

AM03

Notice of administrator's proposals



Companies House

FRIDAY



A26 *A7IU3DCZ* 16/11/2018 #61
COMPANIES HOUSE

1 Company details

Company number 0 6 3 1 4 6 0 8

Company name in full Refresh Recovery Limited

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

2 Administrator's name

Full forename(s) Martin

Surname Halligan

3 Administrator's address

Building name/number Wentworth House

Street 122 New Road Side

Post town Horsforth

County/Region Leeds

Postcode L S 1 8 4 Q B

Country

4 Administrator's name

Full forename(s)

Surname

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

5 Administrator's address

Building name/number

Street

Post town

County/Region


Postcode

Country

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

AM03

Notice of Administrator's Proposals

6	Statement of proposals		
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals		
7	Sign and date		
Administrator's Signature	Signature ✕  ✕		
Signature date	d 2 0 m 0 8 y 2 0 y 1 8		

AM03 Notice of Administrator's Proposals



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	Jonathan Jowett									
Company name	Live Recoveries Limited									
Address	Wentworth House									
	122 New Road Side									
Post town	Horsforth									
County/Region	Leeds									
Postcode	L	S	1	8		4	Q	B		
Country										
Dx										
Telephone	0844 870 9251									



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 and dated 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



REFRESH RECOVERY LIMITED – IN ADMINISTRATION

Company Number: 06314608

Registered Office: c/o Live Recoveries, 33 Cockton Hill Road, Bishop Auckland, County Durham, DL14 6HS

Former Registered Office: Maple View, White Moss Business Park, Skelmersdale, Lancashire, WN8 9TG

Administrator's Proposals

Report Dated: 20 August 2018

Live Recoveries NE Limited

33 Cockton Hill Road | Bishop Auckland | DL14 6HS

Tel: 0844 870 9251 | Fax: 0844 870 9254

Email: mail@liverecoveries.com Web: www.liverecoveries.com

Martin Halligan is licensed in the United Kingdom to act as an Insolvency Practitioner by the Association of Chartered Certified Accountants
Insolvency Practitioners acting as Administrators or Administrative Receivers contract as agents without personal liability
Live Recoveries is a trading style of Live Recoveries NE Limited
Company Registration No: 10875038

REFRESH RECOVERY LIMITED – IN ADMINISTRATION

Company Number: 06314608

Registered Office: c/o Live Recoveries, 33 Cockton Hill Road, Bishop Auckland, County Durham, DL14 6HS

Former Registered Office: Maple View White Moss Business Park, Skelmersdale, Lancashire, WN8 9TG

Trading Address: Maple View, White Moss Business Park, Skelmersdale, Lancashire, WN8 9TG

INTRODUCTION

I am the Administrator of the Company and these are my statutory proposals relating to the Company.

The EC Regulation on Insolvency Proceedings 2000 will apply and these proceedings will be main proceedings as defined by Article 3 of the EC Regulation. The Company's registered office and centre of main interests are in the United Kingdom.

STATUTORY INFORMATION

Company Information

Date of Incorporation:	16 July 2007
Principal Trading Activity:	Insolvency Practice
Directors:	Gordon Craig Glyn Torr – Resigned 22 June 2018
Share Capital:	Authorised – 1,000 shares of £1 each Issued – 80 shares of £1 each
Shareholders:	Gordon Craig – 38 ordinary shares Glyn Torr – 38 ordinary shares Peter Harrold – 4 ordinary shares

Appointment Details

Administrator:	Martin Paul Halligan of Live Recoveries NE Limited, 33 Cockton Hill Road, Bishop Auckland, County Durham, DL14 6HS
Date of Appointment:	28 June 2018
Court:	High Court of Justice, The Business Property Courts No: 598 of 2018
Appointment Made By:	Qualified Floating Charge Holder – PRT Public Houses Ltd

Charges

Floating Charge in favour of PRT Public Houses Ltd, created on 16 February 2018 and registered at Companies House on 19 February 2018.

RECEIPTS AND PAYMENTS

A summary of receipts and payments for the period 28 June 2018 to 20 August 2018 is attached at **Appendix I**. This shows a nil balance in hand. The contents therein are self-explanatory. In accordance with the provisions of Statement of Insolvency Practice 7, the receipts and payments are shown net of VAT. An interest-bearing bank account has been opened with Barclays Bank PLC for the purposes of the Administration.

