

## 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

03872646

Name of Company

Merchant Inns Limited

I / ~~We~~

Michaela Hall, 4th Floor, 4 Victoria Square, St Albans, Hertfordshire, AL1 3TF

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 31/12/2015 to 30/12/2016

Signed



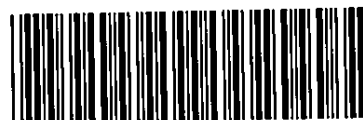
Date

27-02-17

Kingston Smith & Partners LLP  
4th Floor,  
4 Victoria Square,  
St Albans,  
Hertfordshire,  
AL1 3TF

Ref IHM0002/MH/CR/MG/JH

WEDNESDAY



\*A619RB55\*

A34

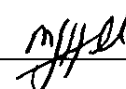
01/03/2017

#38

COMPANIES HOUSE

**Merchant Inns Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

Statement of Affairs	From 31/12/2015 To 30/12/2016	From 13/04/2011 To 30/12/2016
<b>ASSET REALISATIONS</b>		
Book Debts	NIL	9,670 00
Shares & Investments	NIL	89,099 00
VAT Refund	NIL	NIL
Rates Refund	NIL	3,713 18
Shareholders Funding	NIL	265,000.00
Bank Interest Gross	32 49	1,043.51
Administration Surplus	NIL	326,439 85
	<u>32.49</u>	<u>694,965 54</u>
<b>COST OF REALISATIONS</b>		
Specific Bond	NIL	375.00
Special Managers Fees	NIL	6,952 06
Prov Liquidators Fees	NIL	66,473.58
Sundry Expenses	NIL	914.39
Agents/Valuers Fees (1)	NIL	30 00
Agents/Valuers Fees (2)	NIL	928 97
Legal Fees (1)	NIL	524,839 15
Corporation Tax	6.80	208 06
VAT Irrecoverable	NIL	(7 15)
Storage Costs	2,235 78	12,980.49
Statutory Advertising	NIL	231.50
Bank Charges	NIL	25.00
DTI Unclaimed Dividends	NIL	326 94
	<u>(2,242.58)</u>	<u>(614,277.99)</u>
	<u><b>(2,210.09)</b></u>	<u><b>80,687.55</b></u>
<b>REPRESENTED BY</b>		
Vat Receivable		188.00
Bank 1 Metro		71,830 96
Metro Prescribed Parts		8,801 40
Bank 2 Bank of Ireland		(132 81)
		<u><b>80,687.55</b></u>



Michaela Hall  
Liquidator

---

# **Liquidator's Annual Progress Report to Creditors & Members**

**Merchant Inns Limited  
- In Liquidation**

**28 February 2017**

# **MERCHANT INNS LIMITED - IN LIQUIDATION**

## **CONTENTS**

- 1** Introduction and Statutory Information
- 2** Progress of the Liquidation
- 3** Creditors
- 4** Liquidator's Remuneration
- 5** Creditors' Rights
- 6** Next Report

## **APPENDICES**

- A** Receipts and Payments Account from 31 December 2015 to 30 December 2016 and cumulatively from 13 April 2011 to 30 December 2016
- B** Holland & Co Time Analysis for the Period from 13 April 2011 to 30 December 2014
- C** Kingston Smith & Partners LLP Time Analysis for the Year 31 December 2015 to 30 December 2016
- D** Kingston Smith & Partners LLP Time Analysis cumulatively from 31 December 2014 to 30 December 2016
- E** Ian Holland's Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9
- F** Kingston Smith & Partners LLP Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9

