

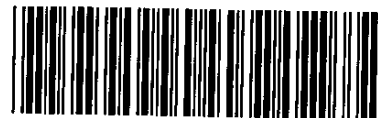
LIQ03

Notice of progress report in voluntary winding up



Companies House

MONDAY



A8YHN7DM

A07

10/02/2020

#108

COMPANIES HOUSE

1 Company details

Company number 0 2 7 2 2 1 3 6

Company name in full Positive Clothing (London) Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Deviesh Ramesh

Surname Raikundalia

3 Liquidator's address

Building name/number 38 De Montfort Street

Street Leicester

Post town LE1 7GS

County/Region

Postcode

Country

4 Liquidator's name ①

Full forename(s) Situl Devji

Surname Raithatha

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 38 De Montfort Street

Street Leicester

Post town

County/Region

Postcode L E 1 7 G S

Country

② 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 1	^d 1	^m 1	^m 2	^y 2	^y 0	^y 1	^y 8
To date	^d 1	^d 0	^m 1	^m 2	^y 2	^y 0	^y 1	^y 9

7 Progress report

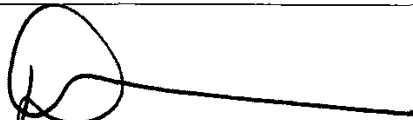
☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 0	^d 5	^m 0	^m 2	^y 2	^y 0	^y 2	^y 0
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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 **Deviesh Raikundalia**

Company name **Springfields Advisory LLP**

Address
38 De Montfort Street
Leicester

Post town **LE1 7GS**

County/Region

Postcode

Country

DX

Telephone **0116 299 4745**



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 or email 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



Positive Clothing (London) Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 11/12/2018 To 10/12/2019 £	From 11/12/2014 To 10/12/2019 £
TRANSFER FROM ADMINISTRATION		
Transfer from Administration	NIL	483,771.52
	NIL	483,771.52
ASSET REALISATIONS		
Antecedent Transactions	NIL	1,470,000.00
Bank Interest Gross	62.90	1,037.65
Book Debts	NIL	15,341.68
Interest on Settlement Funds	NIL	68,115.21
Tax Refund	NIL	NIL
VAT from Admin	NIL	17,173.69
	62.90	1,571,668.23
COST OF REALISATIONS		
Accountancy / tax costs	NIL	10,000.00
Adverse Cost Insurance	NIL	108,650.00
Agents/Valuers Fees	NIL	40.81
Bank Charges	NIL	12.50
Computer Data Recovery	NIL	3,400.00
Computer Forensics	NIL	5,250.00
Corporation Tax	13.11	200.48
Courier Costs	NIL	198.44
Interviewee Expenses	NIL	855.40
Joint Administrator's Fee	NIL	35,756.00
Joint Liquidators' Remuneration	NIL	360,000.00
Land Registry Fees	NIL	45.00
Legal Fees & Disbursements	NIL	178,153.54
Meeting Room Hire	NIL	700.00
Mileage	NIL	99.00
Postage	NIL	174.64
Printing and Photocopying	100.20	1,734.20
Specific Penalty Bond	NIL	1,304.00
Statutory Advertising	NIL	131.84
Storage Costs	1,508.80	3,420.58
Tax Appeal Fees	NIL	500.00
Transcription Costs	NIL	1,249.34
Travelling expenses	NIL	1,710.01
	(1,622.11)	(713,585.78)
PREFERENTIAL CREDITORS		
Preferential Distribution (See Note 1)	NIL	20,458.70
	NIL	(20,458.70)
UNSECURED CREDITORS		
Unsecured Distribution (See Note 2)	NIL	1,188,853.84
	NIL	(1,188,853.84)
	(1,559.21)	132,541.43
REPRESENTED BY		
Current A/c - Bank 1		132,219.63
Vat Receivable		321.80
		132,541.43

Note:

Positive Clothing (London) Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 11/12/2018 To 10/12/2019 £	From 11/12/2014 To 10/12/2019 £
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Note 1

The preferential creditors were paid in full on 26 November 2015.

Note 2

A First Dividend of 25p in the £ was declared and paid to the unsecured, non-preferential creditors on 26 November 2015. A Second dividend declared of 25p in the £ was declared on 27 January 2016 and paid to the unsecured, non-preferential creditors on 28 January 2016.

