

In accordance with Rule 6.28 of the Insolvency (England & Wales) Rules 2016 and Section 106(3) of the Insolvency Act 1986.

LIQ14

Notice of final account prior to dissolution in CVL



Companies House

FRIDAY



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16/02/2018

#183

COMPANIES HOUSE

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

1 Company details

Company number

Company name in full

2 Liquidator's name

Full forename(s)

Surname

3 Liquidator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

4 Liquidator's name ^①

Full forename(s)

Surname

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

5 Liquidator's address ^②

Building name/number

Street

Post town

County/Region

Postcode

Country

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

LIQ14

Notice of final account prior to dissolution in CVL

6 Liquidator's release

Tick if one or more creditors objected to liquidator's release.

:

7 Final account

I attach a copy of the final account.

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

1

5

02

2

20

18

LIQ14

Notice of final account prior to dissolution in CVL

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 John**

Company name **Leonard Curtis**

Address **5th Floor**

Grove House

248a Marylebone Road

Post town **London**

County/Region

Postcode **N W 1 6 B B**

Country

DX

Telephone **020 7535 7000**

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



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**04487961 Limited (Formerly Merchant Capital Ltd)
(In Creditors' Voluntary Liquidation)**

Company Number: 04487961

Former Registered Office: 34 Lime Street, London EC3M 7AT

Trading Address: 34 Lime Street, London EC3M 7AT

**Joint Liquidators' Final Account
pursuant to Section 106(1) of the Insolvency Act 1986 (as amended)
and Rule 18.14 of the Insolvency (England and Wales) Rules 2016**

20 December 2017

**Leonard Curtis
5th Floor, Grove House, 248a Marylebone Road
London NW1 6BB
Tel: 020 7535 7000 Fax: 020 7723 6059
recovery@leonardcurtis.co.uk**

Ref: L/31/CER/S04401/1010

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TO ALL MEMBERS, CREDITORS AND THE REGISTRAR OF COMPANIES

1 INTRODUCTION

- 1.1 A P Davidson and S B Ryman of Shipleys LLP ("the former Joint Liquidators") were appointed Joint Liquidators of 04487961 Limited (Formerly Merchant Capital Ltd) ("the Company") at meetings of members and creditors held on 13 February 2013.
- 1.2 N A Bennett and I, A J Duncan, ("the Joint Liquidators") replaced the former Joint Liquidators in accordance with an Order of Court dated 18 March 2015, which was made in the Manchester District Registry of the High Court of Justice. I am an insolvency practitioner licensed in the UK by the Institute of Chartered Accountants in England and Wales and N A Bennett is an insolvency practitioner licensed in the UK by the Insolvency Practitioners Association.
- 1.3 Pursuant to Section 106(1) of the Insolvency Act 1986 (as amended) ("the Act") and Rule 18.14 of the Insolvency (England and Wales) Rules 2016 (the Rules"), as the Company's affairs have been fully wound up, the Joint Liquidators now present an account of the winding up, showing how the liquidation has been conducted and the Company's property disposed of, the outcome for creditors and other information that the Joint Liquidators are required to disclose.

2 CONDUCT OF THE LIQUIDATION

- 2.1 The Company's registered office was changed to PO BOX 60317, 10 Orange Street, London WC2H 7WR following the former Joint Liquidators' appointment and thereafter to One Great Cumberland Place, Marble Arch, London W1H 7LW and 5th Floor, Grove House, 248a Marylebone Road, London NW1 6BB following my appointment.
- 2.2 This report should be read in conjunction with the former Joint Liquidators' report dated 24 March 2014 and the Joint Liquidators' reports dated 8 April 2015 and 22 March 2016.

Assets Realised

Book Debts

- 2.3 There have not been any debtor recoveries during the period under report.

