

Section 106

Return of Final Meeting in a
Creditors' Voluntary Winding UpPursuant to Section 106 of the
Insolvency Act 1986

To the Registrar of Companies

S.106

Company Number

06856345

Name of Company

A and K Auto Spares Limited

I / ~~We~~

Darren Terence Brookes, The Old Bank, 187a Ashley Road, Hale, Cheshire, WA15 9SQ

Note The copy account must be
authenticated by the written
signature(s) of the Liquidator(s)

1 give notice that a general meeting of the company was ~~duly held on~~/summoned for 22 December 2016 pursuant to section 106 of the Insolvency Act 1986, for the purpose of having an account (of which a copy is attached) laid before it showing how the winding up of the company has been conducted, and the property of the company has been disposed of, and that ~~the same was done accordingly~~ / no quorum was present at the meeting.

2 give notice that a meeting of the creditors of the company was ~~duly held on~~/summoned for 22 December 2016 pursuant to Section 106 of the Insolvency Act 1986, for the purpose of having the said account laid before it showing how the winding up the company has been conducted and the property of the company has been disposed of and that ~~the same was done accordingly~~/no quorum was present at the meeting

The meeting was held at The Old Bank, 187a Ashley Road, Hale, Cheshire, WA15 9SQ

The winding up covers the period from 19 November 2015 (opening of winding up) to the final meeting (close of winding up)

The outcome of any meeting (including any resolutions passed) was as follows

Signed

Darren Terence Brookes

Date 22 December 2016

Milner Boardman & Partners
The Old Bank
187a Ashley Road
Hale
Cheshire
WA15 9SQ

Ref AA2440/DTB/MM

SATURDAY



A5MHRISN

A29

24/12/2016

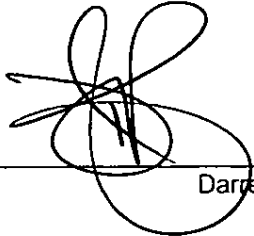
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COMPANIES HOUSE

A and K Auto Spares Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments
From 19 November 2015 To 22 December 2016

S of A £		£	£
	HIRE PURCHASE		
6,000 00	Motorcycle	NIL	
(6,000 00)	Black Horse Finance	NIL	
			NIL
	ASSET REALISATIONS		
6,250 00	Intercompany Debt	NIL	
6,000 00	Director's Loan	6,000 00	
			6,000 00
	COST OF REALISATIONS		
	Specific Bond	70 00	
	Preparation of S of A	4,998 75	
	Agents/Valuers Fees (1)	250 00	
	Legal Fees (1)	400 00	
	Statutory Advertising	281 25	
			(6,000 00)
	UNSECURED CREDITORS		
(16,435 00)	Trade & Expense	NIL	
(6,000 00)	Director	NIL	
(19,862 00)	Bank	NIL	
(33,454 00)	H M Revenue & Customs - VAT	NIL	
(36,212 00)	H M Revenue & Customs - PAYE	NIL	
			NIL
	DISTRIBUTIONS		
(40,001 00)	Ordinary Shareholders	NIL	
			NIL
(139,714 00)			NIL

REPRESENTED BY



 Darren Terence Brookes
 Liquidator



MILNER BOARDMAN
& PARTNERS
Corporate Recovery

A AND K AUTO SPARES LIMITED - IN LIQUIDATION

Liquidator's Final Report as Laid Down at the Meeting

Covering the Period
19 November 2015 to 22 December 2016

22 December 2016

Milner Boardman and Partners
The Old Bank
187A Ashley Road
Hale
Cheshire
WA15 9SQ

Our Ref DTB/MM/2440/24

Liquidator's
Final Report



MILNER BOARDMAN
& PARTNERS
Corporate Recovery

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1 Statutory Information and Background

- 1 1 On 29 October 2015, the board of directors signed notices convening meetings of the Company's members and creditors with a view to placing the Company into Creditors' Voluntary Liquidation
- 1 2 On 19 November 2016 members passed a special resolution placing the Company into Liquidation and an ordinary resolution appointing Darren Brookes as Liquidator. At a meeting of the Company's creditors held on the same day, creditors passed a resolution confirming the appointment of Darren Brookes as Liquidator
- 1 3 The Liquidation is being handled by Milner Boardman & Partners, situated at The Old Bank, 187A Ashley Road, Hale, Cheshire, WA15 9SQ
- 1 4 The Company initially traded from Unit 19 Bankwood Lane, Rossington, Doncaster, DN4 8DE and trading was relocated later to Unit 17, Junction 13 Business Park, Balby Carr Bank, Doncaster, DN4 8DE. Its former registered office was Digital Media Centre, County Way, Barnsley, South Yorkshire, S70 2EQ
- 1 5 The registered office of the Company is c/o Milner Boardman & Partners, The Old Bank, 187A Ashley Road, Hale, Cheshire, WA15 9SQ and its registered number is 06856345
- 1 6 It is considered that the EC Regulation on Insolvency Proceedings applies to these proceedings, which are main proceedings as defined in Article 3 of the EC Regulations

