

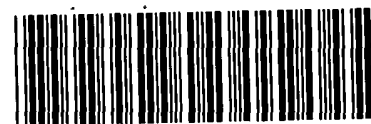
LIQ03

Notice of progress report in voluntary winding up



Companies House

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19/03/2021

#180

COMPANIES HOUSE

1. Company details

Company number 0 4 4 7 8 6 3 2

Company name in full Bournston Property Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2. Liquidator's name

Full forename(s) John

Surname Twizell

3. Liquidator's address

Building name/number c/o PKF GM, Third Floor

Street One Park Row

Post town Leeds

County/Region

Postcode L S 1 5 H N

Country

4. Liquidator's name ①

Full forename(s) James

Surname Sleight

① Other liquidator
Use this section to tell us about
another liquidator.

5. Liquidator's address ②

Building name/number c/o PKF GM, Third Floor

Street One Park Row

Post town Leeds

County/Region

Postcode L S 1 5 H N

Country

② Other liquidator
Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

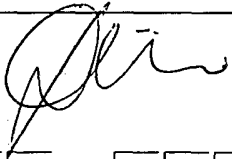
6 Period of progress report

From date	^d 1	^d 7	^m 0	^m 1	^y 2	^y 0	^y 2	^y 0	
To date	^d 1	^d 6	^m 0	^m 1	^y 2	^y 0	^y 2	^y 1	

7 Progress report

<input checked="" type="checkbox"/> The progress report is attached	
---	--

8 Sign and date

Liquidator's signature	Signature X		X						
Signature date	^d 1	^d 2	^m 0	^m 3	^y 2	^y 0	^y 2	^y 1	

LIQ03

Notice of progress report in voluntary winding up

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Thomas Gibney**Company name **PKF GM**Address **3rd Floor****One Park Row**Post town **Leeds**

County/Region

Postcode

L	S	1		5	H	N
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Country

DX

Telephone

0113 2445141**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

Bournston Property Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Declaration of Solvency £		From 17/01/2020 To 16/01/2021 £	From 17/01/2020 To 16/01/2021 £
	ASSET REALISATIONS		
536,886.00	Cash at Bank from Administration	531,119.88	531,119.88
10,670.00	VAT from Administration	6,139.05	6,139.05
	Bank Interest Gross	41.76	41.76
		<u>537,300.69</u>	<u>537,300.69</u>
	COST OF REALISATIONS		
	Specific Bond	20.00	20.00
	Joint Administrators' fees	11,901.50	11,901.50
	Legal fees (Administration expense)	13,395.00	13,395.00
	Counsel fees (Administration expense)	12,300.00	12,300.00
	VAT Irrecoverable (Administration Exp.)	228.77	228.77
	VAT Irrecoverable	1.48	1.48
	Statutory Advertising	243.00	243.00
	Bank Charges	15.00	15.00
		<u>(38,104.75)</u>	<u>(38,104.75)</u>
	DISTRIBUTIONS		
	Ordinary Shareholders	475,000.00	475,000.00
		<u>(475,000.00)</u>	<u>(475,000.00)</u>
<u>547,556.00</u>		<u>24,195.94</u>	<u>24,195.94</u>
	REPRESENTED BY		
	VAT Receivable		3.00
	Floating Current A/c		24,192.94
			<u>24,195.94</u>

**Bournston Property Limited (formerly in Administration) - In Members' Voluntary Liquidation
("the Company")
Annual Progress Report dated 12 March 2021**

**Bournston Property Limited (formerly In Administration) - In Members' Voluntary Liquidation
("the Company")**

Annual Progress Report to 16 January 2021

**John Twizell
James Sleight
Joint Liquidators
of
PKF GM
3rd Floor, One Park Row, Leeds, LS1 5HN**

Bournston Property Limited (formerly in Administration) - In Members' Voluntary Liquidation
("the Company")
Annual Progress Report dated 12 March 2021

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1. Executive summary
2. Introduction
3. Administration and planning
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5. Creditors
6. Distributions to the shareholders
7. Ethics
8. Liquidation costs and expenses
9. Further information
10. Miscellaneous
11. Conclusion

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1. Statutory information
2. Receipts and payments account
3. Analysis of time costs, charge-out rates and category 2 disbursements
4. Detailed narrative of work undertaken
5. Members' guide to fees

Bournston Property Limited (formerly in Administration) - In Members' Voluntary Liquidation
("the Company")

Annual Progress Report dated 12 March 2021

1. EXECUTIVE SUMMARY

This annual progress report summarises the main developments and issues arising in the Liquidation over the period from 17 January 2020 to 16 January 2021 ("the Review Period").

