

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

02743871

Name of Company

Browns Foodservice Limited

I / We

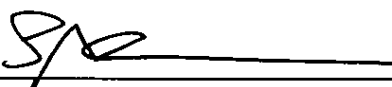
Simon Edward Jex Girling, Bridgewater House, Finzels Reach, Counterslip, Bristol BS1 6BX

Christopher Kim Rayment, Two Snowhill, Birmingham, B4 6GA

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 21/05/2015 to 20/05/2016

Signed



Date

2 June 2016

BDO LLP
Bridgewater House
Finzels Reach
Counterslip
Bristol
BS1 6BX

Ref 00186305/SEJG/CKR/SZB/LH/AMW

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Browns Foodservice Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs	From 21/05/2015 To 20/05/2016	From 21/05/2013 To 20/05/2016
455,295 00	FIXED CHARGE ASSETS	
	Trade Debtors	NIL
		NIL
	FIXED CHARGE CREDITORS	
-251,420 00	HSBC Invoice Finance (UK) Limited	NIL
		NIL
	ASSET REALISATIONS	
	Trade Debtors	253,386 79
7,300 00	Plant & Equipment	7,300 00
200 00	Information Technology Hardware	NIL
10,500 00	Motor Vehicles	10,425 00
60,000 00	Final net stock realisations	75,000 00
13,025 00	Other stock (fresh & frozen)	9,207 72
31,376 00	HM Revenue & Customs - VAT	31,375 67
621 00	Cash at Bank	669 14
	HSBC IRHP redress	34,423 67
		421,787 99
	COST OF REALISATIONS	
	Specific Bond	160 00
	Liquidators Fees	41,000 00
	Liquidators Disbursements	241 75
	Agents Fees	28,095 56
	Legal Fees (1)	2,216 24
	Commission	1,249 78
	Storage Costs	864 36
	Statutory Advertising	618 85
	Insurance of Assets	1,091 82
	Wages & Salaries	5,955 62
	PAYE & NI	2,950 46
	Bank Charges	135 00
		-42,106 11
		148,568 92
	PREFERENTIAL CREDITORS	
-6,774 00	Preferential Wages & Holiday pay	NIL
		7,479 91
		-7,479 91
	UNSECURED CREDITORS	
-534,120 00	Trade & Expense Creditors	NIL
-36,408 00	Unsecured Employees (Redundancy &	252,548 00
-15,060 00	HM Revenue & Customs - PAYE/NI	NIL
-525,339 00	Intercompany - Ensors Gloucestershire	NIL
		NIL
		252,548 00
	DISTRIBUTIONS	
94,000 00	Ordinary Shareholders	NIL
		NIL
-884,804 00		-42,106 11
	REPRESENTED BY	13,191 16
	Vat Input	8,421 22
	Allied Irish Bank	4,769 94
		13,191 16



Simon Edward Jex Girling
Joint Liquidator



Browns Foodservice Limited - In Creditors' Voluntary Liquidation ("the Company")
Registered Address and Joint Liquidators' Address: c/o BDO LLP, Bridgewater House, Finzels Reach, Counterslip, Bristol, BS1 6BX
Registered number: 02743871
Joint Liquidators: Simon Edward Jex Girling and Christopher Kim Rayment
Date of Appointment: 21 May 2013

Progress of the Liquidation

I enclose my receipts and payments account showing the transactions over the period covered by this report, being the year ending 20 May 2016 ("This Period"), plus the whole duration of the liquidation. All known assets were recovered prior to This Period so there have been few movements in This Period, with the case mainly being prepared for the second and final distribution to unsecured creditors and planning for closure thereafter.

To that end, £864.36 has been paid to Box It for advance storage charges up to 30 June 2018 for, and subsequent destruction of, the Company's books and records.

In addition, my tax team and I have compiled and submitted Corporation Tax returns that have mitigated any tax liability on assets realised in this liquidation (especially the Hedging Product redress received from HSBC Bank Plc) to zero.