Book of Structured Product Investors

- 2.4 As previously reported, there was deferred consideration owed by Manx IFA Ltd ("Manx") for the sale of the Book of Structured Product Investors ("the Book"). A statutory demand was served on Manx on 22 December 2016 demanding repayment of the outstanding consideration of £145,200 plus statutory interest. This demand was disputed by Manx.
- 2.5 I considered the position with my solicitors, Barker Gotelee, and have concluded that no further action should be taken to recover the debt as there were limited funds available to meet the costs of this action and too much uncertainty surrounding the likely outcome as Manx appeared to have limited assets. Manx was dissolved on 23 May 2017.

Unrealisable Assets

2.6 The following assets proved unrealisable:

Description	£
Book debts	15,699
Intercompany Debtors	478,931
Book of Structured Product Investors	145,200
	<u>639,830</u>

2.7 The book debts relate to a claim in the Special Administration of Pritchard Stockbrokers Limited. It is still uncertain whether there will be a dividend from the Special Administration. Given the time it will take and the quantum of any recovery, it is not considered to be beneficial to creditors to keep the liquidation open to recover this asset.

2.8 The intercompany debts owed by Merchant Strategic Renewal plc ("MSR") and Merchant House Group plc ("MHG") of £35,372 and £443,559, respectively, are irrecoverable. MSR was dissolved on 5 January 2016. MHG is in liquidation and there is no prospect of a dividend.

2.9 The Book was sold to Manx under a Sale & Purchase Agreement which completed on 23 December 2013. Consideration of £145,200 remains payable. As mentioned in paragraphs 2.4 and 2.5 above, no recovery is anticipated as the quantum of the consideration owed was disputed and Manx had limited assets and has since been dissolved.

3 RECEIPTS AND PAYMENTS ACCOUNT

3.1 A summary of the Joint Liquidators' final receipts and payments for the entire liquidation, including details of all receipts and payments for the period from 13 February 2017 to 20 December 2017, is attached at Appendix A.

3.2 All figures are stated net of VAT.

4 OUTCOME FOR CREDITORS

Secured Creditors

4.1 There are no secured creditors.

Preferential Creditors

4.2 As at the date of liquidation, there were 14 preferential creditors, with estimated claims totalling £20,512. There have been insufficient realisations to pay a dividend to preferential creditors.

Prescribed Part

4.3 The Act provides that, where a company has created a floating charge after 15 September 2003, we must make a prescribed part of the company's net property available to the unsecured creditors if the net property is greater than £10,000. As there were no secured creditors, it was not necessary to set aside funds under the prescribed part provisions.

Ordinary Unsecured Creditors

4.4 As at the date of liquidation, there were 90 ordinary unsecured creditors, with estimated claims totalling £1,537,924. Since then, unsecured creditor claims totalling £3,806,536 have been received.

4.5 The funds realised have already been distributed or used or allocated for paying the expenses of the liquidation. As a result, there will be no dividend to the ordinary unsecured creditors.

4.6 The Joint Liquidators have collated and acknowledged (where requested) the claims of the ordinary unsecured creditors, although, in view of the fact that there will be no distribution to this class of creditor, unsecured claims have not been formally agreed.

5 INVESTIGATIONS

5.1 As previously reported, although a potential preference claim was identified against MHG, as it is in liquidation with no recovery anticipated, no further action has been taken to pursue this claim.

5.2 Nothing further has been brought to the attention of the Joint Liquidators during the period of this report.

6 JOINT LIQUIDATORS’ REMUNERATION, EXPENSES AND DISBURSEMENTS AND CREDITORS’ RIGHTS

Remuneration

6.1 A fee of £5,000 for the preparation of the statement of affairs was paid to the former Joint Liquidators.

6.2 On 25 February 2014, the Liquidation Committee resolved that the Joint Liquidators’ remuneration be payable by reference to time properly given by them and their staff in attending to matters arising in the liquidation. The Joint Liquidators’ time costs from 13 February 2017 to 20 December 2017 are £5,497, which represents 20.5 hours at an average hourly rate of £268.15. Attached at Appendix B(ii) is a time analysis which provides details of the activity costs incurred by staff grade during the period from 18 March 2015 to 20 December 2017. Furthermore, attached at Appendix B(i) is a time analysis for the period from 13 February 2013 to 12 February 2015. As previously reported, no time was incurred between 13 February 2015 and 17 March 2015. Total time costs from the commencement of the liquidation amount to £100,319.85.

