

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

02719859

Name of Company

Interior Surfaces Limited

I/ We

Adrian Graham, 4th Floor, Leopold Street Wing, The Fountain Precinct, Sheffield, S1 2JA

Rob Sadler, 4th Floor, Leopold Street Wing, The Fountain Precinct, Sheffield, S1 2JA

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~~ 20 May 2014 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~~ 20 May 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 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 4th Floor, Leopold Street Wing, The Fountain Precinct, Sheffield, S1 2JA

The winding up covers the period from 7 July 2011 (opening of winding up) to the final meeting (close of winding up)

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

The final report and account was laid before the meeting and was approved by the Chairman acting on the general proxies

The following resolutions were duly passed unanimously in value

1) THAT the joint liquidators' final report and account of receipts and payments be approved

Signed



Date 20 May 2014

Begbies Traynor (Central) LLP
4th Floor, Leopold Street Wing
The Fountain Precinct
Sheffield
S1 2JA

Ref IN080CVL/AACG/RS/SWB

THURSDAY



A39FHYRD

A38

05/06/2014

#208

COMPANIES HOUSE

Interior Surfaces Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments
From 7 July 2011 To 20 May 2014

S of A £		£	£
	HIRE PURCHASE		
23,000 00	Motor Vehicles	NIL	
(33,636 00)	Ogilvie Fleet Limited	NIL	
15,000 00	Talbotts Biomass Burner	NIL	
(40,500 00)	Trustees of the Interior Surfaces Ltd	NIL	
5,000 00	Plant & Machinery	NIL	
(13,089 00)	ING Lease (UK) Limited	NIL	
75,000 00	Plant & Machinery	NIL	
(137,000 00)	Close Asset Finance Limited	NIL	
			NIL
	GENERAL SECURED GROUP		
173,089 00	Book Debts	NIL	
(213,132 00)	SME Invoice Finance Limited	NIL	
	SME Invoice Finance Limited Surplus	16,185 85	
	Reassigned Book Debt Collections	15,000 00	
			31,185 85
	ASSET REALISATIONS		
NIL	Land and Buildings (Improvements)	NIL	
29,750 00	Plant, Machinery & Equipment	30,799 00	
	Office Furniture & Equipment	2,054 00	
7,500 00	Wholly Owned Motor Vehicles	7,047 00	
100,500 00	Stock	400 00	
NIL	Research and Development	NIL	
	Rates Refund	1,904 06	
	VAT Refund	3,318 25	
	Insurance Refund	1,101 95	
	Goodwill	500 00	
	The Business Intellectual Property	200 00	
	Bank Interest Gross	16 05	
	Utility Refund	4 51	
			47,344 82
	COST OF REALISATIONS		
	Statement of Affairs Fee	9,500 00	
	Liquidators Fees	49,947 33	
	Travel Expenses	56 65	
	Room Hire	66 67	
	Agents Fees	6,705 84	
	Legal Fees	6,191 00	
	Companies House	5 00	
	Specific Penalty	207 50	
	Statutory Advertising	314 10	
	Unclaimed Dividends	25 75	
			(73,019 84)
	PREFERENTIAL CREDITORS		
	Employees re Arrears/Hol Pay	5,010 83	
			(5,010 83)
	FLOATING CHARGE CREDITORS		
(168,061 00)	The Co-Operative Bank Plc	500 00	

Interior Surfaces Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments
From 7 July 2011 To 20 May 2014

S of A £		£	£
(28,000 00)	Yorkshire Forward	NIL	(500 00)
	UNSECURED CREDITORS		
(864,427 00)	Trade Creditors	NIL	
(73,512 00)	Directors	NIL	
(146,721 00)	HM Revenue & Customs (PAYE/NIC)	NIL	
(59,577 00)	HM Revenue & Customs (VAT)	NIL	NIL
	DISTRIBUTIONS		
(3,214 00)	Ordinary Shareholders	NIL	NIL
(1,352,030.00)			(0.00)