# MERCHANT INNS LIMITED - IN LIQUIDATION

## 1 Introduction and Statutory Information

- 1 1 Ian Holland ("Mr Holland"), of Ian Holland & Co, The Clock House, 87 Paines Lane, Pinner, Middlesex HA5 3BZ was appointed as the Liquidator of Merchant Inns Limited ("the Company") by way of notice of move from administration to creditors voluntary liquidation, (form 2 34B), filed on 13 April 2011 by Messrs Kahn and Edwards of Deloitte LLP, Joint Administrators of the company
- 1 2 As previously reported, Mr Holland has retired from taking active appointments so I, Michaela Joy Hall, succeeded him as Liquidator on 31 December 2014. This report provides an update on the progress in the liquidation for the period to 30 December 2016
- 1 3 The Company was incorporated on 3 November 1999 and operated in the hotel and motel industry
- 1 4 The Registered Office of the Company has been changed to 105 St. Peter's Street, St Albans, Hertfordshire AL1 3EJ and subsequently to 4<sup>th</sup> Floor, 4 Victoria Square, St Albans, Hertfordshire, AL1 3TF. Its registered number is 03872646
- 1 5 The Company operated from different trading addresses, and trading names were Carnarvon Arms, Lambert Arms, Talbot Inn, Horse & Groom, Black Boy, Saracens Head and The Mermaid Inn, according to the Joint Administrators' final report dated 8 April 2011

## 2 Progress of the Liquidation

- 2.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period.

### Administration

- 2 2 A Liquidator must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. This work includes dealing with the Company's creditors and employees together with administrative tasks associated with the appointment, such as agreeing the strategy for the liquidation, filing notices of appointment, statutory advertising, opening and maintaining the estate cash book and bank accounts and reporting periodically to creditors, HMRC and the Registrar of Companies.
- 2 3 Creditors should note that this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute

### Realisation of Assets

- 2.4 At Appendix A is my Receipts and Payments Account for the period of this report. Also attached at Appendix A is a cumulative Receipts and Payments Account for the period from the date of the commencement of the liquidation to 30 December 2016

### Shares and investments

- 2 5 Mr Holland's cashbook shows that the sum of £89,099 was received in respect of the sale of the Snoozebox shares, and this is shown on the cumulative receipts and payments account. From correspondence with the solicitors involved in the sale, and Mr Holland, I believe that the realisation will be absorbed by legal costs in respect of the sale and the liquidation generally. I am not satisfied that the receipts and payments account accurately reflects the position because fully itemised legal fees have not been fully accounted for to me, so the credit balance of £71,830.96 is incorrect. The credit balance on the main account at 30 December 2016 is £4,687.96 according to the bank statements

## MERCHANT INNS LIMITED - IN LIQUIDATION

2 6 I believe the above anomaly to be historic and have spent considerable time trying to reconcile the figures. Unfortunately however, I have been unable to complete the task prior to the anniversary of the liquidation.

2 7 For the avoidance of doubt, I believe the above issues to be accounting entries only and give no cause for concern.

### ***Bank interest***

2 8 £32 49 has been received in respect of gross bank interest during the Period.

### ***Creditors (claims and distributions)***

2 9 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. A Liquidator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.

2 10 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.

2 11 The above work will not necessarily bring any financial benefit to creditors generally, however a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.

### ***Investigations***

2 12 In accordance with the Company Directors Disqualification Act 1986 Mr Holland submitted a report on the conduct of the Directors of the Company to the Department for Business, Innovation and Skills ("BIS"). As this is a confidential report, I am not able to disclose the contents.

2 13 Mr Holland has previously advised of investigations in connection with a former director. I can now confirm that the litigation has been settled by way of Consent Order dated 18 December 2015. Regrettably, no monies were realised from the litigation, with the exception of the return of £50,000 security for costs paid into court by Wallace, the second charge holder. Accrued interest of £525 53 has also been paid. The funds are to be split between the two liquidations and are currently held in my solicitors client account until all costs have been dealt with.

2 14 Under the terms of the Settlement Agreement dated 26 November 2012 between Mr Holland as Liquidator of Merchant Inns Limited and Robert Breare, the above former director, the funds detailed in 2 13 above are to be returned to the company in liquidation for payment of outstanding costs, with any surplus being returned to the second charge holder.

2 15 Accordingly, no funds from this source are available for unsecured creditors in the liquidation.