A summary of key financial information contained within this report is set out below.

Assets realisations

Asset	Estimated to realise per Declaration of Solvency £	Realisations to date £	Estimated future realisations £	Estimated total realisations £
Cash at Bank from Administration	536,886	531,120	Nil	531,120
VAT from Administration	10,670	6,139	Nil	6,139
Bank Interest Gross	N/a	42	Nil	42
Total	547,556	537,301	Nil	537,301

Expenses

Expense	Expense incurred to date £	Estimated further expense to closure £	Estimated total expense £
Administration expenses			
- Joint Administrators' fees	11,902	Nil	11,902
- Legal fees	13,395	Nil	13,395
- Counsel fees	12,300	Nil	12,300
- Irrecoverable VAT	229	Nil	229
Joint Liquidators' costs	9,628	4,000	13,628
Tax advisers' costs	2,500	1,250	3,750
Legal costs	4,000	Nil	4,000
Corporation Tax	Nil	10	10
Category 1 disbursements	278	219	497
Category 2 disbursements	16	Nil	16
Irrecoverable VAT	1	120	121
Total	54,249	5,599	59,848

Distributions

Class	Distribution paid to date £	Estimated total distribution £
Preferential creditors	N/a	N/a
Unsecured creditors	N/a	N/a
Shareholders	£237,500 per share being £475,000	£238,726 per share being £477,453

2. INTRODUCTION

The purpose of this report is to set out my acts and dealings as Joint Liquidator of Bournston Property Limited (formerly In Administration) – In Members' Voluntary Liquidation ("the Company") for the year ended 16 January 2021. It should be read in conjunction with my previous statutory correspondence and considerable formal and informal communications with the putative shareholders ("the Shareholders").

The Shareholders are already aware of the main issues in this Liquidation as they have been addressed and reported in direct correspondence with them. I am conscious that the costs of this Liquidation are already considerably in excess of those anticipated at the outset and therefore I have tried to keep this report as concise as possible whilst meeting my statutory obligations.

A summary of statutory information regarding the Company and the Liquidation is attached at Appendix 1.

3. ADMINISTRATION AND PLANNING

As Joint Liquidator, I am required to meet a considerable number of statutory and regulatory obligations. Many of these tasks do not have a direct benefit to the Liquidation, however they assist in its efficient and compliant progression, which ensures that I and my staff carry out our work to high professional standards. The narrative detail in respect of these tasks may be found in Appendix 4.

4. ASSET REALISATIONS

My Receipts and Payments Account for the Review Period is attached at Appendix 2.

Key information relating to asset realisations is set out in the following sub-sections. Further narrative describing the work undertaken may be found at Appendix 4.

The assets of the Company had an estimated value of £547,556 per the Declaration of Solvency which related to funds held in the Company's Administration of £536,886 and a VAT refund due of £10,670.

Cash at Bank from the Administration

The funds held in the Administration bank account at the date of Liquidation of £531,120 were transferred to the newly opened Liquidation bank account in mid-February 2020. The difference between the Declaration of Solvency estimate and the funds finally transferred was due to increased payments being made from the Administration bank account in the final days of the Administration. Those payments related to additional legal costs incurred in the process of placing the Company into Liquidation.

VAT from the Administration

The final VAT return from the Administration showed a repayment due of £6,139. This repayment has been received and banked in the Liquidation bank account.

**Bournston Property Limited (formerly in Administration) - In Members' Voluntary Liquidation
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Debt of £1.4m due from Bournston Developments Limited (in Liquidation) ("Developments")

The Company has an inter-group debt of £1.4m due from Developments. The background to this debt was addressed and reported during the Administration. A claim for this debt had been lodged and acknowledged in Developments' Liquidation. No dividend has been declared by Developments' Liquidator.

The payment of a dividend to the Company by Developments' Liquidator would give rise to what has become known as the "Dividend Loop" and is an integral part of the discussions between my tax advisers and Developments Liquidator's tax advisers. See section 6 below.

Bank interest gross

Bank interest of £42 has been received in the Liquidation over the Review Period. This will generate a small Corporation Tax liability that will be paid to HM Revenue & Customs when the first annual Liquidation Corporation Tax return is prepared and submitted.

