

1st Security NW Limited Annual Report to Members & Creditors 9 December 2013

1st Security NW Limited (In Liquidation) Liquidator's Annual Report to Members and Creditors For the year ending 16 November 2013

1. STATUTORY INFORMATION

Company name

1st Security NW Limited

Former Company name(s)

None

Registered office

1st Floor, 15 Colmore Row, Birmingham, B3 2BH

Former registered office

37 Maes Padarn, Llanberis, Caernarfon, Gwynedd

LL55 4TE

Registered number

05992008

SIC number

84110 - General Public Administration Activities

Liquidator's name

MFP Smith

Liquidator's address

3 Wyle Cop, Shrewsbury, SY1 1UT

Liquidator's date of appointment.

17 November 2010

2. RECEIPTS & PAYMENTS ACCOUNT

My receipts & payments account for the period from 17 November 2012 to 16 November 2013 is attached at Appendix A. All figures are shown net of VAT

3. ASSETS

Since my previous report, the following asset realisations have been made

3.1 Bank Interest Gross

Bank interest totalling £47 has been received

Continued

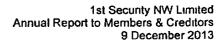
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3.2 Book Debts

Since my previous report, the final debtor has been written off as uncollectable. This is due to the identity of the correct debtor being untraceable. The collection of book debts has now been concluded. Upon my appointment, book debts had a gross book value of £51,774. A further debtor totaling £4,096 was discovered after my appointment. A total of £17,588 has been collected and £38,282 has been written off

4. LIABILITIES

4.1 Secured Creditors/ Fixed Charge

An examination of the company's mortgage register held by the Registrar of Companies showed that the company had granted the following debenture,

Type of charge Persons Entitled Fixed and floating charge Regency Factors Plc 11 January 2007

Created Registered

17 January 2007

There is no indebtedness to Regency Factors Plc

4.2 Preferential Creditors

A preferential claim has been received from the Insolvency Service in respect of payments made to employees for arrears of pay and holiday pay totalling £2,148. The preferential claim has been paid in full

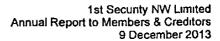
4.3 Secured Creditors / Floating Charge

There are provisions of the insolvency legislation that require a Liquidator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company granted a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property". A company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. A Liquidator has to set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property up to a maximum of £600,000

Since there is no indebtedness to the floating charge creditor, the prescribed part provisions will not apply in this case

Continued .





4.4 Crown Creditors

The Official Receiver's observations included £185,707 owed to HM Revenue & Customs Final claims have been received from HM Revenue & Customs for £98,554 in respect of PAYE and NIC, and £137,359 in respect of VAT

4.5 Unsecured Creditors

The Official Receiver's observations included 21 unsecured creditors in addition to HM Revenue & Customs with an estimated total liability of £94,802. In addition to HM Revenue & Customs I have received claims from five creditors totalling £34,310. To date I have not received claims from 16 creditors with original estimated claims in the statement of affairs of £71,258.

5. LIQUIDATOR'S ACTIONS SINCE LAST REPORT

Following my previous report dated 30 November 2012, the following action has been taken

- The level of the specific penalty bond applied to the case to provide protection for the creditors has been reviewed every six months
- All company corporation tax returns in the period have been submitted to HM Revenue & Customs in a timely manner
- Periodical reviews and strategy updates of the case have been undertaken
- The company's books and records have been stored with C&V Data Management Services Limited Invoices for this service have been paid as and when they have fallen due
- The final book debtor has been pursued. The identity of who was liable for this debt could not be established and as a result the debt has been written off. This has concluded the collection of the debtor ledger.
- The preferential claim from the Insolvency Service in respect of employees' arrears of wages and holiday pay was reviewed and agreed
- A distribution was then made to the preferential creditor on 5 December 2012, settling their liability in full
- A notice of intended dividend was prepared and sent to unsecured creditors on 15
 July 2013 However, because of the administration costs surrounding this proposed
 distribution, the surplus has now been used to defray the expenses of carrying out
 this task





Investigations into the conduct of the former director continued. As well as an overdrawn Director's Loan Account, payments were identified from the company bank account to the director after the presentation of the winding up petition, rendering them void pursuant to Section 127 of the Insolvency Act 1986. Legal advice was sought on the likelihood of a successful action being pursued, but due to the weak financial position of the director it is not cost effective to continue pursuing this.

6. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved

I took the following action where I considered that further investigation was justified

6.1 Director's Loan Account and Post-Petition Transactions

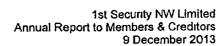
The company records showed that the former director operated a Director's Loan Account which was overdrawn at the time of my appointment. Some of the payments made to the director were after the presentation of the winding up petition and are therefore void pursuant to Section 127 of the Insolvency Act 1986. Legal advice was sought both on the likelihood of a successful action being pursued and on the potential recoveries due to the director's financial position. Following an assessment, it was decided that insufficient realisations could be made to justify any action

7. LIQUIDATOR'S REMUNERATION

- 7.1 My remuneration was previously authorised by creditors at a meeting held on 25 January 2011 to be drawn on a time cost basis. My total time costs to 16 November 2013 amount to £66,917 61, which have been charged at an average charge out rate of £218 69, of which £15,513 70 was charged in the period between 17 November 2012 and 16 November 2013, at an average charge out rate of £244 16. I have drawn £64,850 to date, of which £16,953 was drawn in the period between 17 November 2012 and 16 November 2013. A schedule of my time costs incurred to date is attached as Appendix B
- 7.2 A description of the work undertaken in the liquidation to date is as follows

1 Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence





- Maintaining physical case files and electronic case details
- Review and storage
- Case bordereau
- Case planning and administration
- Preparing reports to members and creditors

2. Cashiering

- Maintaining and managing the liquidator's cashbook and bank account
- Ensuring statutory lodgements and tax lodgement obligations are met

3 <u>Creditors</u>

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining creditor information
- Reviewing and adjudicating on proofs of debt received from creditors
- Distributing funds to the preferential creditor

4 Investigations

- Review and storage of books and records
- Conduct investigations into suspicious transactions
- Review books and records to identify any transactions or actions a liquidator may take against a third party in order to recover funds for the benefit of creditors
- Seeking legal advice regarding possible recoveries in respect of the action against the former director

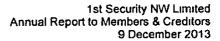
5 Realisation of Assets

- Corresponding with debtors and attempting to collect outstanding book debts
- Liaising with the company's bank regarding the closure of the account and remittance of the funds to the liquidation
- 7.3 A copy of 'A Creditors' Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals and 'A Statement of Insolvency Practice 9 (Revised) are available from my office upon request. Alternatively a copy can be downloaded from

http://www.icaew.com/en/technical/insolvency/creditors-guides

and

http://www.icaew.com/en/technical/insolvency/insolvency-regulations-andstandards/statements-of-insolvency-practice-sips-england





Please note that there are different versions for cases that commenced before 6 April 2010, from 6 April 2010 (but before 1 November 2011) and from 1 November 2011 In this case you should refer to the post-April 2010 (but before November 2011) version. A hard copy of the documents can be obtained on request from this office.

7.4 Additional information in relation to Liquidators' fees in accordance with SIP 9 is also attached at Appendix B. This provides details of the firm's policy in relation to staffing, the use of sub-contractors and disbursements. Please note, in common with all professional firms, the charge out rates may increase from time to time over the period of the administration of each insolvency case.

8. LIQUIDATOR'S EXPENSES

Below I have provided information in relation to expenses incurred since my previous report, together with details of whether I have discharged my liability in respect of these costs

8.1 Discharged Expenses

8.1.1 DTI Cheque Fees

A fee is charged by the Insolvency Services Account for each cheque that is raised £5 has been paid in the year

8.1.2 Secretary of State Fees

All monies paid into the Insolvency Services Account are subject to Secretary of State fees £741 has been paid during the year

8.1.3 Agents/Valuers Fees

The sum under agents/valuers fees on the receipts & payments accounts comprises £6 paid to the Creditor Gateway for uploading my previous report, and £190 paid to DBG Solutions Limited in respect of court fees regarding actions against outstanding debtors

8.1.4 Professional Advisors' Fees

The following agents or professional advisors have been utilised in this matter

Professional Advisor Freeth Cartwright LLP

Nature of Work
Solicitors instructed to
investigate possible
recoveries from the
director's loan
account and postpetition transactions

Fee Arrangement
Time Costs plus
Disbursements and VAT
The total fee amounted
to £3,854



