



SATURDAY



A13 *A69QT1QJ*
01/07/2017 #298
COMPANIES HOUSE

1 Company details

Company number	0	9	0	8	7	8	2	4
Company name in full	O Point Eight Limited							

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

2 Administrator's name

Full forename(s)	Darren Terence
Surname	Brookes

3 Administrator's address

Building name/number	The Old Bank
Street	187a Ashley Road
Post town	Hale
County/Region	Cheshire
Postcode	W A 1 5 9 S Q
Country	

4 Administrator's name ^①

Full forename(s)	Gary John
Surname	Corbett

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

5 Administrator's address ^②

Building name/number	The Old Bank
Street	187a Ashley Road
Post town	Hale
County/Region	Cheshire
Postcode	W A 1 5 9 S Q
Country	

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

AM10

Notice of administrator's progress report

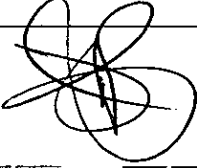
6 Period of progress report

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7 Progress report

<input checked="" type="checkbox"/> I attach a copy of the progress report	
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8 Sign and date

Administrator's signature	Signature X		X																	
Signature date	<table border="1"><tr><td>^d</td><td>3</td><td>^d</td><td>0</td></tr></table>	^d	3	^d	0	<table border="1"><tr><td>^m</td><td>0</td><td>^m</td><td>6</td></tr></table>	^m	0	^m	6	<table border="1"><tr><td>^y</td><td>2</td><td>^y</td><td>0</td><td>^y</td><td>1</td><td>^y</td><td>7</td></tr></table>	^y	2	^y	0	^y	1	^y	7	
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AM10

Notice of administrator's progress report

Presenter information

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

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

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

Important information

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

Where to send

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

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

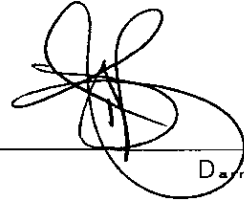
Further information

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

O Point Eight Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 16/12/2016 To 15/06/2017 £	From 01/02/2016 To 15/06/2017 £
(32,000.00)	Shareholder Loans	NIL NIL	NIL NIL
	DISTRIBUTIONS		
(80.00)	Ordinary Shareholders	NIL NIL	NIL NIL
(335,892.00)		(5,766.20)	5,558.06
	REPRESENTED BY		
	VAT Receivable		1,214.39
	Current Account		4,343.67
			5,558.06
			1,214.39
			4,343.67
			5,558.06



Darren Terence Brookes
Joint Administrator



Our Ref: DTB/AP/2512/8

30 June 2017

TO ALL KNOWN CREDITORS AND MEMBERS

Dear Sirs

**O Point Eight Limited - In Administration
Manchester District Registry 2056 of 2016**

This is our report on the progress of the Administration of the Company for the six-month period from 16 December 2016 to 15 June 2017. The report should be read in conjunction with the Joint Administrators' Statement of Proposals dated 25 July 2016 and any further progress reports received after this date.

All progress made in implementing the approved proposals and achieving the statutory purpose of the Administration will be reported on.

Please note that the affairs, business and property of the Company are being managed by the Joint Administrators, Darren Brookes and Gary Corbett. The Joint Administrators act as agents of the Company and contract without personal liability.

If creditors have any queries regarding this report or the conduct of the Administration, or if they want hard copies of any of the documents made available online, they should contact Antonia Pettener at this office on 0161 927 7788 or by email at antoniap@milnerboardman.co.uk.

Yours faithfully,
for and on behalf of
O Point Eight Limited


Darren Brookes
Joint Administrator



MILNER BOARDMAN
& PARTNERS
Corporate Recovery

**O POINT EIGHT LIMITED
IN ADMINISTRATION**

**Joint Administrators'
Progress Report**

Covering the Period
16 December 2016 to 15 June 2017

30 June 2017

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

High Court of Justice Chancery Division, Manchester District Registry
No 2056 of 2016
Our Ref: DTB/AJ/2460/8

Joint Administrators'
Progress Report



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8. Joint Administrators' Disbursements
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APPENDICES

