relevant to creditors:

### Staff Allocation and Charge-Out Rates

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

With effect from 6 January 2014, the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

6 Jan 2014 onwards	Standard £	Complex £
Director	450	562
Senior Manager	410	512
Manager 1	365	456
Manager 2	320	400
Administrator 1	260	325
Administrator 2	230	287
Administrator 3	210	262
Administrator 4	150	187
Support	0	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

### Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

### Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

### Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

Type	Description	Amount
AML checks	Electronic client verification in compliance with the Money Laundering Regulations 2007	£5.00 plus VAT per individual
Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case

Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting	Hosting of documents for creditors	<table> <tr> <th>Type</th><th>100 creds</th><th>Every addtl 10</th></tr> <tr> <td>ADM</td><td>£14.00</td><td>£1.40</td></tr> <tr> <td>CVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>MVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CPL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CVA</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>BKY</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>IVA</td><td>£10 p.a. or £25 for life of case</td><td></td></tr> </table>	Type	100 creds	Every addtl 10	ADM	£14.00	£1.40	CVL	£7.00	£0.70	MVL	£7.00	£0.70	CPL	£7.00	£0.70	CVA	£10.00	£1.00	BKY	£10.00	£1.00	IVA	£10 p.a. or £25 for life of case	
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BKY	£10.00	£1.00																								
IVA	£10 p.a. or £25 for life of case																									
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £160.00 3-6 months £240.00 6-12 months £390.00																								
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case																								
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£83.02 plus VAT per advert Dependent upon advert and publication																								
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges 3																								

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See <b>disbursements</b> section below	See <b>disbursements</b> section below

### Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements. These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£70.40 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration



## Premium Schedule

### Your Insolvency Practitioners and Receivers Policy Schedule

**Insurer** Aviva Insurance Ltd  
**Policy Number** 23863472 CHC  
**Schedule Number** 1621638  
**Produced on** 6th October 2017

This Schedule forms part of the policy

If the information in this Schedule is incorrect or incomplete or if the insurance does not meet your requirements, please tell us as soon as possible. You are reminded of the need to tell us immediately of any facts or changes which would affect the assessment or acceptance of this insurance. Failure to disclose all relevant facts may invalidate the policy, or may result in the policy not operating fully

**Policyholder:** Nupharm Laboratories Ltd in Administration, Steven Ross and Allan Kelly as Joint Administrators and RSM Restructuring Advisory LLP

**Effective Date:** 26th April 2017

**Business:** Manufacture of Pharmaceuticals

#### A) ASSET PROTECTION

Premises 1	Property Damage (including Theft)	Sum Insured / Limit	Period	Premium
2 Newtech Square	Machinery / Plant (Indemnity)	£150,000.00	26/10/17 - 25/01/18	£350.00
Deesdie Industrial Park	Occupied - by agents			
Flintshire				
CH5 2NT				

#### E) LEGAL LIABILITIES

	Limit of Indemnity	Period	
Public Liability	£10,000,000	26/10/17 - 25/01/18	inc above
Products Liability	£10,000,000	26/10/17 - 25/01/18	£100.00

#### J) ENVIRONMENTAL DAMAGE

(underwritten by Liberty Mutual Insurance Europe Limited)

Coverage	Limit	Deductible
A Defence Expense	£ 1.0m	5,000.00
B Environmental Damage	£ 1.0m	5,000.00
C Business Activity	£ 1.0m	5,000.00
D Historical Off-site Business Activity Cover	£ 1.0m	5,000.00

Each Incident Limit:	£1,000,000
Period of Cover:	TBA
Premium:	TBA

Premium Due	£450.00
IPT	£54.00
Total	£504.00

All policy limits are as per Master Certificate unless stated above.

Cover is in accordance with the JLT Restructuring and Recovery Risk Practice Scheme policy number 23863472 CHC, dated 1st May 2017. A copy of the policy wording is available on the JLT Restructuring and Recovery Risk Practice website: [jltinsolvencymanual.co.uk](http://jltinsolvencymanual.co.uk)

Unoccupied Buildings Condition to apply: Yes - 30 days from the date of unoccupancy

Additional Clauses:

Additional Conditions:

Endorsements:

Extensions:

## Appendix E

### Joint Liquidators' category 2 disbursements table

Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest		
Recipient, type and purpose	Paid £	Unpaid £
RSM Restructuring Advisory LLP, Mileage, Site visit	218.88	20.06
<b>Total</b>	<b>218.88</b>	<b>20.06</b>

## Appendix F

### Statement of expenses incurred by the Joint Liquidators' in the period from 31 August 2016 to 30 August 2017

Type and purpose	Incurred in period £
Administration expenses – Agreed by court, incurred for settlement during current period – (basis of claim incurred during Administration)	50,093.10
Bank Charges	15.00
Corporation Tax	20.23
Practitioners Bond	20.00
Agents / Valuers' fee – attended meeting with landowners to discuss site and machinery left on site.	2,700.00
Legal fees	16,030.20
Security costs	7,230.00
Statutory Advertising	84.60
Storage	13.20
Practice Management System	87.00
<b>Total</b>	<b>76,293.33</b>

## **Appendix G**

### **Joint Liquidators' time cost analysis for the period from 31 August 2016 to 30 August 2017**

Please note that we have re-designed our SIP9 analysis table to provide a more detailed analysis of the grades of staff within the firm. Please note that this change does not alter the value of time costs recorded, purely the column within the table to which that time, and cost, has been allocated.

