

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 1 1 1 4 0 8 8 4

Company name in full Middleton Solicitors Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) John

Surname Radford

3 Liquidator's address

Building name/number Stanmore House

Street 64-68 Blackburn Street

Post town Radcliffe

County/Region Manchester

Postcode M 2 6 2 J S

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

^d0^d9^m0^m1^y2^y0^y2^y1

To date

^d0^d8^m0^m1^y2^y0^y2^y2

7

Progress report

☒ The progress report is attached

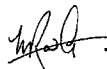
8

Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d0^d2^m0^m3^y2^y0^y2^y2

**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 **Stephen Lancaster**

Company name **Lucas Ross Limited**

Address **Stanmore House**

64-68 Blackburn Street

Post town **Radcliffe**

County/Region **Manchester**

Postcode **M 2 6 2 J S**

Country

DX

Telephone

**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

Middleton Solicitors Ltd
(In Liquidation)
Liquidator's Summary of Receipts & Payments

| Statement of Affairs £ | | From 09/01/2021 To 08/01/2022 £ | From 09/01/2020 To 08/01/2022 £ |
|------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| | SECURED ASSETS | | |
| Uncertain | Rent Deposit | NIL | NIL |
| | | NIL | NIL |
| | SECURED CREDITORS | | |
| (116,330.71) | Graeme Middleton | NIL | NIL |
| | | NIL | NIL |
| | ASSET REALISATIONS | | |
| | Bank Interest Gross | 2.38 | 2.38 |
| | Book debt assignment | (2,000.00) | NIL |
| 16,373.50 | Book Debts | 23,429.74 | 23,429.74 |
| 1,527.00 | Cash at Bank | NIL | NIL |
| NIL | Client Funds | NIL | NIL |
| | Disbursement creditors | (1,050.00) | (1,050.00) |
| | Disbursements re Work In Progress | 5,325.70 | 5,325.70 |
| | Work In Progress | 7,689.35 | 7,689.35 |
| | | 33,397.17 | 35,397.17 |
| | COST OF REALISATIONS | | |
| | Legal fees | 713.03 | 713.03 |
| | Statutory Advertising | 158.00 | 158.00 |
| | | (871.03) | (871.03) |
| | UNSECURED CREDITORS | | |
| (32,349.04) | HM Revenue & Customs - VAT & PAYE | NIL | NIL |
| (293,091.43) | PI Insurance Provider | NIL | NIL |
| (235,478.96) | Trade & Expense Creditors | NIL | NIL |
| | | NIL | NIL |
| | DISTRIBUTIONS | | |
| (100.00) | Ordinary Shareholders | NIL | NIL |
| | | NIL | NIL |
| (659,449.64) | | 32,526.14 | 34,526.14 |
| | REPRESENTED BY | | |
| | Bank 1 Current | | 36,147.30 |
| | Vat Payable | | (2,005.37) |
| | Vat Receivable | | 384.21 |
| | | | 34,526.14 |

MIDDLETON SOLICITORS LTD - IN LIQUIDATION

**Liquidator's second Annual Progress Report pursuant to
Section 104A of the Insolvency Act 1986
For the period from 9 January 2021 to 8 January 2022**

MIDDLETON SOLICITORS LTD - IN LIQUIDATION

PROGRESS REPORT

1. INTRODUCTION, CREDITORS' RIGHTS AND ABBREVIATIONS

The following abbreviations will be used as appropriate throughout this report:

| | |
|---------------|---|
| Act | Insolvency Act 1986 |
| CDDA | Company Directors Disqualification Act 1986 |
| Company | Middleton Solicitors Ltd |
| Liquidator | John Radford of Lucas Ross Limited Stanmore House, 64-68 Blackburn Street, Radcliffe, Manchester, M26 2JS |
| Rules or Rule | Insolvency Rules 2016 |
| SIP2 | Statement of Insolvency Practice Number 2 - Investigations by office holders in administration and insolvent liquidations |
| SofA | Statement of Affairs signed by the directors at the start of the process |

A resolution to wind up the Company was passed on 9 January 2020, when Kevin Lucas and Elizabeth Manley were appointed Joint Liquidators.

This is the second annual progress report to creditors and covers the period from 9 January 2021 to 8 January 2022 and is issued pursuant to Section 104A of the Act to provide creditors with an update on the progress of the Liquidation. This report should be read in conjunction with any previous reports.

