

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 8 8 4 5 9 4 5

Company name in full Countryman Business Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Margaret

Surname Carter

3 Liquidator's address

Building name/number 6th Floor

Street Bank House

Post town Cherry Street

County/Region Birmingham

Postcode B 2 5 A L

Country

4 Liquidator's name ①

Full forename(s) Richard

Surname Tonks

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 6th Floor

Street Bank House

Post town Cherry Street

County/Region Birmingham

Postcode B 2 5 A L

Country

② Other liquidator

Use this section to tell us about
another liquidator.

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6 Period of progress report

From date	^d 1	^d 2	^m 1	^m 1	^y 2	^y 0	^y 1	^y 9
To date	^d 1	^d 1	^m 1	^m 1	^y 2	^y 0	^y 2	^y 0

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 1	^d 8	^m 1	^m 2	^y 2	^y 0	^y 2	^y 0
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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 **Arjan Beghal**

Company name **Azets**

Address **6th Floor**

Bank House

Post town **Cherry Street**

County/Region **Birmingham**

Postcode **B 2 5 A L**

Country

DX

Telephone **0121 374 0180**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Countryman Business Ltd
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 12/11/2019 To 11/11/2020 £	From 12/11/2019 To 11/11/2020 £
	ASSET REALISATIONS		
	Bank Interest Gross	387.22	387.22
174,616.55	Cash at Bank	182,150.21	182,150.21
NIL	Club Countryman Limited	NIL	NIL
NIL	Goodwill	NIL	NIL
16,686.00	VAT Refund	NIL	NIL
		182,537.43	182,537.43
	COST OF REALISATIONS		
	Joint Liquidators Fees	32,379.50	32,379.50
	Pension Costs	350.00	350.00
	Specific Bond	300.00	300.00
	Stationery, Postage, Office costs	873.95	873.95
	Statutory Advertising	395.75	395.75
	Storage Costs	69.00	69.00
		(34,368.20)	(34,368.20)
	PREFERENTIAL CREDITORS		
	Advances of Wages	4,100.82	4,100.82
(3,810.82)	Employee Arrears/Hol Pay	NIL	NIL
(464.00)	Pension Schemes	NIL	NIL
		(4,100.82)	(4,100.82)
	UNSECURED CREDITORS		
(15,293.40)	CFL (2015) Limited - Intercompany	NIL	NIL
(686.00)	Consumer creditors	NIL	NIL
(21,865.42)	Employees Redundancy & PILON	NIL	NIL
(195.37)	H M Revenue & Customs - CT	NIL	NIL
(162,908.96)	Hastro Holdings Limited - Intercompany	NIL	NIL
(10,975.94)	HCS Innovations - Intercompany	NIL	NIL
(7,415.98)	HM Revenue & Customs - PAYE	NIL	NIL
(20,000.00)	Ian Harford - Directors Loan Account	NIL	NIL
(146,562.11)	Team Wild Limited - Intercompany	NIL	NIL
(671,184.84)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(300.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(870,360.29)		144,068.41	144,068.41
	REPRESENTED BY		
	Bank 1 Current		140,427.66
	Vat Control Account		3,640.75
			144,068.41



Margaret Carter
Joint Liquidator

Joint Liquidators' Annual Progress Report to Creditors & Members

**Countryman Business Ltd
- In Liquidation**

For the Period ending: 11 November 2020

Dated: 17 December 2020

Please note that the progress report has been prepared during the Covid-19 restrictions. As a result, there has been limited access to the physical case files and the report has been produced from information currently available electronically. Every reasonable step has been taken to ensure that the information is as accurate as possible, however should anything contained in the report be incorrect or incomplete, an update will be provided in the next progress report.

COUNTRYMAN BUSINESS LTD - IN LIQUIDATION

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- 5** Joint Liquidators' Remuneration
- 6** Creditors' Rights
- 7** Next Report

APPENDICES

- A** Receipts and Payments Account for the Period from 12 November 2019 to 11 November 2020.
- B** Time Analysis for the Period from the 12 November 2019 to 11 November 2020.
- C** Additional information in relation to Joint Liquidators' Fees, Expenses & Disbursements.

