

**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

06596206

Name of Company

Abel Plastering & Flooring Systems Ltd

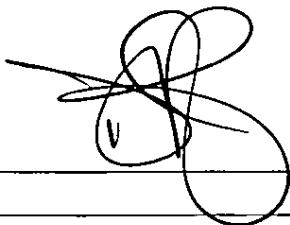
I / ~~We~~

Darren Terence Brookes, The Old Bank, 187a Ashley Road, Hale, Cheshire, WA15 9SQ

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 20/08/2015 to 19/08/2016

Signed

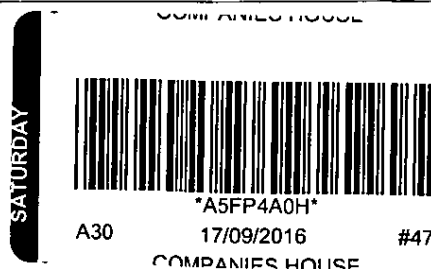


Date

15/9/16

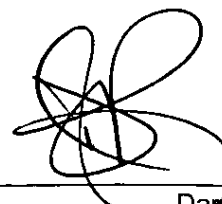
Milner Boardman & Partners
The Old Bank
187a Ashley Road
Hale
Cheshire
WA15 9SQ

Ref AB2408/DTB/WS



Abel Plastering & Flooring Systems Ltd
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 20/08/2015 To 19/08/2016
66,000 00	SECURED ASSETS Goodwill	NIL NIL
(66,000 00)	SECURED CREDITORS Due to Lloyds Bank plc	NIL NIL
6,000 00	ASSET REALISATIONS Retentions Director Contribution	6,000 00 716 00 6,716 00
	COST OF REALISATIONS Specific Bond Preparation of S of A Petitioning Creditor Costs Agents/Valuers Fees (1) ERA Work Statutory Advertising	40 00 4,000 00 1,716 00 200 00 225 00 209 25 (6,390 25)
(5,971 00)	PREFERENTIAL CREDITORS DE Arrears & Holiday Pay	NIL NIL
(93,576 00)	UNSECURED CREDITORS Trade & Expense	NIL
(22,841 00)	Employees - Redundancy/Notice Pay/	NIL
(1,282 00)	HM Revenue & Customs - PAYE/NIC	NIL
(53,473 00)	HM Revenue & Customs - CIS	NIL
(15,000 00)	Intercompany Debt	NIL
(100 00)	DISTRIBUTIONS Ordinary Shareholders	NIL NIL
(186,243 00)		325 75
	REPRESENTED BY	
	Current Account	325 75
		325 75



Darren Terence Brookes
Liquidator



MILNER BOARDMAN
& PARTNERS
Corporate Recovery

ABEL PLASTERING & FLOORING SYSTEMS LIMITED- IN LIQUIDATION

Liquidator's Progress Report

Covering the Period
20 August 2015 to 19 August 2016

15 September 2016

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

Our Ref DTB/wls/2408/24

Liquidator's
Progress Report



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1. Statutory Information and Background

- 1 1 On 16 July 2015 the board of directors signed notices convening meetings of the Company's members and creditors with a view to placing the Company into Creditors' Voluntary Liquidation
- 1 2 On 20 August 2015, members passed a special resolution placing the Company into Liquidation and an ordinary resolution appointing Darren Brookes as Liquidator. At a meeting of the Company's creditors held on the same day, creditors passed a resolution confirming the appointment of Darren Brookes as Liquidator
- 1 3 The Liquidation is being handled by Milner Boardman & Partners, situated at The Old Bank, 187A Ashley Road, Hale, Cheshire, WA15 9SQ
- 1 4 The principal trading address of the Company was 2 Eastgate House, Olive Lane, Liverpool. The former registered office of the Company was at the same address
- 1 5 The registered office of the Company is c/o Milner Boardman & Partners, The Old Bank, 187A Ashley Road, Hale, Cheshire, WA15 9SQ and its registered number is 06596206
- 1 6 It is considered that the EC Regulation on Insolvency Proceedings applies to these proceedings, which are main proceedings as defined in Article 3 of the EC Regulations

