

LIQ13

Notice of final account prior to dissolution in MVL



Companies House

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

1 Company details

Company number 0 1 3 7 7 8 1 1
Company name in full KENSWORTH BUILDERS LIMITED

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

2 Liquidator's name

Full forename(s) GARY STEVEN
Surname PETTIT

3 Liquidator's address

Building name/number 9/10
Street SCIROCCO CLOSE
MOULTON PARK
Post town NORTHAMPTON
County/Region
Postcode N N 3 6 A P
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.

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Final account

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

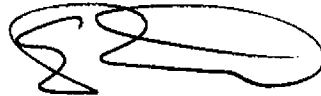
7

Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d

^d

^m

^m

^y

^y

^y

^y

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Presenter information

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

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone



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

TO ALL KNOWN SHAREHOLDERS

15 April 2021

Our Ref: GSP/JMG/

Dear Sir/Madam

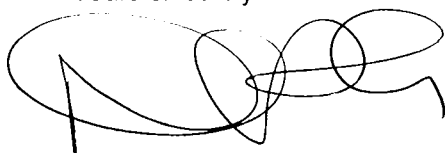
KENSWORTH BUILDERS LIMITED – IN MEMBERS' VOLUNTARY LIQUIDATION

Further to my recent letter enclosing a draft final account, I am now able to conclude the winding up of the affairs of the company and enclose the final account, receipts and payments account and notice to members.

Members should note that once I have obtained my release, upon filing the final account at Companies House, my case files will be placed in to storage.

If you have any queries regarding the conduct of the liquidation, you should contact Jenny Gent.

Yours sincerely



GARY S PETTIT

Liquidator

Northampton Office: 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP Tel: 01604 212150 Fax: 01604 493008
Bedford Office: Suite G35, Bedford i-Lab, Priory Business Park, Stannard Way, Bedford, MK44 3RZ Tel: 01234 834886

E-mail: info@pbcbusinessrecovery.co.uk www.pbcbusinessrecovery.co.uk

Gary Pettit is licensed in the United Kingdom by the Institute of Chartered Accountants in England and Wales. When acting as administrator or administrative receiver he manages the affairs, business and property of the company as agent of the company over which he is appointed and contracts without personal liability.

To comply with the Provision of Services Regulations, some general information about PBC, including about our complaints policy, the Insolvency Code of Ethics and our professional indemnity insurance, can be found at <http://www.pbcbusinessrecovery.co.uk/provisions-of-services-regulations/>

Data Protection: PBC is clear about our obligations under the General Data Protection Regulations. Please see our privacy policy which can be found at <https://www.pbcbusinessrecovery.co.uk/privacy-policy-3>

PBC, PBC Business Recovery and Insolvency and PBC Bottomley & Co are the trading names of PBC Business Recovery and Insolvency Ltd (Company Number 03869807) and PBC (Coventry) Limited (Company Number 10057925) Both companies are registered in England and Wales with the registered office at 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP.

KENSWORTH BUILDERS LIMITED – IN MEMBERS' VOLUNTARY LIQUIDATION

LIQUIDATOR'S FINAL ACCOUNT TO MEMBERS TO 15 APRIL 2021

1 Introduction

- 1.1 This is my final report to members and should be read in conjunction with my previous reports sent to members.

2 Statutory Information

- 2.1 The table below details key information regarding the company and the liquidation.

Company name:	Kensworth Builders Limited – In Liquidation
Registered office:	9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP
Former registered office:	32 High Street, Shefford, Bedfordshire, SG17 5DF
Registered number:	01377811
Date of winding up resolution	26 November 2019
Liquidator's name:	Gary S Pettit
Liquidator's address:	PBC Business Recovery & Insolvency Ltd ("PBC"), 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP
Liquidator's date of appointment:	26 November 2019

3 Liquidator's Actions Since Last Report

- 3.1 Since my last report to members, the liquidator has undertaken the following actions:
- Realised the assets of the company as detailed below.
 - Dealt with all routine correspondence and emails relating to the case.
 - Maintained and managed (including regular bank reconciliations) the office holder's estate bank account and cashbook.
 - Reviewed the adequacy of the specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).
 - Undertaken periodic reviews of the progress of the case.
 - Prepared, reviewed and issued an annual progress report to members.
 - Filed returns at Companies House.
 - Prepared and filed VAT returns.
 - Prepared and filed Corporation Tax returns.