CIRCUMSTANCES LEADING TO THE APPOINTMENT OF THE ADMINISTRATOR

Live Recoveries NE Ltd was approached for advice by PRT Public Houses Ltd the Company's floating charge holder ("the Appointor") following default of the agreement. A representative of PRT Public Houses Ltd was concerned that the Company had ceased to trade and that communications had ceased some weeks prior to the appointment.

Prior to being approached for advice from the Appointor, neither myself or my firm have had any prior relationship or dealings with them and no referral fee has been paid.

I was previously appointed as Joint Liquidator of a company, Bolton Hall Limited (appointed 24 March 2017), together with Gordon Craig. Prior to my appointment a block transfer of cases was made to OBS Recovery Limited. I was also appointed as Liquidator of 5 other residual liquidations and as Supervisor of 2 Voluntary Arrangements which were not transferred to OBS. As required by the Insolvency Code of Ethics, I considered the various threats to my objectivity arising from this prior involvement with the director of the Company. Legal opinion was obtained prior to accepting the appointment, and I concluded

that those threats were at an acceptable level such that I could still act objectively and hence could be appointed Administrator of the Company.

On 28 June 2018, I was appointed by PRT Public Houses Ltd as Administrator of the Company and took over from the Board responsibility for the management of the affairs, business and property of the Company. As Administrator I am an officer of the Court and I have taken over the management of the Company from the Board.

ACTIONS OF THE ADMINISTRATOR FOLLOWING APPOINTMENT

Following my appointment, I arranged attendance at the Company's trading premises in order to ensure the safeguarding of any assets of the Company. It became apparent that the Company had ceased trading and vacated the premises. The remaining assets of the Company consisted of fixtures & fittings and office equipment. Upon attending the trading premises, I provided a schedule of the remaining office furniture to the agents, as detailed below, who confirmed that they were of negligible value. These have been abandoned.

I have continued in my efforts to obtain a copy of the agreement relating to Work In Progress ("WIP").

In addition, I have undertaken routine statutory and compliance work, such as filing the notice with the Registrar of Companies, advertising in the London Gazette, dealing with employee claims, corresponding with the landlord and the council and various other statutory matters. These are tasks that are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

Prior to my involvement, the insolvency appointments were transferred by the former Insolvency Practitioner and Office holder. Creditors should note that an insolvency appointment is a personal appointment and not the appointment of the Company or practice. The Director (detailed above), who also acted as the insolvency appointment taker, has retired due to ill health and as such arranged for the block transfer of his cases.

Marketing of the business and assets

I am not aware of any marketing of the Company having been undertaken prior to the sale of the tangible assets and block transfer of the bulk of the insolvency appointments.

A portion of the goodwill (such as the name) of the Company remains available for sale and I have approached Andrew Cromack of Sanderson Weatherall, a surveyor based in Leeds, ("the Surveyor") to advise and assist in marketing the same, as interest has been received despite the lack of prior marketing.

The intellectual property and website are understood to be owned by the entity host. I have not to date received the requested supporting documentation to support this claim.

Transfer of Insolvency Appointments/Work in Progress

Prior to my involvement and the Company ceasing to trade, 29 insolvency appointments were block transferred from Mr Gordon Craig to Mr Peter Harold of OBS Recovery Limited ('OBS'). Various computer equipment was also transferred. A copy of the sale agreement has yet to be provided. OBS advised that the full consideration relating to the tangible assets was paid in to the Company's bank account upon completion.

Peter Harold is a shareholder of the Company and Glyn Torr of OBS is also a former director of the Company. Further investigation in to this matter shall be undertaken to ensure that the attributable value was fair, and that payment of the full consideration has been received.

Following my appointment, I received a WIP schedule from the Company. The WIP schedule detailed the remuneration approved on each insolvency appointment, time spent and the current balance drawn. I have not to date received a copy of the agreement regarding the treatment of this WIP and future recoveries. My investigation into the WIP is ongoing and Peter Harold has agreed to assist and provide information in respect of any future assets realised on the insolvency appointments transferred.

As detailed above, 7 insolvency appointments which were not transferred to OBS, and were transferred to me, and are now being managed by Live Recoveries Limited. A review of these cases is ongoing and should any recovery be made on these appointments which would be properly due to the Company, these monies shall be remitted and reported on accordingly.

Tangible Assets

As detailed above, a portion of the Company's fixtures & fittings were abandoned at the Company's premises. The agents, as detailed below, confirmed that the costs of recovery and sale would outweigh any realisable value and as such these were abandoned at the leasehold premises.