Deviesh Ramesh Raikundalia
Joint Liquidator





Private and Confidential

TO ALL KNOWN CREDITORS AND
SHAREHOLDERS

Our ref PO1563/DRR/SDR

Your ref

Date 5 February 2020

Dear Sirs

Positive Clothing (London) Limited ("the Company") – In Creditors' Voluntary Liquidation

This is my report to members and creditors following the fifth anniversary of my appointment as Joint Liquidator. This report should be read in conjunction with my previous progress reports.

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact David Robinson by email at David.r@springfields-uk.com, or by phone on 0116 299 4745.

Yours faithfully
For and on behalf of
Positive Clothing (London) Limited



Devish Ramesh Raikundalia
JOINT LIQUIDATOR

Enc.

www.springfields-uk.com

Springfields Advisory LLP 38 De Montfort St Leicester LE1 7GS
T 0116 299 4745 E info@springfields-uk.com

Limited Liability Partnership Registered in England & Wales number OC404694 Any reference to Partner means a member of the LLP
All officeholders are licensed in the United Kingdom by the Insolvency Practitioners Association and are bound by the Insolvency Code of Ethics
Details about our privacy policy and general information about the firm can be found at <https://www.springfields-uk.com/regulatory>



Positive Clothing (London) Limited – In Creditors' Voluntary Liquidation

LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS

For the period 11 December 2018 to 10 December 2019 ("the Period")

EXECUTIVE SUMMARY

All known assets have been realised. As previously reported, I instructed a third party firm of accountants to bring the Company's tax affairs up to date and this has been completed in respect of the pre-Administration periods. There has been a significant delay in agreeing the tax position with HMRC and ultimately agreeing the refund due to the Company. It is expected that this will be agreed and the Liquidation finalised before the next anniversary of the Liquidation, subject to HMRC approval.

The preferential creditors have been paid in full. Dividends totalling 50p in the £ have been paid to the unsecured, non-preferential creditors to date. I expect to be in a position to make a further distribution to creditors, although the timing and quantum of any distribution will depend on the level and timing of any tax refund received.

STATUTORY INFORMATION

Company name:	Positive Clothing (London) Limited
Registered office:	38 De Montfort Street Leicester LE1 7GS
Former registered office:	20 Wells Mews London W1T 3HQ
Registered number:	02722136
Joint Liquidators' names:	Deviesh Ramesh Raikundalia and Situl Devji Raithatha and Situl Devji Raithatha
Joint Liquidators' address:	Merchants Court, 21-23 Castle Gate, Nottingham, NG1 7AQ & 38 De Montfort Street, Leicester, LE1 7GS, respectively
Joint Liquidators' date of appointment:	11 December 2014
Actions of Joint Liquidators'	Any act required or authorised under any enactment to be done by a Liquidator may be done by either or both of the Liquidators acting jointly or alone.

LIQUIDATORS' ACTIONS SINCE LAST REPORT

There is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my last report as Joint Liquidator is contained in Appendix 2. Further details about the actions taken by the Liquidators are detailed throughout this report.

RECEIPTS AND PAYMENTS

My Receipts & Payments Account for the Period is attached at Appendix 1.

ASSETS

Tax Refund

It was agreed with the Liquidation Committee ("the Committee") that a firm of accountants would be instructed to bring the Company's tax affairs up-to-date in order to determine whether a tax refund could be claimed as a result of trading losses incurred prior to the Administration. Mark J Rees LLP were instructed to undertake this work. The final VAT, PAYE and Corporation Tax returns have been submitted to HMRC, who have accepted the figures for VAT and Corporation Tax. Mark J Rees and my office have remained in correspondence with HMRC regarding the PAYE figures, which have not yet been agreed. There appears to have been an issue with HMRC in which they have made the necessary adjustment with regard to PAYE, although the department dealing with the refund does not seem to be aware, despite repeated correspondence from both Mark J Rees and my office. We are both still attempting to resolve this. It is estimated that the tax refund will be in the region of c.£150k and would allow for a further dividend to the unsecured creditors. It is anticipated that the remaining tax matter will be concluded before the next anniversary.

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company had granted various charges, which have been extensively detailed in previous reports. In summary, all charges had been discharged and released prior to the Company entering into Liquidation.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case, the debt due to the chargeholder has already been discharged from fixed charge realisations and there is therefore no floating charge. These provisions will not apply.