COUNTRYMAN BUSINESS LTD - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 We, Margaret Carter and Richard Tonks of Azets, 6th Floor, Bank House, Cherry Street, Birmingham, B2 5AL, were appointed as Joint Liquidators of Countryman Business Ltd (**the Company**) on 12 November 2019. This progress report covers the period from 12 November 2019 to 11 November 2020 (**the Period**).
- 1.2 Information about the way that we will use, and store personal data on insolvency appointments can be found at <https://www.azets.co.uk/about-us/privacy-cookie-policy/>. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.3 The principal trading address of the Company was 2 Church Street, Utttoxeter, ST14 8AG.
- 1.4 The registered office of the Company has been changed to 6th Floor, Bank House, Cherry Street, Birmingham, B2 5AL and its registered number is 08845945.
- 1.5 Please note that with effect from 7 September 2020, Baldwins Holdings Limited changed name to Azets Holdings Limited trading as "Azets". This has no impact on this assignment.

2 Receipts and Payments

- 2.1 At Appendix A is our Receipts and Payments Account covering the Period of this report.
- 2.2 In Section 3 below, you will find an update on the progress made during the Period in realising the Company's assets and dealing with its affairs.

3 Progress of the Liquidation

- 3.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period and an explanation of the work done by us and our staff.

Administration (including statutory compliance & reporting)

- 3.2 We must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work we anticipated would need to be done in this area was outlined to creditors in our initial fees estimate/information.
- 3.3 As noted in our initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors but is required on every case by statute.

Realisations of Assets

VAT Refund

- 3.4 You may recall that the Company's Statement of Affairs ('SoA') indicted that there was a VAT refund due in the amount of £16,686. However, our investigations have revealed that this level of refund is not due to the Company. With the assistance of the Company's former accountant, we have established that an agreed payment in respect of the VAT period 01.04.19 – 30.06.19 and 01.07.19 - 30.09.19 was not made by the Company in the pre liquidation period. Whilst refunds were due in respect of subsequent periods, these have been set off against the earlier missed payment.
- 3.5 In addition, as there is a pre liquidation liability owed to HMRC in respect of PAYE and NI, this also has been set off against the balancing VAT refund resulting in a small refund of VAT due to the Company in the sum of £132.

COUNTRYMAN BUSINESS LTD - IN LIQUIDATION

- 3.6 Whilst the position is clear from the Company records, and we have written to HMRC advising them of our findings, we have not received their confirmation of the position.

Cash at Bank

- 3.7 The SoA indicated an estimated realisable value in respect of cash at bank in the sum of £174,616. The Company bank account was closed and funds in the amount of £182,152 were received.

Bank Interest

- 3.8 Funds are held in an interest bearing account. During the Period we have received £387 in relation to Bank Interest.

Leasehold Property

- 3.9 Whilst not included in the statement of affairs we became aware that the Company had entered into a lease with regard to Unit 4B, Grindley Business Village, Grindley, Stafford, Staffordshire, ST18 0LR. Following our appointment, we reviewed the lease and found it to have no value. Consequently, the lease was disclaimed.

Creditors (claims and distributions)

- 3.10 Further information on the anticipated outcome for creditors in this case can be found later in this report. We are not only required to deal with correspondence and claims from unsecured creditors but also those of preferential creditors of the Company.
- 3.11 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 3.12 The above work will not necessarily bring any financial benefit to creditors generally, however we are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by us in dealing with those claims.

Investigations

- 3.13 Some of the work we are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that we can pursue for the benefit of creditors.
- 3.14 We can confirm that we have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, we are unable to disclose the contents.
- 3.15 Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account any information provided by creditors. Our investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors.

COUNTRYMAN BUSINESS LTD - IN LIQUIDATION

Matters Outstanding

- 3.16 Payment of dividend to unsecured creditors (see details below).

4 Creditors

Preferential Creditors

- 4.1 A summary of preferential claims is detailed below.

Preferential claim	Statement of Affairs Claim £	Agreed Claim £	Dividend paid p in the £1
Employee claims (Total number of claims = 7)	4,274	4,100	100p in £1

- 4.2 We received a claim from the redundancy payments service in respect of 7 employees in the amount of £3,636 representing preferential claims for arrears of wages, holiday pay and pension payment arrears, this has been paid in full.
- 4.3 We have received balancing preferential claims relating to unpaid wages and holiday pay and this has been paid in full in the amount of £464.