6.3 At Appendix C is a detailed description of work undertaken attributable to each category of time costs and an explanation of why it was necessary for that work to be performed.

6.4 Fees totalling £16,745.26 have been drawn, £5,179.35 of which has been drawn during the period 13 February 2017 to 20 December 2017.

Expenses

6.5 Details of expenses incurred and paid during the period of this report are shown on the receipts and payments account. Expenses incurred but not yet paid (excluding category 2 disbursements (see paragraph 6.2 below)), are as follows. Where exact sums are not available the figures have been estimated:

Nature of Expenses	Incurring This Period £	Incurring To Date £	Paid £	Unpaid £
Legal Fees	-	25,248	11,150	14,098
Total	-	25,248	11,150	14,098

6.6 On 25 February 2014, the Liquidation Committee resolved that the former Joint Liquidators be authorised to draw category 2 disbursements.

6.7 In this case the following costs falling into the above categories have been incurred and reimbursed to Shipleys LLP:

Type	Incurred This Period £	Incurred To Date £	Paid £	Unpaid £
Photocopying Charges	-	982.50	982.50	-
Total	-	982.50	982.50	-

6.8 Attached at Appendices D and E are additional information in relation to Shipleys LLP's and Leonard Curtis' policy on staffing, the use of subcontractors, disbursements and details of current charge-out rates by staff grade.

6.9 During the liquidation the following professional advisors, including subcontractors, have been used:

Name of Professional Advisor	Service Provided	Basis of Fees
Barker Gotelee LLP	Legal Services	Time Costs Basis
James Owen & Co Limited	Valuing and sale of assets	Fixed Fee

6.10 No professional advisors, including subcontractors, have been used during the liquidation.

Creditors' Rights

6.11 Under Rule 18.9 of the Rules, within 21 days of receipt of this report, a secured creditor, or an unsecured creditor with either the concurrence of at least five per cent in value of the unsecured creditors (including the creditor in question), or with the permission of the court, may request in writing that the Joint Liquidators provide further information about their remuneration or expenses which have been itemised in this report.

6.12 Under Rule 18.34 of the Rules, any secured creditor, or any unsecured creditor with either the concurrence of at least 10 per cent in value of the unsecured creditors (including that creditor) or the permission of the court, may within eight weeks of receipt of the progress report that first reports the fee basis, the charging of the remuneration or the incurring of the expenses in question, make an application to court on the grounds that, in all the circumstances, the basis fixed for the Joint Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Liquidators, as set out in the progress report, are excessive.

6.13 Unless the court orders otherwise, the costs of the application shall be paid by the applicant and are not payable as an expense of the liquidation.

7 OTHER MATTERS

7.1 For your information, a creditor's guide to liquidators' fees, which sets out the rights of creditors and other interested parties under the insolvency legislation, may be accessed via the following link:

<https://www.r3.org.uk/what-we-do/publications/professional/fees>

7.2 If you would prefer this to be sent to you in hard copy form, please contact Charlotte John of this office on 020 7535 7000.

7.3 Creditors are also encouraged to visit the following website, which provides a step by step guide designed to help creditors navigate through an insolvency process:

<http://www.creditorinsolvencyguide.co.uk>

04487961 Limited (Formerly Merchant Capital Ltd) – In Creditors' Voluntary Liquidation

7.4 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 J DUNCAN
JOINT LIQUIDATOR**

A J Duncan is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 9319 and N A Bennett is authorised to act as an insolvency practitioner in the UK by the Insolvency Practitioners Association under office holder number 9083

Summary of Joint Liquidators' Receipts and Payments
from 13 February 2013 to 20 December 2017

