

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

05105206

Name of Company

Airflow Body Repair Centre Limited

I / We

Gareth David Rusling
93 Queen Street
Sheffield
S1 1WF
DX 10616 Sheffield

Steven Edward Butt
93 Queen Street
Sheffield
S1 1WF
DX 10616 Sheffield

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 25/10/2012 to 24/10/2013

Signed



Date

The P&A Partnership
93 Queen Street
Sheffield
S1 1WF
DX 10616 Sheffield

Ref A182012/NH/KA

THURSDAY



A24 *A2NKGEU9* 19/12/2013 #213
COMPANIES HOUSE

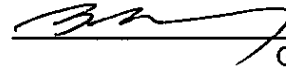
Airflow Body Repair Centre Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

| Statement of Affairs | | From 25/10/2012 To 24/10/2013 |
|-----------------------------|------------------------------------|--|
| | ASSET REALISATIONS | |
| NIL | Leasehold Improvements | NIL |
| 2,500 00 | Plant & Machinery | 2,916 67 |
| NIL | Furniture & Equipment | NIL |
| NIL | Stock | NIL |
| 47,244 00 | Book Debts | 4,581 29 |
| | Insurance Claim | 380 03 |
| | Cash in Hand | 400 00 |
| | Rates Refunds | 359 77 |
| | | <u>8,637 76</u> |
| | COST OF REALISATIONS | |
| | Specific Bond | 98 00 |
| | Statement of Affairs Fee | 6,000 00 |
| | Office Holders Fees | NIL |
| | Incidental Outlay | 921 20 |
| | Agents/Valuers Fees | 298 97 |
| | Fees re Pension Advice | 200 00 |
| | Accountants Fees | 240 00 |
| | Statutory Advertising | 209 25 |
| | Bank Charges | 20 00 |
| | | <u>(7,987 42)</u> |
| | PREFERENTIAL CREDITORS | |
| (3,228 00) | BIS RPO - National Insurance Fund | NIL |
| (316 00) | Employees - Preferential Creditors | NIL |
| | | <u>NIL</u> |
| | FLOATING CHARGE CREDITORS | |
| (63,947 00) | National Westminster Bank plc | NIL |
| | | <u>NIL</u> |
| | UNSECURED CREDITORS | |
| (27,285 00) | Trade & Expense Creditors | NIL |
| (714 00) | Employees - Unsecured Creditors | NIL |
| (31,650 00) | BIS RPO - National Insurance Fund | NIL |
| (3,961 00) | Directors Loan Account | NIL |
| (33,904 00) | HM Revenue & Customs - PAYE/NIC | NIL |
| (4,747 00) | HM Revenue & Customs - Corporation | NIL |
| (31,336 00) | HM Revenue & Customs - VAT | NIL |
| | | <u>NIL</u> |
| | DISTRIBUTIONS | |
| (100 00) | Ordinary Shareholders | NIL |
| | | <u>NIL</u> |
| (151,444 00) | | <u>650.34</u> |
| | REPRESENTED BY | |
| | VAT Receivable | 677 39 |
| | Bank Balance | 556 28 |

VAT Payable

(583.33)

650.34



Gareth David Rusling
Joint Liquidator



The P&A Partnership

Business Recovery & Insolvency

The P&A Partnership

93 Queen Street

Sheffield S1 1WF

MDX 10616 SHEFFIELD

t +44(0)114 275 5033

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www.thepandapartnership.com

epost@thepandapartnership.com

Our Ref A182012/CVL1001/L/NH/NHa

Your Ref

TO ALL SHAREHOLDERS AND CREDITORS

Date 13 December 2013

Contact Nick Hutton

Dear Sirs

**AIRFLOW BODY REPAIR CENTRE LIMITED
IN CREDITORS VOLUNTARY LIQUIDATION
ANNUAL REPORT TO CREDITORS**

Further to our appointment as Joint Liquidators of the above named Company on 25 October, 2012 and in accordance with Section 104A of the Insolvency Act 1986 enclosed for your information is the following documentation -