Leasehold Premises

A copy of the lease agreement has yet to be provided to me. However, I understand that termination notice was to be given 6 weeks prior to vacation. Termination notice was provided at the time of the block transfer and as such it is understood that the lease has been terminated and that there is no attributable value for the benefit of creditors.

Duration

The insolvency legislation has set a 12 month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If I am unable to complete the Administration of the Company within 12 months then I will either apply to the Court, or hold a meeting of creditors, in order to seek approval to extending the duration of the Administration.

OBJECTIVES OF THE ADMINISTRATION AND THE ADMINISTRATOR'S STRATEGY FOR ACHIEVING THEM

Purpose

As Administrator of the Company, I am an officer of the Court, and must perform my duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration, which is to achieve one of the three objectives set out in the insolvency legislation, namely to:

- (a) rescue the Company as a going concern; or
- (b) achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors.

Objective (a) could not be achieved as the Company had ceased to trade prior to my appointment, various of its tangible assets had been sold, and that the bulk of the insolvency appointments had been transferred as a result of Gordon Craig ceasing to act as an Insolvency Practitioner.

The second objective (b) could not be achieved for the same reasons.

As a result, the purpose of the administration is to achieve objective (c). This will be achieved by the sale of the Goodwill, and recovery of debtors and WIP due to the Company. The pre appointment sale of assets to a connected party will also be reviewed.

FINANCIAL POSITION OF THE COMPANY

I have asked the Director, and provided him with the relevant notice, to prepare a summary of the Company's estimated financial position as at 28 June 2018, which is known as a Statement of Affairs, but this has yet to be delivered to me. Creditors should note that further time has been allowed in order for this to be provided due to personal circumstances which were deemed considerably appropriate.

In the absence of a Statement of Affairs I have prepared an estimate of the financial position of the Company as at 28 June 2018 from the records of the Company, and based upon the known status of assets of the Company from my enquiries and actions since appointment. I attach a copy of the estimate at **Appendix II**, together with a list of names and addresses of all known creditors and the amounts of their debts, other than in respect of employee claims, since I am not permitted by the insolvency legislation to disclose such information).

Administrator's estimate of the financial position of the Company

ASSETS

Goodwill

The Company's accounts to 31 December 2016 detailed goodwill with a book value of £31,002.00. The goodwill was in respect of a contractual purchase of a former insolvency practice and represents the exclusivity of new work to be provided over a 10 year period, from completion. This agreement terminated by virtue of the Administration.

My efforts to sell the Company name and enquiries into the Company's website are ongoing. The current estimated to recover balance is detailed as nil pending further information and advice regarding these assets.

Leasehold Premises

The leasehold improvements, detailed in the accounts to 31 December 2016 to have a book value of £54,000.00, have been deemed to have no recoverable value.

Book debts

The Company has detailed that there are outstanding book debts due to the Company in the sum of £3,000.00, these are deemed to be recoverable in full given the nature of the balance due.

Plant and machinery

The Company's accounts to 31 December 2016 detailed plant & machinery with a book value of £81,957.00. The Company's accountant has confirmed that the plant & machinery consists of office equipment, computers and a Mercedes Vito.

As detailed below, certain office equipment and computers were sold to OBS Recovery Limited ('OBS') and the attributable value for the same is detailed to have been settled. The remaining office equipment was abandoned following advice from the Agents, as detailed below.

The Mercedes Vito is understood to have been sold shortly after the last accounts.

WIP

A schedule of the WIP has been provided by a former director of the Company. As at 28 June 2018 this had an estimated book value of £43,500.00.

The sale of the Company assets to OBS included an agreement regarding the WIP carried out by the Company to the date of the transfer. To date I have not been provided with a copy of this agreement regarding the treatment of WIP. It is proposed that upon receipt of the agreement, a full review of WIP of cases transferred to OBS will be carried to allow an estimate of future recoveries from this source.

The recoverable value has therefore been estimated as uncertain.

LIABILITIES

Preferential creditors

The only known preferential creditors are former employees of the Company for unpaid wages and holiday pay. Their claims are subject to a maximum limit set by the insolvency legislation. The estimated balance due to the employees in this regard is £13,090.00.

Prescribed part

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property." A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An Administrator has to set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property;

up to a maximum of £600,000.