Creditors' rights

At the end of this report is an extract from the Insolvency Rules 2016 setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the liquidation. Creditors may access information setting out creditors' rights in respect of the approval of Liquidator's remuneration free of charge from this office on request

Complaints about Insolvency Practitioners should be made to the office of the relevant Liquidator in the first instance. If you are not satisfied with the response, the Insolvency Service has a central gateway for considering complaints. This gateway can be found at <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue a complaint.

All Licensed Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work. The Insolvency Code of Ethics can be found at <https://www.icaew.com/-/media/corporate/files/technical/ethics/insolvency-code-of-ethics.ashx?la=en>

MIDDLETON SOLICITORS LTD - IN LIQUIDATION PROGRESS REPORT

2. STATUTORY INFORMATION

Date of appointment of the
Joint Liquidators: 9 January 2020

Trading style(s) of the Company: Middletons Solicitors

Registered number: 11140884

Registered office: Stanmore House, 64-68 Blackburn Street, Manchester,
M26 2JS

Changes in office holder: John Radford replaced Kevin Lucas as Liquidator on
30 November 2021 pursuant to a block transfer order
made in the High Court of Justice, Business and
Property Courts in Manchester.

3. PROGRESS OF THE LIQUIDATION DURING THE PERIOD

Creditors are referred to the first progress report for details of matters previously investigated and concluded. There is nothing further to disclose relating to these matters other than those covered below.

Book Debts

Creditors were advised last year that an offer of £2,000 for the sale of the debtor ledger had been accepted by the Liquidator, but was subject to contract whilst there were unresolved queries in relation to the list of debtors to be assigned.

During the period the director provided the Liquidator with a list of customers/clients that he wished to purchase that was different to the list of debtors correlating to that disclosed in the statement of affairs.

It transpired there were a large number of cases that were partially completed and transferred to other solicitors prior to liquidation where no payments had been received by the Company. Payments in relation to the Company's work in progress were due to be made to the Company upon the conclusion of the relevant client's cases and cases costed. The value of this work in progress was significantly greater than £2,000.

As a result of this discovery, the Liquidator and director could not reach agreement on the terms of the contract to sell the debtors and accordingly no sale took place and the £2,000 was returned to the director.

It is now not expected that any further recoveries will be made in relation to the debtors disclosed in the statement of affairs.

MIDDLETON SOLICITORS LTD - IN LIQUIDATION PROGRESS REPORT

Work in Progress

The work-in-progress discovered as a result of the above was shown in the records then delivered up to be in the region of £111,000 comprising 54 different cases. The cases had been transferred to seven separate law firms, 44 of which were to one practice.

The Liquidator has contacted each of the law firms seeking an update on the status of each case.

It has been claimed that some cases were concluded prior to liquidation, others were discontinued, whilst others are progressing.

A number of these claims have yet to be verified to the Liquidator's satisfaction and work is ongoing. Despite this, the Liquidator has recovered the sum of £36,660.79 in total in the review period, of which £5,541.70 relates to disbursements and this has been reflected on the receipts and payments account accordingly.

The Liquidator sought advice on the disbursement element and whether a trust existed that would see those funds paid directly to the relevant creditor in full rather than those funds being available to the estate for the benefit of the general body of creditors. Having now received that advice the Liquidator is undertaking a task to distinguish between those disbursements where a trust does exist and those where a trust does not exist and will settle these as appropriate. To date, £1,050.00 has been paid to disbursement creditors where a trust has been identified.

A handful of law firms have indicated they have paid disbursement creditors directly in some matters. The Liquidator will continue to investigate whether the relevant solicitors have acted inappropriately in this regard and seek recompense for the general body of creditors as appropriate.

The Liquidator will continue to liaise with the relevant law firms regarding progress of the ongoing cases and collect monies due into the estate.

Investigations

Whilst investigations were concluded last year, during the period a solicitor acting for a former client contacted the Liquidator expressing concern about funds that they considered had been misapplied.

This suggestion necessitated a review of the available client and practice account statements. Whilst this affects the client account and client funds and is not a direct benefit nor cost to the estate, given there may be a consequential knock on and claim against the estate the matter was investigated.

The work done did not at the time identify any issues that required further investigation, although the matter will be kept under review if the solicitor for the former client identifies a claim against the Company as a result of any missing funds.