REPRESENTED BY

NIL



Adrian Graham
Joint Liquidator

Interior Surfaces Limited (In Creditors' Voluntary Liquidation)

Final report and account of the liquidation pursuant
to Section 106 of the Insolvency Act 1986 and Rule
4.126 of the Insolvency Rules 1986

Period: 07 July 2011 to 20 May 2014

Important Notice

This report has been produced solely to comply with our statutory duty to report to creditors and members of the Company pursuant to Section 106 of the Insolvency Act 1986. This report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

Contents

- ❑ Interpretation
- ❑ Company information
- ❑ Details of appointment of liquidators
- ❑ Progress since appointment
- ❑ Outcome for creditors
- ❑ Remuneration and disbursements
- ❑ Liquidators' expenses
- ❑ Unrealisable assets
- ❑ Other relevant information
- ❑ Conclusion
- ❑ Appendices
 - 1 Liquidators' account of receipts and payments
 - 2 Liquidators' time costs and disbursements
 - 3 Statement of Liquidators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Interior Surfaces Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Insolvency Act 1986 on 7 July 2011
"the liquidators", "we", "our" and "us"	Adrian Graham of Begbies Traynor (Central) LLP, 4th Floor, Leopold Street Wing, The Fountain Precinct, Sheffield, S1 2JA and Rob Sadler of Begbies Traynor (Central) LLP, 4th Floor, Leopold Street Wing, The Fountain Precinct, Sheffield, S1 2JA
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

This is our final report and account of the liquidation and should be read in conjunction with the progress reports to creditors dated 10 July 2012 and 23 July 2013

2. COMPANY INFORMATION

Trading name(s)	Interior Surfaces
Company registered number	02719859
Company registered office	4th Floor, Leopold Street Wing, The Fountain Precinct, Sheffield, S1 2JA
Former trading address	110 Burton Street, Sheffield, S6 2HH

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	07 July 2011
Date of liquidators' appointment	07 July 2011
Changes in liquidator (if any)	None

4. PROGRESS SINCE APPOINTMENT

Attached at Appendix 1 is our abstract of receipts and payments for the period from 07 July 2011 to 20 May 2014

RECEIPTS

- 1 1 The director's Statement of Affairs showed motor vehicles on finance from Ogilvie Fleet Limited with an estimated to realise value of nil No funds have been realised in this regard
- 1 2 The director's Statement of Affairs showed a Talbotts Biomass Burner on finance from Trustees of the Interior Surfaces Limited Pension Scheme with an estimated to realise value of nil No funds have been realised in this regard
- 1 3 The director's Statement of Affairs showed plant and machinery on finance from ING Lease (UK) Limited with an estimated to realise value of nil No funds have been realised in this regard
- 1 4 The director's Statement of Affairs showed plant and machinery on finance from Close Asset Finance Limited with an estimated to realise value of nil No funds have been realised in this regard
- 1 5 The director's Statement of Affairs showed factored book debts with an estimated to realise value of nil Funds totalling £16,185 85 have been received in this regard
- 1 6 Reassigned book debt realisations of £15,000 00 have been received during the period
- 1 7 The director's Statement of Affairs showed Improvements to Land and Buildings with an estimated to realise value of nil No funds have been realised in this regard.
- 1 8 We received £22,799 00 from Shimmer Consulting Limited, from the sale of the company's plant and machinery I also received £8,000 from Homag U K Limited from the sale of the company's plant and

machinery My agents BTG Asset Consulting had valued these assets at £29,750 00, as shown on the Statement of Affairs