The Company gave a floating charge to PRT Public Houses Ltd ("PRT") on 16 February 2018. The Administrator's estimate of the financial position of the Company shows that the net property of the Company is £nil, and I estimate that the prescribed part of the net property for unsecured creditors is £nil.

However, these estimates do not take into account the costs of the Administration which will reduce the amount of the Company's net property. Since the Company's net property is likely to be less than £10,000.00, the insolvency legislation does not require me to distribute the prescribed part of the net property to creditors if I think that the costs of distributing the prescribed part would be disproportionate to the benefits to creditors. I am of the view that the costs of distribution would be disproportionate and so will not be making a distribution of the prescribed part of the net property to unsecured creditors.

Unsecured Creditors

The Administrator's estimate of the financial position of the Company details that the Company's unsecured creditors will be as follows:-

	£
Trade & Expense Creditors	11,600.00
Employees	122,703.00
HM Revenue & Customs	150,000.00

PROPOSED FUTURE ACTIONS OF THE ADMINISTRATOR TO ACHIEVE THE OBJECTIVE OF THE ADMINISTRATION

As detailed above, I currently await the Statement of Affairs from the Director and will continue to pursue receipt of the same.

My review of the pre-appointment transfer of the insolvency appointments and tangible assets of the Company is ongoing. My review is to conclude whether a fair value was attributed to the sale, and to ensure that receipt of the proceeds has been received.

My review in to the debtors and work in progress shall remain ongoing for the duration of the insolvency appointments to which they relate to. As detailed above, the recovery of any work in progress will be dependent upon the actions of the newly appointed office holder.

PRE-APPOINTMENT REMUNERATION

The financial position of the Company means that it is unlikely that there will be sufficient assets to enable a dividend to be paid to non-preferential unsecured creditors, other than by way of the prescribed part. As a result, I am prohibited by the insolvency legislation from seeking a decision from the creditors to consider these proposals and my remuneration.

However, creditors should note that I do not intend to seek a resolution for pre-appointment time spent on this matter.

ADMINISTRATOR'S REMUNERATION

Attached at Appendix III is a copy my practice's fee recovery policy.

The financial position of the Company means that it is unlikely that there will be sufficient assets to enable a dividend to be paid to non-preferential unsecured creditors, other than by way of the prescribed part. As a result, I am prohibited by the insolvency legislation from seeking a decision from the creditors to consider these proposals and my remuneration.

ADMINISTRATOR'S DISBURSEMENTS

The financial position of the Company means that it is unlikely that there will be sufficient assets to enable a dividend to be paid to non-preferential unsecured creditors, other than by way of the prescribed part. As a result, I am prohibited by the insolvency legislation from seeking a decision from the creditors to consider these proposals and my remuneration.

FURTHER INFORMATION ON FEES AND DISBURSEMENTS

The Policy is attached at Appendix III. Scale rates may increase from time to time over the period of administration on each insolvency case.

Should any creditor or group of creditors wish to request a physical meeting of creditors, they must do so within 5 business days of the delivery of the notice that accompanies this letter. Such requests must be supported by proof of their debt, if not already lodged. I will convene a meeting if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."

A copy of 'A Creditors Guide to Administrators' Fees' published by the R3 is available on the R3 Website. Please note that there are different versions of the Guidance Notes, and in this case you should refer to the April 2017 version. A hard copy of both of this can be obtained on request from this office.

OTHER PROFESSIONALS / AGENTS EMPLOYED

As Administrator, I have instructed the following professionals:

Professional advisor	Nature of work	Fee arrangement	Estimated Cost (£)
Michael Steel (Plant & Machinery) Limited ("MSC")	Valuation of assets and advice	Time costs based on standard hourly rates	150.00
Sanderson Weatherall	Consideration to market the goodwill and intellectual property	Time costs base on standard hourly rates	500.00

No bills have been received as at the date of this report.

I consider the above to be firms of repute with the appropriate expertise in their respective fields. My experience of working with these firms indicates that their internal delegation results in charges which are cost effective for this kind of work.

ADMINISTRATOR'S INVESTIGATIONS

I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

ADMINISTRATOR'S PROPOSALS

In order to achieve the objective set out above, I formally propose to creditors that:

- a) I continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that I:
 - (i) monitor the ongoing work being undertaken by OBS Recovery Limited and recover any attributable work in progress due to the Company;
 - (ii) further consider the pre-appointment sale;
 - (iii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company; and
 - (iv) do all such things and generally exercise all my powers as Administrator as I consider desirable or expedient at my discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- b) the Administration of the Company will end by filing notice of dissolution with the Registrar of companies. The Company will then automatically be dissolved by the registrar of companies three months after the notice is registered.