	Statement of Affairs £	13 February 2013 to 12 February 2017 £	13 February 2017 to 20 December 2017	£
RECEIPTS				
Book Debts	Uncertain	6.68	-	6.68
Inter-Company Debtors	492,384	13,454.00	-	13,454.00
Book of Structured Product Investors	Uncertain	10,000.00	-	10,000.00
	<u>492,384</u>	<u>23,460.68</u>	<u>-</u>	<u>23,460.68</u>
Cash at Bank		7,683.98	-	7,683.98
Bank Interest Gross		21.53	-	21.53
Third Party Contribution		2.00	-	2.00
Costs Relating to Name Change		580.00	-	580.00
Purchase of Company Name		5,000.00	-	5,000.00
Petition Costs		1,730.00	-	1,730.00
Costs of Claim Form		218.44	-	218.44
Third Party Funds (DP Advice)		2,580.00	-	2,580.00
Output VAT		400.00	(400.00)	-
		<u>41,676.63</u>	<u>(400.00)</u>	<u>41,276.63</u>
PAYMENTS				
Agents' Fees		2,000.00		2,000.00
Agents' Disbursements		82.00		82.00
Legal Fees		11,150.00	1,705.00	12,855.00
Legal Disbursements		471.00		471.00
Statutory Advertising		169.20		169.20
IT Assistance		54.00		54.00
IT Licence Fee		87.00		87.00
Postage		251.75	43.01	294.76
Companies House/Judgment Searches		13.00		13.00
Specific Bond		40.00		40.00
Storage Costs		137.59	25.00	162.59
Searches		1.00		1.00
Costs of Block Transfer		55.56		55.56
Photocopying Charges		1,000.20	(17.70)	982.50
Facsimile/Telephone Costs		26.10		26.10
Companies House Fee for Name Change		10.00		10.00
Sundry Expenses		-	7.00	7.00
Sale Agreement: Payment to Third Party		2,000.00		2,000.00
Preparation of Statement of Affairs		5,000.00		5,000.00
Statement of Affairs Disbursements		220.66		220.66
Joint Liquidators' Remuneration		11,565.91	5,179.35	16,745.26
		<u>34,334.97</u>	<u>6,941.66</u>	<u>41,276.63</u>
Balance in Hand		<u>7,341.66</u>	<u>(7,341.66)</u>	<u>-</u>

04487961 Limited (Formerly Merchant Capital Limited) - In Creditors' Voluntary Liquidation

Summary of Former Joint Liquidators' Time Costs from 13th February 2013 to 12th February 2015

	Partner		Manager		Assistant Manager		Senior Administrator		Administrator		Assistant		Total	
	Time	Cost	Time	Cost	Time	Cost	Time	Cost	Time	Cost	Time	Cost	Time	Cost
Administration and Planning														
Case Planning	2.25	£1,057.50	10.00	£2,804.30	0.00	£0.00	0.00	£0.00	83.00	£10,302.00	0.33	£34.65	95.58	£14,198.45
Administrative Set Up	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.70	£75.00	0.70	£75.00
Appointment notification	0.00	£0.00	0.30	£92.70	0.00	£0.00	0.00	£0.00	3.50	£402.50	1.50	£159.00	5.30	£664.20
Maintenance of Records	0.50	£247.50	3.44	£962.80	0.20	£48.50	0.00	£0.00	19.75	£2,522.25	19.44	£2,209.25	43.33	£5,990.40
Statutory Reporting	1.75	£828.75	4.50	£1,314.50	0.00	£0.00	0.00	£0.00	30.90	£4,081.00	0.10	£11.00	37.25	£6,235.25
Realisation of Assets														
Identifying, Securing, Insuring	0.00	£0.00	1.00	£240.00	0.00	£0.00	0.00	£0.00	9.20	£1,075.50	0.00	£0.00	10.20	£1,315.50
Retention of Title	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Debt Collection	0.00	£0.00	0.25	£60.00	0.00	£0.00	0.00	£0.00	2.85	£370.25	0.00	£0.00	3.10	£430.25
Sales-property, business & assets	22.00	£10,218.75	25.05	£6,604.50	0.00	£0.00	0.00	£0.00	41.60	£5,626.15	0.00	£0.00	88.65	£22,449.40
Creditors														
Creditors – Communication with Creditors Claims	6.75	£3,075.00	5.70	£1,674.80	0.00	£0.00	0.00	£0.00	15.75	£1,918.75	0.00	£0.00	28.20	£6,668.55
	0.00	£0.00	0.40	£128.00	0.30	£72.00	0.00	£0.00	8.05	£945.75	0.00	£0.00	8.75	£1,145.75
Investigations														
SJP2 Review	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	14.50	£1,693.75	0.00	£0.00	14.50	£1,693.75
CDDA Reporting	0.00	£0.00	1.20	£374.10	0.00	£0.00	0.00	£0.00	6.00	£690.00	0.00	£0.00	7.20	£1,064.10
Antecedent Transactions	5.00	£2,355.00	3.00	£927.00	0.00	£0.00	0.00	£0.00	11.15	£1,433.00	0.00	£0.00	19.15	£4,715.00
Trading														
Management of Operations	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Accounting for Trading	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Ongoing Employees	0.00	£0.00	0.50	£154.50	0.00	£0.00	0.00	£0.00	6.85	£802.75	0.00	£0.00	7.35	£957.25
Tax														
Tax	0.00	£0.00	0.00	£0.00	0.00	£0.00	2.95	£590.00	1.00	£145.00	1.00	£110.00	4.95	£845.00
Average hourly charge out rate	38.25	£17,782.50	55.34	£15,337.30	0.50	£120.50	2.95	£590.00	254.10	£32,008.65	23.07	£2,598.90	4.95	£845.00
	£464.90		£277.15		£241.00		£200.00		£125.97		£112.65			
Total Hours	374.21													
Total Cost	£68,437.85													
Average	£182.89													
														£198.00