Second and Final Dividend to Unsecured Creditors

I have made a claim from HMRC for the input VAT owed, although it is currently taking several months for HMRC to process and pay such claims. Once that has been received I will be in a position to pay the second and final dividend to unsecured creditors.

At that point I will issue a Notice Of Intended Dividend and a schedule showing creditors' claims that were agreed prior to the first dividend. Those claim figures will be used again to calculate the second dividend unless creditors notify me of any change to the value of their claim. The Notice will provide a final date for:

- a) creditors to prove any such changes to their unsecured claims, and
- b) creditors who have not yet made any claim to submit one.

The sum available for distribution should be slightly in excess of £13,300. Assuming the previously agreed figure of £903,633 for total unsecured claims remains the same, then the value of this second and final dividend will be about 1.5p in the £ on each creditor's claim.

After I have distributed the dividend cheques, and then banked any that remain unclaimed into the Insolvency Service Account, I shall then take steps to close the liquidation.

Liquidators' Remuneration

As previously reported, the creditors have already approved the Joint Liquidators' remuneration being drawn based on the time properly spent in dealing with issues in the liquidation.

The enclosed schedules show the work undertaken by the Liquidators and their staff, with time costs of £9,199 accrued during This Period, and £100,603 accruing since the commencement of the liquidation. Creditors will note that this schedule shows total fees drawn being in excess of the total value of time costs up to the end of This Period. This is because a small sum of fees has been drawn in advance to cover the estimated time costs up to the closure of the case. Liquidators' fees of £41,000 (plus VAT) were drawn during This Period as shown on the receipts.

and payments account. No further fees will be drawn and time costs accruing over and above the total fees drawn will be written off.

The main areas of work undertaken during This Period were

- Preparing, finalising and issuing my last report to creditors and this report,
- Internal compliance, file reviews, etc,
- Preparing, finalising and issuing liquidation corporation tax returns, including consideration of the Hedging Product redress received from HSBC Bank Plc,
- Closure planning and preparation,
- Reviewing creditors' claims and planning for second dividend to unsecured creditors,
- Raising and paying this firm's invoice for liquidators' fees, and
- General cashiering duties, bank reconciliations, etc.

For guidance, I enclose "A creditors' guide to liquidators' fees", together with a document that outlines the policy of BDO LLP in respect of fees and disbursements.

Disbursements

Category 1 Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. The sum of £241.75 has been drawn in respect of category 1 disbursements during the period for payment in advance of future statutory advertising costs for the closure of the liquidation.

Category 2 Disbursements

Category 2 disbursements in respect of mileage costs totalling £146.20 had previously been incorrectly charged from the Company's estate and have now been repaid. However the cheque did not clear into the liquidation bank account during This Period so it will be shown on my next receipts and payments account.

No further Category 1 or 2 disbursements will be charged in this liquidation.

Other Matters

The Joint Liquidators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this Administration. A copy of the code is at

<http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d>.

The Joint Liquidators have a duty to investigate the affairs of the Company and also the conduct of the directors and in this latter respect to submit a confidential statutory report to the Secretary of State. I confirm that a report has been submitted.

As previously reported, I have completed my review of the Company's affairs and assets to establish whether there are any actions that can be investigated for the benefit of the creditors and concluded there are no causes of action to be pursued.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency practitioners. In the event that you make a complaint to me but are not satisfied with the response from me then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

I now provide an extract from the Insolvency Rules 1986 setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the liquidation.

Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Liquidators' fees and expenses:

Rule 4.49E Creditors' and members' request for further information

(1) If-

- (a) within the period mentioned in paragraph (2)-
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (iii) members of the company in a members voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or
- (b) with the permission of the court upon an application made within the period mentioned in paragraph (2)-
 - (i) any unsecured creditor, or
 - (ii) any member of the company in a members' voluntary winding up,

makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4.49B(1)(e) or (f) (including by virtue of Rule 4.49C(5)) or in a draft report under Rule 4.49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter[s] in a draft report under Rule 4.49D or a progress report required by Rule 4.108 which (in either case) was previously included in a progress report not required by Rule 4.108

(2) The period referred to in paragraph (1)(a) and (b) is-

- (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4.108, and
- (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case

(3) The liquidator complies with this paragraph by either-

- (a) providing all of the information asked for, or
- (b) so far as the liquidator considers that-
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) 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
 - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information

Rule 4.131 Creditors' claim that remuneration is or other expenses are excessive

(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

(1A) Application may be made on the grounds that-

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator's remuneration under Rule 4.127, or
- (c) expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of an application under sub paragraph (b), inappropriate

- (1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days notice but which is without notice to any other party
- If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders-
- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
 - (b) an order fixing the basis of remuneration at a reduced rate or amount,
 - (c) an order changing the basis of remuneration,
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
 - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,
- and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation

If you require any further information please do not hesitate to contact Lauren Hitchcock on 0117 930 1538

Yours faithfully
for and on behalf of
Browns Foodservice Limited



Simon Girling
Joint Liquidator
Authorised by the Insolvency Practitioners Association in the UK

Browns Foodservice Limited
(In Liquidation)
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Statement of Affairs		From 21/05/2015 To 20/05/2016	From 21/05/2013 To 20/05/2016
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		NIL	NIL
	FIXED CHARGE CREDITORS		
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		NIL	NIL
	ASSET REALISATIONS		
	Trade Debtors	NIL	253,386 79
7,300 00	Plant & Equipment	NIL	7,300 00
200 00	Information Technology Hardware	NIL	NIL
10,500 00	Motor Vehicles	NIL	10,425 00
60,000 00	Final net stock realisations	NIL	75,000 00
13,025 00	Other stock (fresh & frozen)	NIL	9,207 72
31,376 00	HM Revenue & Customs - VAT	NIL	31,375 67
621 00	Cash at Bank	NIL	669 14
	HSBC IRHP redress	NIL	34,423 67
		NIL	421,787 99
	COST OF REALISATIONS		
	Specific Bond	NIL	160 00
	Liquidators Fees	41,000 00	103,500 00
	Liquidators Disbursements	241 75	1,385 63
	Agents Fees	NIL	28,095 56
	Legal Fees (1)	NIL	2,216 24
	Commission	NIL	1,249 78
	Storage Costs	864 36	1,209 96
	Statutory Advertising	NIL	618 85
	Insurance of Assets	NIL	1,091 82
	Wages & Salaries	NIL	5,955 62
	PAYE & NI	NIL	2,950 46
	Bank Charges	NIL	135 00
		42,106 11	-148,568 92
	PREFERENTIAL CREDITORS		
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15,060 00	HM Revenue & Customs - PAYE/NI	NIL	NIL
-525,339 00	Intercompany - Ensors Gloucestershire	NIL	NIL
		NIL	-252,548 00
	DISTRIBUTIONS		
94,000 00	Ordinary Shareholders	NIL	NIL
		NIL	NIL
-884,804 00		-42,106 11	13,191 16
	REPRESENTED BY		
	Vat Input		8,421 22
	Allied Irish Bank		4,769 94
			13,191 16

1 Introduction

- 1 1 When a company goes into liquidation the costs of the proceedings are paid out of its assets. The creditors, who hope to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as liquidator. The insolvency legislation recognises this interest by providing mechanisms for creditors to fix the basis of the liquidator's fees. This guide is intended to help creditors be aware of their rights to approve and monitor fees and explains the basis on which fees are fixed.

