

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

FRIDAY



A22

\*A6JV632A\*  
24/11/2017 #265  
COMPANIES HOUSE

### 1 Company details

Company number 0 7 5 1 0 5 4 0

Company name in full Mint Staffing Limited(t/a Mint Staffing Solutions)

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

### 2 Liquidator's name

Full forename(s) Darren Terence

Surname Brookes

### 3 Liquidator's address

Building name/number The Old Bank

Street 187a Ashley Road

Post town Hale

County/Region Cheshire

Postcode W A 1 5 9 S Q

Country

### 4 Liquidator's name ①

Full forename(s)

Surname

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

### 5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

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

LIQ03

Notice of progress report in voluntary winding up

**6** Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 0	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 6
To date	<sup>d</sup> 1	<sup>d</sup> 9	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7

**7** Progress report

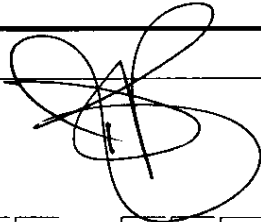
☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X



X

Signature date

<sup>d</sup> 2	<sup>d</sup> 2	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7
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LIQ03

## Notice of progress report in voluntary winding up

**Presenter information**

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

Contact name	Darren Brookes
Company name	Milner Boardman & Partners
Address	The Old Bank 187a Ashley Road
Post town	Hale
County/Region	Cheshire
Postcode	W A 1 5 9 S Q
Country	
DX	
Telephone	0161 927 7788

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

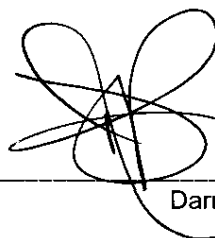
**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

**Mint Staffing Limited(t/a Mint Staffing Solutions)**  
**(In Liquidation)**  
**Liquidator's Summary of Receipts & Payments**

Statement of Affairs £		From 20/10/2016 To 19/10/2017 £	From 20/10/2016 To 19/10/2017 £
	<b>SECURED ASSETS</b>		
10,000.00	Goodwill/Customer List/IPR/Domain N	7,500.00	7,500.00
Uncertain	Factored Book Debts	NIL	NIL
		<u>7,500.00</u>	<u>7,500.00</u>
	<b>SECURED CREDITORS</b>		
(9,322.00)	Due to Chargeholder (Skipton Busines	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>ASSET REALISATIONS</b>		
NIL	Office Equipment	NIL	NIL
Uncertain	Director's Loan Account (A Ainscough)	NIL	NIL
Uncertain	Director's Loan Account (R Ainscough)	NIL	NIL
	Contribution to costs	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>COST OF REALISATIONS</b>		
	Specific Bond	40.00	40.00
	Preparation of S. of A.	4,232.33	4,232.33
	Office Holders Fees	NIL	NIL
	Agents/Valuers Fees (1)	1,500.00	1,500.00
	Pension Fee	750.00	750.00
	Statutory Advertising	216.00	216.00
		<u>(6,738.33)</u>	<u>(6,738.33)</u>
	<b>UNSECURED CREDITORS</b>		
(13,650.00)	Trade & Expense	NIL	NIL
(9,750.00)	M R N W Limited (In Administration)	NIL	NIL
(27.53)	Santander Bank	NIL	NIL
(188,439.00)	HM Revenue & Customs (VAT)	NIL	NIL
(102,500.00)	HM Revenue & Customs (PAYE)	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>(313,688.53)</b>		<b><u>761.67</u></b>	<b><u>761.67</u></b>
	<b>REPRESENTED BY</b>		
	VAT Receivable		100.00
	Current Account		661.67
			<u><b>761.67</b></u>



Darren Terence Brookes  
Liquidator



MILNER BOARDMAN  
& PARTNERS  
*Corporate Recovery*

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## **MINT STAFFING LIMITED T/A MINT STAFFING SOLUTIONS- IN LIQUIDATION**

### **Liquidator's Progress Report**

Covering the Period  
20 October 2016 to 19 October 2017

22 November 2017

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

Our Ref: DTB/NKC/2431/23

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Liquidator's  
Progress Report



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## **1. Statutory Information and Background**

- 1.1 On 20 October 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.
- 1.2 Darren Brookes of Milner Boardman & Partners ("MBP"), The Old Bank, 187a Ashley Road, Hale, Cheshire, WA15 9SQ was appointed Liquidator.
- 1.3 The Company initially traded from 37 Winders Way, Salford, M6 6AR and in February 2016 moved to premises located at Technology House, Lissadel Street, Salford, M6 6AP. The former registered office of the Company was 62-66 Deansgate, Manchester, M3 2EN. The Company previously traded as GTEQ Distribution Limited and changed its name on 3 November 2015.
- 1.4 The registered office of the Company is c/o MBP, The Old Bank, 187A Ashley Road, Hale, Cheshire, WA15 9SQ and its registered number is 07510540.