APPROVAL OF THE PROPOSALS

The financial position of the Company means that it is unlikely that there will be sufficient assets to enable a dividend to be paid to non-preferential unsecured creditors, other than by way of the prescribed part. As a result, I am prohibited by the insolvency legislation from seeking a decision from the creditors to consider these proposals.

Since the purpose of the Administration is to achieve objective c), that is to realise property in order to make a distribution to one or more secured or preferential creditors of the Company, I am prohibited by the insolvency legislation from seeking a decision from the creditors to consider these proposals.

However, a creditor, or creditors, whose debts amount to at least 10% of the total debts of the Company can require me to hold a decision procedure to enable creditors to consider whether or not to approve these proposals and/or to consider such other decision as they see fit. Such a request must be received by me within 8 business days from the date these proposals are delivered to the creditors. If creditors do not require me hold a decision procedure within that time period, then these proposals will be deemed to have been approved.

Creditors should note that I need not initiate the decision procedure unless the creditor, or creditors, requisitioning the decision procedure provides me with such amount that I request from them to meet the expenses of the requisitioned decision procedure.

CREDITOR RIGHTS

Opting Out

If you do not wish to receive any future documents regarding the insolvency proceedings, you may elect to become an opted out creditor at any time by notifying me in writing that you wish to opt out of future documents. Once you have opted out, you will remain as such unless, or until, you revoke your notice to opt out in writing. Please note that I am still required to notify you of certain aspects of the insolvency proceedings, in particular regarding dividends. Further information regarding opting out is enclosed.

Website

In accordance with Rule 1.50 of the Insolvency Rules 2016 and my previous notice made available to creditors, this report shall be uploaded to my website.

Further Information

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>.

OTHER MATTERS

At Live Recoveries we always strive to provide a professional and efficient service. However, I recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of this case, then in the first instance you should contact me at the address given in this letter

If you consider that I have not dealt with your comments or complaint appropriately you, then put details of your concerns in writing to the address shown on the front page for the attention of the complaints officer. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior member of staff unconnected with the appointment. Please note our full grievance procedure can be seen on our website www.liverecoveries.com.

Yours faithfully

Martin P Halligan

Administrator

**Refresh Recovery Limited
(In Administration)**

**Summary of Receipts & Payments
28 June 2018 to 20 August 2018**

RECEIPTS	Total (£)
	<hr/>
	0.00
	<hr/>
PAYMENTS	
	<hr/>
	0.00
	0.00
	<hr/>
Balance In Hand	0.00
	<hr/>
	0.00
	<hr/>

Insolvency Act 1986

**Refresh Recovery Limited
Estimated Statement Of Affairs as at 28 June 2018**

	Book Value	Estimated to Realise
	£	£
ASSETS		
Goodwill	31,002.00	NIL
Leasehold Improvements	54,000.00	NIL
Plant & Machinery	81,957.00	NIL
Book Debts	3,000.00	3,000.00
Work in Progress	43,500.00	Uncertain
		<u>3,000.00</u>
LIABILITIES		
PREFERENTIAL CREDITORS:-		
Employee Arrears/Hol Pay		13,090.00
		<u>13,090.00</u>
		(10,090.00)
DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003		
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS		NIL
		<u>(10,090.00)</u>
Estimated prescribed part of net property where applicable (to carry forward)		NIL
		<u>(10,090.00)</u>
DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003		
PRT Public Houses Ltd		21,000.00
		<u>21,000.00</u>
		<u>(31,090.00)</u>
Estimated prescribed part of net property where applicable (brought down)		NIL
		NIL
Shortfall to preferential creditors/F.C's pre 15 September 2003 (brought down)		10,090.00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors	11,600.00	
Employees	122,703.00	
HM Revenue & Customs	<u>150,000.00</u>	
		<u>284,303.00</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		(294,393.00)
Shortfall in respect of F.C's post 14 September 2003 (brought down)		<u>21,000.00</u>
		<u>(315,393.00)</u>
Issued and called up capital		
Ordinary Shareholders		80.00
		<u>80.00</u>
TOTAL SURPLUS/(DEFICIENCY)		<u>(315,473.00)</u>

