

LIQ13

Notice of final account prior to dissolution in MVL



Companies House

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

1 Company details

Company number 1 1 6 7 0 5 8 6

Company name in full Hybrid Electric Car Store Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) David

Surname Smithson

3 Liquidator's address

Building name/number Leonard Curtis

Street 1580 Parkway

Solent Business Park

Post town Whiteley

County/Region Fareham

Postcode P O 1 5 7 A G

Country

4 Liquidator's name ①

Full forename(s) Andrew

Surname Beckingham

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number Leonard Curtis

Street 1580 Parkway

Solent Business Park

Post town Whiteley

County/Region Fareham

Postcode P O 1 5 7 A G

Country

② Other liquidator

Use this section to tell us about
another liquidator.

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6 Final account

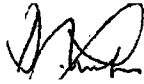
☒ I have delivered the final account of the winding up to the members in accordance with Section 94(2) and attach a copy.

7 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 0 ^d 5

^m 0 ^m 3

^y 2 ^y 0 ^y 2 ^y 4

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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	Charlotte Thompson
Company name	Leonard Curtis
Address	1580 Parkway
	Solent Business Park
	Whiteley
Post town	Fareham
County/Region	
Postcode	P O 1 5 7 A G
Country	
DX	
Telephone	01489 550440



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

**Hybrid Electric Car Store Limited
(In Voluntary Liquidation)**

Company Number: 11670586

Registered Office: 1580 Parkway, Solent Business Park, Whiteley, Fareham PO15 7AG

**Joint Liquidators' Final Account
pursuant to Section 94(1) of the Insolvency Act 1986 (as amended)
and Rule 18.14 of the Insolvency (England and Wales) Rules 2016**

8 February 2024

Leonard Curtis
1580 Parkway, Solent Business Park, Whiteley
Fareham PO15 7AG
Tel: 01489 550440 Fax: 01489 550499
recovery@leonardcurtis.co.uk
Ref: SH/46/JCL/H997B/1010

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APPENDICES

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- B Summary of Joint Liquidators' Expenses from 1 February 2023 to 8 February 2024
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TO ALL MEMBERS AND THE REGISTRAR OF COMPANIES

1 INTRODUCTION

- 1.1 David Smithson and Andrew Beckingham were appointed joint liquidators of Hybrid Electric Car Store Limited (“the Company”) by the members on 1 February 2022.
- 1.2 David Smithson and Andrew Beckingham are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 9317 and 8683, respectively.
- 1.3 There has been no change in office holder since the date of liquidation.
- 1.4 The liquidation is now, for practical purposes, complete and this is the joint liquidators’ final account as required by Section 94(1) of the Insolvency Act 1986 (as amended) and Rule 18.14 of the Insolvency (England and Wales) Rules 2016 (“the Rules”). It shows how the liquidation has been conducted and the Company’s property disposed of, the outcome for members and other information that the liquidators are required to disclose.
- 1.5 All figures are stated net of VAT.

2 CONDUCT OF THE LIQUIDATION

- 2.1 The Company’s registered office was changed to 1580 Parkway, Solent Business Park, Whiteley, Fareham PO15 7AG on 4 February 2022.

Assets Realised

2.2 Cash at Bank

The Declaration of Solvency indicated the company had cash at bank in the sum of £1,429,183. On commencement of the liquidation, £1,422,487.37 was received, the difference of £6,695.63 being representative of final creditor payments, charges and accountancy fees paid prior to transfer of the funds. A further receipt of £1,245.76 was received into the liquidation account on 21 March 2022. Further details of this receipt are outlined in section 2.3. There is no further cash to be recovered.

In additional, a further, final receipt of cash at bank in the sum of £33,193.20 was received into the liquidation account on 5 September 2023. Of this, £5,575 related to a VAT refund, further details of which are outlined in section 2.6.

2.3 Rent Deposit

The Declaration of Solvency indicated there was a rent deposit due from the Company’s landlord in the sum of £1,260. The receipt of £1,245.76 outlined above was reflective of the rent deposit, which had been paid into the Company’s old account prior to closure, less final charges in the sum of £14.24. The funds were therefore allocated to cash at bank.

