

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number O C 3 0 3 9 4 5

Company name in full The Second Mezzanine Film Fund Limited Liability  
Partnership

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Jeremy

Surname Karr

### 3 Liquidator's address

Building name/number 29th Floor

Street 40 Bank Street

Post town London

County/Region

Postcode E 1 4 5 N R

Country

### 4 Liquidator's name ①

Full forename(s) Simon John

Surname Killick

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number 29th Floor

Street 40 Bank Street

Post town London

County/Region

Postcode E 1 4 5 N R

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>5<sup>m</sup>1<sup>m</sup>1<sup>y</sup>2<sup>y</sup>0<sup>y</sup>2<sup>y</sup>1

To date

<sup>d</sup>2<sup>d</sup>4<sup>m</sup>1<sup>m</sup>1<sup>y</sup>2<sup>y</sup>0<sup>y</sup>2<sup>y</sup>2

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>4<sup>m</sup>0<sup>m</sup>1<sup>y</sup>2<sup>y</sup>0<sup>y</sup>2<sup>y</sup>3

# 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 **Bharat Shah**

Company name **Begbies Traynor (Central) LLP**

Address **29th Floor**

**40 Bank Street**

Post town **London**

County/Region

Postcode **E 1 4 5 N R**

Country

DX

Telephone **020 7262 1199**



### 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)**

**The Second Mezzanine Film Fund Limited Liability Partnership**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £		From 25/11/2021 To 24/11/2022 £	From 25/11/2021 To 24/11/2022 £
	ASSET REALISATIONS		
	Bank Interest Gross	0.11	0.11
6,000.00	Cash at Begbies Traynor	6,000.00	6,000.00
1,928.00	Cash at Bank	1,837.92	1,837.92
		7,838.03	7,838.03
	COST OF REALISATIONS		
	Statement of Affairs Fee	5,000.00	5,000.00
		(5,000.00)	(5,000.00)
	UNSECURED CREDITORS		
(110,487.33)	HMRC (non VAT)	NIL	NIL
(1,000.00)	Trade Creditors	NIL	NIL
		NIL	NIL
<b>(103,559.33)</b>		<b>2,838.03</b>	<b>2,838.03</b>
	REPRESENTED BY		
	Bank 1 Current		1,838.03
	Vat Receivable		1,000.00
			<b>2,838.03</b>

\_\_\_\_\_  
Jeremy Karr  
Joint Liquidator

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The Second Mezzanine Film Fund  
Limited Liability Partnership (In  
**Creditors' Voluntary Liquidation**)

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Progress report

Period: 25 November 2021 to 24 November 2022

### Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Partnership on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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## **Contents**

- ❑ Interpretation
- ❑ Partnership information
- ❑ Details of appointment of liquidators
- ❑ Progress during the period
- ❑ Estimated outcome for creditors
- ❑ Remuneration and expenses
- ❑ Liquidators' expenses
- ❑ Assets that remain to be realised and work that remains to be done
- ❑ Other relevant information
- ❑ Creditors' rights
- ❑ Conclusion
- ❑ Appendices
  - 1. Liquidators' account of receipts and payments
  - 2. Liquidators' time costs and expenses
  - 3. Statement of Liquidators' expenses

## 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Partnership" and "the LLP"	The Second Mezzanine Film Fund Limited Liability Partnership (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 25 November 2021.
"the liquidators", "we", "our" and "us"	Jeremy Karr and Simon John Killick, both of Begbies Traynor (Central) LLP, 29th Floor, 40 Bank Street, London, E14 5NR
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a partnership, means a creditor of the partnership who holds in respect of his debt a security over property of the partnership, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the partnership whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

## 2. PARTNERSHIP INFORMATION

Trading name(s):	The Second Mezzanine Film Fund
Partnership registered number:	OC303945
Partnership registered office:	The Bothy Albury Park, Albury, Guildford, GU5 9BH
Former trading address:	The Bothy, Albury Park, Albury, Guildford, GU5 9BH

## 3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	25 November 2021
Date of liquidators' appointment:	25 November 2021
Changes in liquidator (if any):	None

## 4. PROGRESS DURING THE PERIOD

### Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 25 November 2021 to 24 November 2022.