- 1 9 We received £2,054 00 from Shimmer Consulting Limited from the sale of the company's office furniture and equipment The offer was accepted on my agents BTG Asset Consulting's advice as no other offers had been received
- 1 10 We received £7,047 00 from Shimmer Consulting Limited, from the sale of the company's wholly owned motor vehicles My agents BTG Asset Consulting had valued these assets at £7,500 00, as shown on the Statement of Affairs The offer was accepted as no other offers had been received and the sale was interlinked with numerous company assets
- 1 11 The director's Statement of Affairs showed Stock with an estimated to realise value of £100,500 00 This stock has been subject to a valid retention of title claim with the small remaining stock sold to Shimmer Consulting for £400 00 on my agents BTG Asset Consulting's advice
- 1 12 The director's Statement of Affairs showed Research and Development with an estimated to realise value of nil No funds have been realised in this regard
- 1 13 We received a rates refund from Sheffield City Council in the sum of £1,904 06
- 1 14 We received £3,318 25 in respect of a VAT refund during the period
- 1 15 We received £1,101 95 from Aviva in respect of a insurance refund.
- 1 16 We received £500 00 from Shimmer Consulting Limited, from the sale of the company's goodwill This offer was accepted on my agents BTG Asset Consulting's advice as no other offers had been received
- 1 17 We received £200 00 from Shimmer Consulting Limited, from the sale of the company's intellectual property This offer was accepted on my agents BTG Asset Consulting's advice as no other offers had been received
- 1 18 We received bank interest of £16 05 from the funds held
- 1 19 We received £4 51 from BT Plc in respect of a utility refund

PAYMENTS

- 2 1 I discharged the Statement of Affairs fee of £9,500 00, in accordance with the resolution passed at the meeting of creditors held on 07 July 2011, for assisting the directors in convening the meetings of members and creditors and preparing the Directors' Report and Statement of Affairs
- 2 2 We drew £49,947 33 in respect of our time costs as liquidators as detailed further in this report
- 2 3 We paid £55 65 in respect of travel expenses
- 2 4 We paid £66 67 in respect of room hire
- 2 5 The sum of £4,100 00 was paid to my agents BTG Asset Consulting in order to obtain valuations and conclude the sale of the company's assets The sum of £2,068 34 was paid to my agents Alexander Forbes Trustee Services Limited for assistance provided in fulfilling my statutory duties with respect to the company pension schemes The sum of £100 00 was paid to my agent Jonathan White & Co Accountants Limited in respect of completing the P11Ds The sum of £437 50 was paid to our agents CVS Business Rates Specialists for assistance provided in obtaining a rates refund Total agents costs were £6,705 84
- 2 6 The sum of £5,308 00 was paid to my solicitor's h/w Keeble Hawson LLP in respect of assistance provided with the sale of company assets and matters relating to the sale agreement accordingly The

sum of £883 00 was paid to our solicitors PDT Solicitors in respect of assistance provided in the recovery of reassigned factored book debts Total solicitor costs were £6,191 00

- 2 7 We paid £5 00 in respect of Companies House searches
- 2 8 Bonding expenses totalled £207 50
- 2 9 We paid £314 10 in respect of Statutory advertising
- 2 10 The sum of £25 75 was paid to the Insolvency Service in respect of the fee for unclaimed dividend being paid into their bank unclaimed monies account

A Liquidation Committee was not formed and, accordingly, we are seeking creditors approval of the attached receipts and payments account

5. OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment based upon the information detailed in the directors' statement of affairs and the work we have undertaken in the course of the liquidation, are as follows

Secured creditors

SME Invoice Finance Limited holds a debenture, incorporating fixed and floating charges, over the company's assets, which was registered on 08 November 2000 The sum of £213,132 is shown as outstanding on the directors' statement of affairs

The Co-Operative Bank plc holds a debenture, incorporating fixed and floating charges, over the company's assets, which was registered on 17 November 2000 The sum of £168,061 is shown as outstanding on the directors' statement of affairs

The Trustees of the Interior Surfaces Limited Retirement Benefit Scheme holds a charge over equipment which was registered on 10 February 2010 The sum of £40,500 is shown as outstanding on the directors' statement of affairs

Yorkshire Forward holds a debenture, incorporating fixed and floating charges, over the company's assets, which was registered on 20 April 2011 The sum of £28,000 is shown as outstanding on the directors' statement of affairs

Preferential creditors

There were no known preferential claims detailed in the directors' statement of affairs however we have admitted preferential claims in the total sum of £25,204 16

Unsecured creditors

Unsecured creditors were estimated at £1,777,293 60

On the basis of realisations, the outcome for each class of the Company's creditors is as follows

Secured creditors

SME Invoice Finance Limited have collected out on the debtor ledger and reassigned the remaining debts to the company No debt remains outstanding to SME Invoice Finance Limited

The Co-Operative Bank plc received a dividend of £500 00 in respect of the fixed charge over the company's assets. No further dividend will be paid to The Co-Operative Bank Plc as the funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation.