Refresh Recovery Limited
A5 - Unsecured Creditors Statement of Affairs Figures

Key	Name	£
CH00	HM Revenue & Customs	150,000.00
CM00	Mills & Reeve LLP	6,000.00
CW00	West Lancashire Borough Council	600.00
CW01	West Lancashire Investment Centre	5,000.00
4 Entries Totalling		161,600.00

@ - Denotes associate/excluded creditor

LIVE RECOVERIES' PRACTICE FEE RECOVERY POLICY IN ADMINISTRATIONS AS AT 01 APRIL 2018

Introduction

The Insolvency (Amendment) Rules 2015 allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, as set out in the Administrator's report and proposals.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <https://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees>. Details about the rights of creditors in relation to an office holder's fees available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at www.liverecoveries.com. Alternatively, a hard copy may be requested from Live Recoveries.

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

Fixed fee

The legislation also allows all or part of the office holder's fees to be agreed as a set amount. Different set amounts can be used for different tasks undertaken by the office holder. A report accompanying any fee request will disclose the set fee that we propose to charge, and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval but must be disclosed to help put the remuneration request into context.

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

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

There are certain tasks that have to be undertaken in most administrations. Although these are required by statute or regulation or are necessary for the orderly conduct of the proceedings, they do not produce any direct benefit for creditors, but still have to be carried out.

The fixed fee has been calculated following a review of the work to be undertaken on each case at the appropriate staff level. The following sets out work undertaken in regard to the fixed fee:-

Administration and planning:

- Case planning - Devising an appropriate strategy for dealing with the case and giving instructions to staff to undertake the work on the case.
- Setting up physical/electronic case files (as applicable).
- Consideration of the fee basis.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other parties required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Convening and holding general meetings of creditors and members (as applicable).
- Obtaining the Company's books and records and archiving the same.
- Dealing with all routine correspondence and e-mails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking monthly/quarterly bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a periodic basis.
- Undertaking periodic reviews of the progress of the case.

- Overseeing and controlling the work done on the case by case administrators.
- Filing returns at Companies House.

Meetings Reports and Reviews:

- Preparing and reviewing annual progress reports to creditors and members.
- Preparing and reviewing the final account to creditors and members.

Taxation:

- *Preparing and filing VAT returns.*
- Preparing and filing Corporation Tax returns.
- Seeking closure clearance from HMRC and other relevant parties.

In considering the inherent time involved in undertaken the above work it is considered that the set fee proposed represents an appropriate, reasonable and commensurate reflection of the work which we anticipate will need to be undertaken at this stage. Please note that certain tasks (detailed in italics) may not be required (i.e. the Company may not be registered for VAT) However, any specific individual task does not have a material impact on the consideration given for the fixed fee.

Time Costs

For some of the elements of the work which the office holder is required to carry out, the cost involved cannot be identified with enough certainty at this stage to seek remuneration approval on a fixed cost basis. Therefore, it is proposed to seek approval on a time cost basis for this element of work and an estimate of what the office holder considers these costs may be at this stage is included with the initial report. This estimate acts as a cap on time costs so that fees cannot be drawn in excess of the estimated time costs without further approval from those who approved the initial fees.

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

Grade of staff	Current charge-out rate per hour £
Partner	400
Senior Manager	350
Manager	300
Administrator	225
Assistant	95

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

- Administration and Planning
- Investigations
- Meetings, Reports & Reviews
- Realisation of Assets
- Creditors
- Taxation
- Trading

The firm only intend to seek time costs for the following categories:

- Creditors
- Asset Realisations
- Investigations
- Trading (if applicable)

When seeking approval for fees, an office-holder will disclose the work that it intends to undertake, the hourly rates that it intends to charge for each part of the work, and the time that is considered each part of the work will take. The firm will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. The firm will also say whether it is anticipated needing to seek approval to exceed the estimate and, if so, the reasons that it is considered that may be necessary.

Again, information provided should include sufficient details about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office

holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If an office holder subsequently needs to seek authority to draw fees in excess of the estimate, the firm will say why it has been exceeded, or are likely to exceed the estimate; any additional work undertaken or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, the firm will state whether it considers further approval to be necessary and, if so, why the firm thinks it may be necessary to seek further approval.