2. Case Overview

- 2 1 The principal business activity of the Company was plastering & flooring contractors
- 2 2 The reasons for the failure of the Company, according to the directors were the recession, bad debts, difficulties on two particular contracts and high overheads
- 2 3 According to the director's statement of affairs, the assets of the Company comprised of goodwill and retentions

3. Asset Realisation and Actions Since Appointment

- 3 1 **Goodwill** – The sale of the goodwill, which included phone numbers and client database was to a connected party, APFS Limited ("APFS"). Tony Ludden the director of the Company is also the director of APFS and therefore the details of the sale are listed below -
 - 3 1 1 The offer was received from APFS on 18 August 2015, in the sum of £66,000 to be paid in month instalments of £2,750 over two years. Once appointed the Liquidator instructed independent agents, Wignall Brownlow LLP of Manchester ("WB") to ascertain if the offer was for fair value and subsequently WB recommended acceptance on 8 September 2015. The Liquidator agreed to the payment for the goodwill be made directly to Lloyds Bank plc ("Lloyds") which would cover the fixed charge held by Lloyds which has been personally guaranteed by the directors. On 10 September 2015 Lloyds

agreed to this arrangement. Lloyds have indicated that the outstanding balance in respect of goodwill payment was £48,000 and repayments are ongoing.

- 3.2 **Retentions** – At appointment, the Company was owed circa £9,000.00 in respect of two retention payments due. APFS offered to purchase the two retentions for £6,000. Once appointed, the Liquidator instructed independent Quantity Surveyors, Naismiths Limited of Manchester ("Naismiths") to confirm this was a fair price. Naismiths recommended acceptance of the offer and the sale was completed on 7 September 2015. It is not known whether APFS was independently advised.
- 3.3 Recently, the director advised the Liquidator that an additional retention payment, which had previously been written off, may be collectable. The amount payable was £1,598.20 and the Liquidator agreed a 10% debt collection fee with the director for his assistance in pursuing the debt. This money has now been collected by the Liquidator, albeit after this reporting period, and it will be included in the next report to creditors.
- 3.4 The case remains open whilst the additional retention monies due were pursued by the Liquidator and whilst the outstanding payments for the goodwill are dealt with.

4. Receipts and Payments

- 4.1 A receipts and payments account for the year ended 19 August 2016 is enclosed with this report at appendix 1. The balance of funds is held in a non-interest bearing estate account.
- 4.2 Total receipts for the period are £6,716.00 and relate to the retention payment and a contribution from the director towards the petitioning creditors' costs.
- 4.3 Total payments for the period are £6,390.25 relating to specific bond, statement of affairs fee, petitioning creditors' costs (which were agreed to be paid as an expense of the Liquidation if the petition was removed), agents' fees, ERA work and statutory advertising.

5. Investigation

- 5.1 As part of my duties as Liquidator, I undertook enquiries into the Company's previous trading activities. The purpose of this aspect of the investigation was to ascertain the existence and whereabouts of any Company assets, whether disclosed on the director's sworn statement of affairs or not, taking into account public interest, potential recoveries, funds likely to be available to fund an investigation and the costs involved.
- 5.2 This investigation necessitated an examination of the books and records maintained by the Company, together with company correspondence either retained by the Company or provided to me subsequently by creditors.
- 5.3 I have also examined the conduct of the individuals concerned in the management of the Company and have, where necessary, interviewed the directors of the Company.

- 5 4 I have complied with my statutory duty under the Company Directors Disqualification Act 1986 by submitting an appropriate return to the Secretary of State