## **2. Executive Summary**

- 2.1 The principal business activity of the Company was that of temporary labour supply.
- 2.2 The reasons for the failure of the Company, according to the directors, were financial difficulties due to commitment from the outset, historically quiet period in this sector, loss of customers and bad debts.
- 2.3 According to the director's statement of affairs, the assets of the Company comprised goodwill/customer list/IPR/domain names, factored book debts, office equipment and overdrawn directors' loan accounts.

## **3. Liquidator's Actions Since Appointment**

- 3.1 My duties and functions as Liquidator are the realisation of the Company's assets, the agreement of the claims of creditors, investigation of the directors' conduct and the Company's affairs generally, and if applicable the eventual distribution of the Liquidation funds between the creditors in accordance with their legal entitlements.
- 3.2 In addition to the asset realisations detailed at section 5, there is certain work that I am required by the insolvency legislation to undertake in connection with the Liquidation that provides no financial benefit to the creditors. A description of the routine work undertaken since my appointment is detailed below.
  - Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case
  - Setting up physical case files

- Setting up the case on the practice's electronic case management system and entering data
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment
- Obtaining a specific penalty bond
- Seeking a decision from creditors on the basis of the office holder's remuneration
- Dealing with all routine correspondence and emails relating to the case
- Opening, maintaining and managing the office holder's estate bank account and cashbook
- Undertaking regular bank reconciliations of the bank account containing estate funds
- Reviewing the adequacy of the specific penalty bond on a quarterly 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
- Preparing and filing VAT returns
- Preparing and filing Corporation Tax return

3.3 Further information is provided at Section 7 regarding the work carried out in relation to investigations and also liaising with HM Revenue & Customs ("HMRC").

#### **4. Receipts and Payments**

- 4.1 A receipts and payments account for the year ended 19 October 2017 is enclosed with this report at appendix 1. The balance of funds is held in a non-interest bearing estate account.
- 4.2 Total receipts for the period are £7,500 and relate to the sale of the goodwill, customer list, IPR and domain name.
- 4.3 Total payments for the period are £6,738.33 relating to the specific bond, the statement of affairs fee, agent's fees, pension fee and statutory advertising.

#### **5. Assets**

- 5.1 **Goodwill, Customer List, IPR, Domain Names:** Goodwill, customer list, IPR and domain names were listed on the statement of affairs with a book value of £79,114 and being estimated to realise £10,000. Independent agents, Peter Davies and Sons ("PDS") were instructed to provide a valuation of the Company's business and assets which was valued at between £5,000 and £15,000 in situ and nil ex-situ.

An initial offer to purchase the goodwill, customer list, IPR and domain names was received from MSSHOSP Limited in the sum of £5,000. This offer was subsequently increased to £7,500 and upon agents' recommendations the offer was accepted by the Liquidator and the sale agreed on 27 October 2016. I can confirm that £2,000 was



received on 20 October 2016, as security for costs and this was subsequently attributed as initial deposit for the purchase of these assets. The remaining balance of £5,500 was received on 28 October 2016.

- 5.2 **Factored Book Debts:** The Company factored its debts via an invoice discounting facility with Skipton Business Finance Limited ("Skipton"), which was secured by a fixed and floating charge registered at Companies House on 12 November 2015. As reported in my initial report, as at 17 October 2016, the outstanding debtor ledger was £8,439 and the amount owed to Skipton was £9,322. It was understood a number of debts were disputed and it was not anticipated that a surplus would be available, and Skipton would have to recover their lending by relying on the personal guarantees given by the directors. Skipton have confirmed that they are no longer owed any monies by the Company as they were paid their core commitment via an interfactor transfer to Bibby Financial Services. They have also advised that there was no remaining ledger.
- 5.3 **Office Equipment:** The statement of affairs recorded office equipment with a book value of £4,292, however the directors advised that this related to aged computers which were considered to have no value and had been replaced and therefore it was not anticipated that there would be any realisations in this respect. After taking into consideration the directors' comments and the minimal realisable value of any office equipment, the commercial decision was made not to pursue this matter further.
- 5.4 **Directors' Loan Accounts:** The management accounts prepared for the year ended 6 April 2016 showed an amount of £13,750 owed to the Company by Andrew Ainscough and £14,610 owed by Reina Ainscough in relation to overdrawn director's loan accounts. Attempts were made to clarify the position and demand was made on the directors for repayment. The directors have disputed the amounts outstanding and the matter was referred to Freeths LLP ("Freeths") to pursue further and this remains ongoing.
- 5.5 Investigations also highlighted that there are potentially unlawful dividends which total £20,000, which should be repaid to the Company and again Freeths have been instructed to assist in confirming the position and pursuing payment if necessary.
- 5.6 The case remains open whilst the investigations and pursuit of the directors' loan accounts and the unlawful dividends is ongoing, and until it is known whether recoveries will be made in this matter.