5. CREDITORS

I am obliged as Joint Liquidator to carry out certain tasks in respect of every liquidation. These are included in the narrative set out in Appendix 4.

I set out below the anticipated outcome for the various individual classes of creditors.

Secured creditors

There are no known secured creditors in the Liquidation.

Preferential creditors

There are no known preferential creditors in the Liquidation.

Unsecured creditors

A statutory notice to creditors requiring them to submit any claims they may have was published in the London Gazette in the early days of the Liquidation. This is part of the standard statutory requirements of the liquidation process. No responses have been received in respect of this notice.

The Company had previously settled all known creditors in full, together with statutory interest at 8% per annum. This process is described fully in the various reports to key stakeholders over the course of the Administration.

No creditor claims have been received to date, nor are any expected.

6. DISTRIBUTIONS TO THE SHAREHOLDERS

The Liquidation had been planned in such a way so as to enable an early substantial cash distribution to be made to the Shareholders.

In summary, an agreement had been reached between the Shareholders ("The Agreement"), an Indemnity had been agreed with all relevant parties, the Final Administration report was completed and outstanding Administration liabilities settled, a new Liquidation Bank account was opened and funds were transferred to it from the Administration bank account.

This enabled a first interim cash distribution of £475,000, representing £237,500 per share, to be made on 19 February 2020.

During the course of my team's standard Corporation Tax closure review process, they identified a potential issue regarding the tax and accounting treatment of the debt (and therefore the dividend) due from Developments. This issue was first raised with Developments' Liquidator in mid-March 2020.

My primary concern as Liquidator was to ensure that no Corporation Tax liability was incurred in this Liquidation, or if a liability was to arise that it be recognised and agreed with the Shareholders. That remains my objective, together with ensuring that there is full transparency in my communications with the Shareholders.

It became apparent that the tax consequences relating to this debt and associated distribution process were considerably more complex and wider ranging than initially anticipated and tax advisers were engaged by both by myself and Developments' Liquidator in an attempt to resolve it quickly and efficiently. I was advised that a potential Corporation Tax liability of up to £95,000 could crystallise in the Liquidation if it were not addressed correctly.

I believe that all key correspondence related to this issue (between myself and Developments' Liquidator and our respective tax advisers) has been copied to Pelham Securities Limited ("Pelham") and their solicitors and therefore both Shareholders are fully aware of its history, consequences and progression. I therefore propose not to report in any detail on it as it would be an unnecessary duplication and additional cost.

The position reached at the end of the Review Period is that the respective tax advisers (mine and Developments) have agreed in principal a proposed distribution process which does not give rise to a Corporation Tax liability in this Liquidation and avoids the "Dividend Loop". That proposed distribution process has been presented by Developments' Liquidator to Pelham for their consent, the intention being that once both Shareholders have agreed it I may pass it to my tax advisers for their formal confirmation that by implementing it, it does not give rise to a Corporation Tax liability in this Liquidation.

I will not be in a position to declare a final distribution until after this issue is satisfactorily resolved.

7. ETHICS

As Joint Liquidator I am bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

General ethical considerations

Prior to my appointment, a review of ethical issues was undertaken and no ethical threats were identified. A further review has been carried out and no threats have been identified in respect of the management of the Liquidation over the Review Period.

Specialist advice and services

When instructing third parties to provide specialist advice and services or having the specialist services provided by my firm, I am obliged to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to the insolvency appointment.

When the potential tax and accounting issues associated with the inter-group debt first arose in the Liquidation, I engaged the tax and legal advisers who had been instructed in the Administration.

8. LIQUIDATION COSTS AND EXPENSES

The main payments made during the Review Period were in the early days of the Liquidation settling the final professional costs of the Administration. These are shown in the Receipts and Payments account attached at Appendix 2

Pre-appointment costs

The Company was previously in Administration and following sanction by the Court was placed into Members' Voluntary Liquidation on 17 January 2020. This was agreed to be the "best" way of achieving a timely distribution to the Shareholders. The costs of the process of placing the Company into Members' Voluntary Liquidation, which were substantial, are described in full in the Administration and were met as a cost in the Administration, albeit that the final balances were paid in the early days of the Liquidation.