- (a) First annual progress report of the liquidation on the conduct of the Winding-Up during the preceding year,
- (b) Creditors' Guide to the Fees, Expenses and Disbursements charged by The P&A Partnership

A Creditors' Guide to Fees is available and provides explanations of creditors' rights. This can be accessed via the Internet at www.thepandapartnership.com/resources or alternatively a copy can be requested by telephoning The P&A Partnership Help Desk +44 (0)114 275 5033

Yours faithfully

**Gareth David Rusling
Joint Liquidator**

Encls

Annual Report

P&A Creditors Guide to Fees

Letter to Creditors enclosing Annual Report

**AIRFLOW BODY REPAIR CENTRE LIMITED
IN CREDITORS VOLUNTARY LIQUIDATION**

**Joint Liquidators' First Annual Progress Report
To Members and Creditors pursuant to Section
104A of the Insolvency Act 1986
for the period 25 October 2012 to 24 October 2013**

**Gareth David Rusling & Steven Edward Butt
Joint Liquidators**

**The P&A Partnership
93 Queen Street
Sheffield
S1 1WF**

This report has been compiled by the Joint Liquidators to comply with the statutory requirements of Section 104A of the Insolvency Act 1986 to provide creditors with an annual report of the progress of the liquidation. The report is private and confidential and may not be used by any person in whole or in part for any purpose whatsoever other than that intended by the Insolvency Act

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2. Receipts and Payments
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8. Unsecured Creditors
9. Estimated Outcome for Creditors
10. Conclusion

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- Appendix A Joint Liquidators' Abstract of Receipts and Payments for the period
Appendix B Joint Liquidators' analysis of time costs for the period
Appendix C The P&A Partnership guide to Fees, Expenses and Disbursements

STATUTORY INFORMATION

| | |
|-----------------------|---|
| Trading Address | Unit 3 138 Lincoln Road Enfield Middlesex EN3 4AA |
| Company Number | 05105206 |
| Date of Incorporation | 19/04/2004 |
| Registered Office | 93 Queen Street Sheffield S1 1WF |
| Nature of Business | Maintenance and Repair of Motor Vehicles |
| Date of Liquidation | 25 October 2012 |
| Joint Liquidators | Gareth David Rusling & Steven Edward Butt |
| Basis of Remuneration | The Joint Liquidators' remuneration is to be calculated by reference to the time properly spent by the Joint Liquidators' and their staff in carrying out their functions, dealing with all matters arising during the course of the winding-up and to be based on their normal time costs chargeable in insolvency matters |
| Contact Details | epost@thepandapartnership.com |

1. INTRODUCTION

- 1.1 At meetings of members and creditors held on 25 October 2012 at Hamilton House, Mabledon Place, London WC1H 9BB it was resolved that Gareth David Rusling and Steven Edward Butt be appointed Joint Liquidators. Gareth David Rusling and Steven Edward Butt are both licensed as insolvency practitioners by the Insolvency Practitioners Association.

2. JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS

- 2.1 An abstract of the Joint Liquidators' Receipts and Payments for the period covered by this report is attached at Appendix A.
- 2.2 The assets realised during the period of this report are shown below with an estimate of any future anticipated realisations.

| Statement of Affairs £ | Asset Realisation | Para | Realisations In this Period £ | Total Realisations £ | Anticipated Further Realisations £ |
|---------------------------|-------------------|------|--|----------------------------|---|
| 47,244 | Book Debts | 2.3 | 4,581 | 4,581 | Uncertain |
| 2,500 | Plant & Machinery | 2.4 | 2,917 | 2,917 | 2,083 |
| | Insurance Claim | 2.5 | 380 | 380 | Nil |
| | Cash in Hand | 2.6 | 400 | 400 | Nil |
| | Rates Refunds | 2.7 | 360 | 360 | Nil |