2. Case Overview

- 2 1 The principal business activity of the Company was that of car recycling
- 2 2 The reasons for the failure of the Company according to the director were significant moving costs, reduction in sales and decline in the Company's Ebay listing
- 2 3 According to the director's statement of affairs, the assets of the Company consisted of a motorcycle, an intercompany debt and a director's loan

3 Asset Realisation and Liquidator's Actions Since Appointment

- 3 1 **Motorcycle.** According to the statement of affairs, the Company had a motorcycle which was subject to finance by Black Horse Finance ("BHF"). Independent agents Wignall Brownlow ("WB") were instructed by the Liquidator to assist with a valuation of this asset. WB confirmed that there was no equity in the motorcycle and it was collected by BHF. No funds have been realised in relation to the motorcycle
- 3 2 **Intercompany Debt.** An associated company, Doncaster Auto Parts Limited ("DAPL") was listed on the statement of affairs as a debtor of the Company in the sum of £25,000 however provision of 75% was applied and it was estimated that £6,250 was due in

relation to intercompany debt. It soon transpired that DAPL was insolvent and placed in the Liquidation on 9 August 2016, with Philip D Nunney and Nicola Kirk of Abbey Taylor Limited being appointed as its Joint Liquidators, with no prospect of dividend to the unsecured creditors. I can confirm that the intercompany debt was written off and there have been no realisations in this matter.

- 3.3 **Director's Loan** The director loaned the Company £6,000 to cover the cost of the Liquidation and this was duly paid.
- 3.4 **Lease: Freeths LLP (Freeths")** were instructed by the Liquidator to assist with the disclaimer of the Company's leasehold property.
- 3.5 There were no further asset realisations in this matter.

4. Receipts and Payments

- 4.1 A receipts and payments account for the period 19 November 2015 to 22 December 2016 is enclosed with this report at appendix 1.
- 4.2 Total receipts in this matter are £6,000 and relate to the director's loan.
- 4.3 Payments for the period total £6,000 and relate to specific bond, statement of affairs fee, agent's fees, legal fees and statutory advertising.

5 Investigation

- 5.1 As part of my duties as Liquidator, I undertook enquiries into the Company's previous trading activities. The purpose of this aspect of the investigation was to ascertain the existence and whereabouts of any Company assets, whether disclosed on the director's sworn statement of affairs or not. It was also to establish whether any conduct matters justified further investigation taking into account public interest, potential recoveries, funds available to fund an investigation and the cost involved.
- 5.2 This investigation necessitated an examination of the books and records maintained by the Company, together with Company correspondence either retained by the Company or provided to me subsequently by creditors.
- 5.3 I have also examined the conduct of the individuals concerned in the management of the Company and have, where necessary, interviewed the directors of the Company.
- 5.4 I have complied with my statutory duty under the Company Directors Disqualification Act 1986 by submitting an appropriate return to the Secretary of State.

6 Liquidator's Remuneration

- 6 1 At the initial meeting of creditors held on 19 November 2015, payment of £5,000 plus VAT was authorised for my assistance with preparing the statement of affairs and convening and holding the meetings of members and creditors. I can confirm that £4,998.75 was drawn and the balance will be written off.
- 6 2 The Liquidator's fees were sought to be agreed on a fixed fee basis but has not been approved.
- 6 3 As you can see from the attached summary at appendix 2, the time costs to date are £5,912.50, which represents 28.30 hours at an average rate of £208.92 per hour.
- 6 4 Attached at appendix 3 are details of creditor's rights in relation to the Liquidator's remuneration and expenses. A copy of "A creditors' guide to Liquidators' fees" is available via "www.insolvency-practitioners.org.uk" by clicking on "Regulation and Guidance" and then "Creditors Guides" and then clicking on "Liquidators' Fees October 2015" or alternatively a hard copy may be requested from this office.
- 6 5 The main areas where time costs have been incurred are 'Administration and Planning', 'Investigations', 'Realisation of Assets' and 'Creditors'. These are discussed in more detail below.
- 6 6 Administration and Planning**
- 6 6 1 A total of £3,817.50 has been spent on administration and planning including time spent on meetings and telephone conversations with the director and the Company accountant, complying with statutory duties, reporting to creditors and general administrative work including convening meetings of members and creditors, preparing reports and dealing with correspondence, correspondence with Freeths in relation to disclaiming lease and preparing and filing a Corporation Tax return.
- 6.7 Investigations**
- 6 7 1 A total of £1,704 has been spent on dealing with investigations into the directors' conduct and Company assets including intercompany loan as well as reviewing books and records provided to me.
- 6.8 Realisation of Assets**
- 6 8 1 A total of £330.50 has been spent on dealing with realisation of assets including correspondence and telephone conversation with a Liquidator of DAPL in relation to the intercompany debt.
- 6 9 Creditors**
- 6 9 1 A total of £60.50 has been spent on dealing with creditors. Work carried out relates to advising of the appointment, dealing with claims and any other queries.