Preferential Creditors

The Statement of Affairs anticipated that there would be preferential claims of £24,700 in respect of payments made to employees under the Employment Rights Act 1996. A number of claims were received and forwarded to the Redundancy Payments Service ("RPS") for payment, subject to statutory limits.

Claims totalling £20,458.70 were identified. A distribution at a rate of 100p in the £ was made to the preferential creditors on 26 November 2015. No further distribution is anticipated to the preferential creditors.

Crown Creditors

The statement of affairs included £302,355 owed to HMRC. HMRC's revised claim of £290,019 has been received. This is now only made up of PAYE and NIC liabilities relating to the final period prior to Administration. It is anticipated that HMRC will reverse this liability, leading to a possible refund, once

all remaining PAYE/NIC matters have been concluded by Mark J Rees LLP. HMRC had previously confirmed that they do not have a claim in the Liquidation.

Non-preferential unsecured Creditors

The statement of affairs included 61 non-preferential unsecured creditors with an estimated total liability of £2,367,733.33. I have received claims from 77 creditors at a total of £2,494,578.19. I have not received claims from 14 creditors with original estimated claims in the statement of affairs of £77,089.58. The increase in the claims received compared with those shown on the statement of affairs can be explained by the management accounts not having been updated prior to the date of Administration.

DIVIDEND PROSPECTS

A First Dividend of 25p in the £ was declared and paid to non-preferential unsecured creditors on 26 November 2015. A Second Dividend of 25p in the £ was declared on 27 January 2016 to the same class of creditors. Total dividends of 50p in the £ have been paid to date in addition to the payments detailed earlier to the preferential creditors.

I expect to be in a position to make a further distribution to creditors. I am unable to estimate the timing and quantum at this stage as this will be subject to the level and timing of any tax refund received.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

No further investigatory issues arose in the Period.

LIQUIDATORS' REMUNERATION

On 27 November 2014, the Committee agreed that the Joint Liquidator's remuneration should be on a time cost basis and my firm's costs would be drawn as and when authorised by the Committee. Please refer to the enclosed receipts and payments account for details of the amount drawn in the Period and as agreed with the Committee.

A schedule of my time costs incurred to date and in the Period is attached as Appendix 3.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' published by the R3 is available at the link <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees>. Please note that there are different versions of the Guidance Notes, and in this case, you should refer to the November 2011 version. An explanatory note which shows Springfields Advisory LLP's fee policy is attached. A hard copy of both documents can be obtained on request from this office.

LIQUIDATORS' EXPENSES

I enclose a schedule providing details of expenses incurred and paid in the Period. This also includes category 2 disbursements.

I have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Mark J Rees LLP	Accountancy and tax	Fixed fee plus percentage on funds refunded from HMRC

The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.

FURTHER INFORMATION

An unsecured creditor may, with the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Joint Liquidators' remuneration and expenses within 21 days of their receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Joint Liquidators as being excessive, and/or the basis of the Joint Liquidators' remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

As Insolvency Practitioners, when carrying out all professional work relating to an insolvency appointment, S D Raithatha and D R Raikundalia are bound by the Insolvency Code of Ethics, as well as by the regulations of our professional body. More details about these matters and general information about Springfields Advisory LLP that is of relevance can be found at <https://www.springfields-uk.com/regulatory>.

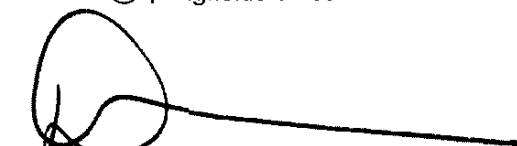
SUMMARY

The Liquidation will remain open until I have determined whether there is a tax refund due to the Company and a final distribution is made to creditors. I am unable to estimate when this will be at this stage.

DISCLAIMER

This report has been prepared for the sole purpose of updating creditors and shareholders of the Company for information purposes to fulfil the necessary statutory requirements of the Liquidators. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, or otherwise used by creditors or shareholders for any purpose other than updating them for information purposes, or any other person for any purpose whatsoever.

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact David Robinson on 0116 299 4745, or by email at david.r@springfields-uk.com.