## MERCHANT INNS LIMITED - IN LIQUIDATION

### 3 Creditors

#### *Secured Creditors*

- 3 1 Merchant Inns Limited ("MIL") was a wholly owned subsidiary of Merchant Inns Group Limited ("MIGL") MIL had secured debts due to Coutts & Co ("Coutts") and Wallace Estates Limited ("Wallace") at the date of administration, which according to the Director's Statement of Affairs totalled approximately £15.23m. Coutts also had a cross-guarantee in place for any debt between MIL and MIGL, for approximately £4.85m
- 3 2 The Administrators completed the sale of the business and assets on 30 July 2010, from which Coutts were paid £8.88m from MIL and a further £5.72m from MIGL, resulting in payment in full in respect of their total indebtedness. There have been no further distributions to secured lenders
- 3 3 Any funds available in MIL at the end of the liquidation will be returned to Wallace as the second charge holder. This includes any surplus amounts provided by Wallace in respect of the administration funding of over £200,000

#### *Preferential Creditors*

- 3 4 Preferential claims totalling £39,371 were agreed during the administration period. Preferential creditors have received a first and final dividend from the Administrators of 100 p in £

#### *Unsecured Creditors*

- 3 5 The Joint Administrators' final report advised that they anticipated a distribution to unsecured creditors of the Prescribed Part in the region of £17,000. This was dependent upon debtor realisations in the liquidation. Most of the debtors were collected during the Administration and the debts falling to be realised by the Liquidator were contentious. As a result, total realisations in the liquidation amount to £9,670 and after liquidation expenses, the sum available for the Prescribed Part is £8,782.
- 3 6 The Statement of Affairs submitted by the directors in the Administration, estimated unsecured creditors to be in the region of £3.5m.
- 3 7 No claims have been agreed to date and in view of the nominal sum available under the Prescribed Part, I do not consider it viable to commence this process as the costs of the exercise will outweigh the sum available. The sum in hand will be utilised for liquidation costs and there will be no funds available for unsecured creditors in this matter.

### 4 Liquidator's Remuneration

- 4 1 The creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the Liquidation at a meeting held on 22 June 2011
- 4 2 Mr Holland's time costs for the period from 13 April 2011 to 30 December 2014 are £73,105.75. This represents 323.05 hours at an average rate of £226.30 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the period in respect of the costs fixed by reference to time properly spent by Mr Holland in managing the Liquidation
- 4 3 Mr Holland has drawn fees totalling £70,284.25 plus VAT on account of his costs to date. His outstanding WIP is £851
- 4 4 I have not detailed Mr Holland's costs as I am not familiar with his time recording system

## MERCHANT INNS LIMITED - IN LIQUIDATION

- 4.5 My time costs for the Period are £6,493.33. This represents 24.17 hours at an average rate of £268.65 per hour. Attached as Appendix C is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by me in managing the liquidation. To date, I have not drawn any fees.
- 4.6 Also attached as Appendix D is a cumulative Time Analysis for the period from 31 December 2014 to 30 December 2016 which provides details of my time costs since my appointment. The cumulative time costs incurred to date are £15,736.64. This represents 62.67 hours at an average rate of £251.10 per hour.
- 4.7 Attached at Appendix E and F respectively is additional information in relation to Mr Holland's and this firm's policy on staffing, the use of subcontractors, disbursements and details of current charge-out rates by staff grade.
- 4.8 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from [www.kspllp.co.uk/creditorsguidetofees](http://www.kspllp.co.uk/creditorsguidetofees)

### 5 Creditors' Rights

- 5.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report.
- 5.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

### 6 Next Report

- 6.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors.