1. Receipts and Payments Account
2. Milner Boardman and Partners' Time Analysis and Practice Fee Recovery Policy
3. Creditors' Rights in relation to Joint Administrators' Remuneration
4. AM10



1. Statutory Information

- 1.1 I was appointed Joint Administrator of the Company together with Gary Corbett on 1 February 2016 in the High Court of Justice, Chancery Division, Manchester District Registry. The application for the appointment of Joint Administrators was made by the director, Mr Gary Trim of Rutland House, 148 Edmund Street, Birmingham B3 2FD.
- 1.2 The Administration is being handled by Milner Boardman & Partners, situated at The Old Bank, 187A Ashley Road, Hale, Cheshire, WA15 9SQ.
- 1.3 The Administration is registered in the High Court of Justice, Chancery Division, Manchester District Registry, under reference number 2056 of 2016.
- 1.4 The trading address of the Company was Unit 10, Washington Centre, Washington Street, Netherton, Dudley, DY2 9RE. The former registered office was Rutland House, 148 Edmund Street, Birmingham B3 2FD.
- 1.5 The registered office of the Company is c/o Milner Boardman & Partners, The Old Bank, 187A Ashley Road, Hale, Cheshire, WA15 9SQ and its registered number is 09087824. The Company was incorporated on 16 June 2014. The Company's previous name was GLT444 Limited
- 1.6 The principal trading activity of the Company was the manufacture of office and shop furniture.
- 1.7 The functions of the Joint Administrators may be exercised by either or both, acting jointly or alone.
- 1.8 It is considered that the EC Regulation in Insolvency Proceedings applies to these proceedings which are main proceeding as defined in Article 3 of the EC Regulations.
- 1.9 At a meeting of creditors held by correspondence pursuant to paragraph 58 of Schedule B1 of the Insolvency Act 1986 and Rule 2.48 of the Insolvency Rules 1986, the closing date being 24 January 2017, the creditors extended the Administration of the Company for a period of 12 months until 31 January 2018.

2. Receipts and Payments

- 2.1 Attached at appendix 1 is the Joint Administrators' receipts and payments account for the period from 1 February 2016 to 15 December 2016 and from 16 December 2016 to 15 June 2017. The amounts shown do not reflect estimated future realisations or costs.
- 2.2 Receipts since our last report dated 15 December 2016 total £305.80 and are broken down as follows: -



-
- Book debt surplus £303.41
 - Bank interest £2.39
- 2.3 Total receipts for the period of the Administration therefore total £233,638.14.
- 2.4 Payments since our last report total £6,072 and are broken down as follows: -
- Joint Administrators' fees £6,000
 - Statutory advertising £72.00
- 2.5 Total payments for the period of the Administration are therefore £228,080.08. The balance of £4,343.67 is currently held in an interest-bearing estate account.
- 2.6 As the Company was registered for VAT purposes, we confirm that VAT is recoverable for the benefit of the insolvent's estate. In total, VAT of £13,630.42 is recoverable. At the date of this report of £1,214.39 is yet to be reclaimed.

3. Joint Administrators' Actions Since Last report

- 3.1 **Book Debts:** As previously reported, the Company factored its book debts with Bibby Factors North West Limited, ("Bibbys"). At the date of appointment approximately £188,950 was shown as outstanding on the sales ledger with £138,405 being owed to Bibbys. As previously reported, Bibbys have recovered their lending in full, together with their termination fees. We can report that an amount of £303.41 has been received during the period of this report, which relates to book debts received by Bibbys following the reassignment of the book debt ledger, which they have transferred to the estate account. With respect to the reassigned ledger, there remains one approved debtor who owes the Company approximately £6,500. The Joint Administrators have continued to pursue this outstanding debt, which relates to a retention held by one of the contractors. Numerous requests for the retention to be released have been made, however, the contractor has advised that they are still awaiting the "making good defects certificate". Once the certificate has been received they advise that the retention will be released. We will continue to liaise with the contractor and look to realise the retention as soon as possible.
- 3.3 As the retention had not been realised within the 12-month period of the Administration, it was necessary for the Administration to be extended so it could be pursued. The Joint Administrators sought the approval of the creditors by way of a meeting held by correspondence, with the closing date being 24 January 2017. Creditors approved the extension to the Administration for a period of 12 months.
- 3.4 There is certain work that we are required by the insolvency legislation to undertake in connection with the Administration that provides no financial benefit for the creditors. A description of that routine work undertaken since my last progress report is contained in appendix 2.
- 3.5 The Joint Administrators are not aware of any other Company assets.