Joint Liquidators' remuneration

The Joint Liquidators' remuneration has been authorised by the Shareholders by the passing of the following resolution on 17 January 2020:

"The Joint Liquidators shall be authorised to draw their remuneration based upon their time costs by reference to the time properly given by the Joint Liquidators and their staff, in attending to matters arising in the Liquidation at Geoffrey Martin & Co's standard hourly rates, at the rates prevailing at the time the work is done, such remuneration to be paid out of the assets of the Company and which may be drawn on account as and when funds permit without further recourse to members. In the first instance, this remuneration is limited to £1,000 plus disbursements and VAT. Any remuneration over this £1,000 limit is to be subject to separate additional approval by the members".

Bournston Property Limited (formerly in Administration) - In Members' Voluntary Liquidation
("the Company")
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This initial Fees Estimate was based on the assumption that the Liquidation would be straight forward and was essentially a mechanism to facilitate an early distribution to the Shareholders following the Administration.

However, the emergence of the potential Corporation Tax consequences of the Company's claim in the liquidation of Developments and the distribution process, together with the practical issues associated with the "Dividend Loop" have meant that following the first distribution the progress of the Liquidation has stalled.

Specialist tax and legal advice has had to be taken to resolve these issues and considerable delay and additional costs have been incurred. Indeed, it was initially expected that the Liquidation would be concluded within 12 months to avoid the requirement to produce this report.

As noted above, both Shareholders are directly and fully aware of these issues, so I don't intend to duplicate them in this report. Included in that direct correspondence with the Shareholders are details of the additional costs incurred. Details are also set out in the sub-sections below.

I have not sought to provide a revised Fees Estimate during the Review Period (as I believe to have done so would have incurred unnecessary costs). Rather, I have provided periodic updates of my firm's costs and confirmed to both Shareholders that I will not draw any fees in excess of the original Fees Estimate without their direct approval. However, I do expect the additional costs to be met.

I propose to address costs and fees again once the way forward regarding the distribution process has been agreed by both Shareholders and formally endorsed by my tax advisers.

Summary of Joint Liquidators' time costs

My firm's time costs for the Review Period total £9,627.50 representing 42.30 hours at an average hourly rate of £227.60. These time costs are analysed across key categories in Appendix 3. No fees have been drawn to date.

The work undertaken is described in Appendix 4 and is briefly covered within the body of this report. However, and more to the point, the Shareholders have first-hand knowledge of the work undertaken as they have been involved (both directly and indirectly) in the correspondence addressing the key issues in the Liquidation.

Joint Liquidators' disbursements

The Joint Liquidators' category 1 disbursements represent the simple reimbursement of actual out of pocket payments made on behalf of the Liquidation. Those incurred and paid during the Review Period are set out in the table below and in Appendix 2.

	Incurred in Review Period £	Total incurred £	Paid in Review Period £	Total paid £	Outstanding £
Category 1					
Specific bond	20	20	20	20	Nil
Statutory advertising	243	243	243	243	Nil
Bank charges	15	15	15	15	Nil
Total	278	278	278	278	Nil

Bournston Property Limited (formerly in Administration) - In Members' Voluntary Liquidation
("the Company")

Annual Progress Report dated 12 March 2021

The Joint Liquidators' category 2 disbursements for the Review Period total £16 and are set out in the table below. The basis of calculation of this category of disbursement was disclosed to the Shareholders prior to their passing this resolution on 17 January 2020. This basis is also set out in Appendix 3.

Category 2	Incurred in Review Period £	Total incurred £	Paid in Review Period £	Total paid £	Outstanding £
Postage, stationery and telephone	16	16	Nil	Nil	16
Total	16	16	Nil	Nil	16

No category 2 disbursements have been drawn to date.

A copy of 'A Members' Guide to Liquidators' Fees' is attached at Appendix 5. A hard copy of the Members' Guide may be obtained on request.

Other professional costs

Tax advice

BPR Heaton LLP ("BPR Heaton") were initially instructed to advise on the Corporation Tax implications of the debt (and therefore the dividend) due from Developments. This role was expanded to cover the potential Corporation Tax consequences of the whole distribution process, including the Company's claim in the liquidation of Developments and the "Dividend Loop". This involved considerable time liaising directly with Developments' tax advisers to explore and agree a mechanism which did not give rise to a Corporation Tax liability in this Liquidation.

BPR Heaton's costs to date are circa £2,500 plus VAT. These costs are yet to be agreed and settled.