Deviresh Ramesh Raikundalia
JOINT LIQUIDATOR

Positive Clothing (London) Limited
(In Liquidation)
JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 11/12/2018 To 10/12/2019 £	From 11/12/2014 To 10/12/2019 £
RECEIPTS			
Transfer from Administration		0.00	483,771.52
Antecedent Transactions		0.00	1,538,115.21
Book Debts		0.00	15,341.68
VAT from Admin		0.00	17,173.69
Bank Interest Gross		62.90	1,037.65
		<u>62.90</u>	<u>2,055,439.75</u>
PAYMENTS			
Legal Fees & Disbursements		0.00	178,153.54
Specific Penalty Bond		0.00	1,304.00
Adverse Cost Insurance		0.00	108,650.00
Transcription Costs		0.00	1,249.34
Meeting Room Hire		0.00	700.00
Joint Liquidators' Remuneration		0.00	360,000.00
Joint Administrator's Fee		0.00	35,756.00
Printing and Photocopying		100.20	1,734.20
Land Registry Fees		0.00	45.00
Agents/Valuers Fees		0.00	40.81
Computer Forensics		0.00	5,250.00
Courier Costs		0.00	198.44
Corporation Tax		13.11	95.48
Interviewee Expenses		0.00	855.40
Postage		0.00	279.64
Mileage		0.00	99.00
Storage Costs		1,508.80	3,420.58
Statutory Advertising		0.00	131.84
Tax Appeal Fees		0.00	500.00
Computer Data Recovery		0.00	3,400.00
Travelling expenses		0.00	1,710.01
Accountancy / tax costs		0.00	10,000.00
Bank Charges		0.00	12.50
Preferential Distribution (See Note 1)		0.00	17,566.84
Unsecured Distribution (See Note 2)		0.00	1,188,679.67
HMRC (Tax/NIC)		0.00	3,066.03
		<u>1,622.11</u>	<u>1,922,898.32</u>
Net Receipts/(Payments)		<u>(1,559.21)</u>	<u>132,541.43</u>
MADE UP AS FOLLOWS			
Current A/c - Bank 1		(1,881.01)	132,219.63
VAT Receivable / (Payable)		321.80	321.80
		<u>(1,559.21)</u>	<u>132,541.43</u>

Note:

Positive Clothing (London) Limited
(In Liquidation)
JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

Statement of affairs £	From 11/12/2018 To 10/12/2019 £	From 11/12/2014 To 10/12/2019 £
------------------------------	---------------------------------------	---------------------------------------

Note 1

The preferential creditors were paid in full on 26 November 2015.

Note 2

A First Dividend of 25p in the £ was declared and paid to the unsecured, non-preferential creditors on 26 November 2015. A Second dividend declared of 25p in the £ was declared on 27 January 2016 and paid to the unsecured, non preferential creditors on 28 January 2016.



Appendix 2

1. Administration

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder (and their managers). It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Supervising the work of sub-contractors instructed on the case to assist in dealing with pension schemes; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.
- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the office holder's estate bank account.
- Maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

1. Creditors

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

Dividends - the office holder has to undertake certain statutory formalities in order to enable him to pay a dividend to creditors. This include writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.)

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.