7 Liquidator's Disbursements

7.1 With regard to disbursements, specific expenditure relating to the administration of the insolvent's estate and payable to an independent third party is recoverable without creditor approval. Payments made in respect of the above are defined as "Category 1 disbursements". Category 1 disbursements incurred in this case total £1,001.25 since appointment.

7.2 I have drawn £1,001.25 to date.

7.3

Type of expense	Amount incurred in reporting period (£)	Amount drawn in reporting period (£)
Specific bond	70.00	70.00
Agent's fees	250.00	250.00
Legal fees	400.00	400.00
Statutory advertising	281.25	281.25

7.4 Expenditure incidental to the administration of the insolvent's estate, which by its nature includes an element of shared or allocated costs, are recoverable with creditors' approval. Payments in respect of this type of expense are referred to as "Category 2 disbursements". Category 2 disbursements require creditor authorisation before they can be drawn. Category 2 disbursements include staff mileage costs. Milner Boardman & Partners have not charged Category 2 disbursements.

7.5 All disbursements are shown net of VAT and as the Company was registered for VAT purposes, VAT totalling £1,186 was recoverable for the benefit of the insolvent's estate.

7.6 I have used the following agents or professional advisors in this reporting period:

Agent/Professional Advisor	Nature of work	Basis of fees
Wignall Brownlow	Valuer	Percentage of realisations
Freeths LLP	Solicitor	Fixed fee

7.7 The professional advisers were selected on a basis of my perception of their experience and ability to perform this type of work and nature and complexity of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied they are reasonable in the circumstances.

8 Creditors**8.1 Secured Claims**

8.1.1 According to Companies House, there was a debenture registered against the Company in favour of The Royal Bank of Scotland plc, created on 2 February 2012 and registered on 16 February 2012. This has been satisfied.

8.1.2 Under Section 176A of the Insolvency Act 1986, where after 15th September 2003 a company has granted to a creditor a floating charge, a proportion of the net property realised, must be made available exclusively for the unsecured creditors

8.1.3 In this case, the provision did not apply as the above charge was satisfied

8.2 Preferential Creditors

8.2.1 There have been no preferential claims in this matter as anticipated

8.3 Unsecured Creditors

8.3.1 The statement of affairs included £33,454 owed to HM Revenue & Customs ("HMRC") in relation to VAT and £36,212 in respect of PAYE. HMRC's final integrated claim in this matter was £158,628.83 and is higher than anticipated due to late file penalties, tax, surcharge and interest applied

8.3.2 The statement of affairs included other unsecured creditors totalling approximately £42,297 and included the director's claim. Claims received to date total £14,925.94

8.3.3 At the initial meeting of creditors, it was indicated that based on information presented to the meeting, it would seem unlikely that there would be sufficient funds available to distribute to unsecured creditors. I can confirm that no dividend has been paid to any class of creditor in this matter as the funds realised have been used to meet the expenses of the Liquidation

9 Conclusion

9.1 The winding up of the Company is now complete and I have been able to summon final meetings of the Company's members and creditors to receive my final report and seek my release as Liquidator. Creditors and members should note that as I have now obtained my release as Liquidator, my case files will be placed in storage

Should you require further information please contact this office on 0161 927 7788

