

LIQ03

Notice of progress report in voluntary winding up



Companies House

THURSDAY



AAJXBBC1

A40

23/12/2021

#5

COMPANIES HOUSE

1 Company details

Company number 0 3 3 6 8 0 5 8

Company name in full Dewrace Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Darren Terence

Surname Brookes

3 Liquidator's address

Building name/number The Old Bank

Street 187a Ashley Road

Post town Hale

County/Region Cheshire

Postcode W A 1 5 9 S Q

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

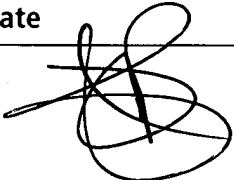
Country

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 2	^d 0	^m 1	^m 1	^y 2	^y 0	^y 2	^y 0
To date	^d 1	^d 9	^m 1	^m 1	^y 2	^y 0	^y 2	^y 1
7	Progress report							
<input checked="" type="checkbox"/> The progress report is attached								
8	Sign and date							
Liquidator's signature	<div>Signature</div> <div>X</div>  <div>X</div>							
Signature date	^d 2	^d 1	^m 1	^m 2	^y 2	^y 0	^y 2	^y 1

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 **Darren Brookes**

Company name **Milner Boardman & Partners**

Address **The Old Bank**

187a Ashley Road

Post town **Hale**

County/Region **Cheshire**

Postcode **WA15 9SQ**

Country

DX **office@milnerboardman.co.uk**

Telephone **0161 927 7788**



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.



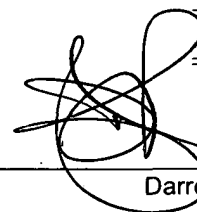
Further information

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

Dewrace Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 20/11/2020 To 19/11/2021 £	From 20/11/2015 To 19/11/2021 £
	ASSET REALISATIONS		
4,800.00	Director's contribution to costs	NIL	4,800.00
		NIL	4,800.00
	COST OF REALISATIONS		
	Office hire	NIL	12.00
	Office Holders Fees	NIL	538.75
	Preparation of S. of A.	NIL	4,000.00
	Specific Bond	NIL	40.00
	Statutory Advertising	NIL	209.25
		NIL	(4,800.00)
(12,305.00)	UNSECURED CREDITORS		
	Director	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(70.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(7,575.00)		NIL	NIL
	REPRESENTED BY		



Darren Terence Brookes
Liquidator



MILNER BOARDMAN
& PARTNERS
Corporate Recovery

Our ref: DTB/AP/2442/24

21 December 2021

TO ALL MEMBERS AND CREDITORS

Dear Sirs

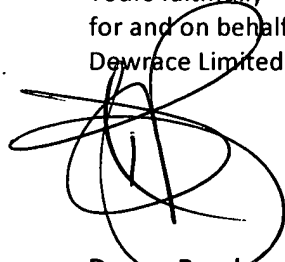
Dewrace Limited ("the Company") – In Liquidation

This is my report to members and creditors following the 6th anniversary of my appointment as Liquidator for the period 20 November 2020 to 19 November 2021. This report should be read in conjunction with the previous progress report issued.

Milner Boardman & Partners uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how Milner Boardman & Partners uses your personal information on our website at www.milnerboardman.com.

If anyone has any queries regarding the conduct of the Liquidation, they should contact Antonia Pettener by email at antoniap@milnerboardman.co.uk or by phone on 0161 927 7788.

Yours faithfully
for and on behalf of
Dewrace Limited



Darren Brookes
Liquidator



MILNER BOARDMAN
& PARTNERS
Corporate Recovery

DEWRACE LIMITED- IN LIQUIDATION

Liquidator's Progress Report

Covering the Period
20 November 2020 to 19 November 2021

21 December 2021

Milner Boardman and Partners
The Old Bank
187A Ashley Road
Hale
Cheshire
WA15 9SQ

Our Ref: DTB/AP/2442/24

Liquidator's
Progress Report



CONTENTS

1. Statutory Information
2. Executive Summary
3. Liquidator's Actions Since Last Report
4. Receipts and Payments
5. Assets
6. Liabilities
7. Dividend Prospects
8. Pre-appointment Remuneration
9. Liquidator's Remuneration
10. Liquidator's Expenses
11. Further Information
12. Summary

APPENDICES

- | | |
|------------|---|
| Appendix 1 | Receipts and Payments Account |
| Appendix 2 | Milner Boardman and Partners' Fee Recovery Policy |
| Appendix 3 | Provision of Services Summary |