BPR Heaton have further work to do in the Liquidation; namely formally confirming that the process informally agreed in principle with Developments' tax advisers achieves what we think it achieves. In other words, no Corporation Tax liability in this Liquidation. However, BPR Heaton will only carry out this exercise once both Shareholders have agreed the proposed process. At the end of the Review Period, Pelham's solicitors were still considering the proposed process.

BPR Heaton will also be instructed to prepare and submit the Liquidation Corporation Tax returns.

Solicitors

Gordons LLP ("Gordons") were instructed to advise on the legal implications of the debt (and therefore the dividend) due from Developments to ensure that I met my obligations to both Shareholders under the Agreement. This brief was expanded as the related issues expanded to cover the whole distribution process and the "Dividend Loop". This has involved Gordons' liaising directly with and responding to both Shareholders' solicitors.

Bournston Property Limited (formerly in Administration) - In Members' Voluntary Liquidation
("the Company")
Annual Progress Report dated 12 March 2021

Gordons' costs to date are circa £4,000 plus VAT. These costs are yet to be agreed and settled.

At the end of the Review Period, I believe that Gordons work to be concluded, subject to the Shareholders agreeing the proposed distribution process, that process being formally approved by my tax advisers and no other unforeseen issues arising in the Liquidation.

9. FURTHER INFORMATION

Shareholders of the Company with at least 5% of the total voting rights of all the shareholders having the right to vote at general meetings of the Company, or any shareholder with the permission of the court, may request further details of the Joint Liquidators' remuneration and expenses within 21 days of receipt of this report.

Shareholders of the Company with at least 10% of the total voting rights of all the shareholders having the right to vote at general meetings of the Company, or any shareholder with the permission of the court, may apply to court to challenge the amount and / or basis of the Joint Liquidators' fees and the amount of any proposed expenses or expenses already incurred on the grounds that they are excessive or inappropriate within 8 weeks of receipt of this report.

10. MISCELLANEOUS

On 11 January 2021 the trading style of PKF Geoffrey Martin & Co Limited changed to PKF GM. This information is purely for notification purposes and does not affect your rights as a shareholder or the appointment of John Twizell and James Sleight as Joint Liquidators of the Company.

11. CONCLUSION

The Liquidation has not progressed as initially envisaged following the identification in mid-March 2020 of significant potential Corporation Tax issues associated with the inter-group debt due from Developments of £1.4m. This led to further investigation of the tax consequences of the whole distribution process and what became known as the "Dividend Loop".


My tax advisers have liaised extensively with Developments Liquidator's tax advisers to explore and agree a resolution to these issues. A proposed distribution process has been informally agreed in principle between these respective tax advisers and Developments' Liquidator has recently presented this proposed way forward to Pelham's advisers for their approval.

Based on the assumption that Pelham approves the proposed way forward, I will instruct my tax advisers to formally review the proposed distribution process and confirm that it does not give rise to a Corporation Tax liability in the Liquidation. On that basis, I will seek to implement it.

I will also seek to agree and settle the costs of the Liquidation and move to close the Liquidation as quickly and efficiently as possible.

Bournston Property Limited (formerly in Administration) - In Members' Voluntary Liquidation
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Annual Progress Report dated 12 March 2021

If you require any further information, please contact Tom Gibney at this office.



John Twizell
Joint Liquidator

Enc.

Dated: 12 March 2021

John Twizell is licensed to act as an Insolvency Practitioner in the United Kingdom by the Institute of Chartered Accountants in England and Wales

James Sleight is licensed to act as an Insolvency Practitioner in the United Kingdom by the Insolvency Practitioners Association

Bournston Property Limited (formerly in Administration) - In Members' Voluntary Liquidation
("the Company")
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Appendix 1

**Bournston Property Limited (formerly in Administration) - In Members' Voluntary Liquidation
("the Company")**

Annual Progress Report dated 12 March 2021

STATUTORY INFORMATION

**Bournston Property Limited (formerly in Administration) – In Members' Voluntary Liquidation
("the Company")**

Registered office:	c/o PKF GM, 3rd Floor, One Park Row, Leeds, LS1 5HN (formerly Geoffrey Martin & Co, 4 Carlton Court, Brown Lane West, Leeds, LS12 6LT)
Former Registered Office:	Ossington Chambers, 6-8 Castle Gate, Newark, Nottinghamshire, NG24 1AX
Registered number:	04478632
Other trading names:	N/a
Name of Liquidators:	John Twizell and James Sleight
Address of Liquidators:	PKF GM, 3rd Floor, One Park Row, Leeds, LS1 5HN
IP Numbers:	0/007822/01 and 9648
Date of appointment of Liquidators:	17 January 2020
Appointed by:	The members
Contact name:	Thomas Gibney
Email address:	thomas.gibney@pkfgm.co.uk
Telephone number:	0113 426 7407

The Company's principal activity was the development and sale of real estate.