Yours faithfully



**MICHAELA JOY HALL**  
Liquidator

---

**MERCHANT INNS LIMITED - IN LIQUIDATION**

**APPENDIX A**

**Receipts and Payments Account from 31 December 2015 to 30 December 2016 and Cumulative  
from 13 April 2011 to 30 December 2016**

**Merchant Inns Limited**  
**(In Liquidation)**  
**Liquidator's Summary of Receipts & Payments**

Statement of Affairs £	From 31/12/2015 To 30/12/2016 £	From 13/04/2011 To 30/12/2016 £
<b>ASSET REALISATIONS</b>		
Book Debts	NIL	9,670 00
Shares & Investments	NIL	89,099.00
VAT Refund	NIL	NIL
Rates Refund	NIL	3,713 18
Shareholders Funding	NIL	265,000 00
Bank Interest Gross	32 49	1,043.51
Administration Surplus	NIL	326,439.85
	<u>32 49</u>	<u>694,965 54</u>
<b>COST OF REALISATIONS</b>		
Specific Bond	NIL	375 00
Special Managers Fees	NIL	6,952.06
Prov Liquidators Fees	NIL	66,473 58
Sundry Expenses	NIL	914 39
Agents/Valuers Fees (1)	NIL	30 00
Agents/Valuers Fees (2)	NIL	928 97
Legal Fees (1)	NIL	524,839 15
Corporation Tax	6.80	208 06
VAT Irrecoverable	NIL	(7.15)
Storage Costs	2,235 78	12,980 49
Statutory Advertising	NIL	231 50
Bank Charges	NIL	25.00
DTI Unclaimed Dividends	NIL	326 94
	<u>(2,242.58)</u>	<u>(614,277 99)</u>
	<u><b>(2,210.09)</b></u>	<u><b>80,687.55</b></u>
<b>REPRESENTED BY</b>		
Vat Receivable		188 00
Bank 1 Metro		71,830 96
Metro Prescribed Parts		8,801.40
Bank 2 Bank of Ireland		(132.81)
		<u><b>80,687.55</b></u>



Michaela Hall  
Liquidator

---

**MERCHANT INNS LIMITED - IN LIQUIDATION**

**APPENDIX B**

**Holland & Co's Time Analysis for the Period from 13 April 2011 to 30 December 2014**

Merchant Inns Group

From 13 Apr 2011 to 31 Jul 2013

HOURS							
Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Liasing Acct/emll/tel/tel	0 00	1.50	0 00	0 00	1 50	180.00	120 00
Employee	0 00	1 50	0 00	0 00	1 50	180 00	120 00
Administration Set Up	3 30	1 50	0 00	0 00	4 80	1,384 50	288 44
Banking	0 30	13 60	0 00	2 70	16 60	2,230 00	134 34
Billing	0 00	0 00	0 50	2 15	2 65	413 25	155 94
General Admin	0 00	0 00	26 50	6 35	32 85	5,752.50	175.11
Periodic Case Review	0 00	0.00	0 00	1 00	1 00	140 00	140 00
Statutory Reporting	5 70	3 70	0 00	5 50	14.90	3,549 50	238 22
Tax - Admin & Planning	0 00	0 00	0 50	1 70	2.20	418 00	190 00
Vat Reporting	0.00	0 00	0 00	2 50	2 50	485 00	194 00
Administration & Planning	9 30	18.80	27 50	21 90	77.50	14,372 75	185 45
Antecedent Transactions	0 60	0 00	0.00	0 00	0 60	112 50	187 50
CDDA Reporting	2 70	0 00	9 00	0 00	11 70	2,722 50	232 69
Solicitors Advice/Corresp	4 20	0 00	0 00	0.00	4.20	1,611 00	383 57
Investigations	7 50	0.00	9 00	0.00	16 50	4,446.00	269 45
Comm, Correspondenc -	0 10	7 30	0 00	0.00	7 40	917 50	123 99
Creditors Meeting	0 50	0 00	0.00	11 05	11 55	1,729 50	149.74
Reconciliation Of Cred Claims	0 00	1 50	0 00	0 00	1.50	180 00	120 00
Review Of Cred'ts Claims	0 00	1 50	0 00	0 00	1.50	180.00	120 00
Creditors	0 60	10 30	0 00	11 05	21 95	3,007.00	136 99
Realisation of Assets	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Trading	0 00	0.00	0 00	0 00	0 00	0 00	0 00

lan Holland + Co

TIME & CHARGEOUT SUMMARIES

Merchant Inns Group

From 13 Apr 2011 to 31 Jul 2013

HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Total Fees Claimed £	6,351.50	3,859.50	6,435.00	5,359.75		22,005.75	
Total Hours	17.40	30.60	36.50	32.95	117.45		
Average Rate	365.03	126.13	176.30	162.66			