1. Statutory Information

Company Name:	Dewrace Limited
Company No:	03368058
Trading Address:	The Vicarage Chiltern Foliat Hungerford RG17 0TF
Registered Office:	The Old Bank 187a Ashley Road Hale Cheshire WA15 9SQ
Former Registered Office:	The Vicarage Chiltern Foliat Hungerford RG17 0TF
Principal Trading Activity:	Project management, construction and renovation of residential property.
Liquidator's Name:	Darren Brookes
Liquidator's Address:	Milner Boardman & Partners ("MBP") The Old Bank 187a Ashley Road Hale Cheshire WA15 9SQ
Date of Appointment:	20 November 2015
Former Liquidator:	Molly Monks "MBP" The Old Bank 187a Ashley Road Hale Cheshire WA15 9SQ
	Appointed on: 25 September 2017 Removed on: 2 July 2021

Actions of Joint Liquidators': Whilst there were Joint Liquidators any act required or authorised under any enactment to be done by a Liquidator could be done by either or both of the Liquidators acting jointly or alone.

2. Executive Summary

- 2.1 As Molly Monks has now left MBP, it was necessary to make an application to Court to remove her as office holder. On 2 July 2021, a Court Order was made removing Molly Monks as Joint Liquidator of the Company and leaving Darren Brookes as the sole Liquidator.
- 2.2 The reason for the failure of the Company according to the director was the receipt of a claim from HM Revenue & Customs ("HMRC") in respect of PAYE/NIC assessments. The Company had ceased trading in January 2013 and an application for the Company to be struck off the Register had been made by the director. The strike off action was resisted by HMRC. HMRC's claim is disputed by the Company and had been appealed against, however, it was anticipated that Advance Payments Notices were going to be raised by HMRC, which the Company would not be in a position to settle. The director therefore took steps to place the Company into Creditors Voluntary Liquidation.
- 2.3 According to the director's statement of affairs, the Company did not have any assets and therefore the director, Mr Franklin, agreed to pay the costs of the liquidation personally.
- 2.4 During the period of this report, the Liquidator has continued to liaise with HMRC, and the solicitors appointed to advise in respect of HMRC's enquiries into the Company's use of a tax scheme.
- 2.5 The case remains open whilst these enquiries are ongoing.

3. Liquidator's Actions Since Last Report

- 3.1 During the period of this report, the Liquidator has continued to deal with administrative matters. Additionally, I have continued to liaise with Freeths LLP ("Freeths"), the solicitors appointed to advise the Liquidator in respect of HMRC's enquiries into the tax scheme.
- 3.3 I have previously advised on the details of HMRC's claim and the ongoing investigation. As you are aware, there are no funds in the case to pay legal fees therefore funding was requested from HMRC. As at the date of this report no funding has been agreed, however, HMRC have requested that the case remains open.
- 3.3 In addition to dealing with the above, I have undertaken routine statutory work and dealt with a number of administrative matters. These are tasks that are required by statute or regulatory guidance or are necessary for the orderly conduct of the

proceedings, and whilst they do not produce any financial benefit for creditors, they still have to be carried out.

3.4 A description of the work which has been carried out in this reporting period is detailed below:

- 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 regular basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Filing returns at Companies House.
- Preparing and filing CT returns.
- Preparing and filing VAT returns.
- Maintaining up to date creditor information on the case management system.
- Seeking closure clearance from HMRC and other relevant parties.
- Preparing, reviewing and issuing a final account of the liquidation to creditors and members.
- Filing a final return at Companies House.

4. Receipts and Payments

- 4.1 A receipts and payments account for the period 20 November 2020 to 19 November 2021 is enclosed with this report at appendix 1. I have reconciled the account against the financial records that I am required to maintain.
- 4.2 There have been no receipts during the period of this report. Total receipts since appointment are therefore £4,800.
- 4.3 There have been no payments during the period of this report. Total payments are therefore £4,800.
- 4.4 As the Company was registered for VAT, £947.59 has been reclaimed for the benefit of the estate. All amounts shown are net of VAT.

5. Assets

- 5.1 As previously reported, the Company had no assets and the director provided funds to the Company to cover the costs of the liquidation. There have been no asset realisations during the period of this report.

6. Liabilities

6.1 Secured Claims

6.1.1 According to Companies House, there were no secured creditors in this case.

6.2 Prescribed Part

6.2.1 Under Section 176A of the Insolvency Act 1986, where after 15th September 2003 a company has granted to a creditor a floating charge, a proportion of the net property realised must be made available exclusively for the unsecured creditors.