04487961 Limited (Formerly Merchant Capital Ltd)
(In Creditors' Voluntary Liquidation)

Summary of Joint Liquidators' Time Costs from 18 March 2015 to 20 December 2017

	Director		Senior Manager		Manager 2		Administrator 1		Administrator 2		Administrator 4		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review	10	450.00	21	861.00	6	192.00	92	2,392.00	51	1,173.00	11	165.00	191	5,233.00	273.98
Receipts & Payments	1	45.00	-	-	-	-	34	884.00	11	253.00	12	180.00	58	1,362.00	234.83
Insurance	-	-	3	123.00	-	-	-	-	2	46.00	-	-	5	169.00	338.00
Assets	66	2,970.00	11	451.00	-	-	109	2,834.00	197	4,531.00	-	-	383	10,786.00	281.62
Liabilities	6	270.00	-	-	-	-	27	702.00	11	253.00	-	-	44	1,225.00	278.41
General Administration	-	-	10	410.00	2	64.00	55	1,430.00	75	1,725.00	6	90.00	148	3,719.00	251.28
Post Appointment Creditor Reporting	5	225.00	34	1,394.00	-	-	200	5,200.00	7	161.00	40	600.00	286	7,580.00	265.03
Creds Committee Meetings	7	315.00	-	-	-	-	-	-	26	598.00	-	-	33	913.00	276.67
Investigations	2	90.00	-	-	-	-	-	-	35	805.00	-	-	37	895.00	241.89
Total	97	4,365.00	79	3,239.00	8	256.00	517	13,442.00	415	9,545.00	69	1,035.00	1,185	31,882.00	
Average Hourly Rate (£)		450.00		410.00		320.00		260.00		230.00		150.00		269.05	

Summary of Joint Liquidators' Time Costs from 13 February 2017 to 20 December 2017

	Director		Senior Manager		Administrator 1		Administrator 4		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review	3	135.00	8	328.00	74	1,924.00	1	15.00	86	2,402.00	279.30
Receipts & Payments	-	-	-	-	11	286.00	4	60.00	15	346.00	230.67
Assets	2	90.00	-	-	-	-	-	-	2	90.00	450.00
Liabilities	-	-	-	-	17	442.00	-	-	17	442.00	260.00
General Administration	-	-	-	-	23	598.00	-	-	23	598.00	260.00
Post Appointment Creditor Reporting	3	135.00	4	164.00	45	1,170.00	10	150.00	62	1,619.00	261.13
Total	8	360.00	12	492.00	170	4,420.00	15	225.00	205	5,497.00	
Average Hourly Rate (£)		450.00		410.00		260.00		150.00		268.15	