2 Liquidation Procedure

- 2 1 Liquidation (or 'winding up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding up of a company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Liquidation may be either voluntary, when it is instituted by resolution of the shareholders, or compulsory, when it is instituted by order of the court.
- 2 2 Voluntary liquidation is the more common of the two. An insolvent voluntary liquidation is called a creditors' voluntary liquidation (often abbreviated to 'CVL'). In this type of liquidation an insolvency practitioner acts as liquidator throughout and the creditors can vote on the appointment of the liquidator at the first meeting of creditors.
- 2 3 In a compulsory liquidation on the other hand, the function of liquidator is, in most cases, initially performed not by an insolvency practitioner but by an official called the official receiver. The official receiver is an officer of the court and a member of The Insolvency Service, an executive agency within the Department of Business Innovation & Skills. In most compulsory liquidations, the official receiver becomes liquidator immediately on the making of the winding-up order. Where there are significant assets an insolvency practitioner will usually be appointed to act as liquidator in place of the official receiver, either at a meeting of creditors convened for the purpose or directly by the Secretary of State for Business Innovation & Skills. Where an insolvency practitioner is not appointed the official receiver remains liquidator.
- 2 4 Where a compulsory liquidation follows immediately on an administration the court may appoint the former administrator to act as liquidator. In such cases the official receiver does not become liquidator.

3 The Liquidation Committee

- 3 1 In a liquidation (whether voluntary or compulsory) the creditors have the right to appoint a committee called the liquidation committee, with a minimum of 3 and a maximum of 5 members, to monitor the conduct of the liquidation and approve the liquidator's fees. The committee is usually established at the creditors' meeting which appoints the liquidator, but in cases where a liquidation follows immediately on an administration any committee established for the purposes of the administration will continue in being as the liquidation committee.
- 3 2 The liquidator must call the first meeting of the committee within 3 months of its establishment (or his appointment if that is later), and subsequent meetings must be held either at specified dates agreed by the committee, or when requested by a member of the committee, or when the liquidator decides he needs to hold one. The liquidator is required to report to the committee at least every 6 months on the progress of the liquidation, unless the committee directs otherwise. This provides an opportunity for the committee to monitor and discuss the progress of the insolvency and the level of the liquidator's fees.

4 Fixing the Liquidator's Fees

- 4 1 The basis for fixing the liquidator's remuneration is set out in Rule 4.127 - 4.127B of the Insolvency Rules 1986. The Rule states that the remuneration shall be fixed either
- as a percentage of the value of the assets which are realised or distributed or both, or
 - by reference to the time properly given by the liquidator and his staff in attending to matters arising in the insolvency.

It is for the liquidation committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is to be fixed as a percentage, to fix the percentage to

be applied Rule 4 127 says that in arriving at its decision the committee shall have regard to the following matters

- the complexity (or otherwise) of the case,
- any responsibility of an exceptional kind or degree which falls on the liquidator in connection with the insolvency,
- the effectiveness with which the liquidator appears to be carrying out, or to have carried out, his duties,
- the value and Nature of the assets which the liquidator has to deal with

4 2 If there is no liquidation committee, or the committee does not make the requisite determination, the liquidator's remuneration may be fixed by a resolution of a meeting of creditors. The creditors take account of the same matters as the committee would. A resolution specifying the terms on which the liquidator is to be remunerated may be taken at the meeting which appoints the liquidator. If the remuneration is not fixed in any of these ways, it will be in accordance with the scale laid down for official receivers

5 What Information should be Provided by the Liquidator?

5 1 When seeking fee approval

5 1 1 When seeking agreement to his fees the liquidator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on

- the nature of the approval being sought,
- the stage during the administration of the case at which it is being sought, and
- the size and complexity of the case

Where, at any creditors' or committee meeting, the liquidator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case

5 1 2 Where the liquidator seeks agreement to his fees during the course of the liquidation, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the liquidator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the liquidator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the liquidator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4 1 above. To enable this assessment to be carried out it may be necessary for the liquidator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, and professional guidance has been provided setting out a minimum of 6 category headings under which the work done by the officeholder and his staff should be analysed. As a firm BDO LLP operates a computerised time recording system which analyses work done under the following categories -

- Pre Appointment Matters
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues

Professional guidance suggests the following categories as a basis for analysis by grade of staff, but this will be subject to whether each grade is engaged in working on the liquidation

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the liquidator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain

- Any significant aspects of the case, particularly those that affect the amount of time spent
- The reasons for subsequent changes in strategy
- Any comments on any figures in the summary of time spent accompanying the request the liquidator wishes to make
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement
- Any existing agreement about fees
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases

- 5 1 3 Where the fee is charged on a percentage basis the liquidator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by a liquidator or his staff

5 2 After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the liquidator should notify the creditors of the details of the resolution in his next report or circular to them. When subsequently reporting to creditors on the progress of the liquidation, or submitting his final report, he should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 5 1 3. Where the fee is charged on a percentage basis the liquidator should provide the details set out in paragraph 5 1 4 above regarding work which has been sub-contracted out.

5 3 Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the liquidator proposes 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, document storage or communication facilities provided by the liquidator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

5 4 Realisations for secured creditors

Where the liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds (see paragraph 8 1 below), he should disclose the amount of that remuneration to the committee (if there is one), to any meeting of creditors convened for the purpose of determining his fees, and in any reports he sends to creditors.

5 5 Reporting in compulsory liquidations

It should be borne in mind that in compulsory liquidations there is no statutory requirement for the liquidator to report to creditors until the conclusion of the assignment. In most such cases, therefore, creditors will receive no information during the course of the liquidation unless they specifically request it.

6 What if a creditor is dissatisfied?

6 1 Except in cases where there is a liquidation committee it is the creditors as a body who have authority to approve the liquidator's fees. To enable them to carry out this function they may require the liquidator to call a creditors' meeting. In order to do this at least ten per cent in value of the creditors must concur with the request, which must be made to the liquidator in writing.

6 2 If a creditor believes that the liquidator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the liquidator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not out of the assets of the insolvent company.

7 What if the Liquidator is dissatisfied?

If the liquidator considers that the remuneration fixed by the committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors or in accordance with the official receiver's scale is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the committee and the committee may nominate one or more of its members to appear or be represented at the court hearing. If there is no committee, the liquidator's notice of his application must be sent to such of the creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid out of the assets.

8 Other matters relating to fees

8 1 Where the liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with the scale laid down for the official receivers. Usually, however, the liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned.

8 2 Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the court, the committee or a meeting of creditors.

8 3 If the appointed liquidator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the court.

8 4 There may also be occasions when creditors will agree to make funds available themselves to pay for the liquidator to carry out tasks which cannot be paid for out of the assets, either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to creditors. Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvent company. Any arrangements of this nature will be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration.

9 Provision of information - additional requirements

In any case where the liquidator is appointed on or after 1 April 2005 he must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company. The information which must be provided is -

- the total number of hours spent on the case by the liquidator or staff assigned to the case,
- for each grade of staff, the average hourly rate at which they are charged out,

- the number of hours spent by each grade of staff in the relevant period

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the liquidator's appointment, or where he has vacated office, the date that he vacated office

The information must be provided within 28 days of receipt of the request by the liquidator, and requests must be made within two years from vacation of office

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Browns Foodservice Limited - In Liquidation

In accordance with best practice I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency

The current charge out rates per hour of staff within my firm, who may be involved in working on the insolvency, follows. This in no way implies that staff at all such grades will work on the case.

GRADE	£
Partner	484
Director	335
Senior Manager	285-310
Manager	213-242
Executive	119-181
Junior Executive	66-82
Cashier	181-192
Support Staff	66

The rates charged are reviewed in December and July each year and are adjusted to take account of inflation and the firm's overheads

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories:-

- Pre Appointment
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories



1) Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

2) Category 2

Insolvency practice additionally provides for the recharge of expenses such as postage, stationery, photocopying charges, telephone, fax and other electronic communications, which cannot be economically recorded in respect of each specific case. Such expenses, which are apportioned to cases, must be approved by the creditors in accordance with the Insolvency Rules 1986, before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP, in respect of this appointment is not to recharge any expense which is not a specific cost to the case, therefore there will be no category 2 disbursements charged.