4. Future of the Company

- 4.1 The strategy adopted by the Joint Administrators was to follow objective c by way of realising property in order to make a distribution to the secured creditors and preferential creditors.
- 4.2 This objective has been achieved as the secured creditor, Bibbys, has recovered their principal lending in full. Additionally, the preferential creditors have been paid in full, and it is estimated that a distribution will be made to the floating charge creditor, Mr Gary Trim.
- 4.3 The Joint Administrators' proposals which have been approved by the creditors stated that the Joint Administrators will arrange for the Company to exit the Administration by way of dissolution pursuant to paragraph 84 of schedule B1 to the Insolvency Act 1986.
- 4.4 The Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.

5. Prospects for Creditors

5.1 Secured Claims

- 5.1.1 According to Companies House, the Company granted a fixed and floating charge to Bibbys on 8 July 2014, which was registered on 10 July 2014. Bibbys have recovered their lending in full, together with debt collection fees totalling £28,380.79.
- 5.1.2 According to Companies House, the Company granted a fixed and floating charge to the director, Mr Gary Trim, dated 2 October 2014, which was registered on 11 October 2014. At the date of appointment, Mr Trim was owed £92,196. It is anticipated that there will be sufficient funds to make a distribution to Mr Trim under the terms of his security following payment of the remaining costs of the Administration. The amount available to distribute to Mr Trim is dependent on the realisation of the outstanding book debt and future costs.

5.2 Prescribed Part

- 5.2.1 In accordance with Paragraph 176 (A) of the Insolvency Act 1986, the Joint Administrators are required to set aside a prescribed part of the Company's net property for the benefit of unsecured creditors that would otherwise be available to the secured floating charge holder.
- 5.2.2 Both floating charges registered against the Company were created after 15 September 2003 and therefore the prescribed part is relevant in this case in relation to Mr Trim's charge, as Bibby have been repaid under their fixed charge on book debts.
- 5.2.3 On the basis of realisations and the costs to date, together with an estimate of future realisations, we anticipate that the Company's net property will be less than £10,000 in this case. The insolvency legislation does not require me to distribute the prescribed part of



the net property to creditors if the net property is less than the prescribed part minimum, being £10,000, and if I think that the costs of distributing the prescribed part would be disproportionate to the benefits to creditors. The net property is less than the prescribed part minimum and I am of the view that the costs of distribution would be disproportionate and so I will not be making a distribution of the prescribed part of the net property to unsecured creditors.

5.3 Preferential Creditors

- 5.3.1 The Company employed 29 members of staff, who had been laid off prior to appointment and have submitted preferential claims to the Redundancy Payments Office ("RPO") in respect of unpaid wages and holiday pay due. The statement of affairs estimated that preferential claims would total approximately £21,319.
- 5.3.2 The Joint Administrators received a preferential claim totalling £19,214.87 from the RPO. We can confirm that no residual preferential claims are due.
- 5.3.3 A distribution of 100p in the £ was paid to preferential creditors, totalling £19,214.87 on 8 September 2016.

5.4 Unsecured Creditors

- 5.4.1 The statement of affairs included a total amount of £64,329 owed to HM Revenue & Customs ("HMRC") in respect of VAT (£47,883) and PAYE/NIC (£16,446) which was based on estimates. A final claim of £126,155.17 has been received from HMRC relating to VAT of £94,203.15 and PAYE/NIC of £31,952, which includes interest charges, surcharges and assessments raised.
- 5.4.2 Other unsecured non preferential creditors were estimated on the statement of affairs to be approximately £272,338 including trade and expense suppliers, employee claims relating to notice pay and redundancy, landlord and shareholder loans. Claims received to date total £248,197, however not all creditors have proved their debt in this matter. It is not anticipated that there will be sufficient funds to enable a dividend to be paid to unsecured creditors in this case.