- 2.3 The Company's book debts continue to be pursued by the Joint Liquidators' in house debt collection team. The majority of the remaining balance represents funds owing from WNS group companies which are subject to warranty contra claims. The Joint Liquidators are in continued discussions with WNS to reach a settlement in this matter.
- 2.4 Plant & Machinery – The Company's tangible assets were valued by independent asset valuers, Charterfields Ltd (Charterfields). The assets were sold to Spectrum Accident Repair Limited, a new Company set up by the two directors of Airflow Body Repair Centre, for the value of £5,000.00 + VAT. To date £2,917 has been received and Charterfields continue to chase the remainder of the monies due.
- 2.5 The Joint Liquidators were able to realise an insurance claim in the sum of £380 which was not initially predicted at the time when the Statement of Affairs was prepared.
- 2.6 The Cash in Hand value related to debtor monies received pre-appointment.
- 2.7 The Joint Liquidators were able to obtain a business rates refund of £360 which was not originally anticipated.

- 2 8 To assist in the conduct of the liquidation the joint liquidators have given instructions to the following professional advisors on the fee basis as indicated

| Name of Solicitor or Agent | Work Undertaken | Basis of Fee Arrangement | Fees Incurred/ Paid £ |
|-----------------------------------|------------------------|---|----------------------------------|
| Ashfords | Legal Advice | Hourly rate and disbursements | 2,400 00 |
| Kavon Ltd | Accountants Fees | Hourly rate and disbursements | 240 00 |
| Charterfields | Asset Realisation | Percentage of Realisations and disbursement | 298 97 |
| Fyfe Financial Ltd | Pension review | Fixed fee and disbursements | 200 00 |
| Willis | Specific Bond | Risk based premium | 98 00 |

- 2 9 The fees incurred by Ashfords are still outstanding and will be discharged in due course

3. INVESTIGATIONS

- 3 1 The Joint Liquidators have undertaken a preliminary investigation of the company's affairs to establish if there are any possible rights of action against the company or any third parties but it would appear from their investigations that no further action is required to be taken
- 3 2 The Joint Liquidators have a statutory obligation to submit a report on the director's conduct to the Insolvency Service and I confirm that this report has been submitted. The contents of this report are confidential therefore cannot be disclosed to creditors

4. JOINT LIQUIDATORS' EXPENSES AND DISBURSEMENTS

Below is a summary of the disbursements incurred during the period of this report

| Category 1 Disbursements | £ | Category 2 Disbursements | £ |
|---------------------------------|------------|---------------------------------|---------------|
| | | Company Search Fees | 40 00 |
| | | Registered Office Fee | 175 00 |
| | | Faxes, Postage & Stationery | 266 72 |
| | | Storage of Records | 90 00 |
| | | Travel & Subsistence | 349 48 |
| Total | Nil | Total | 921 20 |

Category 1 Disbursements: Payment of specific expenditure which generally comprise of external supplies and services specifically identifiable to the case which can be made without approval from creditors

Category 2 Disbursements: Payments to the joint liquidators or any party that is an associate of the joint liquidators which generally comprise of disbursements for services provided by the joint liquidators' firm. Such payments require the approval from creditors

5. JOINT LIQUIDATORS' REMUNERATION

- 5 1 An analysis of the joint liquidators' time costs for the period covered by this report is attached at Appendix B
- 5 2 At the first meeting of creditors held on 25 October 2012 it was resolved by the general body of creditors that the Joint Liquidators' remuneration was to be calculated by reference to the time properly spent by the joint liquidators and their staff in carrying out their functions, dealing with all matters arising during the course of the winding-up and based on their normal time costs chargeable in insolvency matters.
- 5 3 Fees accruing during the first 12 month period covered by this report are shown in the table below together with the fees drawn and the balance of unbilled time costs which remain outstanding The joint liquidators will draw any agreed outstanding fees during the next period

| | Time Costs Incurred £ | Fees Drawn £ | Balance Due £ |
|---|--------------------------------------|-----------------------------|------------------------------|
| Period covered by report - 25 October 2012 to 24 October 2013 | 26,225.60 | Nil | 26,225 60 |