MIDDLETON SOLICITORS LTD - IN LIQUIDATION

PROGRESS REPORT

Future Actions

The Liquidation will remain open until all monies due in relation to work in progress has been collected and any further investigations relating to the matter outlined above have been fully concluded.

It is not possible at this time to give any time estimate to completion and creditors will be provided with a further update in the next report.

4. COSTS OF THE LIQUIDATION

A summary of the receipts and payments account is attached for your information, analysed to show activity in the last year and the entire period of the liquidation as appropriate.

It shows actual receipts and actual payments rather than accrued and unrealised/unpaid receipts and payments.

Remuneration of the Liquidator

No steps have been taken to fix the basis of the Liquidator's remuneration in the review period and therefore no remuneration has yet been drawn in this matter. The Liquidator will contact creditors separately in this regard and will deal with the matter by way of a decision by correspondence.

The Liquidator's time costs for the period 9 January 2021 to 8 January 2022 are £14,544.00 and are shown in more detail at the end of this report. This represents 52.2 hours at an average hourly rate of £278.62. Time has been spent on Admin & Planning, Realisation of Assets, Investigations and Creditors; below is further guidance on the work involved for each category:

| Category | Description of work undertaken |
|-----------------------|--|
| Admin & Planning | Work carried out under this category does not necessarily provide a financial benefit to creditors, but is required in order for the Liquidator to fulfil his statutory and compliance obligations. Tasks have included preparation and issue of the first progress report, statutory filing, dealing with cashiering and tax formalities of the case, strategy reviews and all other internal aspects of the Liquidation. |
| Realisation of Assets | Time spent has related to dealing with the furtherance and conclusion of the offer to sell the debtor ledger. This was followed by the work done in connection with the discovery of the work in progress including the liaising with the relevant law firms involved and relevant third parties to ascertain the current position regarding each case and dealing with realisations. |
| Creditors | Time spent has related to dealing with creditor enquiries |
| Investigations | Work undertaken has involved dealing with various queries raised by other solicitors and people understood to be former clients of Middleton Solicitors Limited requiring input from the director. Time has also been spent conducting an investigation into the Company's client and office accounts. |

MIDDLETON SOLICITORS LTD - IN LIQUIDATION PROGRESS REPORT

The Liquidator's total time costs to date since the commencement of the Liquidation are £34,320.50. This represents 157.10 hours at an average hourly rate of £218.46.

The Liquidator has drawn no remuneration to date. As outlined above, creditors will be contacted separately in due course regarding a decision by correspondence to fix the basis of his remuneration.

Expenses

Expenses are payments from the insolvent estate which are neither an office holder's remuneration nor a distribution to a creditor or member (as appropriate). Expenses include disbursements, which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

Expenses are split 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 and may be paid without prior approval.
- Category 2 expenses 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. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

Details of the professional advisors and sub-contractors used are listed below together with the basis of the fee arrangement with them. The organisations and/or individuals were chosen based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them:

| Name of Professional Adviser or Sub-contractor | Brief description of services provided | Basis of fee arrangement |
|--|--|--------------------------|
| Brabners LLP | Legal costs - for drafting an assignment agreement | Fixed fee of £250 |

Any expenses paid during the reporting period are shown on the receipts and payments account at the end of this report.

All expenses incurred to date

| Expense Incurred | Incurred in prior period £ | Incurred in this period £ | Paid to end of period £ | Total anticipated period end cost £ | Original Fee Estimate £ |
|-----------------------|----------------------------|---------------------------|-------------------------|-------------------------------------|-------------------------|
| Category 1 | | | | | |
| Legal costs | - | 713.03 | 713.03 | See note below | N/A |
| Specific Bond | 70.00 | 635.95 | - | 705.95 | N/A |
| Statutory Advertising | 158.00 | - | 158.00 | 158.00 | N/A |
| Total | 228.00 | 1,348.98 | 871.03 | 863.95 | N/A |

MIDDLETON SOLICITORS LTD - IN LIQUIDATION PROGRESS REPORT

An additional bond premium has been incurred in the review period as a consequence of the change of office-holder and increased realisations.

The sum of £713.03 includes the £250.00 paid to Brabners LLP and the balance of £463.03 to Cost Chambers Consultants in relation to expenses relating to the work in progress outlined above. Cost Chambers Consultants were not directly retained by the Liquidator. The final amount of legal fees payable will depend on settlement of any future disbursements to the relevant creditor where it has been established a trust exists.