The Trustees of the Interior Surfaces Limited Retirement Benefit Scheme are unlikely to receive any distribution as the funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation.

Yorkshire Forward are unlikely to receive any distribution as the funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation.

Preferential creditors

A dividend of 20 00 pence in the £1 has been paid to the preferential creditors.

As detailed in our progress report for the period 07 July 2012 to 06 July 2013, there are insufficient funds to pay a further dividend as the balance of funds have already been distributed or used or allocated for defraying the expenses of the liquidation.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property,
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in section 176A(6) of the Act, to be £0 00 and the prescribed part of the Company's net property to be £0 00.

There will be no distribution of the prescribed part as our estimate of the Company's net property is less than the minimum prescribed by the Insolvency Act 1986 (Prescribed Part) Order 2003 and we think, in accordance with Section 176A(3)(b) of the Act, that the costs of making a distribution of the prescribed part to unsecured creditors would be disproportionate to the benefits.

Unsecured creditors

As detailed in our progress report for the period 07 July 2011 to 06 July 2012 and 07 July 2012 and 06 July 2013, we confirm that no dividend is available for unsecured creditors as the funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation. Consequently we have not taken steps to formally agree the claims of unsecured creditors.

6. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report

Our time costs for the period from 07 July 2013 to 20 May 2014 amount to £3,735 which represents 18 20 hours at an average rate of £205 22 per hour

The following further information in relation to our time costs and disbursements is set out at Appendix 2

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 07 July 2011 to 20 May 2014
- ☐ Table of time spent and charge-out value for the period 07 July 2013 to 20 May 2014
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

To 20 May 2014, we have drawn the total sum of £49,947 33 on account of our remuneration, against total time costs of £55,146 incurred since the date of our appointment. In addition to the time costs information disclosed at Appendix 2 for the period since our last progress report, our previous progress reports contained details of the time costs we had incurred as at the date of each report. Our unbilled time costs of £5,198 67, have been written off as irrecoverable.

To 20 May 2014, we have also drawn disbursements in the sum of £13,572 51

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements] that have been taken in accordance with the approval obtained are provided in the narrative summary of time costs incurred which is at Appendix 2

A copy of 'A Creditors' Guide to Liquidators' Fees (E&W) 2010' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred since our last progress report is attached at Appendix 3

8. UNREALISABLE ASSETS

There are no assets that have proved to be unrealisable

9. OTHER RELEVANT INFORMATION

The account of receipts and payments is reflective of the final position in the liquidation once the bank account is closed following the final administration of the case. This will be completed prior to the final meeting of the company.

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated at the meeting of creditors convened pursuant to Section 98 of the Act, such report having also been sent to creditors following the meeting, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. We can confirm that we have discharged our duties in these respects.

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties.

10. CONCLUSION

This report and account of receipts and payments will be laid before final meetings of the Company and the creditors to be held on 20 May 2014 in accordance with Section 106 of the Act. Formal notice of the meetings and a proxy form are enclosed with the covering letter accompanying this report.

The meetings are a formal requirement of liquidation procedure and are a prelude to the formal dissolution of the Company, which will occur automatically, approximately three months later. Unless creditors otherwise resolve, pursuant to Section 173(2) of the Act we will be released from liability at the time that we vacate office.

