



Rescue

Uxbridge

01895 819 460

Revival

London

0208 579 9057

Recovery

e: info@labr.co.uk

f: 01895 520 096

www.labr.co.uk

Private and confidential

To All Creditors and Former Clients of Bournes Limited

Our ref: ZZ1881/VHL/ EW/CA/RK/Statutory
8th November 2022

Dear Sir/ Madam,

Re: Bournes Limited ("the Company") – in Creditors Voluntary Liquidation ("CVL") & Further Notice to Clients to Submit Claims if they have not already done so

Progress report

The above case has now passed its anniversary and I advise that the annual progress report is available.

To view the progress report, please visit <https://www.labusinessrecovery.com/bournes-limited>.

Alternatively, please email bournes@labr.co.uk or write to my Uxbridge office and I will arrange for a hard copy to be sent to you if you would prefer.

Communication

As previously advised, I am not obliged to give updates in between reports as a way to keep costs to a minimum. I therefore ask that you contact me only to inform me of any changes to address or other contact details

If you have any queries, please do not hesitate to contact my Uxbridge office by writing to 1 Beasley's Yard, 126 High Street, Uxbridge, Middlesex UB8 1JT or by emailing bournes@labr.co.uk.

Claims – Action Required

Where you are a Client of the Company, you are receiving this letter because our records indicate the Company held Client Money for you at the date it entered administration or received monies for you shortly thereafter. Clients who have to date not submitted claim documents in support of potential claims, are strongly advised to do so now by emailing or by posting them to us. Please retain copies of your claims for your own records.

WE ARE WORKING TO FINALISE A PROCESS FOR DISTRIBUTING CLIENT MONEY BACK TO CLIENTS AND WHERE CLIENTS DO NOT SUBMIT CLAIMS, THEN THEY RISK THEIR CLAIMS BEING EXCLUDED FROM ANY FUTURE DISTRIBUTIONS. Clients are reminded that distribution levels shall be very minimal.

This request applies only to clients who have not yet provided a reply with their claims to the funds in this liquidation.

Yours faithfully,

**Virgil H Levy
Liquidator**



Virgil H Levy is authorised in the UK by the IPA under office holder no. 19090
to act as an Insolvency Practitioner

Insolvency Practitioners contract without personal liability
Administrators act as agents of a Company in Administration without personal liability



**BOURNES LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)**

**LIQUIDATOR'S ANNUAL REPORT TO MEMBERS AND CREDITORS
FOR THE YEAR ENDING 11 SEPTEMBER 2022**

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**BOURNES LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)**

**LIQUIDATOR'S ANNUAL REPORT TO MEMBERS AND CREDITORS
FOR THE YEAR ENDING 11 SEPTEMBER 2022**

1 Statutory and general information

Company number: 06672088

Liquidator: Virgil Harsham Levy

Liquidator's Contact details: LA Business Recovery Limited, 1 Beasley's Yard, 126 High Street, Uxbridge, Middlesex, UB8 1JT.
info@labr.co.uk
01895 819 460

Date of Liquidators' appointments: 12 September 2016 to 10 November 2016 – Peter M Levy (deceased)
24 February 2017 to 20 April 2017 – Ashok Bhardwaj
20 April 2017 – Virgil H Levy pursuant to a Block Transfer Order

1.1 Creditors wishing to contact the liquidator, can do so via any of the above detailed methods.

1.2 No ethical issues have arisen in this period.

2 Assets, costs, and other matters

2.1 This report should be read in conjunction with my previous progress reports and my receipts and payments account which is attached as Appendix 1; please note that the figures are shown net of VAT.

2.2 My receipts and payments account confirms that no realisations have been made in this period. Greater detail is provided below.

Assets

2.3 There have been no assets realised in this period.

Postage expenses

2.4 These form as Category 1 expenses and were incurred in this period in delivering the previous progress report to clients. This totalled £515.52.

2.5 Prior to delivering my previous report, I incurred total postage expenses of £1,626.97 in delivering prior reports to clients and writing to clients with invitations to submit claims their claims since 2018. I have not recorded expenses incurred in respect of postage prior to 2018.

2.6 I anticipate incurring £450 in postage expenses delivering to clients this report.

Other matters

2.7 In addition to my responsibility to realise the Company's assets, I am required to comply with various legislative and best practice obligations and deadlines. These obligations include filing of documents with the Registrar of Companies, ensuring that all receipts and payments are promptly dealt with and proper accounting records are maintained.