CATEGORY 2 DISBURSEMENTS

Type & Purpose	Amount £
03/05/2012 Envelope / Label 4 x 1p	0.04
03/05/2012 Envelope / Label 4 x 0.055p	0.22
03/05/2012 Photocopying 4 x 1 x 0.0225	0.09
03/05/2012 Postage Annual 4 x 0.44p	1.76
13/06/2011 Search	2.00
16/08/2011 Search	1.00
14/10/2011 Search	3.00
11/11/2011 Search	4.00
13/01/2012 Search	2.00
11/05/2012 Search	2.00
28/06/2012 Search	1.00
11/10/2011 Tube/Taxis Michael Conn Goldsobel meeting 10/10/11	7.00
	24.11

Merchant Inns Group Limited  
(In Creditors Voluntary Liquidation)

Summary of Liquidator's Time Costs from 1 August 2013 to 30 December 2014

	Partner		Senior Administrator		Administrator		Assistant		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review Receipts & Payments General Administration	7	274.50	56	1,153.00	27	391.50		-	90	1,819.00	202.11
	-	-	9	184.50	113	1,638.50	3	37.50	125	1,860.50	148.84
	3	118.50	-	-	5	72.50		-	8	191.00	238.75
<hr/>											
Total	10	393.00	65	1,337.50	145	2,102.50	3	37.50	223	3,870.50	
<hr/>											
Average Hourly Rate (£)		<u>393.00</u>		<u>205.77</u>		<u>145.00</u>		<u>125.00</u>		<u>173.57</u>	

11 Units are 6 minutes

---

**MERCHANT INNS LIMITED - IN LIQUIDATION**

**APPENDIX C**

**Kingston Smith & Partners LLP Time Analysis for the Year 31 December 2015 to 30 December 2016**

## Merchant Inns Limited

### Summary of Fees and Expenses

From 31/12/2015 to 30/12/2016

#### Time Costs

The following is a summary of the time costs incurred by the Office Holder and his staff in the administration of this matter. It should be read in conjunction with the Office Holder's Report for the period referred to above.

Work Activity	Partner Hrs	Manager / Supervisor Hrs	Administrator Hrs	Other Hrs	Total Hrs	Time Costs (£)	Average Costs (£)
Administration & Planning	0.17	10.58	3.92		14.67	4,211.24	287.06
Strategy reviews/Checklists/Diary	0.17	2.50			2.67	909.16	340.51
Books & Records administration		0.50			0.50	170.83	341.66
Cashiering - set-up, maintenance &		3.33			3.33	1,132.52	340.10
Dealing with company/Debtor re		0.25			0.25	83.75	335.00
General Admin/Billing/Filing		2.17	3.92		6.08	1,338.32	220.12
Post Appointment VAT & CTax		1.25			1.25	393.75	315.00
Statutory filing with Court, Companies		0.58			0.58	182.91	315.36
Realisation of Assets	1.00		0.17		1.17	426.67	364.68
Cashiering - banking, realisations &	1.00		0.17		1.17	426.67	364.68
Creditors	0.33	3.75		4.25	8.33	1,855.42	222.74
Correspondence/Preparation of	0.33	3.58		4.25	8.17	1,799.59	220.27
Claims/Proofs		0.17			0.17	55.83	328.41
<b>Grand Total:</b>	<b>1.50</b>	<b>14.33</b>	<b>4.08</b>	<b>4.25</b>	<b>24.17</b>	<b>6,493.33</b>	

#### Notes

1 All costs are shown excluding VAT and include an element of undrawn work in progress. It should also be noted that the office holder's fees and other expenses included in his Abstract Receipts and Payments, will include irrecoverable VAT, where the insolvent was not formerly registered for VAT.