Although the meetings are rarely attended, if any creditor wishes to attend the meeting, it would assist us in making the necessary administrative arrangements if you would inform the case manager by telephone. This is particularly important for any creditor wishing to attend who considers that the proposed venue is inconvenient. In that event we will consider reconvening the meetings at an alternative venue to be agreed. Any such request should be made within the next seven days so that we may inform all creditors of the revised arrangements. Alternatively, if you wish a proxy to attend on your behalf, the proxy form should be returned to our office by 12 noon on the business day before the meeting. Please note that we will not accept receipt of completed proxy forms by email. Submission of proxy forms by email will lead to the proxy being held invalid and the vote not cast.

Should you require further explanation of any matters contained within this report, you should contact our office and speak to the case manager, Stephen Beverley in the first instance, who will be pleased to assist.



Adrian Graham
Joint Liquidator

Dated 07 March 2014

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 07 July 2011 to 20 May 2014

**Interior Surfaces Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 07/07/2013 To 20/05/2014	From 07/07/2011 To 20/05/2014
	HIRE PURCHASE		
23,000 00	Motor Vehicles	NIL	NIL
(33,636 00)	Ogilvie Fleet Limited	NIL	NIL
15,000 00	Talbotts Biomass Burner	NIL	NIL
(40,500 00)	Trustees of the Interior Surfaces Ltd	NIL	NIL
5,000 00	Plant & Machinery	NIL	NIL
(13,089 00)	ING Lease (UK) Limited	NIL	NIL
75,000 00	Plant & Machinery	NIL	NIL
(137,000 00)	Close Asset Finance Limited	NIL	NIL
		NIL	NIL
	GENERAL SECURED GROUP		
173,089 00	Book Debts	NIL	NIL
(213,132 00)	SME Invoice Finance Limited	NIL	NIL
	SME Invoice Finance Limited Surplus	NIL	16,185 85
	Reassigned Book Debt Collections	NIL	15,000 00
		NIL	31,185 85
	ASSET REALISATIONS		
NIL	Land and Buildings (Improvements)	NIL	NIL
29,750 00	Plant, Machinery & Equipment	NIL	30,799 00
	Office Furniture & Equipment	NIL	2,054 00
7,500 00	Wholly Owned Motor Vehicles	NIL	7,047 00
100,500 00	Stock	NIL	400 00
NIL	Research and Development	NIL	NIL
	Rates Refund	NIL	1,904 06
	VAT Refund	NIL	3,318 25
	Insurance Refund	NIL	1,101 95
	Goodwill	NIL	500 00
	The Business Intellectual Property	NIL	200 00
	Bank Interest Gross	0 01	16 05
	Utility Refund	NIL	4 51
		0 01	47,344 82
	COST OF REALISATIONS		
	Statement of Affairs Fee	NIL	9,500 00
	Liquidators Fees	4,947 33	49,947 33
	Travel Expenses	NIL	56 65
	Room Hire	NIL	66 67
	Agents Fees	NIL	6,705 84
	Legal Fees	NIL	6,191 00
	Companies House	NIL	5 00
	Specific Penalty	NIL	207 50
	Statutory Advertising	84 60	314 10
	Unclaimed Dividends	25 75	25 75
		(5,057 68)	(73,019 84)
	PREFERENTIAL CREDITORS		
	Employees re Arrears/Hol Pay	NIL	5,010 83
		NIL	(5,010 83)
	FLOATING CHARGE CREDITORS		
(168,061 00)	The Co-Operative Bank Plc	NIL	500 00

**Interior Surfaces Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 07/07/2013 To 20/05/2014	From 07/07/2011 To 20/05/2014
(28,000 00)	Yorkshire Forward	<u>NIL</u> NIL	<u>NIL</u> (500 00)
	UNSECURED CREDITORS		
(864,427 00)	Trade Creditors	NIL	NIL
(73,512 00)	Directors	NIL	NIL
(146,721 00)	HM Revenue & Customs (PAYE/NIC)	NIL	NIL
(59,577 00)	HM Revenue & Customs (VAT)	<u>NIL</u> NIL	<u>NIL</u> NIL
	DISTRIBUTIONS		
(3,214 00)	Ordinary Shareholders	<u>NIL</u> NIL	<u>NIL</u> NIL
<u>(1,352,030.00)</u>		<u>(5,057.67)</u>	<u>(0.00)</u>
	REPRESENTED BY		<u>NIL</u>