Time Entry - Cumulative Detailed SLP9 Time & Cost Summary

PO1563 - Positive Clothing (London) Limited
From: 11/12/2018 To: 10/12/2019
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg Hourly Rate (£)	Hours Cum (POST Only)	Time Costs Cum (POST Only)
** 100 : Administration & Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.10	3,566.00
101 : Case Planning	0.40	0.00	2.10	0.00	2.50	599.50	239.96	39.30	7,130.90
** 102 : Administrative set-up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00	1,390.00
** 103 : Appointment Notification	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.40	573.00
104 : Maintenance of Records	0.00	0.10	0.00	0.00	0.10	27.50	275.00	14.20	2,892.60
105 : Statutory Reporting	0.00	3.90	0.00	0.00	3.90	1,041.30	267.00	14.70	4,394.60
106 : VAT & Tax Returns	0.00	7.80	0.00	0.00	7.80	2,121.00	271.92	91.40	25,826.70
107 : Case Monitoring	2.30	2.90	0.00	0.00	5.20	1,835.90	353.06	62.40	17,000.30
Administration & Planning	2.70	14.70	2.10	0.00	19.50	5,625.60	288.49	248.50	62,654.10
** 600 : Case Specific	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.80	126.00
** 602 : Case Specific 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.90	1,635.00
Case specific matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.70	1,761.00
** 500 : Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.70	1,685.00
501 : Communication	0.00	0.10	0.00	0.00	0.10	26.70	267.00	29.50	9,710.70
502 : Claims inc emp, prets	0.00	0.00	0.10	0.00	0.10	19.50	195.00	331.53	98,286.40
503 : Report/secured creditor	0.00	1.40	0.00	0.00	1.40	373.80	267.00	2.00	475.80
504 : Committee Reporting	1.60	5.40	0.00	0.00	7.00	2,180.30	311.47	68.90	23,382.30
** 505 : Final Report	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.80	531.00
Creditors	1.60	6.90	0.10	0.00	8.60	2,600.30	302.36	442.43	134,061.20
** 200 : Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	71.70	10,800.00
** 201 : SIP 2 review	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.70	105.00
** 202 : CDDA reports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	44.40	8,460.00
** 203 : Antecedent transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	542.90	171,807.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	659.70	191,172.00
301 Ident, Sec, Insuring	16.70	3.00	0.00	0.00	19.70	8,492.90	431.11	20.10	8,648.90
** 302 : ROT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30	48.00
** 303 : Debt collection	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.90	982.50
** 305 : Legal matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	70.50	20,835.00
Realisation of Assets	16.70	3.00	0.00	0.00	19.70	8,492.90	431.11	95.80	30,514.40
** 401 : Management of operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.40	124.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	NAN	0.40	124.00
Total Hours	21.00	24.60	2.20	0.00	47.80	16,718.80	349.77	1,458.53	420,286.70
Total Fees Claimed						360,000.00			
Page 1 of 3					Version 15-03-18				04 February 2020 17:09

Appendix 4

Positive Clothing (London) Limited - In Creditors' Voluntary Liquidation

Details of expenses incurred and paid from 11 December 2019 to 10 December 2019 ("the Period")

Category 1 Disbursements

Type	Outstanding b/f (£)	Incurred in Period (£)	Paid in Period (£)	Outstanding c/f (£)
TOTAL				

Category 2 Disbursements

Type	Outstanding b/f (£)	Incurred in Period (£)	Paid in Period (£)	Outstanding c/f (£)
Internal Photocopying & Printing	61.05	39.15	100.20	-
Storage Costs*	1,377.60	786.20	1,508.80	655.00
TOTAL	1,438.65	825.35	1,609.00	655.00

Notes

* Please note that these costs continue to accrue and are billed periodically.

SPRINGFIELDS ADVISORY LLP PRACTICE FEE RECOVERY POLICY FOR INSOLVENCY APPOINTMENTS

Introduction

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

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees>. Alternatively a hard copy can be provided on request. Please note that we have provided further details in this policy document.

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

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

Time cost basis

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

Charge-out Rates

Grade of staff	Current charge-out rate per hour, effective from 1 August 2019 £	Previous charge-out rate per hour, effective from 1 August 2018 £
Partner	464	451
Manager	275-348	267-338
Administrator	158-233	154-226

Time is recorded in units of 6 minutes (prior to 08/01/2007 this was 15 minute units)



These charge-out rates charged are reviewed periodically and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

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

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

- Investigations
- Creditors (other than distributions to creditors)
- Trading

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

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

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

In some instances where there is undue risk to the firm in recovering its standard hourly rates in full, typically as a consequence of the pursuit of causes of action where the outcomes are far from certain, or where there are considered to be undue risks associated with the conduct of an assignment, then approval for a percentage uplift on standard hourly rates may be sought. The percentage uplift sought will vary depending upon the circumstances of each case.

Percentage basis

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

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

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

Fixed fee

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

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

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has

not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Members' voluntary liquidations and Voluntary Arrangements

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

All bases

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

Agent's Costs

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

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

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

Disbursements

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

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

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

It is proposed that the following Category 2 disbursements are recovered:

Photocopying / printing:	10p per sheet
Internal storage of books and records:	Initial charge for intake: £6.10 per box Storage: £0.40 per month per box in storage at month end
Internal storage of PC/IT equipment:	Storage: £3.60 per month per item in storage at month end
Internal room hire:	£100 per statutory meeting
Mileage (own car usage):	45p per mile