#### Receipts

##### Cash at Bank

We have recovered monies deposited by the LLP with Lloyds Bank plc in the sum of £1,837.92.

##### Cash at Begbies Traynor

We have transferred £6,000 which was deposited by the LLP into our clients account, immediately following our appointment.

##### Other

We have received £0.11 interest from Barclays Bank plc on the funds held in the liquidation account.

#### Payments

There have been no payments made in relation to liquidation expenses in the period of this report. Please refer to Appendix 3 for details of expenses incurred since our appointment.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details>. Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2. The details below relate to the work undertaken in the period of this report only.

##### General case administration and planning

- Updating case strategy plan;
- Updating case compliance checklists;
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and does not otherwise fall directly into any of the other headings;
- General case updates: including internal meetings on case strategy and effecting instructions from the Officeholders;
- Ongoing maintenance of information and updating case files;
- Periodic reviews of the case generally; and
- Ensuring that the time recording data is compliant with Statement of Insolvency Practice 9.

Whilst the works outlined above do not confer a direct financial benefit to the creditors, they are nonetheless necessary to ensure an efficient and compliant progression of the liquidation. The creditors benefit from these works being carried out as they ensure that liquidators and their staff carry out their work to high professional standards expected of this firm.



### Compliance with the Insolvency Act, Rules and best practice

- Statutory Advertising in the London Gazette
- Filing documents at the Companies House.
- Drafting and issuing of the initial notifications following the liquidators appointment to various parties;
- Periodic reviews of the adequacy of the specific bond penalty;
- Ongoing consideration of ethical practice;
- Ongoing consideration of money laundering regulations; and
- Updating case checklists and statutory diaries as needed.

#### Banking:

- Maintaining and managing the insolvent estate bank account and cash book;
- Undertaking regular bank reconciliations of the estate bank account;
- Complying with risk management procedures;
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices;
- Preparing and processing remittance advises for incoming funds; and
- Processing of BACS/electronic payments where applicable.

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. It is the duty of the appointed officeholder to comply with the Insolvency Act and Rules. The creditors benefit from this being done as it ensures proper stewardship, and that this engagement is dealt with in a timely manner and to a standard expected of this firm.

### Investigations

We were required to carry out investigations into the conduct of the directors and former directors and submit a report to the Insolvency Service within three months of the date of liquidation. This was completed within the time limit although its contents are confidential and cannot be disclosed.

Our regulatory bodies lay guidelines for how we conduct investigations in Statement of Insolvency Practice 2. This includes issuing a questionnaire to the director for completion, return and review, inviting creditors to bring to our attention any concerns they may have regarding the conduct of the director, reviewing the available books and records of the LLP in order to make an assessment as to whether further investigations are needed prior to submission of the report.

The nature of the investigations we have to undertake means that significant time is spent irrespective of the size of the case. Although there is no direct financial benefit to creditors of this work it is required in order to comply with insolvency legislation. We have not uncovered any transactions that appear to be worthy of challenge such that a recovery would be made into the estate for the benefit of creditors.

### Realisation of assets

- Liaising with Lloyds bank with the view to recover monies deposited by the LLP into its current account.

Some of works outlined above had resulted in realisations into the liquidation estate. For details of the receipts, please refer to the Receipts and Payments account. Where works have not resulted in a direct financial benefit to the creditors, those works have been carried out by the Officeholders in order to comply with their duties and to ensure that asset realisations are maximised for the benefit of the creditors as a whole. The creditors benefit from this being done as it promotes good stewardship of the LLP's assets and ensures that this engagement is being dealt with to the standard expected of this firm.

Dealing with all creditors' claims (including employees), correspondence and distributions

- Updating the schedule of unsecured creditors;
- Receiving creditor claims and inputting them on internal case management software; and
- Acknowledging creditor correspondence and/or dealing with further queries on claims.

Please note that some of the time attributed to activities carried under this time costs category was recorded under general case administration and planning as these activities were carried out to comply with best practice guidelines and statutory obligations.

The work detailed above does not result in a direct financial benefit to creditors in the period of this report as the liquidators are refraining from paying a dividend to the secured creditors whilst the claim is being brought for the breach of warranty.