All Units are 6 minutes

DETAILED NARRATIVE OF WORK PERFORMED BY THE JOINT LIQUIDATORS AND THEIR STAFF

Statutory and Review

This category of activity encompasses work undertaken for both statutory and case-management purposes. Whilst this work will not directly result in any monetary value for creditors, it will ensure that the case is managed efficiently and resourced appropriately, which will be of benefit to all creditors. The work carried out under this category during the period under report included the following:

- Case-management reviews. These are carried out periodically throughout the life of the case. Three quarterly case reviews have been completed during the period under report.
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9.
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice.
- Completion of closing procedures at the end of the case.

Receipts and Payments

This category of work has not resulted in a direct financial benefit for creditors; however, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly.

- Management of case bank account to ensure compliance with relevant risk management procedures.
- Timely completion of all post-appointment tax and VAT returns.
- Managing estate expenses.

Insurance, Bonding and Pensions

Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect Company assets, whilst requirements in respect of Company pension schemes are there to protect the pension funds of Company employees. Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor. Time spent during the period includes:

- Periodic review of bonding requirements to ensure that creditors are appropriately protected. The bond is reviewed upon each large receipt of monies into the case and also at three month intervals in accordance with best practice.
- Conducting online checks to identify whether the Company operated a registered pension scheme.
- Review of financial records to identify whether any payments were made by the Company into a pension scheme.

Assets

- Time has been spent liaising with our solicitors regarding the intercompany debtors.

Liabilities

This category of time includes both statutory and non-statutory matters.

Statutory

- Processing of claims from the Company's creditors. As there were insufficient realisations to enable a distribution to be paid to creditors, claims have not been formally agreed.

Non statutory

- Dealing with enquiries from the Company's creditors – This will include dealing with creditors general queries by post, telephone and email. Time will also be incurred providing updates to the secured creditors on the progress of the liquidation.

Debenture Holder

- Correspondence with the debenture holders in respect of their liabilities and the likelihood of it being repaid.

General Administration

- Time spent includes time spent preparing reports to the Liquidation Committee. Reports are prepared every 6 months.

Post-Appointment Creditor Reporting

- Time incurred in this area has been spent preparing the Joint Liquidators' annual report to creditors. This is a statutory requirement.

Shipleys LLP
10 Orange Street, Haymarket, London WC2H 7DQ

CREDITORS' GUIDE TO FEES
EFFECTIVE FROM 1 MAY 2014
CHARGE-OUT RATES

Staff Allocation and Support Staff

An objective and practical approach is taken to each case which includes active Principal 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. Set out below are the relevant charge-out rates per hour worked for the grades of all staff. Time is charged by reference to actual work carried out on each assignment. There has been no allocation of any general or overhead costs.

Grade	Charge-out rate (£ per hour) plus VAT where applicable
Principal*	480 - 510
Manager	250 - 325
Assistant Manager	240 - 250
Senior Administrator	220 - 240
Administrator	140 - 190
Assistant & Cashier	110 - 265

* or equivalent

NB: Time costs are calculated at 6 minute units

The time of support staff is not charged to a case except when the initial set up is being performed and appointment documentation is prepared. Support staff will also occasionally charge their time when performing a sizeable administrative task within the case. Support staff charge their time at the £110/hr Assistant rate shown on the preceding table.

Specialist departments with the firm such as Tax and VAT may sometimes charge their time if and when the Office Holders may require their expert advice. The figures below provide details of the charge-out rates per hour worked for typical staff involved in this way.

Grade	Charge-out rate (£ per hour) plus VAT where applicable
Tax Principal*	300-480
Tax Manager	250
Tax Practitioner	200
Tax Assistant	145

Details of historic charge out rates in respect of the London office are provided at the end of this guide. Should any creditor wish to receive details of the charge out rates for the London office in force prior to those shown, these can be provided upon request.