Unsecured Creditors

- 4.4 In respect of unsecured claims, the SoA indicated that a sum of £1,034,536 was owed to 160 creditors. We have received claims totalling £879,923.83 from 96 creditors.
- 4.5 A Notice of Intended Dividend was issued on 11 September 2020 with the final date for claims being 2 October 2020. Claims have now been adjudicated, and creditors have been notified where claims or any part of them have been rejected, together with the reason for rejection.

5 Joint Liquidators' Remuneration

- 5.1 The Creditors approved that the basis of our remuneration be fixed by reference to the time properly spent by us and our staff in managing the Liquidation. Our fees estimate/information was originally provided to creditors when the basis of our remuneration was approved and was based on information available to us at that time.
- 5.2 Our time costs for the Period are £48,931. This represents 218.05 hours at an average rate of £224 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity by staff grade during the Period in respect of the costs fixed by reference to time properly spent by us in managing the liquidation. To date, £32,380 plus disbursements as detailed within Appendix A to this report have been drawn on account.
- 5.3 Our approved fees estimate together with the actual position is reproduced below:

COUNTRYMAN BUSINESS LTD - IN LIQUIDATION

Category of work	Estimated Number of Hours	Estimated Cost £	Average blended charge out rate £	Actual Number of Hours	Actual cost £	Average blended charge out rate £
Administration (inc. statutory compliance & reporting)	84.40	19,683.50	233.22	84.35	19,260.25	228.34
Realisation of assets	5.10	1,157.00	226.86	1.20	208.00	173.33
Creditors (claims & distributions)	67.70	15,927.00	235.26	113.10	24,486.00	216.50
Investigations	32.70	7,662.50	234.33	19.40	4,977.00	256.55
Total estimated fees	189.90	44,430.00	233.97	218.05	48,931.25	224.40

5.4 We have exceeded our fees estimate as demonstrated above, this has occurred due to the high level of creditor enquiries and interaction.

5.5 We do not anticipate seeking approval from creditors for an increase in our fee authority, meaning any time costs in excess of the fee estimate approved by creditors will be written off.

6 Creditors' Rights

6.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that we provide further information about their remuneration or expenses which have been itemised in this progress report.

6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for our remuneration is inappropriate and/or the remuneration charged or the expenses incurred by us, as set out in this progress report, are excessive.

7 Next Report

7.1 We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless we have concluded matters prior to this, in which case we will write to all creditors with our final account.

7.2 If you have any queries in relation to the contents of this report, we can be contacted by telephone on 0121 374 0180 or by email at arjan.beghal@azets.co.uk.

COUNTRYMAN BUSINESS LTD - IN LIQUIDATION

- 7.3 Finally, to comply with the Provision of Services Regulations, some general information about Azets including about our Professional Indemnity Insurance and the Insolvency Code of Ethics, can be found at <https://www.azets.co.uk/about-us/legal-regulatory-information/>.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Margaret Carter', written over a horizontal line.

Margaret Carter
Joint Liquidator

COUNTRYMAN BUSINESS LTD - IN LIQUIDATION

Appendix A

Receipts and Payments Account for the Period from 12 November 2019 to 11 November 2020.

Countryman Business Ltd
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments
To 16/12/2020

S of A £		£	£
	ASSET REALISATIONS		
NIL	Club Countryman Limited	NIL	
NIL	Goodwill	NIL	
16,686.00	VAT Refund	NIL	
174,616.55	Cash at Bank	182,150.21	
	Bank Interest Gross	389.22	
			182,539.43
	COST OF REALISATIONS		
	Specific Bond	300.00	
	Joint Liquidators Fees	44,430.00	
	Corporation Tax	73.53	
	Pension Costs	350.00	
	Employee Claims	435.00	
	Stationery, Postage, Office costs	873.95	
	Storage Costs	69.00	
	Statutory Advertising	395.75	
			(46,927.23)
	PREFERENTIAL CREDITORS		
(3,810.82)	Employee Arrears/Hol Pay	4,100.82	
(464.00)	Pension Schemes	NIL	
			(4,100.82)
	UNSECURED CREDITORS		
(671,184.84)	Trade & Expense Creditors	NIL	
(7,415.98)	HM Revenue & Customs - PAYE	NIL	
(195.37)	H M Revenue & Customs - CT	NIL	
(20,000.00)	Ian Harford - Directors Loan Account	NIL	
(15,293.40)	CFL (2015) Limited - Intercompany	NIL	
(162,908.96)	Hastro Holdings Limited - Intercompany	NIL	
(10,975.94)	HCS Innovations - Intercompany	NIL	
(146,562.11)	Team Wild Limited - Intercompany	NIL	
(21,865.42)	Employees Redundancy & PILON	NIL	
(686.00)	Consumer creditors	NIL	
			NIL
	DISTRIBUTIONS		
(300.00)	Ordinary Shareholders	NIL	
			NIL
(870,360.29)			131,511.38
	REPRESENTED BY		
	Vat Receivable		2,497.10
	Bank 1 Current		125,373.53
	Vat Control Account		3,640.75
			131,511.38

