

Section 106 The Insolvency Act 1986
Return of Final Meeting in a
Creditors' Voluntary Winding Up

S.106

**Pursuant to Section 106
of the Insolvency Act 1986**

For official use

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To the Registrar of Companies

COMPANY NUMBER

01728619

Name of Company

(a) Insert full name of
company

(a) THMC REALISATIONS (2012) LIMITED

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

We (b) A J DUNCAN of Leonard Curtis, One Great Cumberland Place, Marble Arch, London , W1H 7LW
and P STANLEY of Begbies Traynor 340 Deansgate, Manchester, M3 4LY

give notice

(c) Delete as applicable

(d) Insert date

(e) The copy account must
be authenticated by the
written signature(s) of the
liquidator(s)

1 that a general meeting of the company was duly (c) summoned for (d) 7 November 2014 pursuant to
section 106 of the Insolvency Act 1986, for the purpose of having an account (of which a copy is
attached) (e) laid before it showing how the winding up of the company has been disposed of and (c)
no quorum was present at the meeting,

2 that a meeting of the creditors of the company was duly (c) held on (d) 7 November 2014 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 of the company has been conducted and the property of the company has
been disposed of and (c) that the same was done accordingly

(f) insert venue of the
meeting

The meeting was held at (f) One Great Cumberland Place Marble Arch London W1H 7LW

The winding up covers the period from (d) 26 February 2013 (opening of winding-up) to the final
meeting (close of winding up)

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

the Joint Liquidators were discharged from all liability in respect of any act done or default made by
them in the administration of the affairs of the Company or otherwise in relation to their conduct as Joint
Liquidators


Signed



Date 7 November 2014

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

Leonard Curtis
One Great Cumberland Place
Marble Arch, London
W1H 7LW

Liquidation Section	Post Room
<div style="background-color: black; color: white; padding: 5px; transform: rotate(-90deg); display: inline-block;">TUESDAY</div>	 *A3KGEWTC* A11 11/11/2014 #285 COMPANIES HOUSE



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**THMC REALISATIONS (2012) LIMITED
(FORMERLY THE HARLEY MEDICAL CENTRE LIMITED)
(In Creditors' Voluntary Liquidation)**

Registered Number: 01728619

Joint Liquidators' Final Progress Report

7 November 2014

Leonard Curtis
One Great Cumberland Place, Marble Arch,
London W1H 7LW
Tel 020 7535 7000 Fax 020 7723 6059
solutions@leonardcurtis.co.uk
Ref L/31/MKE/SHAR20/1010

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TO: ALL MEMBERS
CREDITORS
DIRECTORS
THE REGISTRAR OF COMPANIES

1 INTRODUCTION

- 1.1 Paul Stanley of Begbies Traynor 340 Deansgate, Manchester, M3 4LY and I were appointed Joint Liquidators of THMC Realisations (2012) Limited (Formerly The Harley Medical Centre Limited) ("the Company") on 26 February 2013 when a Notice of Move from Administration to Creditors' Voluntary Liquidation was registered by the Registrar of Companies. We are both licensed in the UK by the Institute of Chartered Accountants in England and Wales.
- 1.2 The liquidation is now for practical purposes complete and this is our draft final progress report as required by Section 106 of the Insolvency Act 1986 (the Act) and Rules 4.49D and 4.126 of the Insolvency Rules 1986 (as amended). It shows how the liquidation has been conducted and the Company's property disposed of, the outcome for creditors and other information that we are required to disclose.

2 CONDUCT OF THE LIQUIDATION

- 2.1 The Company's registered office was changed from 11 Queen Anne Street, London W1G 9LJ to One Great Cumberland Place, Marble Arch, London W1H 7LW in the Administration that preceded the liquidation. The registered number is 01728619.
- 2.2 It was resolved that the Company be placed into Creditors' Voluntary Liquidation at a meeting of creditors held on 21 December 2012. During the period of this report, the following work has been undertaken by the Joint Liquidators:
- 2.3 **Cloverleaf Products Limited ("Cloverleaf") and Product Insurance**
- 2.3.1 The following four paragraphs are included by way of background information for creditors who may not have had sight of the Joint Administrators' and Joint Liquidators' previous reports.
- 2.3.2 In March 2010, it emerged that a French breast implant manufacturer, Poly Implant Protheses ("PIP"), had been using an unapproved gel in its products, in direct contravention of European regulations for medical devices. As a result, many thousands of women worldwide were fitted with unapproved breast implants. Until then, PIP implants were among the most widely used breast prostheses worldwide, were CE-marked for use in Europe and approved in the UK by the Medicines and Healthcare products Regulatory Agency ("MHRA").
- 2.3.3 It is thought that over 47,000 women were affected by the PIP issue in the UK. The Company fitted approximately 13,100 implants, supplying more than any other private cosmetic surgery firm in the UK.
- 2.3.4 Despite a medical enquiry which found that there were no long term adverse effects to the human body, it was widely agreed that the quality of the implants was substandard. The Company's legal advisors indicated that under the Sale of Goods Act 1986, customers could have legal claims against the Company.