Agent's Costs

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

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

The office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Disbursements

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

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Live Recoveries; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered:

Disbursement Type	Basis of Charge
Mileage	75p per mile
Creditor Circulars (incl. stationery, printing and postage)	At Cost
Meeting Room Hire (Physical Meeting)	£100.00 per meeting

INFORMATION TO CREDITORS ON OPTING-OUT
REFRESH RECOVERY LIMITED – IN ADMINISTRATION

Company Number: 06314608

Notice is given by Martin Paul Halligan to the creditors of Refresh Recovery Limited, that creditors have the right to elect to opt out of receiving further communication about the insolvency procedure under rule 1.39 of The Insolvency (England and Wales) Rules 2016.

Any creditor may elect to become an opted-out creditor at any time, by delivering a dated notice of the request, in writing to me.

A creditor becomes an opted-out creditor when the notice is delivered to me.

Any creditor who elects to opt-out remains as such for the duration of the proceedings unless the opt out is revoked by a further notice in writing, dated and delivered to me.

A creditor ceases to be an opted-out creditor when the notice is received by me.

The opt out will not apply to the following:

- (i) a notice which the Insolvency Act 1986 requires to be delivered to all creditors without expressly excluding opted-out creditors;
- (ii) a notice of a change in the office holder or a notice of a change in my contact details, or
- (iii) a notice of a dividend or proposed dividend or a notice which the court orders to be sent to all creditors or all creditors of a particular category to which the creditor belongs.

Opting-out will not affect a creditor's entitlement to receive dividends should any be paid to creditors.

Opting-out will not affect creditors' rights to vote in a decision procedure or participate in a deemed consent procedure, although any creditor who opts-out will not receive notice of it.

Any creditor who opts out will be treated as having opted-out in respect of consecutive insolvency proceedings of a different kind in respect of the same company.

Creditors requiring further information regarding the above should contact me as set out in my report.

Martin P Halligan

Administrator

Dated: 20 August 2018

Notice to office holder to opt-out of further correspondence

Name of creditor: _____

I, the above named, give notice that I elect to become an opted-out creditor and no longer wish to receive communication relating to the insolvency proceedings of Refresh Recovery Limited.

Signature of creditor:

Date:

Notice to office holder to revoke opt-out

Name of creditor: _____

I, the above named, give notice that I wish to revoke the notice of opt-out and require receipt of future communication relating to the insolvency proceedings of Refresh Recovery Limited.

Signature of creditor:

Date:

PROOF OF DEBT
under rule 14.4 The Insolvency (England and Wales) Rules 2016

REFRESH RECOVERY LIMITED - IN ADMINISTRATION
In the High Court of Justice, The Business Property Courts in Leeds Number 598 of 2018

1	Name of creditor:	
2	Address of creditor:	
3	<p>Claim, including VAT, as at date of Administration:</p> <p>Less: any payments made after that date in relation to the claim; any deduction for discounts (except a discount for immediate or early settlement) which would have been available but for the insolvency proceedings; and any adjustment as a result of set-off</p> <p>Total claim, including VAT</p>	<p>£</p> <p>£</p> <p>£</p>
4	The amount of any uncapitalised interest that is include in the claim, if any.	£
5	Particulars of how and when the debt was incurred	
6	<p>Please provide details of any documents by which debt can be substantiated:</p> <p><i>(Notes - copies need not be supplied unless specifically requested by the office holder)</i></p>	
7	Particulars and value of any security held and the date it was given:	
8	<p>Signature of creditor or authorised person:</p> <p>NAME, IN BLOCK LETTERS:</p> <p>Creditor's reference:</p>	
9	<p>Position or relationship with creditor:</p> <p><i>(eg. director, accountant, credit controller etc)</i></p>	

Guidance notes re preferential debts:

For claims arising in insolvencies commencing on or after 15 September 2003 the categories of preferential debts under section 386(1) of the Insolvency Act 1986, are as follows:

- (a) pension scheme contributions;
- (b) remuneration etc of employees;
- (c) levies on coal and steel production.

VAT bad debt relief

The provisions of the Finance Act 1990, came into effect on 26 July 1990, and introduced changes in the way that VAT on bad debts is recovered.

Your claim overleaf must be quoted inclusive of VAT. You may claim relief on your VAT return when the debt is at least six months old and has been written off. This system can also be applied to debts for any supplies made between 1 April 1989, and 25 July 1990, and such debts must be claimed gross overleaf. Any dividend you receive in respect of this claim will include payment in respect of the VAT element of your debt and you will be responsible for declaring such VAT to HM Revenue & Customs.