6. Liquidator's Remuneration

- 6 1 At the initial meeting of creditors on 20 August 2015, creditors authorised that payment of £5,000 be made for our assistance in preparing the statement of affairs and convening and holding the meetings of members and creditors, of which £1,000 was to be paid to Cobham Murphy Accountants ("CM") for their assistance with the statement of affairs £4,000 has been paid from first realisations on appointment and is shown on the receipts and payments account, including £1,000 paid to CM £1,000 remains outstanding
- 6 2 At the initial meeting of creditors held on 20 August 2015, sanction was given for the remuneration of the Liquidator to be calculated on a time basis and charged at the applicable rates of Milner Boardman & Partners and to be drawn as and when appropriate The policy of Milner Boardman & Partners is to charge the time, directly to each case, of all staff with the exception of secretarial staff The attached summary is intended to provide a breakdown of time costs incurred to date Please note that Milner Boardman & Partners record time in 6 minute units
- 6 3 As you can see from the attached summary at appendix 2, the time costs to date are £7,672 50 which represents 35 50 hours at an average rate of £216 12 per hour As is shown on the attached receipts and payments account, no fees have been drawn to date
- 6 4 Attached at appendix 3 are details of creditor's rights in relation to the Liquidator's remuneration A copy of "A Creditors' Guide to Liquidators' Fees" is available from www.insolvency-practitioners.org.uk by clicking on "Regulation and Guidance" and then "Creditors Guides" and then clicking on "Liquidators' Fees November 2011" or alternatively a hard copy may be requested from this office
- 6 5 The main areas where time costs have been incurred are 'Administration and Planning', 'Investigations', 'Realisation of Assets' and 'Creditors' These are discussed in more detail below
- 6 6 Administration and Planning**
- 6 6 1 A total of £4,672 00 has been spent on administration and planning, including time spent on meetings and telephone conversations with the directors, complying with statutory duties, reporting to creditors and general administrative work including preparing documentation and dealing with correspondence
- 6.7 Investigations**
- 6 7 1 A total of £734 00 has been spent on dealing with investigations into the director's conduct and Company assets, including reviewing books and records and also preparing a return pursuant to the Company Directors Disqualification Act

6.8 Realisation of Assets

- 6.8.1 A total of £1,184.00 has been spent on dealing with realisation of assets including liaising with the directors with regard to the sale of the retentions and the collection of the additional retention payment

6.9 Creditors

- 6.9.1 A total of £1,082.50 has been spent on dealing with creditors. Work carried out relates to and includes advising of the appointment, dealing with claims and any other queries

7 Liquidator's Disbursements

- 7.1 With regard to disbursements, specific expenditure relating to the administration of the insolvent's estate and payable to an independent third party is recoverable without creditor approval. Payments made in respect of the above are defined as "Category 1 disbursements". Category 1 disbursements incurred in this case total £934.07 since appointment.

- 7.2 I have drawn £674.25 to date

7.3

Type of expense	Amount incurred in reporting period (£)	Amount drawn in reporting period (£)
Specific Bond	40.00	40.00
Agent's Fees	300.00	300.00
ERA Work	225.00	225.00
Statutory Advertising	209.25	209.25
Debt Collection Fee	159.82	0

- 7.4 Also attached at appendix 3 are details of creditors' rights in relation to the Liquidators' remuneration and also to request information on the Liquidators' remuneration and expenses

- 7.5 Expenditure incidental to the administration of the insolvent's estate, which by its nature includes an element of shared or allocated costs, are recoverable with creditors' approval. Payments in respect of this type of expense are referred to as "Category 2 disbursements". Category 2 disbursements require creditor authorisation before they can be drawn. Category 2 disbursements include staff mileage costs. Milner Boardman & Partners have not charged Category 2 disbursements.

- 7.6 All disbursements are shown net of VAT and as the Company was registered for VAT purposes, VAT totalling £926.85 was recoverable for the benefit of the insolvent's estate.

- 7.7 I have used the following agents or professional advisors in this reporting period

Agent/Professional Advisor	Nature of work	Basis of fees
WB	Valuer	Fixed fee
Naismiths	Quantity Surveyor	Fixed fee
ERA Solutions Limited	ERA Work	Fixed fee

- 7 8 The professional advisers were selected on a basis of my perception of their experience and ability to perform this type of work and nature and complexity of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied they are reasonable in the circumstances.