2.3.5 The directors commissioned an extensive third party review of the insurances held by the Company and it was concluded that "the insurance protection did not, nor would have, protected the business from the unique issues that had arisen directly from PIP breast implants". Normally, insurance against widespread product defects is provided by the manufacturer or its distributor. In the case of PIP, the French manufacturer has been placed into Administration and there were questions about the validity and geographical coverage of its insurance policy. Its UK distributor has yet to disclose the extent of its insurance. As a result, the Company was left in a vulnerable position which severely affected its ability to continue to trade.

2.3.6 As part of their investigations into the Company's affairs, the Joint Liquidators attempted to obtain details of the insurance put in place by Cloverleaf, the UK distributor of the PIP implants, and whether this might produce any recoveries for the estate. The application, under Section 236 of the Act, was rejected by the District Judge and, following advice from Counsel, it was decided that the decision would not be appealed. Costs were awarded against the Company, although these were covered by ATE insurance that had previously been taken out by the Joint Liquidators.

Steering Committee

2.4 Following the above decision, the steering committee ("the Committee"), acting on behalf of a large proportion of the PIP claimants, approached the Joint Liquidators with a view to them assigning the potential claim against Cloverleaf to the Committee for it to pursue at its own expense.

2.5 Whilst not averse to the proposition in principle, we were not prepared to proceed if there was the risk of exposing the liquidation estate and/or ourselves to possible future adverse costs. We did meet with the representatives of the Committee and discussed the merits of an assignment but they subsequently informed us that they would not be pursuing the matter.

Administration Surplus

2.6 A surplus from the preceding Administration of £125,350.85 has been received.

Leasehold Premises

2.7 Dentons UK MEA LLP was instructed to assist with the assignment and surrender of the Company's property leases. The last property in the Company's name was surrendered on 15 January 2014 and a premium of £80,420 has been received from Aesthetic and Cosmetic Surgery Limited ("ACS"), the purchaser of the Company's business and assets, for these leases. As reported previously, ACS is associated by way of common directorship.

Debtors

2.8 Some patients of the Company took out finance agreements to pay for the costs of their procedures. Sums were due for procedures carried out prior to the Company being placed into Administration on 9 November 2012 and £19,107 was subsequently recovered. No further realisations are anticipated.

Business Rates

2.9 CAPA was instructed to review the Company's business rates paid for its trading premises. As a result of their enquiries, business rates refunds of £12,214.43 have been recovered. No further realisations are anticipated.

Sundry Receipts

- 2 10 Sundry recoveries relating to utility and other refunds totalling £590 63 have been achieved
- 2 11 Other than the possible claim against the UK importer referred to in paragraph 2 3 6 above no assets have proved to be unrealisable

Medical Claims

- 2 12 Given the circumstances leading to the Company being placed into Administration, there have been a substantial number of medical claims received and the Joint Liquidators have spent a considerable quantity of time dealing with the queries raised, including corresponding with solicitors on behalf of their respective clients

3 RECEIPTS AND PAYMENTS ACCOUNT AND OUTCOME FOR CREDITORS

Receipts and Payments Account

- 3 1 I attach at Appendix A a final summary of receipts and payments in the liquidation. This shows details of expenses incurred and paid during the period of this report. No expenses have been incurred but not paid.
- 3 2 The figures from the previous progress report have been restated due to some minor cashing errors.

Outcome for Creditors

Secured Creditors

- 3 3 No secured creditor claims have been received.

Preferential Creditors

- 3 4 There are no preferential creditors in the liquidation.

Unsecured Creditors

- 3 5 At the date of this report, unsecured creditors' claims totalling £16,389,354 have been received. There were insufficient funds to enable a distribution to the Company's unsecured creditors.
- 3 6 No dividend will be paid to any class of creditor as all funds realised have been, or will be, distributed or used or allocated for defraying the expenses of the Liquidation.