DISBURSEMENTS

Category 1 Disbursements

These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. Examples of equivalent costs that may be reimbursed to the office holders without uplift and do not require prior approval are given below:

Category	Basis of Charge
Indemnity Bond	At cost of mandatory cover required in accordance with the Insolvency Act 1986 for each appointment
Insurance of assets	At cost in relation to asset coverage requirements
Company searches	At cost incurred
Travel	All forms other than mileage at actual cost
Room Hire	All external venues at actual cost
Stationery	At cost incurred
Storage	Charge at actual cost incurred for storage (and retrieval, when appropriate) of records.
Other	At actual cost charged

Category 2 Disbursements

These are costs that are directly referable to the appointment in question but not to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. In the event of charging for Category 2 disbursements the following items of expenditure are recharged on the basis specified:

Category	Basis of Charge
Business Mileage	Motor vehicle at 40p per mile
Internal Room Hire	Held at Shipleys LLP, 10 Orange Street, Haymarket, London WC2H 7DQ: £50
Photocopying	Specific calculation of 25 pence per sheet x number of creditors
Facsimiles	£1 for 1 st page and 10 pence for each additional page

Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holder or his staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.

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 or 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.

	01/04/07-31/12/07	01/01/08-31/12/08	01/01/09-31/12/09	01/01/10-31/12/10	01/01/11-31/12/11	01/01/12-31/01/12
	Charge-out rate (£ per hour) plus VAT where applicable					
Principal*	360-370	375	395	395-445	410-460	460
Director	n/a	340	355	375-400	n/a	n/a
Manager	285-300	300	300	245-270	280	300-325
Assistant Manager	200-220	222	180-228	180-250	260	n/a
Senior Administrator	160-210	175-210	140-190	175-220	200-225	210-230
Administrator	110-155	127-165	100-165	75-155	85-160	125-170
Assistant & Cashier	50-95	50-100	50-215	50-240	99-245	100-245

	01/02/12-30/04/12	01/05/12-31/07/12	01/08/12-31/12/12	01/01/13-30/04/13	01/05/13-31/12/13	01/01/14-30/04/14
	Charge-out rate (£ per hour) plus VAT where applicable					
Principal*	460	400-480	400-480	450-480	465-495	465-495
Director	n/a	n/a	n/a	n/a	n/a	n/a
Manager	300-325	300-325	230-325	240-325	240-326	250-325
Assistant Manager	n/a	n/a	n/a	230-240	230-240	240-250
Senior Administrator	210-230	210-230	210-230	220-235	220-235	220-240
Administrator	125-170	125-170	125-170	125-185	125-185	140-190
Assistant & Cashier	100-250	100-250	100-250	110-260	110-260	110-265

* or equivalent

LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS

The following Leonard Curtis policy information is considered to be relevant to creditors:

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 resolution 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 obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

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

	Standard £	Complex £
Director	450	562
Senior Manager	410	512
Manager 1	365	456
Manager 2	320	400
Administrator 1	260	325
Administrator 2	230	287
Administrator 3	210	262
Administrator 4	150	187
Support	0	0

Office holders’ remuneration may include costs incurred by the firm’s in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

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.

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.

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	Electronic client verification in compliance with the Money Laundering Regulations 2007	£5.00 plus VAT per individual

04487961 Limited (Formerly Merchant Capital Ltd) – In Creditors' Voluntary Liquidation

Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and 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	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting	Hosting of documents for creditors/shareholders	<table border="1"> <thead> <tr> <th>Type</th> <th>First 100</th> <th>Every addtl 10</th> </tr> </thead> <tbody> <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 p.a. or £25 for life of case</td> </tr> </tbody> </table>	Type	First 100	Every 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 p.a. or £25 for life of case	
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Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £185.00 3-6 months £275.00 6-12 months £445.00																								
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case																								
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£83.02 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:

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 externally 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.	Time costs plus disbursements plus VAT
Other disbursements	See disbursements section below	See disbursements section below

Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£81.25 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.