6. Investigations into the Affairs of the Company

- 6.1 We undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved.
- 6.2 Specifically, I recovered, listed and reviewed the Company's accounting records, obtained and reviewed copy bank statements for the 12 months prior to the Company ceasing to trade from the Company's bankers and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in



the Administration and made enquiries about any reasons for changes. There were no matters that justified further investigation in the circumstances of this appointment.

- 6.3 Within three months of our appointment as Joint Administrators, we are required to submit a confidential report to the Secretary of State to include any matters which have come to our attention during the course of our work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. We would confirm that our report has been submitted.

7. Joint Administrators' Remuneration

7.1 Pre- Administration Costs

As previously reported, on 7 June 2016 the pre-appointment costs were approved by the secured, preferential and unsecured creditors, and the agreed costs have been paid in full.

- 7.2 On 7 June 2016 the secured creditors, preferential creditors and unsecured approved that the Joint Administrators' remuneration be agreed on a mixture of a time cost basis, fixed fee and a % of realisations and distributions.

- 7.3 On 24 January 2017, the unsecured creditors approved that the Joint Administrators' fixed fee could be increased by a further £8,000 to be drawn when funds are available.

- 7.4 The Joint Administrators were authorised to draw time costs for our work in respect of investigations, which included time spent on investigating Company assets and directors' conduct, including reviewing books and records and preparing a return pursuant to Company Directors Disqualification Act. This approval was based on our fee estimate of £2,197.50. The fee estimate acts as a cap and we cannot draw remuneration in excess of that estimate without first seeking approval from the creditors. Our total time costs for such work to date amounts to £2,210.50 representing 11.4 hours work at an average charge out rate of £193.90 per hour, which compares to the estimated average charge out rate in our fee estimate of £209.29 per hour. No time has been spent on investigations during the period of this report. A breakdown is attached at appendix 2. We have drawn £2,197.50 to date in respect of work done for which our fees were approved on a time cost basis.

- 7.5 The Joint Administrators were also authorised to draw a fixed fee of £10,000 for our work in respect of administration and planning and dealing with creditors. This includes time spent on meetings with company management and accountants, case planning and administration, complying with our statutory duties, reporting to creditors, corresponding with the secured creditors, preparing the required documentation, maintaining physical case files and electronic case files, reviews, dealing with routine correspondence and general administrative work. Work carried out also relates to corresponding with the secured creditors, HMRC, trade creditors, and preferential creditors and includes advising creditors of our appointment, dealing with and processing their claims and dealing with correspondence and telephone calls. As previously reported, further work has been



necessary in relation to administration and dealing with creditors in this case. It became apparent that the time spent on dealing with these tasks had exceeded the estimated fixed fee of £10,000 agreed, therefore, the Joint Administrators called a meeting of the Company's creditors, by correspondence, to request an increase to the fixed fee of £8,000. This was agreed on 24 January 2017, and we can report that we have drawn £16,000 in respect of work done for which our fees were approved as a fixed fee, of which £6,000 was drawn during the period of this report.

- 7.6 Finally, the Joint Administrators were also authorised to draw 10% of realisations for our work in respect of the realisation of assets and 5% of any distributions made. This includes liaising with the agents and solicitors regarding the sale of the assets and monitoring the receipt of the deferred payments. Liaising with Bibbys with respect to book debt collections and assisting where necessary. We have been able to draw £6,553.60 to date in respect of work done for which our fees were approved as a % of realisations, none of which has been drawn during the period of this report. We have been able to draw £960.74 to date in respect of work done for which our fees were approved as a % of distributions, none of which has been drawn during the period of this report.
- 7.7 Details of the current charge out rates of Milner Boardman & Partners are included within the Practice Fee Recovery Policy which is also attached at appendix 2.
- 7.8 Attached at appendix 3 are details of creditors' rights in relation to the Joint Administrators' remuneration and also to request information on the Joint Administrators' remuneration and expenses. Further information about creditors' rights can be obtained by visiting the creditors' information microsite published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of a Creditors Guide to Administrators' fees also published by R3, together with an explanatory note which shows Miner Boardman & Partners' practice fee policy are attached at appendix 2. Please note that there are different versions of the Guidance Notes and in this case, you should refer to the November 2011.
- 7.9 Please note that Milner Boardman & Partners record time in 6 minute units.