2.8 In addition, I am required to undertake periodic case reviews to monitor progress, advise creditors of the liquidation and record all claims received.

2.9 Furthermore, I am obliged to deal with any other day to day matters that may arise during the liquidation.

3 Client monies

3.1 As clients and creditors will be aware, the Company appeared to hold certain Client Monies in separate bank accounts with the principal trading account identified as holding the bulk of Client Monies.

3.2 In accordance with the Financial Conduct Authority's Client Asset Sourcebook ("CASS"), all Client Money identified in the Company's accounts at the date of the administration were segregated and pooled on the appointment of the Administrator in 2014. This is termed the **Client Money Pool**.

- 3.3 Prior remuneration relating to the return of the Client Money Pool was drawn proportionally against the Client Monies held (as reported in previous reporting periods)
- 3.4 The amount of Client Money held in the Client Money Pool has remained unchanged in the last two reporting periods, as follows.

Account Name	21-22 reporting period total (£)	20-21 reporting period total (£)
Bournes Finance – client monies	6,031.50	6,031.50
Bournes Legal – client monies	10,384.61	10,384.61
Bournes Mixed Funds – client monies	43,734.57	43,734.57

- 3.5 In the next reporting period, we will be making an application to court for formal directions in relation to the closure and distribution of the Client Money Pool.
- 3.6 **Clients should read sections 6 and 7 of this report for further information about the application and steps they are advised to take.**

Post-pooling receipts

- 3.7 As previously reported, the officeholders have maintained a separate account for any money received from clients in the period after the administration of the Company commenced as these monies did not form part of the Client Money Pool. This sum has remained the same throughout this period and is £71,300.37.
- 3.8 In this reporting period we have corresponded with the FCA in relation to the status of these monies under CASS.
- 3.9 My team and I have identified and taken steps to contact clients that are entitled to these funds in order to confirm the amounts owed to them, but a significant number of clients have not responded to our correspondence.
- 3.10 As with the Client Money Pool, in the next reporting period we will be making an application to court for formal directions in relation to the proper treatment and distribution of the post pooling receipts.
- 3.11 **Clients should read sections 6 and 7 of this report for further information about the application and steps they are advised to take.**

4 Unrealised assets

- 4.1 No assets remain to be realised.

5 Investigation into the affairs of the Company

- 5.1 No new matters have come to light in this period.

6 Case Progression

- 6.1 As detailed in my previous report, I am being advised by Foot Anstey LLP (“FA”), who hold specialist expertise in the CASS Rules, interaction with the FCA, the closure of Client Money Pools and the distribution of Client Money.
- 6.2 During this period my firm has been working together with FA and instructed counsel, to develop a practical and proportionate proposal for the distribution of Client Money to clients, this has included consulting with relevant stakeholders in the form of both the Insolvency Service and the FCA.
- 6.3 A plan and proposals for distribution will need to be endorsed by the Court.
- 6.4 The specific facts of this case and the terms of the relevant CASS rules, mean there is limited precedent for us to work from and raise complex issues of both law and regulation. We are also impeded by limited client engagement, with a significant proportion of clients not having taken steps to contact us or agree to the claims to Client Money which the Company's books and records indicated they have.
- 6.5 Accordingly, it is necessary for an application to court to be made in order to obtain specific directions as to the process for:

- 6.5.1 Closing the Client Money Pool to further claims;
 - 6.5.2 enabling the distribution of the Client Money Pool to only those clients who have agreed their claim; and
 - 6.5.3 distributing the post pooling monies.
- 6.6 We are currently working to finalise the terms of this application and anticipate making the application in the first half of 2023.

7 Actions for Clients to take

7.1 Clients who:

7.1.1 Made payments to the Company on or after 18 September 2014; or who

7.1.2 consider the Company should have held money for them as at 18 September 2014, should write in or email my team as soon as possible in order to confirm their claim. We have written to all Clients we identified to do so on several occasions but there remain a significant number of clients who have not responded.

7.2 Our contact details are Bournes Ltd (in liquidation), LA Business Recovery Ltd, 1 Beasley's Yard, 126 High Street, Uxbridge, Middlesex, UB8 1JT or email bournes@labr.co.uk.