2.4 Debtors

The Declaration of Solvency indicated there were outstanding debtors in the sum of £4,800. Following a review of the Company’s accounts, recoverable debtors of £3,300 were identified and have been recovered in full.

2.5 Computer & Office Equipment

The Company’s accounts showed the residual office equipment and furniture had a total book value of £4,830. Given the age and condition of the items, it was not considered necessary for a formal valuation to be obtained as the costs would outweigh the benefit. Likewise, it was not considered that sale of the assets to a third party would achieve a sale price in excess of the associated costs. These assets were

therefore distributed in specie at their net book value to the director, Julian Rigamonti, as part of the initial capital distribution.

2.5 R&D Corporation Tax Credit

This asset was not included in the declaration of solvency on the grounds that the claim had been submitted prior to the instruction of liquidators, had been rejected by HMRC, but the rejection was being contested by the Company's accountants. Whether there would be a realisable balance was uncertain and therefore any potential tax credits could not reliably be included as a recoverable asset.

Following appointment, the Joint Liquidators contacted HMRC to query the pre appointment rejection, and request that the tax credits be paid over on the grounds that previous credits had been paid while the Company was trading. Based on accounting information available to the Joint Liquidators, there were potential recoveries of £57,593.45 in this regard.

After several months of correspondence and an investigation undertaken by HMRC, it was determined that the Company had not been eligible to claim R&D tax credits while it had been trading. Ultimately, HMRC determined that there were no sums due to the company, and credits totalling £3,537.71 were to be repaid to HMRC.

2.7 VAT Refund

The Company's accounts indicated that there was a VAT refund due from pre appointment periods in the sum of £5,575. It had been anticipated that the balance would be paid into the liquidation once HMRC carried out a tax reconciliation and issued tax clearance, however a review of the company's closing bank statements showed that this refund had been paid into the company's old account. The funds were subsequently paid over to the liquidation account by the bank.

Unrealisable Assets

2.3 The following assets proved unrealisable:

Description	£
Sundry Refund	2,463.00
	<u>2,463.00</u>

This sundry refund reflected a final credit balance on the Company's Microsoft Azure account. The Joint Liquidators periodically chased Microsoft for payment of the balance but no funds have been paid over. Having eventually made contact with Microsoft, we were advised that the credit on the account was not cash refundable and therefore the asset was unrealisable.

3 RECEIPTS AND PAYMENTS ACCOUNT

3.1 Attached at Appendix A is a summary of the joint liquidators' receipts and payments for the whole of the liquidation period to date, including details of all receipts and payments from 1 February 2023 to 8 February 2024.

4 PAYMENTS TO CREDITORS

4.1 No liabilities were anticipated in the director's declaration of solvency.

4.2 A notice for creditors to submit claims was advertised on 7 February 2022.

4.3 While there were no formal responses to the notice for creditors to submit claims, sundry creditors representing unpaid subscription fees and license agreement fees were later identified by the director and those creditors subsequently submitted particulars of their claim in the liquidation.

Hybrid Electric Car Store Limited – In Voluntary Liquidation

- 4.4 Creditor claims totalling £28,007.31 were paid in full, together with statutory interest of £551.95. A summary of the payments are set out as follows:

Date	Creditor(s)	Claim £	Statutory Interest £
01/03/2022	Izmo Inc.	18,747.22	115.05
	8x8 UK Limited	43.63	0.27
	ThinkingWeb Ltd	184.78	1.13
13/09/2022	Salesforce Limited	9,031.68	435.50
		28,007.31	551.95

5 DISTRIBUTIONS TO MEMBERS

- 5.1 The Company's share capital consists of 10,856,883 ordinary shares.
- 5.2 Following a Special Resolution of the shareholders passed on 27 January 2022, Article 4.6 of the Company's articles of association was amended to state that the surplus assets of the company were to be distributed pro-rata to the aggregate subscription price paid by each shareholder, and not pro-rata to the number of shares of each shareholder.
- 5.3 Distributions made to the members to date are set out below

Date	Dividend	Type	£	% Return on Investment
07/03/2022	First Interim	Cash	1,370,000.00	57
		In Specie	4,671.89	
12/12/2023	Second Final	Cash	43,821.93	2
			1,418,493.82	59

- 5.4 The Company's tangible assets, totalling £4,671.89, were distributed to Julian Rigamonti in specie. Mr Rigamonti's portion of the first interim cash distribution was reduced by the same amount.