- 5 4 The principal areas of time incurred during the period of this report have been -
- Identifying and securing the company's assets,
 - Issuing the appropriate instructions to agents to realise the company's assets by way of public auction or private treaty Dealing with all relevant issues arising in connection with the realisation and accounting of the proceeds of sale;
 - Identifying and extracting from the company's records all the necessary documentation to facilitate the collection of the outstanding book debts due to the company Dealing with all debtor queries arising from the collection of the outstanding debts,
 - Issuing and processing the various documentation in respect of the company's employees claims for redundancy, outstanding wages and holiday pay and money in lieu of notice Communicating with the Department of Business Innovations and Skills answering queries regarding employees claims from the company's records and agreeing the departments preferential and non-preferential claims in the liquidation proceedings,
 - Corresponding and dealing with the issues relevant to the secured creditor(s),

- Preparation and submission of outstanding Value Added Tax returns up to the date of liquidation to agree the claim of H M Revenue & Customs;
 - Preparation and submission of outstanding Corporation Tax Returns and PAYE Returns up to the date of liquidation to enable H M Revenue and Customs to lodge their claim in liquidation proceedings,
 - Preparation and submission of the statutory report on the conduct of the Directors pursuant to the requirements of the Company Directors Disqualification Act 1986,
 - Recording of creditors' claims,
 - Preparation and submission to Companies House the statutory Liquidators Receipts and Payments Account pursuant to S192 of the Insolvency Act 1986;
 - Dealing with all statutory requirements pursuant to the Insolvency Act and Rules and reporting to shareholders and creditors
- 5 5 A Creditors' Guide to Fees is available and provides explanations of creditors' rights This can be accessed via the Internet at www.thepandapartnership.com/resources or alternatively a copy can be requested by telephoning The P&A Partnership Help Desk +44 (0)114 275 5033
- 5 6 A secured creditor; or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (or with permission of the Court), have a period of twenty-one days from the date of this progress report to request further information in respect of the joint liquidators' remuneration and expenses
- 5 7 Any secured creditor, or any unsecured creditor with the concurrence of at least 10% in value of the creditors, including that creditor (or with the permission of the Court), may make an application to the Court on the grounds that, the remuneration charged by the joint liquidators, or the basis fixed for the joint liquidators' remuneration, or the expenses incurred by the joint liquidators are excessive Such an application to the Court must be made within eight weeks of the date of receipt of the progress report.
- 5 8 The joint liquidators have not utilised the services of any sub-contractors during the period of the liquidation

6. DEBENTURE HOLDER & SECURED CREDITORS

- 6 1 To secure the bank borrowings the company granted a debenture to National Westminster Bank Plc dated 16 July 2004 which created fixed and floating charges over the whole of the company's undertaking The debt to the secured creditor at the date of liquidation totalled £63,947 00 with interest accruing under the terms of the charge
- 6 2 At present, no funds have been paid to the Debenture Holder as the assets realised are insufficient to make a distribution

- 6 3 Pursuant to Section 176A of the Insolvency Act 1986, if the company has entered into a floating charge on or after the 15 September 2003 then the Joint Liquidators are required to set aside a fund called the Prescribed Part from the net realisation of assets subject to the floating charge, for distribution to the unsecured creditors. The amount of the fund can fluctuate as the assets are realised and costs are incurred. The joint liquidators, therefore, can give no guarantee whatsoever concerning the eventual quantum of the Prescribed Part but based on current estimations it appears unlikely that a distribution to unsecured creditors under this provision will be made.