**Bournston Property Limited (formerly in Administration) - In Members' Voluntary Liquidation
("the Company")
Annual Progress Report dated 12 March 2021**

Appendix 2

Bournston Property Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Declaration of Solvency £		From 17/01/2020 To 16/01/2021 £	From 17/01/2020 To 16/01/2021 £
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	Bank Interest Gross	41.76	41.76
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	COST OF REALISATIONS		
	Specific Bond	20.00	20.00
	Joint Administrators' fees	11,901.50	11,901.50
	Legal fees (Administration expense)	13,395.00	13,395.00
	Counsel fees (Administration expense)	12,300.00	12,300.00
	VAT Irrecoverable (Administration Exp.)	228.77	228.77
	VAT Irrecoverable	1.48	1.48
	Statutory Advertising	243.00	243.00
	Bank Charges	15.00	15.00
		<u>(38,104.75)</u>	<u>(38,104.75)</u>
	DISTRIBUTIONS		
	Ordinary Shareholders	475,000.00	475,000.00
		<u>(475,000.00)</u>	<u>(475,000.00)</u>
<u>547,556.00</u>		<u>24,195.94</u>	<u>24,195.94</u>
	REPRESENTED BY		
	VAT Receivable		3.00
	Floating Current A/c		24,192.94
			<u>24,195.94</u>

Bournston Property Limited (formerly in Administration) - In Members' Voluntary Liquidation
("the Company")
Annual Progress Report dated 12 March 2021

Appendix 3

SIP 9 - Time & Cost Summary

Period: 17/01/20..16/01/21

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Appointment Taker	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & Planning	0.30	0.90	4.50	0.40	6.10	1,068.50	175.16
Administrative Setup	0.00	0.00	0.90	0.00	0.90	112.50	125.00
Appointment, Notification / Filing	0.30	0.20	3.70	0.00	4.20	628.00	149.52
Post Appointment VAT & Tax Re	6.80	0.40	3.80	0.00	11.00	2,981.00	271.00
Case Monitoring	0.00	0.00	1.30	0.00	1.30	227.50	175.00
Cashier for Non Trading	0.00	0.00	2.30	1.40	3.70	412.50	111.49
Other Statutory matters	0.10	0.00	0.30	0.00	0.40	70.00	175.00
Administration & planning	7.50	1.50	16.80	1.80	27.60	5,500.00	199.28
Other Assets	0.10	0.00	0.00	0.00	0.10	32.50	325.00
Realisations of assets	0.10	0.00	0.00	0.00	0.10	32.50	325.00
Shareholders - Distribution	1.20	0.40	0.80	0.00	2.40	616.00	256.67
Shareholders - Communication	8.90	0.10	3.20	0.00	12.20	3,479.00	285.16
Creditors	10.10	0.50	4.00	0.00	14.60	4,095.00	280.48
Total Hours	17.70	2.00	20.80	1.80	42.30	9,627.50	227.60

Bournston Property Limited (formerly in Administration) - In Members' Voluntary Liquidation
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Current Charge-out rates for the firm

Time costs

The firm's hourly charge out rates are revised annually from 1 July. The rates currently in use are within the following bands:

	£
Appointment Taker	325
Associate	285
Manager	265
Assistant Manager	220
Senior Administrator	160 – 175
Junior Administrator and Support Staff	100 – 125

Secretarial and cashiers time is charged to the case and their rates are included within the above hourly rates identified above as appropriate. Time is charged in units of 6 minutes.

Disbursements

A disbursement charge relating to the recovery of overhead costs is levied at the rate of £8.04 per creditor and member. This sum is drawn at the outset of the case and covers printing, postage, stationery, photocopying, telephone and fax usage.

Company Searches and Identity Verifications are charged at cost.

Outsourced printing and/or photocopying will be charged at cost in addition to the above.

Travelling expenses are charged at the rate of 45p per mile.