## Appendix G

### Alex Smiles Limited - In Liquidation

For the period 31/08/2016 to 03/08/2017

Period	Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
<b>Administration and Planning</b>										
Appointment	0.0	0.0	0.0	0.0	0.0	0.9	0.0	0.9	£ 173.25	192.50
Case Management	0.2	0.2	7.6	0.0	0.0	5.4	1.6	14.8	£ 3,123.40	211.04
Closure	0.0	0.0	0.0	0.0	0.0	2.0	0.0	2.0	£ 385.00	192.50
Pension Scheme	0.0	0.0	0.0	0.0	0.0	1.9	0.0	1.9	£ 339.50	178.68
Post-appointment - general	0.0	0.0	0.0	0.0	0.0	5.0	0.0	5.0	£ 962.50	192.50
Receipts and Payments	0.0	0.0	0.7	0.0	0.0	10.5	0.0	11.2	£ 2,278.00	203.39
Tax Matters	0.0	0.0	3.0	0.0	0.0	6.9	0.0	9.9	£ 2,172.50	219.44
Total	0.2	0.2	11.3	0.0	0.0	32.6	1.6	45.7	£ 9,434.15	206.44
<b>Investigations</b>										
Investigations/CDDA	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.8	£ 220.00	275.00
Total	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.8	£ 220.00	275.00
<b>Realisation of Assets</b>										
Assets - general/other	0.0	0.0	1.9	0.0	0.0	0.4	0.0	2.3	£ 591.25	257.07
Chattels	2.6	0.0	1.9	0.0	0.0	0.0	0.0	4.5	£ 1,472.75	327.28
Debtors & sales finance	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.2	£ 55.00	275.00
Land and Property	2.1	0.0	5.4	0.0	0.0	3.6	0.0	11.1	£ 2,953.50	266.08
Total	4.7	0.0	9.4	0.0	0.0	4.0	0.0	18.1	£ 5,072.50	280.25
<b>Creditors</b>										
Employees	2.0	0.0	14.4	0.0	0.0	10.1	0.0	26.5	£ 6,843.00	258.23
Other Creditor Meetings and Reports	0.0	0.0	1.0	0.0	0.0	0.5	2.6	4.1	£ 529.65	129.18
Preferential Creditors	0.0	0.0	0.0	0.0	0.0	7.1	0.0	7.1	£ 1,526.50	215.00
Unsecured Creditors	0.1	0.0	0.8	0.0	0.0	5.3	0.0	6.2	£ 1,309.50	211.21
Total	2.1	0.0	16.2	0.0	0.0	23.0	2.6	43.9	£ 10,208.65	232.54
<b>Case Specific Matters - Legal Matters</b>										
Legal Matters	7.8	0.0	4.4	0.0	0.0	0.2	0.0	12.4	£ 3,936.75	317.48
Total	7.8	0.0	4.4	0.0	0.0	0.2	0.0	12.4	£ 3,936.75	317.48
Total Hours	14.8	42.1	42.1	0.0	0.0	59.8	4.2	120.9	£ 28,872.05	238.81
Total Time Cost	£ 5,596.50	£ 11,005.50	£ 11,005.50	£ 0.00	£ 0.00	£ 11,962.10	£ 307.95	£ 28,872.05		
Total Hours	14.8	42.1	42.1	0.0	0.0	59.8	4.2	120.9	£ 28,872.05	238.81
Total Time Cost	£ 5,596.50	£ 11,005.50	£ 11,005.50	£ 0.00	£ 0.00	£ 11,962.10	£ 307.95	£ 28,872.05		
Average Rates	378.14	261.41	261.41	0.00	0.00	200.04	73.32	238.81		

**Alex Smiles Limited**  
(In Creditors Voluntary Liquidation)

**Summary of Liquidators' Time Costs from 31 August 2016 to 30 August 2017**

	Director		Senior Manager		Manager 1		Manager 2		Administrator 1		Administrator 2		Administrator 4		Total	
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £
Statutory & Review	-	-	-	-	10	365.00	-	-	30	780.00	11	253.00	-	-	51	1,398.00
Receipts & Payments	-	-	-	-	-	-	9	288.00	-	-	-	-	-	-	9	288.00
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	2	30.00	2	30.00
General Administration	30	1,350.00	-	-	15	547.50	-	-	-	-	48	1,104.00	-	-	93	3,001.50
Appointment	-	-	-	-	-	-	-	-	-	-	6	138.00	-	-	6	138.00
Post Appointment Credit Mings	7	315.00	-	-	-	-	-	-	-	-	-	-	-	-	7	315.00
Investigations	76	3,420.00	-	-	14	511.00	-	-	-	-	8	184.00	-	-	98	4,115.00
LEGAL SERV - Preparation	-	-	12	492.00	-	-	-	-	-	-	-	-	-	-	12	492.00
<b>Total</b>	<b>113</b>	<b>5,085.00</b>	<b>12</b>	<b>492.00</b>	<b>39</b>	<b>1,423.50</b>	<b>9</b>	<b>288.00</b>	<b>30</b>	<b>780.00</b>	<b>73</b>	<b>1,679.00</b>	<b>2</b>	<b>30.00</b>	<b>278</b>	<b>9,777.50</b>
<b>Average Hourly Rate (£)</b>		<b>450.00</b>		<b>410.00</b>		<b>365.00</b>		<b>320.00</b>		<b>260.00</b>		<b>230.00</b>		<b>150.00</b>		<b>351.71</b>

All Units are 6 minutes

# 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 **Steven Philip Ross**

Company name **RSM Restructuring Advisory LLP**

Address **1 St James' Gate**

Post town **Newcastle upon Tyne**

County/Region

Postcode **N E 1 4 A D**

Country

DX

Telephone **0191 255 7000**



### 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)**