4 INVESTIGATIONS

- 4 1 We have complied with our statutory obligations under the Company Directors Disqualification Act 1986 and the appropriate report has been submitted to the relevant authority.
- 4 2 We carried out enquiries that we considered to be proportionate to the circumstances of the case. After completing these we were of the opinion that there were no matters that might lead to additional recoveries for the estate and that no further investigation was appropriate.

5 JOINT LIQUIDATORS' REMUNERATION AND DISBURSEMENTS AND CREDITORS' RIGHTS

5 1 In accordance with the resolutions passed in the Administration that preceded the liquidation our remuneration is fixed and payable by reference to the time properly given by us and our staff in attending to matters arising in the liquidation. Our final time costs are £169,937 which represents 668 hours at an average hourly rate of £254.40. I attach at Appendices B (i) and (ii) a time analysis which provides a description of the general areas of activities during the liquidation. Details of my company's charge out rates and policy regarding the recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix C. Further information may be found in "Guide to Liquidator's Fees". This may be downloaded from www.leonardcurtis.co.uk/resources/creditorsguides or is available from my office free of charge on request. Details of Begbies Traynor's charging policy are attached at appendix D. We have drawn £146,620.51 on account of these time costs, the balance of which is to be written off, in the absence of any further realisations.

5 2 Time has been spent in the following main areas of activity

Landlords

5 2 1 This includes time spent liaising with landlords and their respective solicitors regarding the assignment of leases for the Company's trading premises. This also includes time spent liaising with the purchaser of the Company's business and assets, Aesthetic and Cosmetic Surgery Limited ("ACS"), regarding payment of rent and service charges pursuant to the licences to occupy the Company's trading premises granted by the Joint Administrators to ACS.

Statutory & Review

5 2 2 This includes time spent dealing with statutory requirements such as Companies House filing, advertising and case reviews, and ensuring that all documentation was up to date for reporting purposes.

Assets

5 2 3 This includes time spent realising the Company's assets and liaising with agents and solicitors.

Liabilities

5 2 4 This includes time spent responding to creditor queries on their claims. It also includes time on reviewing substantial correspondence from patients, solicitors and their clients on issues relating to PIP and other claims. Further time has also been spent on liaising with clients' solicitors and assisting them with their clients' claims in granting extension to time in respect of proceedings, including reviewing the Company's insurance files to assist patients in pursuing claims.

General Administration

5 2 5 This includes preparation and setting up the case, liaising and corresponding with directors, including advising of their responsibilities regarding the re-use of the company name and other matters.

Receipts & Payments

5 2 6 This includes time spent paying invoices and recording receipts into the estate account and general tax matters.

Post Appointment Creditor Reporting

- 5.2.7 This includes time spent in the compiling of reports to creditors, and all the supporting documentation

Investigations

- 5.2.8 This includes time spent on investigating the directors' conduct and the Company affairs, liaising with the Department for Business Innovation and Skills and submitting our report to the relevant authority
- 5.3 All of the above was carried out as part of our function as office holders. Whilst we recognise that the eventual outcome might be perceived as having brought little or no added value for the estate insofar as the return to creditors is concerned we have nevertheless needed to fulfil the statutory obligations and regulatory requirements that fell to us
- 5.4 Also, in accordance with the resolutions passed in the Administration, creditors approved the basis for recharging disbursements that include an element of allocated cost or payments to outside parties in which my company or I have an interest. In this case the following costs falling into the above categories have been incurred and, where indicated, reimbursed to my company

Type	Incurred This Period £	Incurred To Date £	Paid £	Unpaid £
Internal photocopying @ 10p per copy	34.60	62.30	62.30	-
Total	34.60	62.30	62.30	-

- 5.5 During the liquidation we have used the following professional advisors, including subcontractors

Name of Professional Advisor	Service Provided	Basis of Fees
Freeth Cartwright LLP	Legal Services	Time Costs
Dentons UK MEA LLP	Legal Services	Time Costs
CAPA	Business Rates Recovery	Percentage of Realisations

- 5.6 A secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may within 21 days of the receipt of this report make a request in writing to the Joint Liquidators for further information about remuneration or expenses set out in this report
- 5.7 Within 14 days of receipt of the request, we must provide all of the information asked for, except so far as we consider that -
- the time or cost of preparation of the information would be excessive, or
 - 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
 - we are subject to an obligation of confidentiality in respect of the information

We must also give reasons for not providing all of the information

- 5.8 Any creditor of the Company, who need not be the same creditor who asked for the information, may within 21 days of us giving reasons for not providing all of the information, or if we fail to provide the information within 14 days of being so requested, apply to the Court and the Court may make such order as it thinks just

5.9 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to Court on the grounds that the basis fixed for my remuneration, the remuneration charged or the expenses incurred by me as set out in this progress report are excessive