7. PREFERENTIAL CREDITORS

- 7.1 The category of preferential claims is defined in the Insolvency Act 1986 and mainly relate to employees who are owed outstanding wages and holiday pay. In turn these claims can be paid by the Department for Business, Innovation & Skills (BIS) under the various employment protection acts and BIS will then make a claim in the insolvency proceedings.
- 7.2 The table below compares the preferential creditors' claims estimated on the Company's Statement of Affairs at the date of liquidation, with the claims received to date and a projection of the total amount of claims anticipated.

| | |
|--|-------|
| Amount of Preferential Claims on Statement of Affairs | 3,544 |
| Amount of Preferential Claims received to date | 3,200 |
| Number of Preferential Claims yet to be submitted | Nil |
| Estimated Amount of Preferential Claims yet to be received | Nil |
| Projection of anticipated total Preferential Claims | 3,200 |

8. UNSECURED CREDITORS

- 8.1 The table below compares the unsecured creditors' claims estimated on the Company's Statement of Affairs at the date of liquidation, with the claims received to date and a projection of the total amount of claims anticipated.

| | |
|--|---------|
| Amount of Unsecured Claims on Statement of Affairs | 133,597 |
| Number of Unsecured Claims received to date | 21 |
| Amount of Unsecured Claims received to date | 112,517 |
| Number of Unsecured Claims yet to be submitted | 27 |
| Estimated Amount of Unsecured Claims yet to be submitted | 12,304 |

Projection of anticipated total Unsecured Claims

124,821

9. ESTIMATED OUTCOME FOR CREDITORS

- 9 1 The assets realised at present are insufficient to make a distribution to any class of creditor. The future dividend prospects will be wholly reliant on the level of recovery from the WNS group companies.
- 9 2 Pursuant to rule 11.7 of the Insolvency Rules 1986 I am required to give notice to creditors that the joint liquidators are unable to declare a dividend to creditors as the funds realised have been used in defraying the expenses of the liquidation.

10. CONCLUSION

- 10 1 The Joint Liquidators and their staff shall continue to actively pursue the outstanding book debt balances.
- 10 2 The Joint Liquidators shall continue to work in conjunction with Charterfields to recover the remaining balance owing under the sale of assets agreement.



Gareth David Rusling
Joint Liquidator

Our Ref A182012/NH/KA/L

APPENDIX A

Joint Liquidators' Receipts and Payments Account for the period 25 October 2012 to 24 October 2013

RECEIPTS

| | Statement of Affairs £ | From 25 October 2012 to 24 October 2013 £ |
|-------------------|------------------------------|--|
| Plant & Machinery | 2,500 00 | 2,916 67 |
| Book Debts | 47,244 00 | 4,581 29 |
| Insurance Claim | | 380 03 |
| Cash in Hand | | 400 00 |
| Rates Refunds | | 359 77 |
| | | <hr/> |
| Total | | 8,637 76 |
| | | <hr/> |

PAYMENTS

| | |
|--|----------|
| Specific Bond | 98 00 |
| Statement of Affairs Fee | 6,000 00 |
| Incidental Outlay | 921 20 |
| Agents/Valuers Fees | 298 97 |
| Fees re Pension Advice | 200 00 |
| Accountants Fees | 240 00 |
| Statutory Advertising | 209 25 |
| Bank Charges | 20 00 |
| | <hr/> |
| Total | 7,987 42 |
| | <hr/> |
| Balance in Hand | 650 34 |
| | <hr/> |
| Balance in Hand represented by | |
| Interest bearing account | 556 28 |
| VAT receivable | 94 06 |
| | <hr/> |
| <i>Note</i> <i>All receipts and payments are shown net of value added tax</i> | 650 34 |
| | <hr/> |

APPENDIX B

Joint Liquidators' analysis of the time costs for the period 25 October 2012 to 24 October 2013