2 The time accounting system utilised by Kingston Smith & Partners LLP does not allow for analysis of time, by task, prior to 30 November 2002.

3 The number of hours shown have been rounded to two decimal places.

#### Disbursements

##### Category 1 Disbursements

241.28

These are out of pocket expenses which are directly attributable to the case. These are charged to the case and billed as funds allow.

##### Category 2 Disbursements

These are costs which are allocated to the case, where no direct costs are applicable. In this case, category 2 disbursements have been charged to the case as follows:

Photocopies	44.40
Postage	155.44
	<b>199.84</b>

**MERCHANT INNS LIMITED - IN LIQUIDATION**

**APPENDIX D**

**Kingston Smith & Partners LLP Time Analysis cumulatively from 31 December 2014 to 30 December 2016**

## Merchant Inns Limited

### Summary of Fees and Expenses

From 31/12/2014 to 30/12/2016

#### Time Costs

The following is a summary of the time costs incurred by the Office Holder and his staff in the administration of this matter. It should be read in conjunction with the Office Holder's Report for the period referred to above.

Work Activity	Partner Hrs	Manager / Supervisor Hrs	Administrator Hrs	Other Hrs	Total Hrs	Time Costs (£)	Average Costs (£)
Administration & Planning	0.92	23.00	8.58		32.50	9,286.22	285.73
Planning/Investigation/Litigation	0.33				0.33	131.67	399.00
Statutory filing with Court, Companies	0.08	0.83			0.92	299.58	325.63
Strategy reviews/Checklists/Diary	0.50	6.00	0.17		6.67	2,236.65	335.33
Books & Records administration		0.83			0.83	282.50	340.36
Cashiering - set-up, maintenance &		4.92			4.92	1,662.94	338.00
Dealing with company/Debtor re		0.50			0.50	167.50	335.00
General Admin/Billing/Filing		5.33	7.42		12.75	2,892.48	226.86
Post Appointment VAT & CTax		3.92	1.00		4.92	1,389.57	282.43
Set-up Administration/IPS/Initial		0.67			0.67	223.33	333.33
Realisation of Assets	1.00	1.58	0.17		2.75	957.08	348.03
Cashiering - banking, realisations &	1.00		0.17		1.17	426.67	364.68
Freehold & Leasehold		0.50			0.50	167.50	335.00
Identification, securing, insuring &		0.17			0.17	55.83	328.41
Intangible Assets - Goodwill,		0.92			0.92	307.08	333.78
Creditors	0.33	8.00	10.67	7.25	26.25	5,102.51	194.38
Correspondence/Preparation of	0.33	5.67		7.25	13.25	2,827.51	213.40
Claims/Proofs		2.33	10.67		13.00	2,275.00	175.00
Investigations		1.17			1.17	390.83	334.04
Information capture/initial		1.17			1.17	390.83	334.04
<b>Grand Total</b>	<b>2.25</b>	<b>33.75</b>	<b>19.42</b>	<b>7.25</b>	<b>62.67</b>	<b>15,736.64</b>	

#### Notes

1 All costs are shown excluding VAT and include an element of undrawn work in progress. It should also be noted that the office holder's fees and other expenses included in his Abstract Receipts and Payments, will include irrecoverable VAT, where the insolvent was not formerly registered for VAT.

2 The time accounting system utilised by Kingston Smith & Partners LLP does not allow for analysis of time, by task, prior to 30 November 2002.

3 The number of hours shown have been rounded to two decimal places.

#### Disbursements

Category 1 Disbursements 521.72

These are out of pocket expenses which are directly attributable to the case. These are charged to the case and billed as funds allow.