6 CONCLUSION

If you require further information please contact my office in writing. Electronic communications should include a full postal address

Yours faithfully



A J DUNCAN
Joint Liquidator

Licensed in the UK by the Institute of Chartered Accountants in England and Wales

APPENDIX A

**Final Summary of Joint Liquidators' Receipts and Payments
from 26 February 2013 to 7 November 2014**

	Brought Forward 26/02/2013 to 25/02/2014 £	This Period 26/02/2014 to 07/11/2014 £	Total £
RECEIPTS			
Administration Surplus	125,350 85	-	125,350 85
Leasehold Premises	80,420 00	-	80,420 00
Trade and Other Debtors	19,107 00	-	19,107 00
Rates Refund	11,156 54	1,057 89	12,214 43
Sundry Receipts	590 63	-	590 63
Bank Interest	193 76	38 99	232 75
	<hr/>	<hr/>	<hr/>
	236,818 78	1,096 88	237,915 66
PAYMENTS			
Rent	37,305 71	8,603 12	45,908 83
Solicitors' Fees and Expenses	20,632 40	4,013 90	24,646 30
Agents' Fees and Expenses	3,863 35	-	3,863 35
Printing and Postage	150 98	213 06	364 04
Storage Charges	147 42	30 00	177 42
Statutory Advertising	84 60	-	84 60
IT Licence Fee	75 00	-	75 00
Sundry Disbursements	33 00	754 30	787 30
Corporation Tax	4 21	38 75	42 96
Joint Administrators' Remuneration	15,345 35	-	15,345 35
Joint Liquidators' Remuneration	122,656 50	23,964 01	146,620 51
	<hr/>	<hr/>	<hr/>
	200,298 52	37,617 14	237,915 66
BALANCE IN HAND	36,520 26	(36,520 26)	-
	<hr/>	<hr/>	<hr/>
VAT Control	8,044 46	(8,044 46)	-
Current Account	18,552 11	(18,552 11)	-
Deposit Account	9,923 69	(9,923 69)	-
	<hr/>	<hr/>	<hr/>
	36,520 26	(36,520 26)	-
	<hr/>	<hr/>	<hr/>

Summary of Leonard Curtis Time Costs from 26 February 2014 to 7 November 2014

	Director		Senior Manager		Manager 2		Administrator 2		Total		Average
	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Hourly Rate
		£		£		£		£		£	£
Statutory & Review	1	45.00	5	205.00	-		21	483.00	27.00	733.00	271.48
Receipts & Payments		-					54	1,219.00	54.00	1,219.00	225.74
Assets	3	135.00	12	492.00	-		40	920.00	55.00	1,547.00	281.27
Liabilities	7	315.00	41	1,681.00	-		206	4,738.00	254.00	6,734.00	265.12
Landlords	1	45.00	3	123.00			24	552.00	28.00	720.00	257.14
General Administration	2	90.00	2	82.00			262	6,026.00	266.00	6,198.00	233.01
Post Appointment Creditor Reporting	6	270.00	11	451.00	19	608.00	84	1,932.00	120.00	3,261.00	271.75
Investigations	33	1,485.00				-			33.00	1,485.00	450.00

Total	53	2,385.00	74	3,034.00	19	608.00	691	15,870.00	837	21,897.00	
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Average Hourly Rate (£)		<u>450.00</u>		<u>410.00</u>		<u>320.00</u>		<u>229.67</u>		<u>261.61</u>	
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All Units are 6 minutes

Final Summary of Leonard Curtis Time Costs from 26 February 2013 to 7 November 2014

	Director		Senior Manager		Manager 2		Administrator 2		Administrator 3		Administrator 4		Total		Average
	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Hourly Rate
		£		£		£		£		£		£		£	£
Statutory & Review	21	922.50	10	402.50	2	84.00	56	1,230.00	-		-		89	2,619.00	294.27
Receipts & Payments	2	85.00	-		1	28.50	363	7,920.00	7	133.00	-		373	8,166.50	218.94
Insurance		-	8	308.00	-	-	18	384.00			-		26	692.00	266.15
Assets	108	4,605.00		-	4	128.00	38	798.00	1	19.00	-		151	5,550.00	367.55
Liabilities	94	4,012.50	262	10,287.00	9	256.50	1,249	26,963.00	12	228.00			1,626	41,747.00	256.75
Landlords	52	2,215.00	3	123.00	8	228.00	1,008	21,318.00	3	57.00	-		1,074	23,941.00	222.91
General Administration	6	260.00	28	1,103.00	5	142.50	523	11,493.00	5	95.00	7	94.50	574	13,188.00	229.76
Post Appointment Creditor Reporting	19	822.50	22	874.50	19	608.00	265	5,875.00	-		-		325	8,180.00	251.69
Investigations	65	2,880.00	-				-	-	-	-	-		65	2,880.00	443.08