COUNTRYMAN BUSINESS LTD - IN LIQUIDATION

Appendix B

Time Analysis for the Period from the 12 November 2019 to 11 November 2020.

TIME COSTS ANALYSIS FOR THE PERIOD 12.11.20 TO 11.11.21

SIP9 SubCategory / Staff Grade	Partner / Director	Senior Manager	Manager	Senior	Support / Other	Total Hours	Charge	AvgRate
Administration and planning								
Appointment & Related Formalities	5.50	-	-	18.60	-	24.10	4,404.50	182.76
Bonding & Bordereau	0.20	-	0.30	2.00	-	2.50	409.00	163.60
Books & Records	1.40	-	0.70	0.60	-	2.70	779.00	288.52
Cashiering & Banking	2.60	0.90	0.10	5.90	-	9.50	2,051.00	215.89
Checklist & Reviews	4.10	-	4.40	7.30	-	15.80	3,574.50	226.23
Director/Other Advice	2.30	-	-	-	-	2.30	908.50	395.00
Filing	-	-	-	2.20	-	2.20	264.00	120.00
Final Reports & Related Formalities	-	-	-	-	-	-	-	-
General Correspondence/Letters/Emails	4.60	2.00	-	3.10	-	9.70	2,754.00	283.92
Insurance	0.40	-	-	0.30	-	0.70	203.00	290.00
Mail Redirection	-	-	-	-	-	-	-	-
Other	2.15	-	-	-	-	2.15	849.25	395.00
Post Appointment VAT & Tax	2.50	-	-	7.10	-	9.60	1,956.50	203.80
Progress Reports & Related Formalities	-	-	-	0.30	-	0.30	36.00	120.00
Strategy	2.60	-	0.20	-	-	2.80	1,071.00	382.50
	28.35	2.90	5.70	47.40	-	84.35	19,260.25	228.34
Creditors								
Creditors Claims	0.30	1.60	1.60	10.70	-	14.20	2,245.50	158.13
Employee Claims & RPO	8.50	1.40	4.40	7.80	-	22.10	5,793.50	262.15
General correspondence/Letters/Emails	7.00	-	-	4.50	-	11.50	3,353.00	291.57
Other	-	-	-	-	-	-	-	-
Pension	1.80	-	0.20	2.00	-	4.00	995.00	248.75
Pre Appointment VAT/PAYE/CTax	-	-	-	2.10	-	2.10	315.00	150.00
Preferential Distribution	2.80	-	2.80	6.90	-	12.50	2,751.00	220.08
Retention of Title	-	-	-	-	-	-	-	-
Secured Creditor Claims etc	-	-	-	-	-	-	-	-
Shareholder Distribution	-	-	-	-	-	-	-	-
Unsecured Distribution	8.40	-	-	38.30	-	46.70	9,033.00	193.43
	28.80	3.00	9.00	72.30	-	113.10	24,486.00	216.50
Investigations								
Antecedent Transactions	-	-	-	3.00	-	3.00	360.00	120.00
D Form Drafting & Submission	2.80	-	-	0.60	-	3.40	1,178.00	346.47
Directors Questionnaire & Checklist	0.60	-	-	6.20	-	6.80	990.00	145.59
General Correspondence/Letters/Emails	1.30	-	-	-	-	1.30	513.50	395.00
Other	4.90	-	-	-	-	4.90	1,935.50	395.00
	9.60	-	-	9.80	-	19.40	4,977.00	256.55
Realisation of assets								
Cash & Investments	-	-	-	-	-	-	-	-
Debtors	-	-	-	-	-	-	-	-
Directors Loan Account	-	-	-	-	-	-	-	-
Fixtures & Fittings	-	-	-	-	-	-	-	-
Freehold Property/Improvements	-	-	-	-	-	-	-	-
Goodwill/IP	-	-	-	-	-	-	-	-
IPO/IPA/Voluntary Contributions	-	-	-	-	-	-	-	-
Leasehold Property Improvements	-	-	-	0.80	-	0.80	120.00	150.00
Motor Vehicles	-	-	-	-	-	-	-	-
Other	-	-	0.40	-	-	0.40	88.00	220.00
Plant & Equipment	-	-	-	-	-	-	-	-
Sale of Business	-	-	-	-	-	-	-	-
Stock & WIP	-	-	-	-	-	-	-	-
	-	-	0.40	0.80	-	1.20	208.00	173.33
Trading								
Customer & Debtors	-	-	-	-	-	-	-	-
Employees	-	-	-	-	-	-	-	-
On Site Supervisor	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Purchases & Creditors	-	-	-	-	-	-	-	-
Sale of Business	-	-	-	-	-	-	-	-
Strategy	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Other case specific matters								
	-	-	-	-	-	-	-	-
Total	66.75	5.90	15.10	130.30	-	218.05	48,931.25	224.40
Total Charge	26,366.25	1,534.00	3,322.00	17,709.00	-	48,931.25		