6 JOINT LIQUIDATORS' REMUNERATION, EXPENSES AND DISBURSEMENTS, AND MEMBERS' RIGHTS

Remuneration

- 6.1 On 12 September 2023, the members resolved via ordinary resolution that the joint liquidators' remuneration be payable as a set amount of £14,000.
- 6.2 Liquidators' fees in the sum of £12,318.65 have been paid. The residual balance of £1,681.35 will be paid via VAT reclaimed from the liquidation, which has been assigned to Leonard Curtis.

Expenses and Disbursements

- 6.3 A summary of the joint liquidators' expenses from 1 February 2022 to 8 February 2024 is attached at Appendix B. To assist members' understanding of this information, it has been separated into the following two categories:
- Standard Expenses*: this category includes expenses payable by virtue of the nature of the liquidation process and / or payable in order to comply with legal or regulatory requirements.
 - Case Specific Expenses*: this category includes expenses likely to be payable by the joint liquidators in carrying out their duties in dealing with issues arising in this particular liquidation.

Included within this category are costs that are directly referable to the liquidation but are not paid to an independent third party (and which may include an element of allocated costs). These are known as 'category 2 disbursements' and they may not be drawn without creditor approval.

- 6.4 Authority to take category 2 disbursements was approved by members on 1 February 2022.
- 6.5 Attached at Appendix C is additional information in relation to the firm's policy on staffing, the use of subcontractors, disbursements and details of current charge-out rates by staff grade.
- 6.6 During the Liquidation the following professional advisors ("PA") and / or subcontractors ("S") have been instructed:

Name of Professional Advisor	PA / S	Service Provided	Basis of Fees
Winchester Bourne	PA	Accountancy Advice	Time Costs
Russell Cooke LLP	PA	Legal Advice	Fixed Fee

Winchester Bourne

Winchester Bourne were engaged by the directors prior to the appointment of liquidators to assist in producing the Declaration of Solvency. The shareholders agreed via written resolution passed on 1 February 2022 that their costs would be payable as an expense of the liquidation.

It was not envisaged at the outset of the liquidation that further professional accountancy advice would be required. However, dealing with the Company's R&D Tax Credits has required correspondence with the Company's accountants as well as advice regarding the pre-appointment claim submissions and corporation tax returns. In addition, the further enquiries have required access to the Company's Xero account, the subscription for which was paid in the first instance by Winchester Bourne and recharged to the liquidation.

Given the ad-hoc nature of the queries raised, and that Winchester Bourne were not instructed to provide a quote for fees relating to assistance with a specific engagement, it was considered fair and reasonable for them to charge their fees on a time costs basis in this case.

Russell Cooke LLP

Russell Cooke LLP were engaged prior to the appointment of liquidators to assist the directors in redrafting the Company's articles of association and obtaining a resolution of shareholders to approve the amendments. The shareholders agreed via written resolution passed on 1 February 2022 that these costs would be payable as an expense of the liquidation.

- 6.7 Further guidance may be found in "A Guide to Liquidators' Fees" which is attached at Appendix D.

Members' Rights

- 6.8 Information concerning the rights of members under Rules 18.9 and 18.34 of the Rules was provided to members within the Notice of Proposed Final Account dated 13 December 2023.

7 OTHER MATTERS

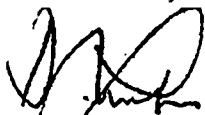
Data Protection

- 7.1 When submitting details of your claim in the liquidation, you may disclose personal data to the joint liquidators. The processing of personal data is regulated in the UK by the General Data Protection Regulation EU 2016/679 as supplemented by the Data Protection Act 2018, together with other laws which relate to privacy and electronic communications. The joint liquidators act as Data Controller in respect of personal data obtained in relation to this liquidation and are therefore responsible for complying with Data Protection Law in respect of any personal data processed. The joint liquidators'

privacy notice, which is attached at Appendix E, explains how your personal data is processed. Terms used in this clause bear the same meanings as are ascribed to them in Data Protection Law.