1st Security NW Limited Annual Report to Members & Creditors 9 December 2013

DBG Solutions Limited Debt recovery agents

% of realisations. As no debts were realised in the period since my previous report, no fee has been charged While seeking judgment against a debtor, DBG Solutions incurred a court fee of £190 which has been paid to them

The choice of professionals 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. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

Included in legal fees on the attached receipts & payments account is a further £100 in respect of court fees incurred while pursuing a book debtor

8.1.5 Stationery & Postage

A total of £32 was spent posting my previous report to creditors

8.1.6 Tax Deducted at Source

Tax of £9 has been deducted at source from bank interest received

8.1.7 Storage Costs

Since my previous report a total of £39 has been paid to C&V Data Management Services Limited in respect of storage of the company's books and records

8.1.8 Statutory Advertising

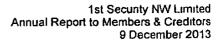
An expense of £85 was incurred in advertising the notice of intended dividend in the London Gazette

8.1.9 Bank Charges

A quarterly fee is incurred in operating the insolvency Services Account Since my previous report £88 has been paid

8.2 Un-discharged Expenses

The following expenses have been paid by Dains LLP and have not yet been recovered as disbursements in this case





8.2.1 Storage Costs

A cost of £13 has been incurred storing the company's books and records with C&V Data Management Services Limited

9. 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 Liquidator's remuneration and expenses, within 21 days of 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 creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

10. DIVIDEND PROSPECTS

10.1 Secured Creditors/ Fixed Charge

The indebtedness to the Fixed Charge holder was discharged in full prior to my appointment

10.2 Preferential Creditors

The preferential creditors received a distribution of 100p in the £ on 5 December 2012

10.3 Secured Creditors/ Floating Charge

The indebtedness to the Floating Charge holder was discharged in full prior to my appointment

10.4 Unsecured Creditors

Due to a potential surplus in the liquidation, a notice of intended dividend was issued to creditors on 15 July 2013 However, the costs of administrating a distribution were such that the surplus was spent defraying my increased expenses in dealing with this

There will be no further realisations in this case and there will therefore be no dividend for unsecured creditors. I attach a notice of no dividend at appendix C.



1st Security NW Limited Annual Report to Members & Creditors 9 December 2013

11. SUMMARY

I have sought clearance from HM Revenue & Customs to close this case. Once clearance has been received I will prepare and distribute a final report, call a final meeting of creditors and close my files.

Should you have any queries regarding this matter please contact Sarah Sırıannı on 0845 555 8844

MFP Smith Liquidator

ssirianni@dains com

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1st Security NW Limited (In Liquidation)

Appendix A

Summary of Receipts & Payments

Total (£)	From 17/11/2012 To 16/11/2013 (£)	From 17/11/2010 To 16/11/2012 (£)	Statement of Affairs (£)	RECEIPTS
(~)	(4)	(1-)	(2)	
17,587 45	0 00	17,587 45	50,655 37	Book Debts
78,793 64	0 00	78,793.64	78,000 00	Cash at Bank
419 74	47 17	372 57		Bank Interest Gross
1,000 00	0 00	1,000 00		Petitioners Deposit
97,800 83	47.17	97,753.66		
				PAYMENTS
2,235 00	0 00	2,235 00		O R Disbursements
30 00	4 60	25 40		DTI Cheque Fees
18,511 86	741 38	17,770 48		Sec of State Fees
1,515 00	0 00	1,515 00		Petitioners Costs
314 00	0 00	314 00		Specific Bond
64,850 01	16,952 61	47,897 40		Office Holders Fees
39 20	0 00	39 20		Office Holders Expenses
196 00	196 00	0 00		Agents/Valuers Fees
2,308 74	0 00	2,308 74		Debt collection fees
3,954 00	3,954 00	0 00		Legal Fees
595 00	0 00	595 00		Court Fees
32 28	32 28	0 00		Stationery & Postage
83 95	9 44	74 51		Tax Deducted at Source
185 44	39 01	146 43		Storage Costs
84 60	84 60	0 00		Statutory Advertising
236 00	88 00	148 00		Bank Charges
2,148 22	2,148 22	0 00		Redundancy Payments Service
97,319 30	24,250.14	73,069 16		
481.53	(24,202.97)	24,684 50		Net Receipts/(Payments)
				MADE UP AS FOLLOWS
14,044 91	4,309.30	9.735.61		Vat Receivable
(1.30)	(23,607 45)	23,606.15		ISA Interest Bearing Account
(13,562.08)	(4,904.82)	(8,657.26)		Vat Control Account
481.53	(24,202 97)	24,684 50		