COUNTRYMAN BUSINESS LTD - IN LIQUIDATION

Appendix C

Additional Information in Relation to the Joint Liquidators' Fees, Expenses & Disbursements

1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of an Office Holder, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 On this case we have not used any sub

Service (s)	Provider	Basis of fee arrangement	Cost to date
Employee claims processing	Evolve	Fixed Rate on number of employees	£485

2 Professional Advisors

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Evolve (Pension Consultant)	Set Fee

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

3 Joint Liquidators' Expenses & Disbursements

- 3.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the liquidation was provided to creditors when the basis of our fees were approved, a copy of which is set out below:

	Initial Estimated Cost £	Cost Paid in Period £	Cost Incurred But Not Paid To Date £	Total Anticipated Cost £
Statutory advertising	233	395	-	395
Specific penalty bond	600	300	-	300
External storage of books & records	-	69	-	69
Stationary, Office and Postage costs	1,250	873.95	-	873
Pension Costs	-	350	-	350
Other contingency costs	1,500	-	-	-
Category 2 disbursements charged by the firm:				
None				
Total	3,583	1,988		1,988

COUNTRYMAN BUSINESS LTD - IN LIQUIDATION

- 3.2 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also, chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.
 - 3.3 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time our fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.
- 4 Charge-Out Rates**
- 4.1 Details of our firm's current charge out rates and policy regarding the re-charge of Category 2 disbursements are attached. Please note that this firm records its time in minimum units of 6 minutes.

COUNTRYMAN BUSINESS LTD - IN LIQUIDATION

AZETS HOLDINGS LIMITED – PRACTICE FEE RECOVERY POLICY

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 9 (SIP 9) and can be accessed at <https://www.azets.co.uk/restructuring-and-insolvency-downloads>. Alternatively a hard copy may be requested from Azets Holdings Ltd, Rowlands House, Portobello Road, Birtley, Chester Le Street, County Durham, DH3 2RY or insolvency@azets.co.uk. Please note that we have provided further details in this policy document.

Once the basis of the office holders' 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 holders' 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 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.

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	Rate (£) per hour	Rate (£) per hour	Rate (£) per hour
	(effective from 1st September 2018)	(effective from 1st Oct. 2017)	(effective from 30th Sept. 2017)
Director	395	350	275-260
Senior Manager	260	260	200
Manager	220	220	160
Case Administrator	150	150	80
Support staff	120	120	35

Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rate for undertaking such work.

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Tax Department Charge-Out Rates

Grade	Rate (£) per hour (effective from 1 January 2017)	Rate (£) per hour (effective from 1 April 2016)
Director	210	200
Associate	115	110
Senior Manager	95	90
Case handlers	50-75	46-70

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.

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 may seek remuneration on a percentage basis. 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 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.

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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 Azets Holdings; 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 of 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:

Room Hire £100 (in the event that a physical meeting is requested)
Mileage £0.45 per mile
Storage £10 per box per annum
Photocopying £0.10 per sheet