Bournston Property Limited (formerly in Administration) - In Members' Voluntary Liquidation
("the Company")
Annual Progress Report dated 12 March 2021

Appendix 4

**Bournston Property Limited (formerly in Administration) - In Members' Voluntary Liquidation
("the Company")**

Annual Progress Report dated 12 March 2021

Narrative detail of work undertaken for Bournston Property Limited

General Description	Includes
Administration and Planning	
Statutory/advertising	Filing of documents to meet statutory requirements Advertising in accordance with statutory requirements
Document maintenance/file review / checklist	Filing of documents Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries
Bank account administration	Preparing correspondence opening account Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Books and records / storage	Dealing with records in storage Sending job files to storage
Realisation of assets	
Cash at Bank	Liaising with the Administration bank to transfer funds and close account.
Distributions to members	
Dividend procedures	Preparation of distribution calculation Preparation of correspondence to the member announcing declaration of dividend Preparation BACS to pay dividend Preparation of correspondence to the member enclosing payment of dividend
Potential Corporation Tax liability	Extensive liaison with my tax and legal advisers regarding the implications of repayment (or not) of the debt due from Developments. Identifying and clarifying the associated issues and subsequent communications with the Shareholders and their respective professional advisers working to find a cost-effective resolution to these various issues.

A members' guide to Liquidators' fees - England and Wales

1 Introduction

When a company goes into liquidation the costs of the proceedings are paid out of its assets. The members (i.e. shareholders) therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as Liquidator. The insolvency legislation recognises this interest by providing mechanisms for members to fix the basis of the Liquidator's fees. This guide is intended to help members be aware of their rights to approve and monitor fees and explains the basis on which fees are fixed.

2 Liquidation procedure

Liquidation (or 'winding up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding up of a company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Where a declaration of solvency has been sworn by all or a majority of the directors of a company (as would usually be the case where they believe that the company has surplus assets to be distributed to members) a liquidation instituted by resolution of the shareholders is called a Members' Voluntary Liquidation (often abbreviated to 'MVL').

3 Fixing the Liquidator's fees

The basis for fixing the Liquidator's remuneration in an MVL is set out in the Insolvency (England & Wales) Rules 2016 ("the Rules"). The Rules state that the remuneration shall be fixed either:

- as a percentage of the value of the assets which are realised or distributed or both, or
- by reference to the time properly given by the Liquidator and his staff in attending to matters arising in the winding up; or
- as a set amount.

Any combination of these bases may be used to fix the remuneration and different bases may be used for different things done by the Liquidator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the Liquidator.

4. Who fixes the remuneration?

It is for the members of the company to determine on which of these bases the remuneration is to be fixed, and if it is to be fixed as a percentage, to fix the percentage to be applied. The Rules state that in arriving at their decision the members shall have regard to the following matters:

- the complexity (or otherwise) of the case;

- any respects in which, in connection with the company's affairs, there falls on the Liquidator any responsibility of an exceptional kind or degree;
- the effectiveness with which the Liquidator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the assets with which the Liquidator has to deal.

A resolution specifying the terms on which the Liquidator is to be remunerated may be taken at the meeting which appoints the Liquidator. If the remuneration is not fixed in any of these ways, it will be in accordance with the scale laid down for official receivers.

5. **Review of remuneration**

Where there has been a material and substantial change in circumstances since the basis of the Liquidator's remuneration was fixed, the Liquidator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

6. **What information should be provided by the Liquidator?**

6.1 **General principles**

The Liquidator should provide those responsible for approving his remuneration with sufficient information to enable them to make an informed judgement about the reasonableness of the Liquidator's request. The information should be presented in a manner which is transparent, consistent throughout the life of the case and useful to member, while being proportionate to the circumstances of the case.

The Liquidator should disclose:

- payments, remuneration and expenses arising from the administration paid to the Liquidator or his or her associates;
- any business or personal relationships with parties responsible for approving the Liquidator's remuneration or who provide services to the Liquidator in respect of the insolvency appointment where the relationship could give rise to a conflict of interest.

The Liquidator should inform members of their rights under insolvency legislation, and should advise them how they may access suitable information setting out their rights within the first communication with them and in each subsequent report.

Where the Liquidator sub-contracts out work that could otherwise be carried out by the Liquidator or his or her staff, this should be drawn to the attention of members with an explanation of why it is being done.