#### Category 2 Disbursements

These are costs which are allocated to the case, where no direct costs are applicable. In this case, category 2 disbursements have been charged to the case as follows:

Photocopies	1,453.20
Postage	513.51
	<u>1,966.71</u>

---

**MERCHANT INNS LIMITED - IN LIQUIDATION**

**APPENDIX E**

**Ian Holland's Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9**

Ian Holland + Co – Practice fee recovery policy

In accordance with best practice I provide below details of Ian Holland + Co policy in respect of fees and expenses for work in relation to insolvency appointments.

The current and previous charge-out rates per hour for staff within the practice who may be involved in working on an insolvency appointment are as follows:

Grade	Rate effective from 1 July 2014 £	Rate effective from 1 July 2013 £
Partner	395	390
Associate	280	270
Manager	250	245
Senior administrator	210	205
Administrator	145	145
Assistant	125	125
Junior	55	55

These charge-out rates charged are reviewed on 1 July each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Each unit of time is 6 minutes. The work is recorded under the following categories:

Administration and Planning  
Investigations  
Realisation of assets  
Debtors  
Creditors  
Employee matters  
Trading

The officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time cost basis a periodic report will be provided to any committee appointed by creditors or, in the absence of a committee, to the creditors. 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.

Time is charged in 6 minute units

### Agent's Costs

These are re-charged to the insolvent estate 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

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

#### Category 1

This heading covers expenses where Ian Holland + Co has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as a specific penalty bond, advertising, couriers, travel (by public transport), searches at Companies House, land registry searches, fees in respect of swearing legal documents, external printing costs, software licence fees etc. In each case the amount recharged to the insolvent estate will be a reimbursement of the specific expense incurred.

#### Category 2

This heading covers expenses incurred by Ian Holland + Co that 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 allocation being approved by creditors in advance.

Ian Holland + Co propose to recover the following Category 2 disbursements:

Mileage	50p per mile
Copying	2 25p per sheet
Stationery	5 5p per envelope
Labels	1p per label

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

Ian Holland + Co

## MERCHANT INNS LIMITED - IN LIQUIDATION

### APPENDIX F

#### Additional Information in Relation to the Liquidator's Fees, Expenses & Disbursements

##### 1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment
- 1.3 We are not proposing to utilise the services of any sub-contractors in this case

##### 2 Professional Advisors

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis

Name of Professional Advisor	Basis of Fee Arrangement
Marsh Limited (insurance)	Scale rate

- 2.2 Our choice was 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.

##### 3 Liquidator's Expenses & Disbursements

- 3.1 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below

	Incurred in prior period £	Incurred in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Storage costs	157 44	241 28	398 72	398 72
Specific penalty bond	120 00	-	120 00	120 00
Companies House fees	3 00	-	3 00	3 00
Category 2 disbursements				
Photocopies	1,408 80	44 40	1,453 20	1,542 00
Postage	358 07	155 44	513 51	824 39

## MERCHANT INNS LIMITED - IN LIQUIDATION

- 3 2 Details of Mr Holland's disbursements have been shown in previous reports. By way of reminder, the following Category 2 disbursements have been incurred for the period 13 April 2011 to 31 July 2013 by Ian Holland & Co

Type and purpose	£
Photocopies/postage/stationery	643 69
Searches/travel	51 00

I have no details of Mr Hollands' Category 2 disbursements since 1 August 2013 as he changed his time recording system

- 3 3 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.
- 3 4 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidator's fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

## 4 Charge-Out Rates

- 4 1 Kingston Smith & Partners current charge-out rates effective from 1 May 2016 are detailed below. Please note this firm records its time in minimum units of 5 minutes.

### General Rates

	Per Hour £
Partner	395
Licensed Insolvency Practitioner	365
Senior Manager	345
Manager	310
<b>Other Senior Professionals</b>	
Supervisor/Assistant Manager	285
Senior Administrator	250
Administrator	190
Junior Administrator	150
<b>Support Staff</b>	
Experienced Cashier	270
Cashier	190
Support	120