- 7.2 The joint liquidators are bound by the Insolvency Code of Ethics, which can be found at:
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

Yours faithfully

A handwritten signature in black ink, appearing to read 'DS', with a horizontal line underneath.

DAVID SMITHSON
JOINT LIQUIDATOR

David Smithson and Andrew Beckingham are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 9317 and 8683, respectively

APPENDIX A

**FINAL ACCOUNT OF JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS
FROM 1 FEBRUARY 2022 TO 8 FEBRUARY 2024**

	Estimated to realise £	Previous periods £	01/02/23 to 5/3/24 £	Cumulative £
RECEIPTS				
Cash at Bank	1,429,183.00	1,423,733.13	33,193.20	1,456,926.33
Debtors	4,800.00	3,300.00	Nil	3,300.00
Computer Equipment	3,054.00	2,974.95	Nil	2,974.95
Office Equipment	1,776.00	1,696.94	Nil	1,696.94
Sundry Refund	2,463.00	Nil	Nil	Nil
Rent Deposit	1,260.00	Nil	Nil	Nil
VAT Refund	5,575.00	Nil	Nil	Nil
Interest	Nil	2,512.58	1,651.85	4,164.43
	1,448,111.00	1,434,217.60	34,845.05	1,469,062.65
PAYMENTS				
Liquidators' remuneration		4,000.00	8,318.65	12,318.65
Legal costs		1,200.00	Nil	1,200.00
Accountancy Fees		1,604.97	43.62	1,648.59
Category 1 Disbursements		662.55	88.11	750.66
Category 2 Disbursements		87.00	Nil	87.00
Bank Charges		289.57	40.80	330.37
Corporation Tax		Nil	455.24	455.24
R&D Credit Repayment		Nil	3,537.71	3,537.71
VAT Allocated to LC		Nil	1,681.35	1,681.35
		7,844.09	14,165.48	22,009.57
CREDITOR DISTRIBUTIONS				
Unsecured creditors		28,007.31	Nil	28,007.31
Statutory interest paid		551.95	Nil	551.95
		28,559.26	Nil	28,559.26
SAHREHOLDER DISTRIBUTIONS				
Cash Distribution		1,370,000.00	43,821.93	1,413,821.93
Distribution in Specie		4,671.89	Nil	4,671.89
		1,374,671.89	43,821.93	1,418,493.82
BALANCE IN HAND		23,142.36	(23,142.36)	Nil

APPENDIX B

SUMMARY OF JOINT LIQUIDATORS' EXPENSES FROM 1 FEBRUARY 2022 TO 8 FEBRUARY 2024

Standard Expenses

Type	Charged by	Description	Total Amount Incurred to Date £	Incurred 02/02/23 – 26/01/24 £	Amount Paid £	Amount Unpaid £
Bond Fee	AUA Insolvency Risk Services	Insurance bond	375.00	Nil	375.00	Nil
Document Hosting	Pelstar	Online hosting of documents	7.00	7.00	7.00	Nil
Software Licence Fee	Pelstar	Case management system licence fee	87.00	Nil	87.00	Nil
Statutory Advertising	Courts Advertising	Advertising	287.55	Nil	287.55	Nil
Postage	Postworks	Storage of books and records	81.11	66.65	81.11	Nil
		Total standard expenses	837.66	73.65	837.66	Nil

Case Specific Expenses

Type	Charged by	Description	Total Amount Incurred to Date £	Incurred 02/02/23 – 26/01/24 £	Amount Paid £	Amount Unpaid £
Accountancy Fees	Winchester Bourne	Assistance in preparing the Declaration of Solvency	482.88	Nil	482.88	Nil
Accountancy Fees	Winchester Bourne	Assistance with R&D Credit and Corporation Tax	1,165.71	43.66	1,165.71	Nil
Legal Fees	Russell Cooke LLP	Costs of appointed solicitors	1,200.00	Nil	1,200.00	Nil
		Total case specific expenses	2,848.59	43.66	2,848.59	Nil

LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS

Staff Allocation and Charge Out Rates

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by the appropriate body of creditors that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to request and obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rates given below.