Yours faithfully
for and on behalf of
A and K Auto Spares Limited


Darren Brookes
Liquidator



MINISTRY OF
A. P. K. S.
Corporate Revenue

Appendix 1

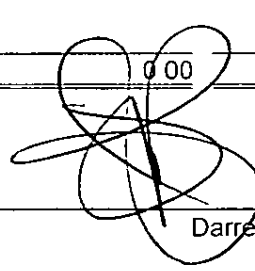
Receipts and Payments Account

**A and K Auto Spares Limited
(In Liquidation)**

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 19/11/2015 To 22/12/2016 £	From 19/11/2015 To 22/12/2016 £
RECEIPTS			
Motorcycle	6,000 00	0 00	0 00
Intercompany Debt	6,250 00	0 00	0 00
Director's Loan	6,000 00	6,000 00	6,000 00
		<u>6,000 00</u>	<u>6,000 00</u>
PAYMENTS			
Black Horse Finance	(6,000 00)	0 00	0 00
Specific Bond		70 00	70 00
Preparation of S of A		4,998 75	4,998 75
Agents/Valuers Fees (1)		250 00	250 00
Legal Fees (1)		400 00	400 00
Statutory Advertising		281 25	281 25
Trade & Expense	(16,435 00)	0 00	0 00
Director	(6,000 00)	0 00	0 00
Bank	(19,862 00)	0 00	0 00
H M Revenue & Customs - VAT	(33,454 00)	0 00	0 00
H M Revenue & Customs - PAYE	(36,212 00)	0 00	0 00
Ordinary Shareholders	(40,001 00)	0 00	0 00
		<u>6,000 00</u>	<u>6,000 00</u>
Net Receipts/(Payments)		<u>0 00</u>	<u>0 00</u>

MADE UP AS FOLLOWS

0 00	0 00
	
Darren Terence Brookes Liquidator	



MILNER BOARDMAN & PARTNERS
ATTORNEYS
PRACTICE FEE RECOVERY

Appendix 2

Milner Boardman & Partners' Time Analysis and Practice Fee Recovery Policy

Milner Boardman & Partners

TIME & CHARGEOUT SUMMARIES

A&K Auto Spares Ltd

From 19 Nov 2015 to 22 Dec 2016

HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	1 60	11 10	0 00	4 20	16 90	3,817 50	225 89
Investigations	0 00	0 60	0 00	9 00	9 60	1,704 00	177 50
Realisation of Assets	0 00	1 50	0 00	0 00	1 50	330 50	220 33
Creditors	0 00	0 20	0 00	0 10	0 30	60 50	201 67
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	592 00	2,993 00	0 00	2,327 50		5,912 50	
Total Hours	1 60	13 40	0 00	13 30	28 30		
Average Rate	370 00	223 36	0 00	175 00			

PRACTICE FEE RECOVERY POLICY FOR MILNER BOARDMAN & PARTNERS

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation 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, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

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/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at www.insolvency-practitioners.org.uk. Alternatively a hard copy may be requested from Milner Boardman & Partners. Please note, however, that the guides have not yet been updated for the revised legislation, so we have provided further details in this policy document.

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. If approval has been obtained for remuneration 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.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time cost basis

When charging fees on a time costs basis we use 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.

Charge Out Rates

Grade of staff	Current charge-out rate per hour, effective from 1 April 2015 £	Previous charge-out rate per hour, effective from 1 November 2008 £
Partner – appointment taker	370	295 to 370
Senior Manager	255	N/A
Manager	215	215
Case Administrator	175	175
Support Staff	175	175

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

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

- Administration and Planning
- Investigations
- Realisation of Assets
- Creditors
- Trading
- Case specific matters

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and on new appointments we now only seek time costs for the following categories, where applicable:

- Investigations
- Distributions
- Trading

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

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 we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have 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, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations 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 percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

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 percentage basis then an increase in the amount of the percentage applied 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 percentage applied. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed 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

Members' Voluntary Liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to Members' Voluntary Liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement

All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate

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

In new appointments made after 1 October 2015, 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 Milner Boardman & Partners, 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.

Milner Boardman & Partners do not seek to recover Category 2 disbursements.



Appendix 3

Creditor's Rights in relation to Liquidator's Remuneration

Milner Boardman & Partners – Information Sheet for Creditors

What if a creditor is dissatisfied with liquidation remuneration?

If a creditor believes that the liquidator(s) remuneration is too high, the basis is inappropriate, or the expenses incurred by the liquidator(s) 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 any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has 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 as an expense of the liquidation.

Creditor's rights to information on the liquidator's remuneration and expenses

Within 21 days of receipt of a progress report (or 7 business days where the report has been prepared for the purpose of a meeting to receive the office holder's resignation) a creditor, or in the case of an MVL a member, may request the office holder to provide further information about the remuneration and expenses set out in the report. A request must be in the writing, and may be made by

- A secured creditor, or
- An unsecured creditor with the concurrence of at least 5% in value of the creditors (including that creditor) or the permission of the court,
- In the case of an MVL, by members of the company with at least 5 % of the total voting rights of the all members having the right to vote at general meetings, or
- With the permission of the court –
 - Any unsecured creditor
 - In the case of an MVL, any member

The office holder must provide the requested information within 14 days, unless he considers that

- The time or cost involved in preparing the information would be excessive, or
- Disclosure would be prejudicial to the conduct of the proceedings or might be expected to lead to violence against any person, or
- The office holder is subject of confidentiality in relation to the information requested,

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

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

If any creditors have any queries, please contact 0161 927 7788