## **6. Liabilities**

### **6.1 Secured Creditors**

- 6.1.1 According to Companies House, there was a debenture registered against the Company in favour of Skipton which was created on 10 November 2015 and registered on 12 November 2015.
- 6.1.2 In this case, a shortfall to Skipton was estimated to be £9,322, however it is understood that they recovered their lending in full.

## **6.2 Prescribed Part**

6.2.1 Insolvency legislation provides that, where after 15<sup>th</sup> 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.

6.2.2 In this case, the provision will not apply as the Company's net assets after costs will be nil and therefore the Prescribed Part will not apply.

## **6.3 Preferential Creditors**

6.3.1 No preferential creditor claims are expected in this case.

## **6.4 Unsecured Creditors**

6.4.1 The statement of affairs included an amount of £188,439 owed to HMRC in respect of VAT and £102,500 in relation to PAYE. A VAT integrated claim in the sum of £223,168.12 was received from HMRC. HMRC's claim includes a penalty of approximately £56,000 and it is understood that HMRC are pursuing the directors personally for this element of the debt.

6.4.2 The statement of affairs included other unsecured creditors totalling £23,427.53. Claims received to date total £11,366.60.

6.4.3 It was initially indicated to creditors that it would seem unlikely that there would be sufficient funds available to distribute to unsecured creditors however this depended on asset realisations. I can confirm that based on current information there are insufficient funds to enable a dividend in this matter.

## **7. Investigation into the Affairs of the Company**

7.1 As part of my duties as Liquidator, I undertook initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.

7.2 Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the seven months prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and made enquiries about the reasons for the changes.

7.3 Further investigations carried out have indicated that £20,000 appears to be owed by the directors in relation to unlawful dividends in addition to the apparent outstanding

directors loan accounts. Freeths have been instructed to assist the Liquidator to pursue these matters further.

- 7.4 An allegation of wrongful trading was raised by a creditor and this has been investigated. At present this is not being pursued further.
- 7.5 Within three months of my appointment as Liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

### **8. Pre-appointment Remuneration**

- 8.1 At the initial meeting of creditors on 20 October 2016, creditors authorised that payment of £7,000 plus VAT be made for our assistance in preparing the statement of affairs and convening and holding the meetings of members and creditors. I can confirm that a total of £4,232.33 has been paid to date.

### **9. Liquidator's Remuneration**

- 9.1 My remuneration was authorised by the creditors by written resolutions on 18 November 2016. My remuneration was authorised on a mixture of a time cost basis, a fixed fee and a % of realisations and distributions.
- 9.2 I was authorised to draw time costs for my work in respect of investigations. This approval was based on my fee estimate of £9,222.50. The fee estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors. My total time costs for such work amounts to £7,796.50 representing 39.50 hours work at an average charge out rate of £197.37 per hour. I have not been able to draw any remuneration in respect of work done for which my fees were approved on a time cost basis.
- 9.3 I was also authorised to draw a fixed fee of £7,500 for my work in respect of administration and planning and dealing with creditors. I have not been able to draw any remuneration in respect of work done for which my fees were approved on a fixed fee basis.
- 9.4 Finally, I was also authorised to draw 20% of realisations for my work in respect of the realisation of assets and 10% of any distributions made. I have not been able to draw any remuneration in respect of work done for which my fees were approved as a % of realisations and distributions.
- 9.5 A schedule of my time costs incurred to date is attached appendix 2. A total of £7,796.50 has been spent on investigations into the director's conduct and Company assets and has included reviewing books and records provided to me, submitting a confidential report to the Secretary of State and investigations into the overdrawn directors' loan accounts and unlawful dividends.