NB - All figures are shown net of VAT

MFP Smith Liquidator



A Schedule of the Liquidator's timecosts for 17 November 2010 to 16 November 2013

1st Security NW Limited Report to Creditors 09-Dec-13

					Hours	1			-	
Classification of Work Function	Partner	Director	Senior Manager	Manager	Other Senior Professionals	Assistants & Support Staff	Cashier & Secretaries	Total Hours	Time Cost	Average Hourly Rate £
ADMINISTRATION & PLANNING					:			:	ŀ	
Case Planning	4 93	6 62	1 40	1 95	9 69	7 80	0 30			
Administrative set- up	0 75	0 00	3 07	0 00	6 00	3 75	2 00			
Appointment notification	2 18	1 00	3 25	0 00	5 67	5 95	1 75	:		
Maintenance of records	7 93	2 75	0 75	0 00	7 17	11 92	31 90			
Statutory reporting	3 30	0 75	0 00	0 00	9 08	1 40	0 50	145 51	31,439 63	216 07
INVESTIGATIONS	-									
SIP 2 review	0 00	0 00	0 00	0 00	6 00	3 20	0 00			
CDDA reports	0 00	0 00	0 00	0 00	0 00	0 00	0 00			
Investigating antecedent transactions	0 40	0 33	0 85	0 00	6 00	1 00	0 00	17 78	3,608 66	202 96
REALISATION OF ASSETS			į							
ldentifying, secunng, insuring assets	7 48	0 00	2 00	0 00	21 83	0 00	a oo			
Retention of title	0 00	0 00	0 00	0 00	0 00	0 00	0 00			
Debt collection	7 27	0 67	6 63	0 67	41 92	3 70	0 00			
Property business and asset sales	0 00	0 00	0 00	0 00	0 00	0 00	0 00	92 17	20,899 57	226 75
TRADING										
Management of operations	0 00	0 00	0 00	0 00	0 00	0 00	0 00			
Accounting for trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00		<u> </u>	
On-going employee issues	0 00	0 00	0 00	0 00	0 00	G 00	0 00	0 00	0 00	0.00
CREDITORS										
Communication with creditors	3 90	2 67	1 00	2 42	3 67	4 90	2 22			
Creditors' claims (including employees and other preferential										
creditors')	1 55	0 00	0 25	4 08	13 17	10 70	0 00	50 53	10,969 75	217 09
Total Hours	39 69	14 79	19 20	9 12	130 20	54 32	38 67	305 9)	
Total Fees Claimed £	14,672 83	5,045 98	5,537 50	2,188 00	24,723 40	9,401 27	5,348 63		66,917 61	
Average Rate £	369 69	341 18	288 41	239 91	189 89	173 07	138 31			218 69



A Schedule of the Liquidator's timecosts for 17 November 2012 to 16 November 2013

1st Security NW Limited Report to Creditors 09-Dec-13

	Hours									
Classification of Work Function	Partner	Director	Senior Manager	Manager	Other Senior Professionals	Assistants & Support Staff	Cashler & Secretaries	Total Hours	Time Cost £	Average Hourly Rate £
ADMINISTRATION & PLANNING			·							
Case Planning	0 93	3 20	0 40	1 95	0 52	1 55	0 30	8 85	2,507 26	283 31
Administrative set- up	0 00	0 00	1 70	0 00	0 00	0 00	0 00	1 70	543 00	319 41
Appointment notification	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Maintenance of records	5 93	0 00	0 00	0 00	1 67	5 62	12 83	26 05	5,798 11	222 58
Statutory reporting	0 30	0 00	0 00	0 00	4 75	0 00	0 00	5 05	1,067 00	211 29
INVESTIGATIONS										
SIP 2 review	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
CDDA reports	0 00	0 00	0.00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
investigating antecedent transactions	0 00	0 33	0.00	0 00	1 00	0 00	0 00	1 33	313 33	235 59
REALISATION OF ASSETS										
Identifying, securing, insuring assets	2 23	0 00	0 00	0 00	0 50	0 00	0 00	2 73	964 00	353 11
Retention of title	0 00	0 00	0 00	0 00	0.00	0 00	0 00	0 00	0 00	0 00
Debt collection	1 10	0 00	0 00	0 67	2 17	0 00	0 00	3 94	1,013 33	257 19
Property, business and asset sales	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
TRADING										
Management of operations	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0.00	0 00
Accounting for trading	0.00	0 00	0 00	0 00	0 00	0.00	0 00	0 00	0 00	0 00
On-going employee issues	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
CREDITORS										
Communication with creditors	0 90	1 17	0 00	2 42	0 42	1 00	1 30	7 21	1,699 17	235 67
Creditors' claims (including employees and other preferential creditors')	0 50	0 00	0 10	4 08	2 00	0 00	0 00	6 68	1,608 50	240 79
Total Hours	11 89	4 70	2 20	9 12	13 03	8 17	14 43	63 54		
Total Fees Claimed £	4,593 50	1,617 68	699 00	2,188 00	2,607 57	1,436 76	2,371 19		15,513 70	
Average Rate £	386 33	344 19	317 73	239 91	200 12	175 86	164 32			244.16