7.3 Please confirm your claim and details of the payments made, in order to enable my team to update our claim records.

7.4 If clients fail to agree their claim in respect of such monies, then this may result in them losing their rights to receive a distribution of it.

8 Liquidator's remuneration

8.1 It was agreed that the former liquidator's remuneration be fixed on a time-costs basis. This approval pre-dated the coming into force of the Insolvency (England & Wales) Rules 2016 and Statement of Insolvency Practice 9, dated December 2015. I am, therefore, not required to provide a fees estimate with this report, and I rely upon the former Liquidator's approved time-cost resolution to draw my remuneration. It is clear there will be insufficient funds in the office holder's liquidation account to address outstanding time costs. It is likely that all of the Liquidator's time costs will be written off where they do not relate to dealing with the Client Money Pool, post pooling monies and concluding a distribution procedure.

8.2 Any remuneration in relation to all aspects of the return of the Client Money Pool or post pooling monies will either be deducted in accordance with CASS or will form part of our application to Court.

8.3 Work to be carried out prior to the final distribution may include a potential limited tracing exercise, agreeing claims, and preparing and issuing my application to Court and then implementing the approved distribution plan.

8.4 My focus is to conclude the liquidation by pursuing a distribution plan as approved by the Court, to deal with the Client Money Pool and the post pooling monies in accordance with the approved distribution process and to provide for a final progress report to close the liquidation.

8.5 I have not drawn any remuneration in this period and will continue to take a pragmatic and proportionate approach to the recovery of remuneration and expenses in this case.

8.6 I have enclosed a Statement of Insolvency Practice 9 – time costs summary, at Appendix 2 of this report.

8.7 For the benefit of creditors, the Association of Business and Recovery Professionals publish 'A Creditors' Guide to Liquidators' Fees'. This document is available at the following website address, <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/>. A hard copy of this document can be obtained on request from our office.

9 Liquidator's expenses

9.1 I have detailed above the sum that my firm has paid on behalf of the company in relation to issuing the report by post.

Professional advisors

9.2 I have continued to be advised by my solicitors throughout this period. They have had discussions with the Insolvency Service and the FCA and instructed counsel in order to determine a practical path to take in respect of completing a final distribution of all money held by the Company.

- 9.3 Their total time costs to 31 October 2022 are £19,243.00 plus VAT and counsel's fees of £1,000.00 plus VAT.
- 9.4 Their time costs for the report period total £5,830.00 plus VAT.
- 9.5 I will be seeking to recover postage expenses incurred in this matter since 2018.

10 Clients, creditors and the proposed estimated outcomes

Clients

- 10.1 As detailed above, there remain a large number of clients who have not responded to my correspondence and as such if you are a client who considers that they have a claim but has not sought to have it agreed, please contact my office urgently so my team and I can update our records accordingly. Clients should note that if they fail to agree their claims, they may lose their right to claim monies in the future.
- 10.2 It is the responsibility of the clients to keep me updated should any personal information change.
- 10.3 We continue to be mindful of clients' interests in this matter and wish to reassure clients that my team and I are working towards our final goal of distributing the funds and bringing this case to close. I am unfortunately unable to provide accurate timescales in which this work will be completed given the need for a court application.
- 10.4 I would like to remind all clients to email queries or present their claims via email to bournes@labr.co.uk.

Creditors

- 10.5 To date I have received claims from two unsecured creditors totalling £69,531.86.
- 10.6 Creditors should note that as there were no realisations made sufficient to provide for an distribution to the general body of creditors. Therefore, I give notice of no dividend to the creditors.

Client Money Pool

- 10.7 I remind Clients that the shortfall in Client Monies in the Client Money Pool was £3,618,300.08 as at the date of administration.
- 10.8 Given the level of this shortfall and as I am currently only holding a total sum of £60,498.48 against the remaining Client Money Pool I anticipate making only very limited returns of Client Money and only to those clients who have agreed their claims to Client Money in the Client Money Pool.

Post Pooling Receipts

- 10.9 I am currently holding the sum of £71,300.37 in respect of funds that the Company received from Clients in the period after the appointment of the former Administrator.
- 10.10 It is proposed that funds will be returned to those clients who have contacted us and agreed their claim; however, I anticipate we will be seeking authority to deduct our proportionate costs (including legal fees) of return of these monies as part of my application to Court.
- 10.11 We will also seek a direction in respect of the treatment of monies held for clients who have not responded to correspondence or contacted the officeholders.