The following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

	6 Jan 2014 onwards		1 Aug 2019 onwards		1 March 2021 onwards	
	Standard £	Complex £	Standard £	Complex £	Standard £	Complex £
Director	450	562	525	656	550	688
Senior Manager	410	512	445	556	465	581
Manager 1	365	456	395	494	415	518
Manager 2	320	400	345	431	365	456
Administrator 1	260	325	280	350	295	369
Administrator 2	230	287	250	313	265	331
Administrator 3	210	262	230	288	245	306
Administrator 4	150	187	165	206	175	219
Support	0	0	0	0	0	0

In respect of assignments pre-dating 1 March 2022, office holders' remuneration may include costs incurred by the firm's in-house legal team, which may be used for non-contentious matters pertaining to the insolvency appointment.

Use of Associates

We are required to disclose to those responsible for approving our remuneration whether any payments we intend to make from an insolvency estate are to Associates of Leonard Curtis (LC). The term "Associate" is defined in s435 of the Insolvency Act 1986, but we are also required to consider the substance or likely perception of any association between the appointed insolvency practitioner, their firm (LC) or an individual within the firm and the recipient of a payment. Payments to Associates are subject to the same level of approval as the office holder's fees and category 2 expenses (see table on the next page for further details).

Leonard Curtis Legal Limited (LC Legal) are part of the Leonard Curtis group; as such they are an "Associate" of LC. Where LC Legal are instructed to assist an office-holder in a particular matter from 1 March 2022 onwards, details of their proposed costs will be provided to creditors and specific approval for payments to associates will be sought.

Additionally, Pelstar Limited (Pelstar) provides insolvency case management software and document hosting facilities to LC. Until 31 December 2022, LC employed an individual who is married to a director of Pelstar, and as such, whilst not meeting the legal definition of "Associate", we were aware that there was a perceived association between LC and Pelstar and specific approval of their costs were sought accordingly. As this individual is no longer employed by LC, this is no longer required and Pelstar costs invoiced with effect from 1 January 2023 will be paid without prior approval.

Use of Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Use of Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

Hybrid Electric Car Store Limited – In Voluntary Liquidation

Categorisation of Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

Type	Description	Amount																								
AML checks via Smartsearch	Electronic client verification in compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	£5.00 plus VAT per search. Note that with effect from 1 April 2021, these costs are no longer recovered from the estate.																								
Bond / Bordereau fee via AUA Insolvency Services	Insurance bond to protect the insolvent entity against any losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case																								
Company searches via Companies House	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting via Pelstar Limited	Hosting of documents via a secure portal for access by creditors/shareholders. Costs are charged per upload plus VAT and are generally dependent upon the number of creditors. The costs are commensurate with those charged by other providers of comparable services.	<table> <tr> <th>Type</th><th>First 100</th><th>Each addtl 10</th></tr> <tr> <td>ADM</td><td>£14.00</td><td>£1.40</td></tr> <tr> <td>CVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>MVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CPL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CVA</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>BKY</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>IVA</td><td colspan="2">£10 pa or £25 for life of case</td></tr> </table>	Type	First 100	Each addtl 10	ADM	£14.00	£1.40	CVL	£7.00	£0.70	MVL	£7.00	£0.70	CPL	£7.00	£0.70	CVA	£10.00	£1.00	BKY	£10.00	£1.00	IVA	£10 pa or £25 for life of case	
Type	First 100	Each addtl 10																								
ADM	£14.00	£1.40																								
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CVA	£10.00	£1.00																								
BKY	£10.00	£1.00																								
IVA	£10 pa or £25 for life of case																									
Software Licence fee hosting via Pelstar Limited	Payable to software provider for use of case management system. The costs are commensurate with those charged by other providers of comparable services.	£87.00 plus VAT per case																								
Postage via Royal Mail or Postworks	Cost of posting documents which are directly attributable to a case to external recipients	Calculated in accordance with applicable supplier rates and dependent on the number of pages and whether the document is sent by international, first or second class post.																								
Post re-direction via Royal Mail	Redirection of post from Company's premises to office-holders' address	0-3 months £216.00 3-6 months £321.00 6-12 months £519.00																								
Statutory advertising via advertising agents	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£91.80 - £102.00 plus VAT per advert. Dependent upon advert and publication																								
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges																								