8. Creditors

8.1 Secured Claims

- 8 1 1 According to Companies House, there was a mortgage debenture in favour of Lloyds registered at Companies House on 25 February 2014. At cessation of trade, Lloyds were owed approximately £66,000. APFS purchased the goodwill in the sum of £66,000 which is being paid directly to Lloyds independently under the terms of the personally guaranteed contract with Mr Ludden dated 25 August 2015.

8.2 Prescribed Part

- 8 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.
- 8 2 2 In this case, a relevant charge is registered, however the provision will not apply as the Company's net assets after costs will be nil and therefore the Prescribed Part will not apply.

8 3 Preferential Creditors

- 8 3 1 The statement of affairs anticipated £5,971.00 in preferential creditors. Claims totalling £15,094.56 have been received from the Redundancy Payments Office of which £3,321.14 is claimed preferentially. Preferential creditors in this matter relate to three former employees' claims for wages and holiday pay. There is no prospect of a dividend to preferential creditors in this matter.

8.4 Unsecured Creditors

- 8 4 1 The statement of affairs included an amount of £1,282.00 owed to HM Revenue & Customs ("HMRC") in respect of PAYE/NIC and £53,473.00 in CIS. A claim from HMRC has been received in the sum of £79,467.85, of which £6,318.00 relates to VAT and £73,149.85 in respect of PAYE/NIC.

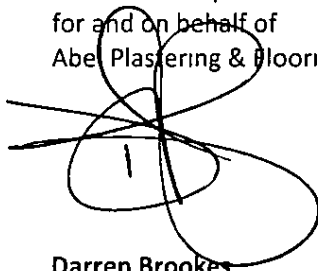
- 8 4 2 The statement of affairs included other unsecured creditors totalling £131,417 including employee redundancy and notice pay and an intercompany debt. Seven claims received to date total £87,275.89.
- 8 4 3 At the initial meeting of creditors, it was indicated that based on information presented to the meeting, it would seem unlikely that there would be sufficient funds available to distribute to unsecured creditors. I can confirm that based on current information there are insufficient funds to enable a dividend to unsecured creditors in this matter.

9. Conclusion

- 9 1 This concludes the Liquidator's progress report for the year ended 19 August 2016. The Liquidation will remain open until the goodwill issue has been clarified. Once this matter has been 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 October 2017.

Should you require further information please contact this office on 0161 927 7788

Yours faithfully
for and on behalf of
Abel Plastering & Flooring Systems Limited



Darren Brookes
Liquidator



MINER BOARDMAN
& PARTNERS
Corporate Recovery

Appendix 1

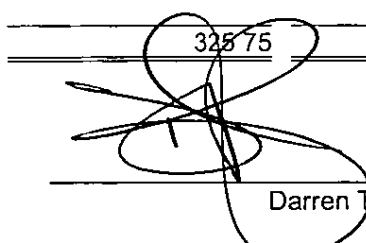
Receipts and Payments Account

Abel Plastering & Flooring Systems Ltd
(In Liquidation)

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 20/08/2015 To 19/08/2016 £	From 20/08/2015 To 19/08/2016 £
RECEIPTS			
Goodwill	66,000 00	0 00	0 00
Retentions	6,000 00	6,000 00	6,000 00
Director Contribution		716 00	716 00
		<u>6,716 00</u>	<u>6,716 00</u>
PAYMENTS			
Due to Lloyds Bank plc	(66,000 00)	0 00	0 00
Specific Bond		40 00	40 00
Preparation of S of A		4,000 00	4,000 00
Petitioning Creditor Costs		1,716 00	1,716 00
Agents/Valuers Fees (1)		200 00	200 00
ERA Work		225 00	225 00
Statutory Advertising		209 25	209 25
DE Arrears & Holiday Pay	(5,971 00)	0 00	0 00
Employees - Wage Arrears		0 00	0 00
Employees - Holiday Pay		0 00	0 00
Trade & Expense	(93,576 00)	0 00	0 00
Employees - Redundancy/Notice Pay/Wa	(22,841 00)	0 00	0 00
Directors		0 00	0 00
HM Revenue & Customs - PAYE/NIC	(1,282 00)	0 00	0 00
HM Revenue & Customs - CIS	(53,473 00)	0 00	0 00
HM Revenue & Customs - VAT		0 00	0 00
Intercompany Debt	(15,000 00)	0 00	0 00
Ordinary Shareholders	(100 00)	0 00	0 00
		<u>6,390 25</u>	<u>6,390 25</u>
Net Receipts/(Payments)		<u>325 75</u>	<u>325 75</u>