A copy of 'A Creditors' Guide to Liquidators' Fees' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set is available from the Liquidator on request at no cost.

6. PROSPECTS FOR CREDITORS

Secured Creditors

The SofA detailed that there was a fixed and floating charge in favour of Graeme Middleton dated 24 June 2019 representing a rent deposit deed. The claim under the security was disclosed on the SofA as £116,331.

The first progress report disclosed there were insufficient funds available at the time to make a distribution to the secured creditor. The Liquidator has yet to verify the validity of the charge and the prospects of a distribution depend on future asset realisations, the final costs of the Liquidation, and the charge itself being correctly validated.

Preferential Creditors

The SofA did not disclose any preferential claims, and none have been received to date.

Unsecured Creditors and Prescribed Part

Pursuant to Section 176A of the Act where a company has granted a floating charge to a creditor on or after 15 September 2003, a proportion of the net property of that company must be made available purely to unsecured creditors.

The Company has granted a floating charge after 15 September 2003 and therefore the prescribed part does apply.

The estimated value of the Prescribed Part was £6,275 drawn from an estimate of the net property of £17,900 as per the SofA. This position has now altered due to the discovery of additional assets of the Company, however the costs of the liquidation have also increased. It is not possible to predict the potential value of the net property or the prescribed part at this time, but creditors will be update in the next report.

The SofA detailed unsecured creditors of £560,919. As at the date of this report claims have been received totalling £90,354.

Based on information available at the time the first progress report was drafted it was disclosed there was no likelihood of a distribution to unsecured creditors. Further assets have now been identified, which may change this position. However, the secured creditor has a

MIDDLETON SOLICITORS LTD - IN LIQUIDATION PROGRESS REPORT

claim in excess of the funds likely to be available once the costs of liquidation have been taken into account. If there is a distribution to the unsecured creditors it will only be by virtue of the Prescribed Part. .

A further update will be provided in the next report.

Next Report to Creditors

The next report to creditors will be sent out to creditors following the next anniversary of the Liquidation or the conclusion of the winding up, whichever may be sooner.

If you require any further information please contact us via help@lucasross.co.uk.

John Radford
Liquidator

10 March 2022

Creditors' and members' requests for further information in administration, winding up and bankruptcy
18.9.

- (1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—
- (a) a secured creditor;
 - (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
 - (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
 - (d) any unsecured creditor with the permission of the court; or
 - (e) any member of the company in a members' voluntary winding up with the permission of the court.
- (2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.
- (3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—
- (a) providing all of the information requested;
 - (b) providing some of the information requested; or
 - (c) declining to provide the information requested.
- (4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—
- (a) the time or cost of preparation of the information would be excessive; or
 - (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
 - (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
 - (d) the office-holder is subject to an obligation of confidentiality in relation to the information.
- (5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.
- (6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—
- (a) the office-holder giving reasons for not providing all of the information requested; or
 - (b) the expiry of the 14 days within which an office-holder must respond to a request.
- (7) The court may make such order as it thinks just on an application under paragraph (6).

Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive

18.34.

- (1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—
- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
 - (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or

- (c) the expenses incurred by the office-holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—
- (a) a secured creditor,
 - (b) an unsecured creditor with either—
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
 - (c) in a members' voluntary winding up—
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court.
- (3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

Applications under rules 18.34 and 18.35 where the court has given permission for the application
18.36.

- (1) This rule applies to applications made with permission under rules 18.34 and 18.35.
- (2) Where the court has given permission, it must fix a venue for the application to be heard.
- (3) The applicant must, at least 14 days before the hearing, deliver to the office-holder a notice stating the venue and accompanied by a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
- (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
 - (b) an order reducing any fixed rate or amount;
 - (c) an order changing the basis of remuneration;
 - (d) an order that some or all of the remuneration or expenses in question is not to be treated as expenses of the administration, winding up or bankruptcy;
 - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
 - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration, winding up or bankruptcy.

Applications under rule 18.34 where the court's permission is not required for the application
18.37.

- (1) On receipt of an application under rule 18.34 for which the court's permission is not required, the court may, if it is satisfied that no sufficient cause is shown for the application, dismiss it without giving notice to any party other than the applicant.
- (2) Unless the application is dismissed, the court must fix a venue for it to be heard.
- (3) The applicant must, at least 14 days before any hearing, deliver to the office-holder a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
- (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
 - (b) an order reducing any fixed rate or amount;
 - (c) an order changing the basis of remuneration;
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration or winding up or bankruptcy;
 - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
 - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration or as winding up or bankruptcy.