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include but may not be restricted to:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions. Where the solicitor appointed is LC Legal, any fee payable for work completed is classed as a payment to an associate and	Time costs plus disbursements plus VAT

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	requires specific creditor / committee approval as detailed above.	
Other expenses	See Category 1 and 2 expenses notes below	See Category 1 and 2 expenses notes below

Please note that expenses are generally categorised as Category 1 or Category 2:

- a) Category 1 expenses: These are payments to independent third parties providing the service to which the expense relate. These may include, for example, advertising, external room hire, storage costs, postage costs, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 expenses may be paid without prior approval.
- b) Category 2 expenses: These are costs that are directly referable to the appointment in question, but not paid to an independent third party. They may include costs which have an element of shared cost. The following items of expenditure are recharged on this basis and are charged at HMRC approved rates:
 - Business mileage : 45p per mile

Payments to Associates (as defined above) are categorised by LC in the same way as Category 2 expenses. Category 2 expenses and payments to Associates may only be drawn if they have been approved in the same manner as an office holder's remuneration

A SHAREHOLDER'S GUIDE TO LIQUIDATORS' FEES - ENGLAND AND WALES

1. Introduction

1.1 When a company goes into liquidation the costs of the proceedings are paid out of its assets. The members (shareholders), who hope to recover some of their investment, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as Liquidator.

1.2 The insolvency legislation recognises this interest by providing mechanisms for members to fix the basis of the Liquidator's fees. This guide is intended to help members be aware of their rights to approve and monitor fees, explains the basis on which fees are fixed and how members can seek information about expenses incurred by the Liquidator and challenge those they consider to be excessive.

2. Liquidation procedure

2.1 Liquidation (or 'winding up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding up of a company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Liquidation may be either voluntary, when it is instituted by resolution of the shareholders, or compulsory, when it is instituted by order of the court.

2.2 Voluntary liquidation is the more common of the two. A solvent voluntary liquidation is called a Liquidation (often abbreviated to 'MVL'). In this type of liquidation an insolvency practitioner acts as Liquidator throughout and the members vote on the appointment of the Liquidator at a meeting of members or by passing written resolutions under the Companies Act 2006.

3. Fixing the Liquidator's remuneration

3.1 The basis for fixing the Liquidator's remuneration is set out in Rules 18.16, 18.17 and 18.19 of the Insolvency (England & Wales) Rules 2016. The Rules state that the remuneration shall be fixed:

- as a percentage of the value of the assets which are realised or distributed or both,
- by reference to the time properly given by the Liquidator and his staff in attending to matters arising in the liquidation, or
- as a set amount.

3.2 Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the Liquidator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the Liquidator.

3.3 It is for the liquidation committee (if there is one) to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the committee to determine the percentage or percentages to be applied. In arriving at its decision, the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the Liquidator in connection with the insolvency;
- the effectiveness with which the Liquidator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the assets which the Liquidator has to deal with.

3.4 If there is no liquidation committee, (which is usually the case in an MVL) or the committee does not make the requisite determination, the Liquidator's remuneration will be fixed by a resolution of a meeting of members. The members take account of the same matters as apply in the case of the committee. A resolution specifying the terms on which the Liquidator is to be remunerated may be taken at the meeting which appoints the Liquidator.

4. Review of remuneration

Where there has been a material and substantial change in circumstances since the basis of the Liquidator's remuneration was fixed, the Liquidator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

5. What information should be provided by the Liquidator?

When fixing bases of remuneration

5.1 The Liquidator should provide those responsible for approving the basis of remuneration sufficient information to enable the committee or the members to make an informed judgement about the reasonableness of the Liquidator's request. The information should be presented in such a manner which is transparent, consistent throughout the life of the case, while being proportionate to the circumstances of the case.

Fees estimates where remuneration is based on time costs

5.2 If any part of the remuneration is sought on a time costs basis, the Liquidator should provide detailed information in the form of a written fees estimate which specifies:

- Details of the work the Liquidator and staff propose to undertake
- The hourly rates to be charged for each part of that work
- The time the Liquidator anticipates each part of the work will take

5.3 In addition, the Liquidator should provide an estimate of the expenses that will be or are likely to be incurred.

Other

General principles

5.4 When reporting, the Liquidator should disclose:

- Payments, remuneration and expenses arising from the Liquidation paid to the Liquidator or any associates
- Any business or personal relationships with parties responsible for approving the Liquidator's remuneration or who provide services to the Liquidator in respect of the insolvency appointment where the relationship could give rise to a conflict of interest

5.5 The Liquidator should inform members of their rights under insolvency legislation, and should advise them how they may access suitable information setting out their rights, within the first communication and in each subsequent Report.