Some aspects of these works confer an indirect benefit to the creditors as it allows them to evidence their loss for tax and VAT purposes. Where the works do not confer a financial benefit to the creditors, these works have been completed as it is a duty of the appointed liquidators to comply with the Insolvency Act and Rules. Furthermore, the Officeholders and their staff are required to adhere to the Code of Ethics and standards of professional conduct. The creditors benefit from this being done as it promotes good stewardship, and that this engagement is dealt with in a timely manner and to a standard expected of this firm.

Other matters which include: seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedures), tax, litigation, pensions and travel

- Seeking creditor approval of our proposed basis of remuneration and drafting estimates of our fees and expenses; and
- Requesting cancellation of the LLP's VAT registration number.

The work has been undertaken in order to comply with Insolvency Rules and taxation legislation. The creditors benefit from those works being done to the standard expected of this firm. Some aspects of these works confer a direct financial benefit to the creditors as it allows the liquidators to reclaim VAT on post-liquidation expenses.

## 5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the LLP's creditors were provided in the designated members' statement of affairs dated 18 November 2021. Based on the realisations to date, and expected future realisations, the outcome for each class of creditors is as follows:

### Secured creditors

There are no known secured creditors.

### Preferential creditors

There are no known preferential claims.

### Secondary preferential creditors

Further to the changes to the Finance Act 2020, HM Revenue & Customs are now able to claim secondary preferential status for certain liabilities. Taxes owed by the business to HMRC comprising of VAT, PAYE Income Tax, Employee National Insurance Contributions, Student loan deductions and Construction Industry Scheme deductions fall under the secondary preferential status.

There are no known secondary preferential creditors.

## Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

Where charge is created between 15th September 2003 and up to 6th April 2020

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

Where charge is created on or after 6th April 2020

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £800,000

A liquidator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

## Unsecured creditors

Unsecured creditors were estimated at £111,487.33 and we have received claims in the total sum of £130,506.73, including a claim for £129,186.73 from HMRC.

No dividend is available for unsecured creditors because the funds realised have already been allocated for defraying the expenses of the liquidation.

# 6. REMUNERATION & EXPENSES

## Remuneration

Our remuneration has been fixed by a decision of the creditors on 23 December 2021 obtained via a Decision Procedure by way of correspondence by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the winding up as set out in the fees estimate dated 29 November 2021 in the sum of £16,115.00.

Our time costs for the period from 25 November 2021 to 24 November 2022 amount to £9,711.50 which represents 28.2 hours at an average rate of £344.38 per hour.

The following further information in relation to our time costs and expenses is set out at Appendix 2:

- ❑ Time Costs Analysis for the period 25 November 2021 to 24 November 2022
- ❑ Begbies Traynor (Central) LLP's charging policy

To 24 November 2022, we have not drawn any sums on account of our remuneration, against total time costs of £9,711.50 incurred since the date of our appointment.

#### Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case and gives the total costs and average hourly rate charged for each work type.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

As can be concluded from the information above, the level of our approved remuneration has been sufficient to cover the costs of the liquidation and we are pleased to report that we do not anticipate seeking any increase or amendment to our approved remuneration basis if matters progress to conclusion as envisaged.

#### Work undertaken prior to appointment

In addition to the post appointment remuneration, the costs relating to work undertaken prior to our appointment in assisting with the preparation of the statement of affairs and seeking the decisions of creditors on the nomination of liquidators were approved by the creditors on 25 November 2021.

#### Expenses

To 24 November 2022, we have not drawn any expenses.

#### Category 2 Expenses

We have not charged any Category 2 Expenses to the case and we are not authorised to do so.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides). Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

## 7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3.

#### Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the liquidation would total £412.00. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

## 8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

As detailed in the designated members' statement of affairs, the LLP had no assets other than cash at bank which we have already realised.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

### General case administration and planning

- The preparation, drafting and issue of progress report to creditors and members;
- Updating case strategy plan;
- Updating case compliance checklists;
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories;
- Ongoing maintenance of up-to-date information on the electronic case information;
- Periodic reviews of the case generally; and
- Supervision of junior staff generally.

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

### Compliance with the Insolvency Act, Rules and best practice

- Reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;
- Submission of reports/forms to Companies House;
- Issuing progress reports to all known creditors.