OFFICE HOLDER'S FEES AND DISBURSEMENTS POLICY

Fees based on Time Properly Given and the Estimation of Fees

Each member of staff involved with the case will time charge on an individual basis. The hourly cost of each member of staff shall be calculated in accordance with their experience and resultant grade within the practice.

Recording of Fees

Time is formally recorded in prescribed categories in units of 6 minutes. All units of time properly spent working on the relevant insolvency appointment shall be recorded on a formal time management system and retained throughout appointment, irrespective of the basis of fees.

Charge Out Rates

Hourly charge out rates from 1 January 2022 are:

| Charges for usual cases | Standard work (£) | Investigation work beyond 3 months (£) |
|------------------------------------|----------------------|--|
| Partner/Director/Consultant | 395-500 | 474-600 |
| Manager/Senior Manager | 300-390 | 360-468 |
| Assistant Manager | 260-300 | 312-360 |
| Administrator/Senior Administrator | 175-240 | 210-288 |
| Cashier | 140 | 140 |
| Junior and Support Staff | 110-140 | 132-168 |

Hourly charge out rates for time spent under the category of investigations persisting beyond the first 3 months of an insolvency appointment shall be charged at a rate 20% higher than those shown above to reflect the speculative nature of the work being performed. This increase will not apply to work performed in relation to the categories of Admin and Planning, Creditors or Asset Realisations. The increase will also not apply to the cashier grade of staff as it is not envisaged the cashier grade would be utilised within the investigation work.

The basis upon which the Office Holder determines the appropriate charge out rate on the complexity of the case is detailed in the respective independent creditors' guides to fees, available to download from our company website or by email from this office.

The Office Holder reserves the right to uplift both the hourly rates and category 2 disbursements periodically without further recourse to the creditors. By law, such increases must be disclosed to creditors within each statutory report. Where such increases affect the total fees incurred and take these over the totality of any fee resolution proposed previously, an additional fee resolution will be sent to creditors for their consideration.

Support Staff

In an effort to minimise costs to the case, it is necessary to use support staff to undertake certain matters. Support staff time is charged in the same manner as technical staff on the rates outlined above.

VAT

Services provided by Insolvency practitioners are subject to VAT, except when acting as Nominee or Supervisor of an estate.

Our fees will be subject to VAT at the appropriate rate.

Where the case is not registered for VAT, VAT shall be shown as an irrecoverable expense of the estate.

Expenses

Every case dealt with will incur expenses in addition to fees.

Expenses are payments from the insolvent estate which are neither an office holder's remuneration nor a distribution to a creditor or member (as appropriate). Expenses include disbursements, which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

Expenses are split 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 and may be paid without prior approval.
- Category 2 expenses 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. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

Category 1 can include, but not be limited to, insolvency bonds, statutory advertising, postage costs, company searches, land registry searches, post redirection, third party postal service, external room hire, public transport, subsistence and accommodation costs incurred by staff whilst attending to the administration of the estate, bank charges, Anti Money Laundering searches.

Category 2 can include, but not be limited to, mileage, storage of books and records where each estate is not separately invoiced but a per box charge is applied and the number of boxes for the case is known, any payments to a person/provider where a reasonable and informed third party would consider there to be an association.

Any authorised category 2 expenses which have been charged shall be shown in the statutory abstract of accounts.

Lucas Ross Limited currently charge mileage at 50 pence per mile.

Middleton Solicitors Ltd
(In Liquidation)
Liquidator's Summary of Receipts & Payments