5.6 Where the proposed charge is calculated on a time costs basis, the Liquidator should disclose the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. The Liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the Liquidator or his or her staff.

After the bases of remuneration have been fixed

5.7 The Liquidator is required to send progress reports to members at specified intervals (see paragraph 6.1 below). When reporting periodically to members, in addition to the matters specified in paragraph 6.1, the Liquidator should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed.

5.8 Members should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the Liquidator must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate).

5.9 Where any remuneration is on a time costs basis, the Liquidator should disclose the charge in respect of the period, the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. If there have been any changes to the charge-out rates during the period under review, rates should be disclosed by grades of staff, split by the periods applicable. The Liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the Liquidator or his or her staff.

5.10 Where a fees estimate has been provided, remuneration cannot be drawn in excess of the fees estimate without the approval of the Liquidation committee, (if there is one) or more likely, the members themselves. The Liquidator should state:

- Why the estimate has been, or is likely to be exceeded
- The additional work required to be undertaken
- The hourly rates proposed to be charged for each part of the additional work
- The time the additional work has taken or is anticipated it will take

Expenses

5.11 Costs met by and reimbursed to the Liquidator in connection with the liquidation should be appropriate and reasonable. Such costs will fall into two categories:

- Category 1 expenses: These are costs where there is specific expenditure directly referable both to the liquidation and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the Liquidator or his or her staff.
- Category 2 expenses: These are costs that are directly referable to the liquidation but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the liquidation on a proper and reasonable basis, for example, business mileage.

5.12 Category 1 expenses can be drawn without prior approval, although the Liquidator should be prepared to disclose information about them in the same way as any other expenses. Category 2 expenses may be drawn if they have been approved in the same manner as the Liquidator's remuneration. When seeking approval, the Liquidator should explain, for each category of expense, the basis on which the charge is being made.

5.13 The following are not permissible:

- a charge calculated as a percentage of remuneration;
- an administration fee or charge additional to the Liquidator's remuneration;
- recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges.

Realisations for secured creditors

5.14 Where the Liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds, he should disclose the amount of that remuneration to the committee (if there is one), to any meeting of members convened for the purpose of determining his fees, and in any reports he sends to members.

6. Progress reports and requests for further information

6.1 The Liquidator is required to send annual progress reports to members. The reports must include:

- details of the basis fixed for the remuneration of the Liquidator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it);
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report);
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report;
- a statement of the expenses incurred by the Liquidator during the period of the report, irrespective of whether payment was actually made during that period;
- details of progress during the period of the report, including a summary of the receipts and payments during the period;
- details of what remains to be done;
- a statement of the members' rights to request further information, as explained in paragraph 6.2, and their right to challenge the Liquidator's remuneration and expenses.

6.2 Within 21 days of receipt of a progress report, a member may request the Liquidator to provide further information about the remuneration and expenses set out in the report. Any request must be in writing.

6.3 The Liquidator must provide the requested information within 14 days, unless he considers that:

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the liquidation, or
- the Liquidator is subject to an obligation of confidentiality in relation to the information requested

6.4 Any member may apply to the court within 21 days of the Liquidator's refusal to provide the requested information, or the expiry of the 14 days' time limit for the provision of the information.

7. What if a member is dissatisfied?

7.1 Except in cases where there is a liquidation committee, it is the members as a body who have authority to approve the Liquidator's fees. To enable them to carry out this function they may require the Liquidator to call a members' meeting. In order to do this at least ten per cent in value of the members must concur with the request, which must be made to the Liquidator in writing.

7.2 If a member believes that the Liquidator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the Liquidator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court.

8. What if the Liquidator is dissatisfied?

8.1 If the Liquidator considers that the remuneration fixed by the liquidation committee, or by the members is insufficient, or that the basis used to fix it is inappropriate, the Liquidator may apply to the court for the amount or rate to be increased or the basis changed.