6.2.2 In this case, the provision will not apply as no relevant charge is registered.

6.3 Preferential Creditors

6.3.1 There have been no preferential claims received to date in this matter as anticipated.

6.4 Unsecured Creditors

6.4.1 The statement of affairs did not include an amount owing to HMRC as the claim was disputed. A claim in the sum of £3,259,918.01 has been received from HMRC which includes the assessments raised, County Court costs and penalties.

6.4.2 The statement of affairs included one other unsecured creditor totalling £12,305, being the amount owing to the director. A claim for this amount has been received from the director.

6.4.3 Claims have not been reviewed or agreed for dividend purposes.

7. Dividend Prospects

7.1 Based on present information, there are insufficient funds available to enable a distribution to be made to any class of creditor in this case, as the funds will be used to pay the expenses of the liquidation.

8. Pre-Appointment Remuneration

8.1 Prior to the liquidation MBP had obtained information about the Company's affairs from the Director; extracted information about creditors from the Company's accounting records and entered it in our case management system to enable documents to be issued to creditors; assisted the Directors in the preparation of the report; written to interested parties such as the Company's accountants and bankers; assisted the Director in the preparation of the statement of affairs. It was necessary to undertake this work in order to comply with statutory requirements and required practice when placing the Company into liquidation.

- 8.2 At the initial meeting of creditors on 20 November 2015, creditors authorised that payment of £4,000 plus VAT be made for our assistance in preparing the statement of affairs and convening and holding the meeting of creditors. This fee was paid from first realisations, none of which has been drawn in this period.

9. Liquidator's Remuneration

- 9.1 My remuneration was authorised by creditors, on 20 November 2015, on a fixed fee basis of £5,000 in respect of all categories of work including administration and planning, creditors, investigations and realisation of assets. As is shown in the attached receipts and payments account an amount of £538.75 has been drawn in respect of Liquidator's fees to date, none of which has been drawn in this period.
- 9.2 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 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 Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <http://www.milnerboardman.com> by clicking on 'useful links' and then 'Creditors Guide to Fees' and 'Guide to Liquidator's Fees'. There are different versions of these Guidance Notes, and in this case please refer to the most recent version. Please note that I have also provided further details in the Practice Fee Recovery Sheet at appendix 2.

10. Liquidators' Expenses

- 10.1 Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:
- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
 - category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.
- 10.2 I have incurred total expenses of £7,254.75, of which I incurred £1,661.40 relating to legal fees in the period since 20 November 2020. I have drawn £261.25 to date, none of which was drawn in the period since 20 November 2020. Refer to the table at 10.8 below for further information.
- 10.3 I have used the following professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Freeths	Legal	Time costs

- 10.4 As detailed above, we instructed Freeths, independent solicitors, to provide their advice in respect of the tax scheme utilised by the Company in order to assist HMRC in their enquiries and to establish whether the Liquidator could recover any funds for the benefit of creditors. Freeths are continuing to advise the Liquidator in this matter.
- 10.5 The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I also confirmed that they hold appropriate regulatory authorisations. I have reviewed the fees they have charged and am satisfied that they are reasonable in the circumstances of this case.
- 10.6 I have incurred the following expenses in the period since the last progress report:

Type of expense	Amount incurred/ accrued in the reporting period
Legal Fees	1,661.40

- 10.7 Details of the category 1 expenses that we have paid to date and in the reporting period are included in the receipts and payments account attached.

10.8

Nature of expense	Total incurred £	Amount incurred in reporting period (£)	Amount drawn in reporting period (£)	Total Amount drawn (£)
Specific bond	40	0	0	40
Legal fees	6,993.50	1,661.40	0	0
Land Registry search fee	11	0	0	0
Statutory advertising	209.25	0	0	209.25
Office Hire	12	0	0	12
Total	7,265.75	1,661.40	0	261.25

- 10.9 I am required to seek approval before we can pay any expenses to associates, or pay expenses where there is an element of shared costs, which are known as category 2 expenses. I have not drawn any category 2 expenses in this case.

11. Further Information

- 11.1 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 Liquidator's 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.

- 11.2 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 Liquidator's as being excessive, and/or the basis of the Liquidator's 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.
- 11.3 To comply with the Provision of Services Regulations, some general information about MBP is in the attached summary sheet at appendix 3.