| Classification of Work | Partner (Hours) | Manager (Hours) | Other Senior Professionals (Hours) | Assistants & Support (Hours) | Total (Hours) | Time Cost £ | Average Hourly Rate £ |
|-------------------------------|--------------------|--------------------|---------------------------------------|---------------------------------|------------------|------------------|-----------------------|
| Function | | | | | | | |
| Administration & Planning | 5 90 | 4 80 | 14 30 | 16 80 | 41 80 | 6,710 60 | 160 54 |
| Investigations | 4 90 | 0 00 | 1 00 | 0 00 | 5 90 | 2,111 50 | 357 88 |
| Realisation of Assets | 10 80 | 5 80 | 48 40 | 6 00 | 71 00 | 9,786 70 | 137 84 |
| Trading | 0 00 | 0 00 | 0 00 | 0 00 | 0 00 | 0 00 | 0 00 |
| Creditors | 5 40 | 4 50 | 7 10 | 17 50 | 34 50 | 4,855 10 | 140 73 |
| Case Specific Matters | 0 00 | 8 00 | 4 70 | 2 70 | 15 40 | 2,761 70 | 179 33 |
| Totals | 27.00 | 23.10 | 75.50 | 43.00 | 168 60 | 26,225.60 | 155.55 |
| Total Fees Claimed (£) | 10,159 50 | 5,349.00 | 8,997.10 | 1,720.00 | | | |

| Charge-Out Rates | Partner | Manager | Other Senior Professionals | Assistants & Support |
|---------------------------------|-----------|-----------|----------------------------|----------------------|
| From 1 st April 2011 | 320 – 435 | 215 - 290 | 176 – 215 | 40 – 176 |
| From 1 st Jan 2013 | 335 - 450 | 230 - 305 | 191 - 230 | 40 - 191 |

Administration and Planning includes case planning, administrative set procedures, appointment notification, general administration, maintenance of records and statutory reporting

Investigation includes reporting on the bankrupt's conduct, investigating antecedent transactions and any other investigations deemed to be appropriate or requested by the creditors

Realisation of Assets includes identifying, securing and insuring assets, sales of businesses, freehold and leasehold property, other fixed assets, motor vehicles, stock and the collection of book debts and dealing with any legal matters related thereto

Trading includes the planning of management operations, cash flow and trading forecasts, dealing with customers and suppliers, trading vat and tax matters and ongoing employee issues

Creditors include creditors meetings, communications with creditors, agreeing secured, preferential and unsecured claims, and retention of title issues with suppliers

Case Specific Matters all other specific issues relating to the case

APPENDIX C

Creditors Guide to the Fees, Expenses and Disbursements charged by The P&A Partnership Rates applicable from the 1st January 2013

Insolvency Practitioners at the P&A Partnership

John Russell, Brendan Ambrose Guilfoyle, Andrew Philip Wood, Christopher Michael White, Gareth David Rusling, Steven Edward Butt and Ashleigh William Fletcher are all licensed by the Insolvency Practitioners Association of Valiant House, 4-10 Heneage Lane, London, EC3A 5DQ Philip Andrew Revill is licensed by the Institute of Chartered Accountants of England & Wales of Silbury Court, 412/416 Silbury Boulevard, Milton Keynes, MK9 2AF Derek Ewan Simpson is licensed by The Institute of Chartered Accountants of Scotland of CA House, 21 Haymarkets Yard, Edinburgh EH12 5BH

Insolvency Practitioners Fees

The Insolvency Rules 1986 entitles the Insolvency Practitioner to receive remuneration for his services and sets out the basis of how such remuneration shall be fixed which includes a percentage of the assets realised and monies distributed to creditors, a set amount, by reference to the time properly given by the office holders, their partners and staff in attending to matters arising, or one or more of the above bases and different basis may be fixed for different things Where it has been agreed by resolution of the secured creditors, a creditor's committee or creditors generally, that the office holders remuneration will be calculated by reference to a time basis, then such remuneration will be calculated in units of 6 minutes at the following hourly standard rates -

| Grade | Total Hourly Standard Rates £ | Total Hourly Complex Rates £ |
|--------------------------------|-------------------------------------|------------------------------------|
| Partners (London) | 450 | 600 |
| Partners | 335 | 495 |
| Directors | 335 | 495 |
| Associate Partners | 335 | 495 |
| Senior Associates | 305 | 440 |
| Senior Managers | 305 | 345 |
| Cashier Managers | 290 | |
| Human Resources Managers | 290 | |
| Managers | 230 | |
| Cashiers | 230 | |
| Senior Administrators | 230 | |
| Human Resources Administrators | 191 | |
| Administrators | 191 | |
| Junior Administrators | 75 | |
| Assistants | 40 | |