#### Banking:

- Maintaining and managing the insolvent estate bank account and cash book.
- Undertaking regular bank reconciliations of the estate bank account.
- Complying with risk management procedures;
- Preparing and processing remittance advises for incoming funds;
- Processing of BACS/electronic payments where applicable.

#### Closure:

- Preparing, reviewing and issuing final progress report to members and creditors;
- Filing of appropriate forms with Registrar of Companies;
- Updating physical and electronic case records following closure.

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

#### Realisation of assets:

- Consider whether a terminal loss relief is available and submit a claim as appropriate.

The office holders are duty bound to realise and get in the Company's property and maximise asset realisations. In the event that recoveries are made, there will be a direct financial benefit to creditors.

#### Dealing with all creditors' claims (including employees), correspondence and distributions

- Updating schedules of unsecured creditor claims;
- Receipt of creditor claims and input on internal case management software; and
- Taking and dealing with phone calls from creditors.

On this engagement, the work detailed above will not result in direct financial benefit to creditors as insufficient funds have been realised to declare and pay a dividend to unsecured creditors. The work will have been undertaken to comply with the Insolvency Act and Rules together with best practice and enabling creditors to have evidence of their loss for tax and VAT purposes.

#### Other matters which include seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedures), tax, litigation, pensions, and travel

- The Completion of post liquidation Corporation Tax and VAT returns;
- Reclaiming VAT on liquidation expenses; and
- Consider whether a terminal loss relief claim is available to the Company

Some of the above have no direct financial benefit to creditors but have to be done in order to comply with the Insolvency Rules such as creditors and members meetings, as well as a legal requirement, such as completion of corporation tax returns. Others do have a direct financial benefit to creditors. These include the provision of VAT returns after the liquidation as the majority of VAT will be recoverable and therefore an asset of the insolvent estate.

How much will this further work cost?

The 'further work' detailed above has always been anticipated, but at this point in the proceedings, it has not yet been completed. As you know, this work is necessary in order that I may complete the liquidation as envisaged. The cost of completing this work will not exceed any amounts approved by creditors previously.

#### Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to creditors on 29 November 2021 which included all of the expenses that we anticipate that we will incur throughout the liquidation.

What is the anticipated payment for administering the case in full?

We estimated that the cost of administering the case would be in the region of £16,115.00 and subsequently you have provided approval for us to draw our remuneration up to that level. However, as you are aware, due to the fact that there are limited assets, the remuneration that we can draw is limited to the amount that is realised for the assets, (less any costs incurred in realising those assets). At this stage in the liquidation, I can estimate that total remuneration drawn will be in the region of £2,400.00.

However, please note that should there be additional or unexpected asset realisations, we will look to draw our remuneration from those too, capped at the level that the creditors approve.

## 9. OTHER RELEVANT INFORMATION

### Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties.

### Use of personal information

Please note that in the course of discharging our statutory duties as liquidators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

## 10. CREDITORS' RIGHTS

### Right to request further information

Pursuant to Rule 18.9 of the Rules, 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, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

### Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

## 11. CONCLUSION

We will report again in approximately twelve months' time or at the conclusion of the liquidation, whichever is the sooner.



Jeremy Karr  
Joint Liquidator

Dated: 23 January 2023

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 25 November 2021 to 24 November 2022



## COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy; and
- b. Time Costs Analysis for the period from 25 November 2021 to 24 November 2022

## STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Statutory advertising	EPE Reynell	170.00		170.00
Bond	AUA Insolvency Risk Services	18.00		18.00
Postage	Postworks	94.28		94.28
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
None				

The Second Mezzanine Film Fund Limited Liability Partnership  
(In Liquidation)  
Joint Liquidators' Summary of Receipts & Payments  
To 24/11/2022

S of A £		£	£
	ASSET REALISATIONS		
1,928.00	Cash at Bank	1,837.92	
6,000.00	Cash at Begbies Traynor	6,000.00	
	Bank Interest Gross	0.11	
			7,838.03
	COST OF REALISATIONS		
	Statement of Affairs Fee	5,000.00	
			(5,000.00)
	UNSECURED CREDITORS		
(1,000.00)	Trade Creditors	NIL	
(110,487.33)	HMRC (non VAT)	NIL	
			NIL
(103,559.33)			2,838.03
	REPRESENTED BY		
	Vat Receivable		1,000.00
	Bank 1 Current		1,838.03
			2,838.03

## BEGBIES TRAYNOR CHARGING POLICY

### INTRODUCTION

This policy applies where a licensed insolvency practitioner in the firm is acting as an office holder of a solvent estate and seeks member approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to members regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance\* requires that such information should be disclosed to those who are responsible for approving the basis of an office holder's remuneration.