8. Joint Administrators' Disbursements

- 8.1 Where disbursements are covered in respect of precise sums expended to third parties, there is no requirement for these costs to be authorised. These are known as Category 1 disbursements.
- 8.2 We therefore report that Category 1 disbursements totalling £10,755.89 have been incurred since appointment, of which £72 has been incurred during the period of this report. We have drawn £10,755.89, of which £72 was drawn in this period.
- 8.3 We have drawn the following disbursements in the period since our last progress report:



Type of expense	Amount drawn in the reporting period (£)
Statutory advertising	72

8.4 Category 2 disbursements require creditor authorisation before they can be drawn and include staff mileage costs. Milner Boardman & Partners do not intend to charge Category 2 disbursements in this matter.

9. **Further information**

9.1 An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

9.2 An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

9.3 To comply with the Provision of Services Regulations, some general information about Milner Boardman & Partners can be found in the attached practice fee recovery sheet.

10. Conclusion

10.1 This concludes the Joint Administrators' progress report for the six-month period to 15 June 2017. The Administration will remain open until all assets have been realised in this matter, specifically the outstanding retention due the Company.

10.2 I estimate that it will take approximately three months to resolve the outstanding matters and, once these matters have been finalised, we anticipate that the Administration will cease and our files will be closed.

10.3 If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available online, they should contact Antonia Pettener on 0191 927 7788 or by email at antoniap@milnerboardman.co.uk.

10.4 The affairs, business and property of the Company are being managed by the Joint Administrators, Darren Brookes and Gary Corbett. The Joint Administrators act as agents of the Company and contract without personal liability.



Yours faithfully
for and on behalf of
O Point Eight Limited



Darren Brookes
Joint Administrator



Appendix 1

Receipts and Payments Account

**O Point Eight Limited
(In Administration)**

Summary of Receipts & Payments

RECEIPTS	Statement of Affairs (£)	From 01/02/2016 To 15/12/2016 (£)	From 16/12/2016 To 15/06/2017 (£)	Total (£)
Goodwill, IPR	1.00	1.00	0.00	1.00
Book Debt Surplus		0.00	303.41	303.41
Book Debts	151,160.00	173,332.34	0.00	173,332.34
Plant & Machinery, Equipment	58,996.00	58,996.00	0.00	58,996.00
Stock	1,000.00	1,000.00	0.00	1,000.00
Records	1.00	1.00	0.00	1.00
Business name & Rights	1.00	1.00	0.00	1.00
Cstmr contracts, deposits, prepayments	1.00	1.00	0.00	1.00
Bank Interest Gross		0.00	2.39	2.39
		233,332.34	305.80	233,638.14

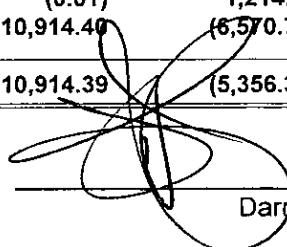
PAYMENTS

Debt Collection Fees		28,380.79	0.00	28,380.79
Bibby Financial Services	(138,405.00)	139,416.69	0.00	139,416.69
Specific Bond		250.00	0.00	250.00
Pre appointment Admin fee		2,500.00	0.00	2,500.00
Office Holders Fees		19,711.84	6,000.00	25,711.84
Pre appointment agents' fees		1,750.00	0.00	1,750.00
Agents/Valuers Fees		2,050.00	0.00	2,050.00
Agents/Valuers disbursements		120.00	0.00	120.00
Legal Fees		4,710.00	0.00	4,710.00
Legal disbursements		50.00	0.00	50.00
Pre appointment legal fees		550.00	0.00	550.00
ERA Work		2,870.00	0.00	2,870.00
Statutory Advertising		144.00	72.00	216.00
Insurance of Assets		289.89	0.00	289.89
Employees - Wage Arrears	(21,319.00)	19,214.87	0.00	19,214.87
		222,008.08	6,072.00	228,080.08

Net Receipts/(Payments)		11,324.26	(5,766.20)	5,558.06
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MADE UP AS FOLLOWS

VAT Receivable		(0.01)	1,214.40	1,214.39
Current Account		10,914.40	(6,570.73)	4,343.67
		10,914.39	(5,356.33)	5,558.06