| Statement of Affairs £ | | From 09/01/2021 To 08/01/2022 £ | From 09/01/2020 To 08/01/2022 £ |
|------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| | SECURED ASSETS | | |
| Uncertain | Rent Deposit | NIL | NIL |
| | | NIL | NIL |
| | SECURED CREDITORS | | |
| (116,330.71) | Graeme Middleton | NIL | NIL |
| | | NIL | NIL |
| | ASSET REALISATIONS | | |
| | Bank Interest Gross | 2.38 | 2.38 |
| | Book debt assignment | (2,000.00) | NIL |
| 16,373.50 | Book Debts | 23,429.74 | 23,429.74 |
| 1,527.00 | Cash at Bank | NIL | NIL |
| NIL | Client Funds | NIL | NIL |
| | Disbursement creditors | (1,050.00) | (1,050.00) |
| | Disbursements re Work In Progress | 5,325.70 | 5,325.70 |
| | Work In Progress | 7,689.35 | 7,689.35 |
| | | 33,397.17 | 35,397.17 |
| | COST OF REALISATIONS | | |
| | Legal fees | 713.03 | 713.03 |
| | Statutory Advertising | 158.00 | 158.00 |
| | | (871.03) | (871.03) |
| | UNSECURED CREDITORS | | |
| (32,349.04) | HM Revenue & Customs - VAT & PAYE | NIL | NIL |
| (293,091.43) | PI Insurance Provider | NIL | NIL |
| (235,478.96) | Trade & Expense Creditors | NIL | NIL |
| | | NIL | NIL |
| | DISTRIBUTIONS | | |
| (100.00) | Ordinary Shareholders | NIL | NIL |
| | | NIL | NIL |
| (659,449.64) | | 32,526.14 | 34,526.14 |
| | REPRESENTED BY | | |
| | Bank 1 Current | | 36,147.30 |
| | Vat Payable | | (2,005.37) |
| | Vat Receivable | | 384.21 |
| | | | 34,526.14 |

Time Entry - SIP9 Time & Cost Summary

M0046 - Middleton Solicitors Ltd
All Post Appointment Project Codes
From: 09/01/2021 To: 08/01/2022

| Classification of Work Function | Partner | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | Time Cost (£) | Average Hourly Rate (£) |
|---------------------------------|---------|---------|----------------------------|----------------------------|-------------|---------------|-------------------------|
| Admin & Planning | 8.30 | 7.00 | 0.00 | 10.00 | 25.30 | 6,774.50 | 267.77 |
| Case Specific Matters | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Creditors | 0.20 | 0.90 | 0.00 | 1.40 | 2.50 | 551.00 | 220.40 |
| Investigations | 0.00 | 3.40 | 0.00 | 6.60 | 10.00 | 2,024.50 | 202.45 |
| Pre Appointment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Realisation of Assets | 10.20 | 4.10 | 0.00 | 0.10 | 14.40 | 5,194.00 | 360.69 |
| Trading | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Hours | 18.70 | 15.40 | 0.00 | 18.10 | 52.20 | 14,544.00 | 278.62 |
| Total Fees Claimed | | | | | | 0.00 | |
| Total Disbursements Claimed | | | | | | 0.00 | |

Time Entry - SIP9 Time & Cost Summary

M0046 - Middleton Solicitors Ltd
All Post Appointment Project Codes
From: 09/01/2020 To: 08/01/2022

| Classification of Work Function | Partner | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | Time Cost (£) | Average Hourly Rate (£) |
|---------------------------------|---------|---------|----------------------------|----------------------------|-------------|---------------|-------------------------|
| Admin & Planning | 9.90 | 7.30 | 10.50 | 22.50 | 50.20 | 11,061.00 | 220.34 |
| Case Specific Matters | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Creditors | 0.70 | 1.10 | 23.80 | 4.60 | 30.20 | 6,451.00 | 213.61 |
| Investigations | 2.80 | 3.40 | 8.80 | 23.00 | 38.00 | 6,624.50 | 174.33 |
| Pre Appointment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Realisation of Assets | 10.80 | 4.10 | 19.10 | 4.70 | 38.70 | 10,184.00 | 263.15 |
| Trading | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Hours | 24.20 | 15.90 | 62.20 | 54.80 | 157.10 | 34,320.50 | 218.46 |
| Total Fees Claimed | | | | | | 0.00 | |
| Total Disbursements Claimed | | | | | | 0.00 | |

Time Entry - SIP9 Time & Cost Summary

All Disbursements

M0046 - Middleton Solicitors Ltd
From: 09/01/2020 To: 08/01/2022

Other amounts paid or payable to the office holders firm or to party in which the office holder or his firm or any associate has an interest.

| Transaction Date | Type and Purpose | Disbursement Category | Amount |
|------------------|--|-----------------------|--------|
| 09/01/2020 | Specific Bond: Marsh UK Bordereau - January 2020 | Category 1 | 70.00 |
| Total | | | 70.00 |