12. Summary

- 12.1 This concludes the Liquidator's progress report for the year ended 19 November 2021. The liquidation will remain open until the ongoing enquiries have been completed. I estimate that this will take approximately 6months and once resolved, the liquidation will be finalised and the files closed. If the liquidation has not been finalised, the next report is due within 2 months of the next year's anniversary, i.e. before 19 January 2023.
- 12.2 If creditors have any queries regarding the conduct of the liquidation, they should contact Antonia Pettener by email at antoniap@milnerboardman.co.uk or by phone on 0161 927 7788.

Yours faithfully
for and on behalf of
Dewrace Limited


Darren Brookes
Liquidator



MILNER BOARDMAN
& PARTNERS
Corporate Recovery

Appendix 1

Receipts and Payments Account

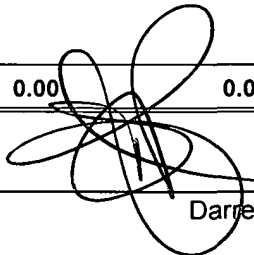
**Dewrace Limited
(In Liquidation)**

Summary of Receipts & Payments

RECEIPTS	Statement of Affairs (£)	From 20/11/2015 To 19/11/2020 (£)	From 20/11/2020 To 19/11/2021 (£)	Total (£)
Director's contribution to costs	4,800.00	4,800.00	0.00	4,800.00
		4,800.00	0.00	4,800.00
PAYMENTS				
Specific Bond		40.00	0.00	40.00
Preparation of S. of A.		4,000.00	0.00	4,000.00
Office Holders Fees		538.75	0.00	538.75
Office hire		12.00	0.00	12.00
Statutory Advertising		209.25	0.00	209.25
		4,800.00	0.00	4,800.00
Net Receipts/(Payments)		0.00	0.00	0.00

MADE UP AS FOLLOWS

0.00	0.00	0.00
------	------	------


 Darren Terence Brookes
 Liquidator



Appendix 2

Milner Boardman & Partners' Practice Fee Recovery Policy

PRACTICE FEE RECOVERY POLICY FOR MILNER BOARDMAN & PARTNERS

Introduction

This sheet explains the alternative fee bases allowed by the insolvency 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. The report accompanying the request to fix the basis of remuneration will indicate the basis, or bases, being requested in that particular case and will make it clear what work is to be undertaken in respect of each basis.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (ABR) 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) "Payments to Insolvency Office Holders and their Associates from an Estate" and can be accessed at www.milnerboardman.com. Alternatively, a hard copy may be requested directly from Milner Boardman & Partners. Please note that we have provided further details in this policy document.

SIP 9 also contains various requirements that the office holder has to comply with in connection with their remuneration, both when seeking approval and when reporting to creditors and other interested parties after approval. One of the matters that an office holder has to comply with is that they must also seek approval for any payments that could reasonably be perceived as representing a threat to the office holder's objectivity or independence by virtue of a professional or personal relationship, including to an associate. Where it is anticipated that such payments will be made in a case they will be separately identified when seeking approval for the basis of the office holder's remuneration.

Other than in respect of Voluntary Arrangements an office holder is required to record the time spent on casework in all cases, even if they are being remunerated for that work on a basis other than time costs. Time is recorded directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Case Administration (including statutory reporting).
- Realisation of Assets.
- Investigations.
- Creditors (claims and distributions).
- Trading
- Case specific matters.

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 June 2017 £	Previous charge-out rate per hour, effective from 1 April 2015 £	Previous charge-out rate per hour, effective from 1 November 2008 £
Director	370	370	295 to 370
Appointment Taker	295	N/A	N/A
Senior Manager	255	255	N/A
Manager	215	215	215
Case Administrator	175	175	175
Support Staff	175	175	175

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

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, and by reference to each separate category of work. The blended rate is calculated as the prospective average cost per hour, based upon the estimated time to be expended by each grade of staff at their specific charge out rate. 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.

A report accompanying the request to fix the basis of remuneration will include the fees estimate, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

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 summarise that information in an average or "blended" rate for all of the work being carried out within the estimate, and by reference to each separate category of work, and will also say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

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. A report accompanying the request to fix the basis of remuneration will set out the potential

assets in the case, the remuneration percentage proposed in respect of any realisations and the work covered by that remuneration, which may solely relate to work undertaken in connection with the realisation of the assets, but might also include other categories of work as listed above. The report will also include details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

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.