Adrian Graham
Joint Liquidator

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred,
- d Table of time spent and charge-out value for the period from 07 July 2013 to 20 May 2014, and
- e Table of time spent and charge-out value for the period from 07 July 2011 to 20 May 2014

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 and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. 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,
- The following items of expenditure which relate to services provided by an entity within the Begbies Traynor Group are to be charged to the case (subject to approval):

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

² *Ibid* 1

BTG Asset Consulting may be utilised to provide assistance in the valuation and sale of the company's assets

(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

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 Sheffield 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

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	Interior Surfaces Limited
CASE TYPE	Creditors' Voluntary Liquidation
OFFICE HOLDERS	Adrian Graham and Julian Pitts
DATE OF APPOINTMENT	07 July 2011

1 CASE OVERVIEW

- 1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

1.2 Complexity of the case

The case has been of a complexity to be expected in view of the assets and the industry of the company

1.3 Exceptional responsibilities

There have been no exceptional responsibilities

1.4 The office holders' effectiveness

All company assets have been realised and my statutory duties fulfilled as detailed in the progress reports and draft final report

1.5 Nature and value of property dealt with by the office holders

The company assets realised are detailed in the draft final report

1.6 Anticipated return to creditors

As I have advised by letter dated 07 March 2014, I confirm that no further dividend is available for any class of creditors as the funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation

1.7 Time costs analysis

An analysis of time costs incurred between 07 July 2011 and 20 May 2014 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type

The time costs analysis provides details of work undertaken by the Liquidators and their staff following their appointment only

1.8 Work undertaken prior to appointment

In addition to the post appointment time costs detailed in the Time Costs Analysis, the costs relating to work undertaken prior to the Liquidators' appointment in summoning, advertising and

holding the creditors' meeting and assisting the directors in preparing the statement of affairs were approved by the creditors at the Section 98 meeting

1 9 The views of the creditors

The progress reports and the draft final report details the conduct of the liquidation and our actions since our appointment

1 10 Approval of fees

At the meeting of creditors held on 07 July 2011 it was resolved that the liquidators' remuneration be fixed by reference to the time properly given by them (as liquidators) and the various grades of their staff calculated at the prevailing hourly charge-out rates of Begbies Traynor (Central) LLP for attending to matters arising in the winding

1 11 Approval of Expenses and Disbursements

At the meeting of creditors held on 07 July 2011 it was resolved that the liquidator be authorised to draw disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with their firm's policy, details of which accompanied the information presented to the creditors meeting

1 12 Category 2 Disbursements

We have not drawn any Category 2 disbursements and disbursements which should be treated as Category 2 disbursements since my last report to creditors

1 13 Other professionals employed & their costs

Details of all professionals employed and their costs are showing in our progress reports and in the draft final report

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 2

2 2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 2

3. SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

3 1 Since the date of our last report, the following work has been carried out

3 2 Monitored cheque clearances for the unsecured distributions and taken steps to draw the liquidation to a close

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Agent's fees	BTG Asset Consulting	4,100 00	4,100 00	0 00
Agent's fees	Alexander Forbes Trustee Services Ltd	2,068 34	2,068 34	2,068 34
Agent's fees	Jonathan White & Co Ltd	100 00	100 00	0 00
Agent's fee	CVS Business Rates Specialists	437 50	437 50	0 00
Legal fees	hlw Keeble Hawson LLP	5,308 00	5,308 00	0 00
Legal fee	PDT Solicitors	6,191 00	6,191 00	0 00
Statutory advertising	Courts Advertising Ltd	314 10	314 10	0 00
Bond	AJA Insolvency Risk Service	207 50	207 50	0 00