11 Further information

- 11.1 Within 21 days of receipt of a progress report a creditor may request that the liquidator provide further information about the fees and expenses set out in this report. A 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, or the permission of the court.
- 11.2 Any secured or unsecured creditor, if they consider that the liquidator's fees are excessive, or that the basis of those fees is inappropriate or that the expenses incurred are excessive, may make an application to the court if at least 10% in value of the unsecured creditors agree. An application must be made within 8 weeks of receipt of this report.

12 Conclusion

- 12.1 I shall be continuing to work with Foot Anstey, in order to continue progressing the application to Court and a conclusive step towards closing the matters contained in this report.
- 12.2 Should this be the case I shall write to client under separate cover with further information disclosing next steps.
- 12.3 I am required to deliver a copy of my progress report within two months from the case anniversary passing.

Yours faithfully,



Virgil H Levy
Liquidator

Date: 8 November 2022

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

Bournes Limited
(In Liquidation)
Liquidator's Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 12/09/2016 To 11/09/2021 (£)	From 12/09/2021 To 11/09/2022 (£)	Total (£)
Cash at Bank		8,630.76	0.00	8,630.76
Bournes Finance		8,755.36	0.00	8,755.36
Bournes Legal		14,828.03	0.00	14,828.03
Bournes Mixed Funds		95,706.29	0.00	95,706.29
Bank Interest Gross		359.96	0.00	359.96
Post-pooling receipts		71,300.37	0.00	71,300.37
		199,580.77	0.00	199,580.77
PAYMENTS				
Administrator's fee		56,474.80	0.00	56,474.80
Corporation Tax		12.16	0.00	12.16
		56,486.96	0.00	56,486.96
Net Receipts/(Payments)		143,093.81	0.00	143,093.81
MADE UP AS FOLLOWS				
Bank 1 Current		347.80	0.00	347.80
Bournes Ltd re: Finance		6,031.50	0.00	6,031.50
Bournes Ltd re: Legal		10,384.61	0.00	10,384.61
Bournes Ltd re: Mixed Funds		43,734.57	0.00	43,734.57
Post Pooling Receipts		71,300.37	0.00	71,300.37
VAT Receivable / (Payable)		11,294.96	0.00	11,294.96
		143,093.81	0.00	143,093.81

Note:



Virgil Levy
Liquidator

STATEMENT OF INSOLVENCY PRACTISE 9 - SUMMARY OF LIQUIDATOR'S TIME COSTS

Time Entry - Detailed SIP9 Time & Cost Summary

ZZ1881 - Bournes Limited
 From: 12/09/2016 To: 11/09/2022
 All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	IP	Director	Total Hours	Time Cost (£)	Average Hourly Rate (£)
103 : General Administration	0.00	0.50	13.87	21.57	0.22	0.00	36.16	5,596.85	154.76
104 : Filing	0.00	0.00	0.00	2.40	0.00	0.00	2.40	360.00	150.00
105 : Cashiering	0.00	0.00	8.95	2.07	0.29	0.00	11.31	2,127.95	188.06
Admin & Planning	0.00	0.50	22.82	26.04	0.51	0.00	49.88	8,084.80	162.09
600 : Public Examination of Bankrupt / hearings	0.00	0.00	0.00	2.83	3.60	0.00	6.43	2,045.25	317.83
603 : Client monies matters	0.00	5.40	121.64	113.33	13.42	0.00	253.79	40,863.64	161.01
Case Specific Matters	0.00	5.40	121.64	116.16	17.02	0.00	260.22	42,908.89	164.89
501 : Unsecured Creditors	0.00	0.00	5.40	7.07	0.00	0.00	12.47	1,801.38	144.43
504 : Statutory Reporting to Creditors	0.00	0.00	17.08	10.15	7.25	0.00	34.48	7,903.70	229.23
Creditors	0.00	0.00	22.48	17.22	7.25	0.00	46.95	9,705.08	206.70
306 : Other Assets	0.00	0.00	13.50	0.00	0.00	0.00	13.50	2,755.00	204.07
Realization of Assets	0.00	0.00	13.50	0.00	0.00	0.00	13.50	2,755.00	204.07
Total Hours	0.00	5.90	180.44	159.43	24.79	0.00	370.56	63,453.77	171.24
Total Fees Claimed								0.00	