8.2 If the Liquidator decides to apply to the court he must give at least 14 days' notice to the members of the committee and the committee may nominate one or more of its members to appear or be represented at the court hearing. If there is no committee, the Liquidator's notice of his application must be sent to such of the shareholders as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid out of the assets.

9. Other matters relating to remuneration

9.1 Where the Liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules. Usually, however, the Liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned.

9.2 Where two (or more) joint Liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the court, the committee or to a meeting of members.

9.3 If the appointed Liquidator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the members or the court.

9.4 If a new Liquidator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new Liquidator until a further determination, resolution or court order is made.

9.5 Where the basis of the remuneration is a set amount, and the Liquidator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing Liquidator. The application must be made to the same body as approved the remuneration. Where the outgoing Liquidator and the incoming Liquidator are from the same firm, they will usually agree the apportionment between them.

10. Effective date

10.1 This guide applies where a company goes into liquidation on or after 6 April 2017.

LEONARD CURTIS

Privacy Notice For Creditors

Information we collect and hold about you

By requesting details of your claim in this insolvency, we may collect Personal Data from you, particularly if you are a consumer creditor, a sole trader or are lodging a claim in your personal capacity.

Personal Data is information relating to a living individual. Whenever Personal Data is processed, collected, recorded, stored or disposed of it must be done within the terms of the General Data Protection Regulation ("the GDPR"). Examples of Personal Data include but may not be limited to your name, address, telephone number and email contact details.

If you do not provide us with the information we require, this may adversely affect our ability to deal with your claim, but we would ask you not to submit more Personal Data than we request from you.

Legal justification for processing your Personal Data

The processing of your Personal Data by us is necessary to enable us to comply with legal obligations under the Insolvency Act 1986 and associated legislation which we are subject to as Insolvency Practitioners.

How we use your information

All information you supply to us is required to enable us to comply with our duties under the Insolvency Act 1986 and associated legislation. It will be used to enable us to assess the extent of the insolvent entity's liabilities, to allow you to vote on any decision procedures, to enable us to communicate with you, to process your claim and to pay any dividends which may be due to you from the insolvent estate.

Who we share your information with

We may be required to share some of your Personal Data with other creditors. The data which will be shared with other creditors will be limited to that specifically required to be disclosed under insolvency legislation.

We may share some of your information with our Data Processors. Data Processors include solicitors, accountants and employment law specialists who assist us with our duties where required. We will only share your information with our Data Processors if we require their specialist advice. All of our Data Processors are subject to written contracts with us to ensure that your Personal Data is processed only in accordance with the GDPR.

How long will we hold your Personal Data for?

We will need to hold your Personal Data for a period of time after the insolvency has been concluded. This is to enable us to deal with any queries which might arise. Our Records Management Policy requires us to destroy our physical files 6 years after closure of the case. Electronic data files will be removed from our Case Management System 6 years after conclusion of the case but may be held on our server for a longer period of time but with restricted access.

Your rights in respect of your Personal Data

You have the right to request access to your Personal Data and to require it to be corrected or erased. You also have the right to request a restriction in the way we process your Personal Data or to object to its processing. You should be aware however that we may not be able to comply with your request if this would affect our ability to comply with our legal obligations.

You have the right to Data Portability. This is a right to have the Personal Data we hold about you to be provided to you in a commonly used and machine-readable format so that you can transfer that Data to another organisation in a way that is not too onerous to upload the Data.

Your right to complain

You have the right to be confident that we are handling your Personal Data responsibly and in line with good practice. If you have a concern about the way we are handling your Personal Data you should contact our Privacy Manager in the first instance.

If you are unable to resolve your concerns with us, you have the right to complain to the Information Commissioners' Office. The Information Commissioner can be contacted at Wycliffe House, Water Lane, Wilmslow, Cheshire SK6 5AF or on 0303 123 1113.

Contacting us

If you have any questions relating to the processing of your Personal Data, please write to our Privacy Manager at Leonard Curtis, Riverside House, Irwell Street, Manchester M3 5EN. Alternatively they can be contacted by email: privacy@leonardcurtis.co.uk

Data Controller: Leonard Curtis