PRACTICE FEE RECOVERY POLICY FOR DAINS LLP

Introduction

The insolvency legislation was changed in April 2010 for insolvency appointments commenced from that time in order to allow more flexibility on how an office holder's fees are charged to a case. This sheet explains how we may apply the alternative fee bases. The new legislation allows different fee bases to be used for different tasks within the same appointment. The basis or combination of bases set for a particular appointment 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 detail about how an office holder's fees are 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.icaew.com/en/technical/insolvency/insolvency-regulations-and-standards/statements-of-insolvency-practice-sips-england. Alternatively a hard copy may be requested from Dains LLP, 1st Floor, 15 Colmore Row, Birmingham, B3 2BH

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 and time costs incurred and will also enable the recipients to see the average rates of such costs. Under the new 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 the 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

This is the basis that we use in the majority of cases and 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.

Chargeout Rates

Grade of staff	Previous charge- out rate per hour, effective from 1 April 2011	Previous charge- out rate per hour, effective from 1 April 2012 £	Current charge- out rate per hour, effective from 1 April 2013
Partner – appointment taker	380	380	390
Director	340	340	350
Senior Manager	310	310	320
Manager	_	235	240
Supervisor	190	200	205
Case Administrator	175	185	190
Cashier & Support Staff	75 - 155	75 - 165	77 - 190



Subcontractors are used where necessary

These charge-out rates charged are reviewed on 1 April 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. Each unit of time is 6 minutes. The work is recorded under the following categories.

- Administration and Planning which includes work such as planning how the case will be
 administered and progressed, the administrative set up of the case, notifying creditors and
 others of the appointment, keeping the records relating to the case up to date, and reporting
 on progress of the case to creditors and others
- Investigations which includes work such as undertaking an initial review of the financial
 affairs of the company and bankrupt, undertaking a detailed investigation with a view to
 making recoveries for the benefit of creditors where matters such as preferences or wrongful
 trading come to light as a result of the initial review, and reporting to the Insolvency Service
 on the conduct of the directors
- Realisation of Assets which includes work such as identifying, securing and insuring
 assets, dealing with retention of title claims, collecting debts owed, and selling assets
- Employee matters which includes work such as dealing with employees, and liaising with the redundancy payments office
- Creditors which includes work such as communicating with creditors, dealing with creditors' claims, and where funds realised allow, paying dividends to creditors
- Trading which includes work such as managing and controlling all aspects of the business, and preparing financial records and information relating to that trading

Percentage basis

The new legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal. Different percentages can be used for different assets or types of assets. Where we would like to realise any asset or type of assets on a percentage basis we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

Fixed fee

The new legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. Where we would like to charge a set amount for a task or different set amounts for different tasks we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

Continued .





All bases

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

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP9) 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 Dains LLP, 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 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

Mileage is charged at a rate of up to 45p per mile External disbursements are recovered at cost

Appendix C

NOTICE OF NO DIVIDEND

1ST SECURITY NW LIMITED (IN LIQUIDATION)

Company No 05992008

NOTICE is hereby given in accordance with the insolvency Rule 4 186(1)(b) as follows

No dividend will be declared to unsecured creditors

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The funds realised have already been used for defraying the expenses of the Liquidation

MFP Smith Liquidator