Total	367	15,802.50	333	13,098.00	48	1,455.50	3,520	75,981.00	28	532.00	7	94.50	4,303	106,963.50	
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Average Hourly Rate (£)		<u>430.59</u>		<u>393.33</u>		<u>303.23</u>		<u>215.86</u>		<u>190.00</u>		<u>135.00</u>		<u>248.58</u>	
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All Units are 6 minutes

Summary of Begbies Traynor Time Costs from 26 February 2014 to 7 November 2014

	Partner		Senior Manager		Senior Administrator		Administrator		Total		Average
	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Hourly Rate
		£		£		£		£		£	£
Statutory & Review			-	-	-	-	96	1,296 00	96	1,296 00	135 00
General Administration	30	1,185 00	40	1,240 00	9	157 50	-	-	79	2,582 50	326 90
Investigations	32	1,264 00	3	93 00	-	-	17	229 50	52	1,586 50	305 10
Total	62	2,449 00	43	1,333 00	9	157 50	113	1,525 50	227	5,465 00	
Average Hourly Rate (£)		395 00		310 00		175 00		135 00		240 75	

All Units are 6 minutes

Final Summary of Begbies Traynor Time Costs from 26 February 2013 to 7 November 2014

	Partner		Senior Manager		Manager		Senior Administrator		Administrator		Total		Average
	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Hourly Rate
		£		£		£		£		£		£	£
Investigations	344	13,588 00	279	8,649 00	8	212 00	13	227 50	415	5,602 50	1,059	28,279 00	267 03
Assets	123	4,858 50	-	-	-	-	-	-	-	-	123	4,858 50	395 00
Liabilities	133	5,253 50	52	1,612 00	-	-	-	-	115	1,552 50	300	8,418 00	280 60
General Administration	218	8,611 00	149	4,619 00	-	-	-	-	343	4,630 50	710	17,860 50	251 56
Other Matters	30	1,185 00	16	496 00	-	-	-	-	139	1,876 50	185	3,557 50	192 30
Total	848	33,496 00	496	15,376 00	8	212 00	13	227 50	1,012	13,662 00	2,377	62,973 50	
Average Hourly Rate (£)		395 00		310 00		265 00		175 00		135 00		264 93	

All Units are 60 minutes

APPENDIX C

ADDITIONAL INFORMATION IN RELATION TO THE POLICY OF LEONARD CURTIS REGARDING FEES AND DISBURSEMENTS

The following information relating to the policy of Leonard Curtis is considered to be relevant

Staff Allocation and Support Staff

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 of the secured and/or preferential creditors, a creditors' committee or creditors generally, 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 arising in the appointment, 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 office holders reserve 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

	Previous Rates			New Rates	
	Standard £	Complex £		Standard £	Complex £
Director	425	531	Director	450	562
Senior Manager	385	481	Senior Manager	410	512
Manager 1	330	413	Manager 1	365	456
Manager 2	285	356	Manager 2	320	400
Administrator 1	230	287	Administrator 1	260	325
Administrator 2	210	262	Administrator 2	230	287
Administrator 3	190	237	Administrator 3	210	262
Administrator 4	135	168	Administrator 4	150	187

The Use of Subcontractors

Details of any subcontractor(s) used are given in the attached report.

Professional Advisors

Details of any professional advisor(s) used are given in the attached report. Unless otherwise indicated the fee arrangement for each will be 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 will be 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.

Disbursements

Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as a "category 1 disbursement". Category 1 disbursements will generally comprise supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses, incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Where we propose to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, documents storage or communication facilities provided by us) they must be disclosed and be authorised by those responsible for approving the liquidator's remuneration. Such expenditure is referred to as a "category 2 disbursement". 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
Room Hire	£100
Storage of office files (6 years)	£88.75 per box
Business mileage	45p per mile

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval)

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting.
- Car mileage is charged at the rate of 45 pence per mile.
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.
- Displaying properties for sale on the 'Accelerated Property Sales from Begbies Traynor' section of the Begbies Traynor website is charged at the rate of £75.00 per property.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- Telephone and facsimile
- Printing and photocopying
- Stationery

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Manchester office as at the date of this report are as follows:

	Standard 1 May 2011 – until further notice
	Regional
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.