These are our current hourly charge out rates and are exclusive of value added tax Rates are reviewed annually and creditors will be advised of any alteration thereto In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the secured creditors, creditor's committee or the creditors generally, that their remuneration on such time as is agreed shall be charged on the above higher hourly complex rate

Debt Collection, Contested Asset Recovery and Related Services

Contested debt collection will be referred to P&A Receivables Services PLC, an associated company of The P&A Partnership and its dedicated legal firm James Peters & Co. The fees of P&A Receivables Services PLC shall be charged by reference to the time properly given by their staff, such fees will be calculated in units of 6 minutes at the hourly rate of £80. P&A Receivable Services PLC may also be used to recover items such as plant and machinery, to locate debtors and to serve documents. The fees for work of this nature will be calculated in accordance with P&A Receivables Services PLC's standard rates. James Peters & Co fees will be charged by reference to time costs properly incurred, calculated in 6 minute units at an hourly rate of between £109 and £213, plus their disbursements. These fees are in accordance with the guideline rates for summary assessment of costs following consultation between the legal profession and the Designated Civil Judge and are typical of legal firms in this geographical area.

Expenses and Disbursements

The payment of **Category 1** disbursements will be a charge against the estate to recover the actual cost of the disbursement paid out in respect of the administration of the estate. A separate amount will be charged by way of an expense to recover the cost of **Category 2** disbursements for services provided by the insolvency practitioner's firm. **Category 2** disbursements will include storage of company's books and records at the insolvency practitioner's own storage facility. The books and records will be stored in banker's boxes and a storage fee will be charged at the rate of £7.50 per box per month. This charge covers the transportation of records from the company's premises, storage, retrieval of books and records in storage for administration purposes and the destruction of such books and records after the first anniversary of the completion of the insolvency administration. The recharge for company searches and electronic identification procedures for all new clients will depend on the documentation requested. The charges will be £10 per set of financial accounts, £5 for an annual return, £5 for a mortgage summary, £10 for a company report, £35 for the Memorandum and Articles of Association, £15 for credit references, £5 for any other documents and £15 for electronic verification searches. These charges reflect the insolvency practitioners costs to cover the administration costs of collating the information in addition to the direct costs in obtaining the documents. An annual fee of £175 will be charged on corporate matters for the maintenance of the company's registered office at our office addresses. The charge for the use of meeting rooms will be a flat rate of £100 per meeting or £150 in our London premises. This includes where requested, the use of computer and media facilities. Travelling by motor vehicle on business for the administration of the insolvency will be charged to the estate per mile at the appropriate rate currently published by the "AA" for the type of vehicle and engine size used. All circulars will be sent out by first class post and the actual postage costs will be charged as an expense to the estate. In respect of circulars, stationery and photocopying will be charged out at the rate of 50p per letterhead, 25p per copy paper or facsimile, 09p per proxy form, 09p creditor's guide, 20p large envelope, 18p small envelope, 16p address labels. No charge will be made in respect of individual letters relating to the administration of the estate as the costs of these disbursements are reflected in the hourly rate. The charges stated above are subject to small annual increments and creditors will be advised of these with future circulars.

Introduction to Lending Sources

The P&A Partnership may make referrals to P&A Lender Services Ltd ('PALS') being an associated company. PALS and its authorised representatives are not authorised under the Financial Services and Markets Act 2000 or by the Financial Services Authority to provide specific investment advice but they may be able to introduce funding seeking parties ('FSP's') to one or more reputable lending services ('Lender').

In such circumstances where any party associated with the referral is subsequently subject to any formal insolvency procedure and the Partners of The P&A Partnership are appointed office holders in relation to any formal insolvency, then any arrangement fees or commissions or payments becoming due to PALS (if any) from any Lender in respect of the acquisition or future trading of the business and assets of the insolvent party, will be paid into the realisation fund in the formal insolvency for the benefit of creditors.