A further disbursement under this heading is the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the Inland Revenue Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency Rules 1986 to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

Detail of Time Charged and Rates Applicable for the Period From 23/05/2015 to 20/05/2016

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
C Planning and Strategy														
99 Other Matters			0 10	28 50									0 10	28 50
sub total -			0 10	28 50									0 10	28 50
C Planning and Strategy														
D General Administration														
03 Taxation			2 75	783 75					11 65	2,043 70			14 40	2 827 45
07 Receipts/Payments Accounts			0 80	183 20					4 20	501 20			5 00	684 40
08 Remuneration Issues			1 60	454 60									1 60	454 60
16 Maintain Internal Files			1 05	299 25					0 05	8 15			1 10	307 40
sub total -			6 20	1,720 80					15 90	2,553 05			22 10	4,273 85
D General Administration														
E Assets Realisation/Dealing														
99 Other Matters			1 10	313 50									1 10	313 50
sub total -			1 10	313 50									1 10	313 50
F Assets Realisation/Dealing														
G Employee Matters														
04 Pension Issues			0 50	142 50									0 50	142 50
sub total -			0 50	142 50									0 50	142 50
G Employee Matters														
I Reporting														

Name of Assignment

Browns Foodservice Ltd CVL

00186305

Detail of Time Charged and Rates Applicable for the Period From 23/05/2015 to 20/05/2016

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
01 Statutory Reporting			5 00	1 425 00									5 00	1 425 00
04 Reporting to Creditors			1 25	356 25					7 75	1 263 25			9 00	1 619 50
sub total - I Reporting			6 25	1 781 25					7 75	1 263 25			14 00	3 044 50
J Distribution and Closure														
01 Closure Planning			4 65	1 325 25									4 65	1 325 25
06 Closing Statutory Duties			0 25	71 25									0 25	71 25
sub total - J Distribution and Closure			4 90	1 396 50									4 90	1 396 50
													9 199 35	
														0 00
														-500 00
														-21 241 75
														-12 542 40

Net Total

Secretarial Expense

Other Disbursements

Billed

Grand Total

Detail of Time Charged and Rates Applicable for the Period From 27/04/2013 to 20/05/2016

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
A Pre Appointment Matters														
02 Director/Debtor meetings	12.75	4,254.75	0.50	135.50									12.75	4,254.75
03 Secured/Creditor meetings													0.50	135.50
04 Documentation Review			1.00	271.00									1.00	271.00
06 General Advice - Meetings							2.50	425.00					2.50	425.00
08 Pre appointment Report							39.50	5,293.25					39.50	5,293.25
99 Other Matters									3.00	213.00			3.00	213.00
sub total -	12.75	4,254.75	1.50	406.50			42.00	5,718.25	3.00	213.00			59.25	10,592.50
A Pre Appointment Matters														
B Steps on Appointment														
04 Meet Directors/Debtors etc	2.50	822.50					7.25	1,247.00					2.50	822.50
07 Attendance at Premises													7.25	1,247.00
09 Preparation of Proposals							2.50	307.50					2.50	307.50
99 Other Matters							18.00	2,214.00					18.00	2,214.00
sub total -	2.50	822.50		0.00			27.75	3,768.50					30.25	4,591.00
B Steps on Appointment														
C Planning and Strategy														
07 Strategy Planning			3.45	934.95									3.45	934.95

Detail of Time Charged and Rates Applicable for the Period From 27/04/2013 to 20/05/2016