Darren Terence Brookes
Joint Administrator



Appendix 2
Milner Boardman & Partners'
Time Analysis as at 15 June 2017, Schedule
of Routine Work Undertaken and Practice
Fee Recovery Policy

Milner Boardman & Partners

TIME & CHARGEOUT SUMMARIES

O Point Eight Ltd

To 15 Jun 2017

HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	16.00	52.60	0.00	0.10	68.70	17,930.50	261.00
Investigations	0.90	1.00	0.00	9.50	11.40	2,210.50	193.90
Realisation of Assets	13.50	12.60	0.00	0.00	26.10	7,704.00	295.17
Creditors	5.40	38.90	0.00	2.70	47.00	10,834.00	230.51
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Fees Claimed £	13,246.00	23,280.50	0.00	2,152.50		38,679.00	
Total Hours	35.80	105.10	0.00	12.30	153.20		
Average Rate	370.00	221.51	0.00	175.00			

Milner Boardman & Partners

TIME & CHARGEOUT SUMMARIES

O Point Eight Ltd

From 16 Dec 2016 to 15 Jun 2017

HOURS							
Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	0.30	7.00	0.00	0.00	7.30	1,652.00	226.30
Realisation of Assets	0.00	6.70	0.00	0.00	6.70	1,440.50	215.00
Creditors	0.70	5.00	0.00	0.70	6.40	1,456.50	227.58
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Fees Claimed £	370.00	4,056.50	0.00	122.50		4,549.00	
Total Hours	1.00	18.70	0.00	0.70	20.40		
Average Rate	370.00	216.93	0.00	175.00			



APPENDIX 2

1. Administration

Dealing with all routine correspondence and emails relating to the case.
Maintaining and managing the office holders' estate bank account.
Maintaining and managing the office holders' cash book.
Undertaking regular bank reconciliations of the bank account containing estate funds.
Reviewing the adequacy of the specific penalty bond on a quarterly basis.
Undertaking periodic reviews of the progress of the case
Overseeing and controlling the work done on the case by case administrators.
Filing returns at Companies House.
Preparing and filing VAT returns.
Preparing and filing Corporation Tax returns.
Filing appropriate forms at Companies House to extend the Administration.

2. Creditors

Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
Maintaining up to date creditor information on the case management system.
Convening a meeting of creditors to request an extension to the Administration.
Preparation of a progress report to creditors detailing the reasons for the need to extend the Administration and to request an increase to the fees estimate.

PRACTICE FEE RECOVERY POLICY FOR MILNER BOARDMAN & PARTNERS

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at www.insolvency-practitioners.org.uk. Alternatively a hard copy may be requested from Milner Boardman & Partners. Please note, however, that the guides have not yet been updated for the revised legislation, so we have provided further details in this policy document.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Charge Out Rates

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

These charge-out rates charged are reviewed each year and may be adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning
- Investigations
- Realisation of Assets
- Creditors
- Trading
- Case specific matters

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and on new appointments we now only seek time costs for the following categories, where applicable:

- Investigations
- Distributions
- Trading

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Members' Voluntary Liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to Members' Voluntary Liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Disbursements

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Milner Boardman & Partners; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

Milner Boardman & Partners do not seek to recover Category 2 disbursements.



Appendix 3

Creditor's Rights in relation to Administrator's Remuneration

MILNER BOARDMAN & PARTNERS – INFORMATION SHEET FOR CREDITORS

What if a creditor is dissatisfied with administration remuneration?

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

Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing.

If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the administration.

Creditors rights to information on the administration remuneration and expenses

Within 21 days of receipt of this progress report a creditor may request that the Joint Administrators provide further information about the remuneration and expenses set out in the report. Any request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

The Joint Administrators must provide the requested information within 14 days, unless they consider that:

- The time involved in preparing the information would be excessive, or
- Disclosure would be prejudicial to the conduct of the Administration or might reasonably be expected to lead to violence against any person, or
- The Joint Administrators are subject to an obligation of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information.

Any creditor may apply to the court within 21 days if the Joint Administrators refuse to provide the requested information, or the expiry of the 14 days time limit for the provision of the information.

If any creditors have any queries please contact 0161 927 7788.



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