In addition, this policy applies where member approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance\* indicates that such charges should be disclosed to those who are responsible for approving the basis of the office holder's remuneration, together with an explanation of how those charges are calculated.

### OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF SOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. They will delegate tasks to members of their staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded in 6 minute units at the individual's hourly rate in force at that time which is detailed below.

### EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF SOLVENT ESTATES

Expenses are payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements, which are expenses that are initially paid by the office holder's own firm, but which are subsequently reimbursed from the estate when funds are available.

Best practice guidance classifies expenses into two broad categories:

- ❑ Category 1 expenses (approval not required) - Specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ Category 2 expenses (approval required) - Items of expenditure that are directly related to the case and either:
  - (i) include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party; or
  - (ii) are items of expenditure which are payable to an associate of the office holder and/or their firm.

\* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an estate

Shared or allocated costs (pursuant to (i) above)

The following expenses include an element of shared or allocated cost and are charged to the case (subject to approval).

- ☐ Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £150 per meeting;
- ☐ Car mileage which is charged at the rate of 45 pence per mile.

General Office Overheads.

The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a Category 1 disbursement:

- ☐ Telephone and facsimile
- ☐ Printing and photocopying
- ☐ Stationery

**BEGBIES TRAYNOR CHARGE-OUT RATES**

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally but vary to suit local market conditions. The rates applying to the London Paddington office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour)
	1 January 2022 until further notice
Partner	545
Director	490
Senior Manager	435
Manager	380
Assistant Manager	275
Senior Administrator	240
Administrator	195
Junior Administrator	155
Cashier	155
Secretarial	155

Prior to 1 January 2022, the following rates applied:

Grade of staff	Charge-out rate (£ per hour)
	until 30 December 2021
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead. As detailed above, time is recorded in 6 minute units.

SIP9 The Second Mezzanine Film Fund Limited L - Creditors Voluntary Liquidation - 01TH01C.CVL : Time Costs Analysis From 25/11/2021 To 24/11/2022

Staff Grade		Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning												0.00
	Administration	0.3			4.4					0.6	5.3	1,851.00	349.25
	Total for General Case Administration and Planning:	0.3			4.4					0.6	5.3	1,851.00	349.25
Compliance with the Insolvency Act, Rules and best practice	Appointment:				1.3						1.3	448.50	345.00
	Banking and Bonding				0.2					3.1	3.3	528.50	160.15
	Case Closure												0.00
	Statutory reporting and statement of affairs												0.00
	Total for Compliance with the Insolvency Act, Rules and best practice:				1.5					3.1	4.6	977.00	212.39
Investigations	CDDA and investigations	0.4			14.3						14.7	5,603.00	381.16
	Total for Investigations:	0.4			14.3						14.7	5,603.00	381.16
Realisation of assets	Debt collection												0.00
	Property, business and asset sales				0.3						0.3	114.00	380.00
	Retention of Title/Third party assets												0.00
	Total for Realisation of assets:				0.3						0.3	114.00	380.00
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured												0.00
	Others				0.4						0.4	145.00	362.50
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:				0.4						0.4	145.00	362.50
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors				2.0						2.0	690.00	345.00
	Meetings												0.00
	Other												0.00
	Tax				0.9						0.9	331.50	368.33
	Litigation												0.00
	Total for Other matters:				2.9						2.9	1,021.50	352.24
	Total hours by staff grade:	0.7			23.6					3.7	28.2		
	Total time cost by staff grade £:	366.50			8,795.50					549.50		9,711.50	
	Average hourly rate £:	523.57	0.00	0.00	369.56	0.00	0.00	0.00	0.00	148.51			344.38
	Total fees drawn to date £:											0.00	