Time Entry - Detailed SIP9 Time & Cost Summary

ZZ1881 - Bournes Limited
 From: 12/09/2021 To: 11/09/2022
 All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	IP	Director	Total Hours	Time Cost (£)	Average Hourly Rate (£)
103 : General Administration	0.00	0.00	2.05	0.00	0.00	0.00	2.05	442.00	215.61
105 : Cashiering	0.00	0.00	3.99	0.00	0.00	0.00	3.99	759.05	190.00
Admin & Planning	0.00	0.00	6.04	0.00	0.00	0.00	6.04	1,201.05	198.68
603 : Client monies matters	0.00	0.00	0.00	0.00	1.25	0.00	1.25	500.00	400.00
Case Specific Matters	0.00	0.00	0.00	0.00	1.25	0.00	1.25	500.00	400.00
501 : Unsecured Creditors	0.00	0.00	0.27	0.30	0.00	0.00	0.57	107.58	189.74
504 : Statutory Reporting to Creditors	0.00	0.00	3.65	0.00	0.00	0.00	3.65	693.50	190.00
Creditors	0.00	0.00	3.92	0.30	0.00	0.00	4.22	801.08	189.96
306 : Other Assets	0.00	0.00	13.50	0.00	0.00	0.00	13.50	2,755.00	204.07
Realisation of Assets	0.00	0.00	13.50	0.00	0.00	0.00	13.50	2,755.00	204.07
Total Hours	0.00	0.00	23.46	0.30	1.25	0.00	25.01	5,257.13	210.18
Total Fees Claimed								0.00	

LA BUSINESS RECOVERY LIMITED FEES AND EXPENSES INFORMATION

Bournes Limited - in liquidation

1 Introduction

The current legislation allows fees to be charged in insolvency procedures in several ways. Either by charging for time properly spent, a percentage of realisations, a fixed fee, or a combination.

The basis of any fee approval in a members' voluntary liquidation is agreed by the shareholders either by passing a resolution at a shareholders' meeting or by passing a written resolution.

2 Time cost basis

When charging fees on a time cost basis we use staff with the appropriate skill level for the work to be performed.

3 Charge-out rates

Grade	Charge-out rates from 1 Jan 2018 (£ per hour, charged in 6-minute units)
Director/Office Holder	400-560
Manager/Senior Manager	325-375
Assistant Manager	300
Administrator/Senior Administrator	190-275
Junior Administrator	150
Support Staff	90-120

3.1 The firms charge-out rates are reviewed periodically.

4 Percentage basis

Where an office holder is expecting to realise specific assets, the fee charged may be a percentage of a specific asset or the assets as a whole.

Once agreed, the percentage basis can only be increased where there has been a material and substantial change in the circumstances in the case. If this is not the case, any request for an increase can only be approved by the Court.

5 Fixed fee

An office holder may charge a fixed fee on either the case as a whole or for specific tasks to be undertaken.

Once agreed, the fixed fee can only be increased where there has been a material and substantial change in the circumstances in the case. If this is not the case, any request for an increase can only be approved by the Court.

6 Expenses

Expenses are any payments from the estate which are neither office holder's remuneration nor a distribution to a creditor or member. Expenses also includes disbursements.

Disbursements are payments which are first paid by the office holder and then reimbursed to the office holder from the estate.

Category 1 expenses:

These are payments to those providing the service to which the expense relates who are not an associate of the office holder.

Examples of category 1 expenses include professional costs such as agents and solicitors as well as items such as insurance, statutory advertising, external meeting room hire, external storage and specific bond.

Full details of my expenses are detailed within the report.

Category 2 expenses:

These are payments to associates* or payments which have an element of shared costs.

**Associates are defined as an entity with which the firm, office holder or staff member has a business or personal relationships with, perceived or actual.*

I do not propose to seek a resolution for category 2 expenses in this matter as i do not anticipate that any will be incurred.

7 Subcontractors

Subcontractors are considered to undertake work that can be completed by the office holder or their staff. Subcontractors will be used where a matter requires specialist knowledge or where it is more cost effective to the estate for this to be completed by a third party.

Payments to subcontractors do not require specific approval and are treated as an expense of the estate, however I am required to provide the following information to you.

I do not, at this time, anticipate needing to instruct any subcontractors in this matter.