- 9.6 As at 19 October 2017 I do not anticipate that the total costs I will incur in this matter in respect of category of work for which I am being remunerated on a time costs basis will exceed the total estimate remuneration set out in my fees estimate, as authorised by the creditors.
- 9.7 Further information about creditors' rights can be found by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at [www.r3.org.uk/what-we-do/publications/professional/fees](http://www.r3.org.uk/what-we-do/publications/professional/fees). A copy of a Creditors' Guide to Liquidators' fees can also be found here. Alternatively, please go to [www.milnerboardman.com](http://www.milnerboardman.com) and click on "Useful Links" and then "Creditor's Guide to Liquidators fees". Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9. There are different versions of these Guidance Notes, and in this case please refer to October 2015 version or alternatively a hard copy may be requested from this office. Please note that we have also provided further details in the practice fee recovery sheet. Please be advised that the charge out rates of the MBP changed on 1 June 2017 as included in the practice fee recovery sheet. The only change relates to the introduction of an 'appointment taker' rate of £295 which is included in the 'manager' category.

#### 10. Liquidator's Disbursements

- 10.1 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 £4,680.70 since appointment.

- 10.2 I have drawn £2,506 to date.

10.3

Type of expense	Amount incurred in reporting period (£)	Amount drawn in reporting period (£)
Specific bond	40.00	40.00
Agent's fees	1,500.00	1,500.00
Pension fee	1000.00	750.00
Statutory advertising	216.00	216.00
Legal fees	1,924.70	0.00

- 10.4 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. MBP have not charged Category 2 disbursements.

10.5 All disbursements are shown net of VAT and as the Company was registered for VAT purposes, VAT totalling £1,239.67 was recoverable for the benefit of the insolvent's estate.

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

Agent/Professional Advisor	Nature of work	Basis of fees
PDS	Valuer	Percentage of realisations
Clumber Consultancy Limited ("CCL")	Pension Specialists	Fixed fee
ERA Solutions Limited ("ERA")	Employment Specialists	Fixed fee
Freeths	Solicitors	Time Costs

10.7 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.

- PDS were instructed to assist the Liquidator with the valuation of the Company's assets
- CCL have been instructed to advise on pension scheme. The initial quote for the work done in this matter was estimated to be £250 however due to significant amount of time required to review the records this fee was increased to £750
- ERA have been instructed by the Liquidator to complete RP15 and RP15a forms which are required in accordance with the pension report. Due to limited funds in this case ERA agreed to cap their fees at £250
- Freeths have been instructed to assist with pursuing the monies owed in relation to the overdrawn directors' loan accounts and unlawful dividends.

10.8

Nature of expense	Estimated expenses	Expenses incurred to date
Pension advice	250	1,000
Legal	0	1,924.70
<b>Total</b>	<b>250</b>	<b>2,924.70</b>

10.9 As at 19 October 2017, as you can see from the information provided in this report, the expenses I have incurred in this matter have exceeded the total expenses I estimated I would incur when my remuneration was authorised by the creditors. The reasons I have exceeded the expenses estimate are that additional work needed to be done by agents in relation to the pension report which required significant time to be spent on reviewing the Company's records plus, legal fees have been incurred in pursuing the directors in respect of unlawful dividends and outstanding loan accounts.

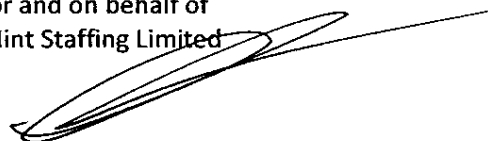
## **11. Further Information**

- 11.1 An unsecured creditor may, with the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Liquidator's remuneration and expenses within 21 days of their receipt of this report. Any secured creditor may request the same details in the same time limit.
- 11.2 An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Liquidator's as being excessive, and/or the basis of the Liquidator's remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.
- 11.3 To comply with the Provision of Services Regulations, some general information about Milner Boardman is in the attached summary sheet at appendix 3.

## **12. Summary**

- 12.1 This concludes the Liquidator's progress report for the year ended 19 October 2017. The Liquidation will remain open whilst the directors' loan accounts and the unlawful dividends continue to be pursued, and it is known whether recoveries will be made in this matter. Once these matters have been resolved, the Liquidation will be finalised, and the files closed. If the Liquidation has not been finalised, the next report is due within 2 months of the next year's anniversary, i.e. before 19 December 2018.
- 12.2 If creditors have any queries regarding the conduct of the Liquidation, they should contact Natasha Cavanagh by email at [natashac@milnerboardman.co.uk](mailto:natashac@milnerboardman.co.uk) or by phone on 0161 927 7788.