Key issues

The key issues of concern to those with a financial interest in the level of payments from the insolvency estate will commonly be:

- the work the Liquidator anticipates will be done, and why that work is necessary;
- the anticipated cost of that work, including any expenses expected to be incurred in connection with it;
- whether it is anticipated that the work will provide a financial benefit, and if so what benefit (or if the work provided no direct financial benefit, but was required by statute);
- the work actually done and why that work was necessary;
- the actual costs of the work, including any expenses incurred in connection with it, as against any estimate provided;
- whether the work has provided a financial benefit, and if so what benefit (or if the work provided no direct financial benefit, but was required by statute).

When providing information about payments, fees and expenses, the Liquidator should do so in a way which facilitates clarity of understanding of these key issues. Narrative explanations should be provided to support any numerical information supplied. Where it is practical to do so, the Liquidator should provide an indication of the likely return to creditors when seeking approval for the basis of his remuneration.

When approval for a fixed amount or a percentage basis is sought, the Liquidator should explain why the basis requested is expected to produce a fair and reasonable reflection of the work that the Liquidator anticipates will be undertaken.

6.3 Disbursements

Costs met by and reimbursed to the Liquidator in connection with the liquidation will fall into two categories:

- Category 1 disbursements: These are payments to independent third parties where there is specific expenditure directly referable to the liquidation. Category 1 disbursements can be drawn without prior approval, although the Liquidator should be prepared to disclose information about them in the same way as any other expenses.
- Category 2 disbursements: These are costs that are directly referable to the liquidation but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the Liquidator or their firm, and that can be allocated to the liquidation on a proper and reasonable basis.

When seeking approval, the Liquidator should explain, for each category of cost, the basis on which the charge is being made. If the Liquidator has obtained approval for the basis of Category 2 disbursements, that basis may continue to be used in a sequential appointment where further approval of the basis of remuneration is not required, or where the Liquidator is replaced.

The following are not permissible as disbursements:

- a charge calculated as a percentage of remuneration;
- an administration fee or charge additional to the Liquidator's remuneration;
- recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges.

6.4 Progress reports and requests for further information

The Liquidator is required to send annual progress reports to members. The reports must include:

- the basis fixed for the remuneration of the Liquidator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it);
- if the basis has been fixed, a statement of the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report);
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the things done by the Liquidator during those periods, irrespective of whether payment was actually made during the period of the report;
- a statement of the expenses incurred by the Liquidator during the period of the report, irrespective of whether payment was actually made during that period;
- a statement of the members' rights to request further information and their right to challenge the Liquidator's remuneration and expenses.

Within 21 days of receipt of a progress report, a member may request the Liquidator to provide further information about the remuneration and expenses set out in the report. A request must be in writing and may be made by members with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the Company or by any member with the permission of the court.

The Liquidator must provide the requested information within 14 days, unless he considers that:

- the time or cost of preparation of the information would be excessive, or
- disclosure would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
- the Liquidator is subject to an obligation of confidentiality in relation to the information requested,

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

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

7. Provision of information – additional requirements

The Liquidator must provide certain information about the time spent on the case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is –

- the total number of hours spent on the case by the Liquidator or staff assigned to the case;
- for each grade of staff, the average hourly rate at which they are charged out;
- the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the Liquidator's appointment, or where he has vacated office, the date that he vacated office.

The information must be provided within 28 days of receipt of the request by the Liquidator, and requests must be made within two years from vacation of office.

What if a member is dissatisfied?

8. If a member believes that the Liquidator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the Liquidator 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 members 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 any member with 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 out of the assets of the company.

9. Other matters relating to fees

Where the Liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with the scale laid down for the official receivers. Usually, however, the Liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned.

Where two (or more) Joint Liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the court, or a meeting of members.

If a new Liquidator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new Liquidator until a further determination, resolution or court order is made.

Where the basis of the remuneration is a set amount, and the liquidator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing Liquidator. The application must be made to the same body as approved the remuneration. Where the outgoing Liquidator and the incoming Liquidator are from the same firm, they will usually agree the apportionment between them.

There may also be occasions when members will agree to make funds available themselves to pay for the Liquidator to carry out tasks which cannot be paid for out of the assets. Any arrangements of this nature will be a matter for agreement between the Liquidator and the members concerned and will not be subject to the statutory rules relating to remuneration.

Whilst every care has been taken in its preparation, this statement is intended for general guidance only.