A percentage of distributions made to unsecured creditors may also be requested, in order to cover the work associated with the agreement of claims and making the distribution.

The disclosure that we make will 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. In order to meet the requirements of SIP 9 it will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

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. A report accompanying the request to fix the basis of remuneration will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make will 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. In order to meet the requirements of SIP 9 we will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

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.

Direct Costs

Where we seek approval on a percentage and/or fixed fee basis, in order to meet the requirements of SIP 9 we also have to disclose the direct costs that are included within the remuneration that will be charged on those bases in respect of the work undertaken. The following are direct costs that will be included in respect of work undertaken in respect of each of the standard categories of work where the office holder is to be remunerated for such work on either a percentage or fixed fee basis:

- Case Administration (including statutory reporting) – staff costs, costs of case management system and time recording system.
- Realisation of Assets - staff costs, costs of case management system and time recording system.
- Investigations - staff costs, costs of case management system and time recording system.
- Creditors (claims and distributions) - staff costs, costs of case management system and time recording system.
- Trading - staff costs, costs of case management system, costs of accounting software and time recording system.

Mixed basis

If remuneration is to be sought on a mixed basis, we will make it clear in the report accompanying the request to fix the basis of remuneration which basis will be charged for each category of work that is to be undertaken on the case.

Members' Voluntary Liquidations and Voluntary Arrangements

The legislation is different for Members' Voluntary Liquidations (MVL), Company Voluntary Arrangements (CVA) and Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee, and SIP 9 does not apply unless the members specifically request it. 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 fee bases

With the exception of IVAs and CVAs, which are usually VAT exempt, the office holder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Expenses

As already indicated, a report will accompany the request to fix the basis of remuneration and that will include details of expenses to be incurred, or likely to be incurred. 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.

Expenses are any payments from the insolvent estate that are neither an office holder's remuneration nor a distribution to a creditor, or a member. Expenses also include disbursements. Disbursements are payments that are first paid by the office holder and then reimbursed from the insolvent estate. Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do (Category 2).

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder. They can be paid by the office holder without obtaining prior approval. Examples of costs that may amount to Category 1 expenses are professional advisors (who are not associates), statutory advertising, external meeting room hire (where the room is only hired for that meeting), external storage, postage, specific penalty bond insurance, insolvency case management software fees charged on a per case basis, and Company search fees.

Category 2 expenses are either payments to associates, or payments in respect of expenses that have an element of shared costs, such as photocopying and mileage. Category 2 expenses require approval in the same manner as an office holder's remuneration before they can be paid.

The practice intends to seek approval to recover the following Category 2 expenses that include an element of shared costs:

Mileage	0.45p per mile (In accordance with HM Revenue & Customs approved rates)
Photocopying	10p per sheet (Circulars to creditors only)
Room Hire	£30 per hour

Professional advisors may be instructed to assist the office holder on the case where they consider that such assistance is necessary to enable them to appropriately administer the case. The fees charged by any professional advisors used will be recharged at cost to the case. Where the professional advisor is not an associate of the office holder it will be for the office holder to agree the basis of their fees. Where the professional advisor is an associate of the office holder it will be for those responsible for fixing the basis of the office holder's remuneration to approve payments to them. The fees of any professional advisors are subject to the rights of creditors to seek further information about them or challenge them as summarised below. Professional advisors that may be instructed on a case include:

- Solicitors/Legal Advisors;
- Auctioneers/Valuers;
- Accountants;
- Quantity Surveyors;
- Estate Agents;
- Pension specialists;
- Employment Claims specialists; and
- GDPR/Cyber Security specialists.

Reporting and rights to challenge

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 charged by the office holder in the period covered by the report, i.e., the amount that the office holder is entitled to draw, together with the amount of remuneration actually drawn. If approval has been obtained for remuneration on a time costs basis, the time costs incurred will also be disclosed, whether drawn or not, together with the "blended" rates of such costs. The report will also compare the actual time costs incurred with those included in the fees estimate prepared when fixing the basis of the remuneration, and indicate whether the fees estimate is likely to be exceeded. If the fees estimate has been exceeded, or is likely to be exceeded, the report will explain why that is the case.

The report will also provide information about expenses incurred in the period covered by the report, together with those actually paid, together with a comparison with the estimated expenses. If the expenses incurred, or anticipated to be incurred, have exceeded the estimate provided the report will explain why that is the case.