MADE UP AS FOLLOWS

Current Account	325 75	325 75
	<u>325 75</u>	<u>325 75</u>
		
	Darren Terence Brookes	
	Liquidator	



MILNER BOARDMAN
& PARTNERS
Corporate Recovery

Appendix 2 Milner Boardman & Partners' Time Analysis and Practice Fee Recovery Policy

Milner Boardman & Partners**TIME & CHARGEOUT SUMMARIES**

Abel Plastering & Flooring Systems Ltd

From 20 Aug 2015 to 19 Aug 2016

HOURS							
Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	3 20	5 10	0 00	12 50	20 80	4,672 00	224 62
Investigations	0 00	2 60	0 00	1 00	3 60	734 00	203 89
Realisation of Assets	0 00	0 80	0 00	5 60	6 40	1,184 00	185 00
Creditors	0 80	1 40	0 00	2 50	4 70	1,082 50	230 32
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	1,480 00	2,412 50	0 00	3,780 00		7,672 50	
Total Hours	4 00	9 90	0 00	21 60	35 50		
Average Rate	370 00	243 69	0 00	175 00			

PRACTICE FEE RECOVERY POLICY FOR MILNER BOARDMAN & PARTNERS

Introduction

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

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://www.insolvency-practitioners.org.uk>. Alternatively a hard copy may be requested from the offices of Milner Boardman & Partners. Please note, however, that the guides have not yet been updated for the revised legislation, so we have provided further details in this policy document.

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

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

Time cost basis

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

Charge-out Rates

Grade of staff	Current charge-out rate per hour, effective from 1 April 2015 £	Previous charge-out rate per hour, effective from 1 November 2008 £
Partner – appointment taker	370	295-370
Senior Manager	255	N/A
Manager	215	215
Case Administrator	175	175
Support Staff	175	175

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. The work is generally recorded under the following categories

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

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

- Investigations
- Distributions
- Trading

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

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

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

Percentage basis

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

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

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

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

Fixed fee

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

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

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

Members' Voluntary Liquidations and Voluntary Arrangements

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

All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate

Agent's Costs

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

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

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

Disbursements

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

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Milner Boardman & Partners, 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.

Milner Boardman & Partners do not intend to recover Category 2 disbursements.



Appendix 3

Creditors' Rights in relation to Liquidator's Remuneration

Milner Boardman & Partners – Information Sheet for Creditors

What if a creditor is dissatisfied with liquidation remuneration?

If a creditor believes that the liquidator(s) remuneration is too high, the basis is inappropriate, or the expenses incurred by the liquidator(s) are in all the circumstances excessive he may, provided certain conditions are met, apply to the court.

Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported. 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.

If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the liquidation.

Creditor's rights to information on the liquidator's remuneration and expenses

Within 21 days of receipt of a progress report (or 7 business days where the report has been prepared for the purpose of a meeting to receive the office holder's resignation) a creditor, or in the case of an MVL a member, may request the office holder to provide further information about the remuneration and expenses set out in the report. A request must be in the writing, and may be made by

- A secured creditor, or
- An unsecured creditor with the concurrence of at least 5% in value of the creditors (including that creditor) of the permission of the court,
- In the case of an MVL, by members of the company with at least 5 % of the total voting rights of the all members having the right to vote at general meetings, or
- With the permission of the court –
 - Any unsecured creditor
 - In the case of an MVL, any member

The office holder must provide the requested information within 14 days, unless he considers that

- The time or cost involved in preparing the information would be excessive, or
- Disclosure would be prejudicial to the conduct of the proceedings or might be expected to lead to violence against any person, or
- The office holder is subject of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information.

Any creditor may apply to the court within 21 days of the office holder's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information.

If any creditors have any queries, please contact 0161 927 7788