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
99 Other Matters			0 10	28 50									0 10	28 50
sub total -			3 55	963 45									3 55	963 45
C Planning and Strategy														
D General Administration														
03 Taxation			6 85	2 028 65			6 50	1 118 00	20 80	3 352 50			27 65	5 381 15
06 Conduct Reports													6 50	1 118 00
07 Receipts/Payments Accounts			1 25	284 75			0 15	27 45	4 35	514 35			5 75	826 55
08 Remuneration Issues			2 10	590 10									2 10	590 10
09 Statutory Matters			1 00	271 00					0 25	34 50			1 25	305 50
14 General Discussions			2 40	542 60									2 40	542 60
15 Gen Admin/Correspondence	0 10	39 50					92 00	15 641 75	13 55	1 791 30			105 65	17 472 55
16 Maintain Internal Files			2 60	719 30			2 10	384 30	0 10	15 90			4 80	1 119 50
99 Other Matters					0 10	15 70							0 10	15 70
sub total -	0 10	39 50	16 20	4 436 40	0 10	15 70	100 75	17 171 50	39 05	5 708 55			156 20	27 371 65
D General Administration														
E Assets Realisation/Dealing														
04 Agent Instructions/Leasing			0 75	203 25									0 75	203 25

Detail of Time Charged and Rates Applicable for the Period From 27/04/2013 to 20/05/2016

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
07 Debt Collection	17 50	6 879 50	1 00	232 50			42 75	5 368 50					61 25	12 480 50
08 Dealing with Chattel Assets							16 50	2 556 25					16 50	2 556 25
09 Dealing with other Assets	4 50	1 435 50	1 25	378 75			0 50	86 00	1 00	155 00			7 25	2 015 25
99 Other Matters	4 75	1 763 75	14 20	3 863 60			33 75	5 290 50	0 10	15 50			52 80	10 933 35
sub total -	26 75	10 078 75	17 20	4 638 10			93 50	13 301 25	1 10	170 50			138 55	28 188 60
F Assets Realisation/Dealing														
G Employee Matters														
02 Dealing with Employees			0 75	203 25			4 35	754 80	0 40	49 20			5 50	1 007 25
03 EPA Matters			0 75	203 25	0 65	131 95	0 30	54 90	1 30	128 70			3 00	518 80
04 Pension Issues			1 35	372 85			3 50	602 00					4 85	974 85
99 Other Matters							6 75	1 169 25	1 75	301 00			8 50	1 470 25
sub total -			2 85	779 35	0 65	131 95	14 90	2 580 95	3 45	478 90			21 85	3 971 15
G Employee Matters														
H Creditor Claims														
02 Secured Creditors			2 50	677 50									2 50	677 50
03 Preferential Creditors	5 25	2 420 25					7 00	1 204 00	0 40	68 80			12 65	3 693 05
04 Non-Preferential Creditors	7 25	3 342 25	0 50	135 50			40 25	6 849 50					48 00	10 327 25

Detail of Time Charged and Rates Applicable for the Period From 27/04/2013 to 20/05/2016

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
sub total -														
H Creditor Claims														
I Reporting														
01 Statutory Reporting	12.50	5,762.40	3.00	813.00			47.25	8,053.50	0.40	68.80			63.15	14,697.80
04 Reporting to Creditors	1.75	806.75	5.00	1,425.00									5.00	1,425.00
			1.75	491.75					7.75	1,263.25			11.25	2,561.75
sub total -	1.75	806.75	6.75	1,916.75					7.75	1,263.25			16.25	3,986.75
I Reporting														
J Distribution and Closure														
01 Closure Planning			4.75	1,352.35			1.05	192.15					5.80	1,544.50
02 Distributions	0.50	159.50	2.00	542.00			14.60	2,517.80					17.10	3,219.30
			0.25	71.25									0.25	71.25
06 Closing Statutory Duties							1.50	258.00					1.50	258.00
99 Other Matters														
sub total -	0.50	159.50	7.00	1,965.60			17.15	2,967.95					24.65	5,093.05
J Distribution and Closure														
K Work							6.75	1,147.50					6.75	1,147.50
Work														
sub total -				0.00			6.75	1,147.50					6.75	1,147.50
K Work														