Under the insolvency legislation the report must also include a statement of the legislative rights of creditors to request further information about the remuneration charged and expenses incurred in the period covered by the report, or to challenge them on the grounds that they are excessive. Extracts of the relevant insolvency rules dealing with these rights are set out below. Once the time period to seek further information about the office holder's remuneration and/or expenses for the period covered by the report has elapsed, then a Court Order is required to compel the office holder to provide further information about the remuneration and expenses. A Court order is required to challenge the office holder's remuneration and/or expenses for the period covered by the report. Once that period has elapsed, then a separate Court Order is required to allow an application out of time.

Under rule 18.9 of the Insolvency (England and Wales) Rules 2006, 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 office holder's remuneration and expenses, within 21 days of receipt of any report for the period. Any secured creditor may request the same details in the same time limit.

Under rule 18.34, 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 and/or basis of the office holder's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of any report for the period. Any secured creditor may make a similar application to court within the same time limit.

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.



Appendix 3

Provision of Service Regulations Sheet

PROVISION OF SERVICES REGULATIONS SUMMARY SHEET FOR MILNER BOARDMAN & PARTNERS

The following information is designed to draw the attention of interested parties to the information required to be disclosed by the Provision of Services Regulations 2009.

Licensing Body

Darren Brookes and Natasha Baldwin are licensed to act as Insolvency Practitioners in the United Kingdom by the Insolvency Practitioners Association ("IPA").

Darren Brookes and Natasha Baldwin are members of the IPA.

Milner Boardman & Partners is also a member of the IPA.

Rules Governing Actions

All IPs are bound by the rules of their professional body, including any that relate specifically to insolvency. The rules of the professional body that licences Darren Brookes and Natasha Baldwin of Milner Boardman & Partners ("MBP") can be found at <https://insolvency-practitioners.org.uk/about/ipa-articles-of-association-and-regulation-rules/>. In addition, IPs are bound by the Statements of Insolvency Practice (SIPs), details of which can be found at <https://www.r3.org.uk/technical-library/england-wales/sips/>

Ethics

All IPs are required to comply with the Insolvency Code of Ethics and a copy of the Code can be found at <https://insolvency-practitioners.org.uk/wp-content/uploads/2020/08/IPA-Code-of-Ethics.pdf>

Complaints

At MBP we always strive to provide a professional and efficient service. However, we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of a particular case then in the first instance you should contact the IP acting as office holder.

Please note that within MBP there are two Licensed Insolvency Practitioners: Darren Brookes and Natasha Baldwin.

If you consider that the IP has not dealt with your comments or complaint appropriately you should then put details of your concerns in writing to our complaints officer Darren Brookes. However, if your complaint is regarding Darren Brookes then please contact Natasha Baldwin.

We will lodge your complaint and open a file, this will be done immediately. We will then investigate your complaint and report to you as soon as possible, usually within five business days.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can

make a submission using an on-line form available at www.gov.uk/complain-about-insolvency-practitioner; or you can email insolvency.enquiryline@insolvency.gsi.gov.uk; or you may phone 0300 678 0015. Information on the call charges that apply is available at <https://www.gov.uk/call-charges>.

Bribery Act 2010

MBP is committed to applying the highest standards of ethical conduct and integrity in its business activities. Every employee and individual acting on MBP's behalf is responsible for maintaining our reputation and for conducting company business honestly and professionally.

MBP take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate.

MBP requires all those who are associated with it to observe the highest standards of impartiality, integrity and objectivity.

MBP prohibits anyone acting on its behalf from:

- bribing another person. A bribe includes the offering, promising or giving of any financial or other type of advantage;
- accepting a bribe. This includes requesting, agreeing to receive or accepting any financial, or another kind of advantage;
- bribing a foreign public official; and
- condoning the offering or acceptance of bribes.

MBP will:

- avoid doing business with others who do not accept our values and who may harm our reputation;
- maintain processes, procedures and records that limit the risk of direct or indirect bribery;
- promote awareness of this policy amongst its staff, those acting on its behalf and entities with which it has any commercial dealings;
- investigate all instances of alleged bribery, and will assist the police, and other authorities when appropriate, in any resultant prosecutions. In addition, disciplinary action will be considered against individual members of staff;
- review this policy regularly and update it when necessary.

Professional Indemnity Insurance

Milner Boardman & Partners' Professional Indemnity Insurance is provided by Travelers Insurance Company Limited 61-63 London Road Redhill Surrey RH1 1NA.

VAT

Milner Boardman & Partners is registered for VAT under registration no 693 3180 22.