Yours faithfully  
for and on behalf of  
Mint Staffing Limited



**Darren Brookes**  
Liquidator



MILNER BOARDMAN  
& PARTNERS  
*Corporate Recovery*

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# Appendix 1

## Receipts and Payments Account


**Mint Staffing Limited(t/a Mint Staffing Solutions)**  
**(In Liquidation)**

**LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT**

	Statement of affairs £	From 20/10/2016 To 19/10/2017 £	From 20/10/2016 To 19/10/2017 £
<b>RECEIPTS</b>			
Goodwill/Customer List/IPR/Domain Nam	10,000.00	7,500.00	7,500.00
Factored Book Debts	Uncertain	0.00	0.00
Office Equipment	NIL	0.00	0.00
Director's Loan Account (A Ainscough)	Uncertain	0.00	0.00
Director's Loan Account (R Ainscough)	Uncertain	0.00	0.00
		<u>7,500.00</u>	<u>7,500.00</u>
<b>PAYMENTS</b>			
Due to Chargeholder (Skipton Business)	(9,322.00)	0.00	0.00
Specific Bond		40.00	40.00
Preparation of S. of A.		4,232.33	4,232.33
Agents/Valuers Fees (1)		1,500.00	1,500.00
Pension Fee		750.00	750.00
Statutory Advertising		216.00	216.00
Trade & Expense	(13,650.00)	0.00	0.00
M R N W Limited (In Administration)	(9,750.00)	0.00	0.00
Santander Bank	(27.53)	0.00	0.00
HM Revenue & Customs (VAT)	(188,439.00)	0.00	0.00
HM Revenue & Customs (PAYE)	(102,500.00)	0.00	0.00
		<u>6,738.33</u>	<u>6,738.33</u>
Net Receipts/(Payments)		<u>761.67</u>	<u>761.67</u>

**MADE UP AS FOLLOWS**

Current Account	661.67	661.67
VAT Receivable / (Payable)	100.00	100.00
	<u>761.67</u>	<u>761.67</u>



Darren Terence Brookes  
Liquidator





# Appendix 2

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

**Milner Boardman & Partners**  
**TIME & CHARGEOUT SUMMARIES**  
**20 October 2016 to 19 October 2017**

**Mint Staffing Limited**

**HOURS**

Classification of work function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Investigations	1.60	10.40	0.00	27.50	39.50	7,796.50	197.38

## 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](http://www.insolvency-practitioners.org.uk). Alternatively a hard copy may be requested from Milner Boardman & Partners.

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 June 2017 £	Previous charge-out rate per hour, effective from 1 April 2015 £	Previous charge-out rate per hour, effective from 1 November 2008 £
Director	370	370	295 to 370
Appointment Taker	295	N/A	N/A
Senior Manager	255	255	N/A
Manager	215	215	215
Case Administrator	175	175	175
Support Staff	175	175	175

These charge-out rates charged are reviewed each year and may be 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

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

## Provision of Services Regulations Summary

## **PROVISION OF SERVICES REGULATIONS SUMMARY SHEET FOR MILNER BOARDMAN & PARTNERS**

The following information is designed to draw the attention of interested parties to the information required to be disclosed by the Provision of Services Regulations 2009.

### **Licensing Body**

Darren Brookes and Molly Monks are licensed to act as Insolvency Practitioners in the United Kingdom by the Insolvency Practitioners Association ("IPA").

### **Rules Governing Actions**

All IPs are bound by the rules of their professional body, including any that relate specifically to insolvency. The rules of the professional body that licences Darren Brookes and Molly Monks of Milner Boardman & Partners can be found at - <http://www.insolvency-practitioners.org.uk>. In addition, IPs are bound by the Statements of Insolvency Practice (SIPs), details of which can be found at <https://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice>.

### **Ethics**

All IPs are required to comply with the Insolvency Code of Ethics and a copy of the Code can be found at <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/ethics-code>.

### **Complaints**

In the first instance, you should contact the Insolvency Practitioner ("IP") acting as office holder. Please note that within Milner Boardman & Partners there are three Licensed Insolvency Practitioners; Darren Brookes and Molly Monks.

If you consider that the IP has not dealt with your comments or complaint appropriately you should then put details of your concerns in writing to our complaints officer Molly Monks. However, if your complaint is regarding Molly Monks then please contact Darren Brookes.

We will lodge your complaint and open a file, this will be done immediately. We will then investigate your complaint and report to you as soon as possible, usually within five business days.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at [www.gov.uk/complain-about-insolvency-practitioner](http://www.gov.uk/complain-about-insolvency-practitioner); or you can email [insolvency.enquiryline@insolvency.gsi.gov.uk](mailto:insolvency.enquiryline@insolvency.gsi.gov.uk); or you may phone 0300 678 0015 - calls are charged at up to 10p per minute from a land line, or for mobiles, between 3p and 55p per minute if you're calling from the UK.



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.