- x. Contacted HM Revenue & Customs to obtain tax clearance to close the liquidation.
- xi. Dealt with creditor correspondence, emails and telephone conversations regarding their claims.
- xii. Maintained up to date information on the case management system.

3.2 The above list includes certain work that I am required by the insolvency legislation to undertake in connection with the liquidation but provides no financial benefit for the members.

4 Receipts and Payments

4.1 My receipts & payments account for the full period of the liquidation together with the final period from 26 November 2020 to 15 April 2021 is attached.

4.2 The following transactions have occurred since the period covered by the report:

5 Assets

5.1 The following table details the current asset position.

Asset Type	Estimated to realise (£)	Realisations to date (£)
Freehold Land & Property	965,000	955,000
Tax Refund	Nil	384
Cash at Bank	8,830,671	8,622,239
Bank Interest Gross	Nil	14,563
Overage Agreement	1	1
VAT Refund	Nil	730
Total	9,795,671	9,592,917

5.2 I would comment further as follows:

5.3 **Property:** The company owned two properties at 2A Admiral Row, Flitwick, Bedfordshire, MK45 1FF ("2A Admiral Row") and The Old Mill Church End, Eversholt, Milton Keynes, MK17 9DU ("The Old Mill").

5.4 As at the date of the statutory declaration both properties had been sold subject to contract.

5.5 On 24 January 2020 I received £420,000 in respect of the sale of 2A Admiral Row and on 2 April 2020 I received the proceeds of sale of £535,000 in respect of The Old Mill.

5.6 **Overage Agreement:** The overage agreement related to the land situate and known as Land on the East Side of Station Road, Blunham, Bedfordshire, as registered at HM Land Registry which was distributed in specie to members, on 21 July 2020, totalling £1.

5.7 **Other Assets:** The following assets were realised in the period:

- i **Tax Refund:** I received £383.95 from HMRC in relation to a corporation tax refund due to the company.
- ii **Cash at Bank:** I received £8,622,239 from NatWest Bank Plc from the closure of the company's bank account.
- iii **Bank Interest Gross:** I have received £14,562.61 of bank interest from the high interest earning bank account.

6 Liabilities

- 6.1 **Secured Creditors:** An examination of the company's mortgage register held by the Registrar of Companies, showed that the company had granted charges over its assets. However, all such chargeholders were paid in full prior to the liquidation.
- 6.2 **Crown Creditors:** The declaration of solvency included £205,598 owed to HMRC. HMRC's final claim of £322.24 which has been received and paid in full as detailed below.
- 6.3 The claim received differs from that anticipated because the liability was paid to HMRC shortly before the company was placed into liquidation.
- 6.4 **Non-preferential unsecured Creditors:** The declaration of solvency did not include an non-preferential unsecured creditors and no claims have been received.

7 Distributions

- 7.1 All creditors have been paid in full together with statutory interest.
- 7.2 The following distributions were made to the members.

Date	Class of Share	Amount Distributed	Rate of distribution per share
21 July 2020	Ordinary	£9,545,001	£190.80
25 February 2021	Ordinary	£6,854.52	£0.14
19 March 2021	Ordinary	£383.95	£0.01

8 Liquidator's Remuneration

- 8.1 My remuneration was previously authorised by the members at a meeting held on 26 November 2019 and I was authorised to draw a fixed fee of £5,000 for my work as liquidator.
- 8.2 I have drawn my fee in full.

9 Liquidator's Expenses

- 9.1 Members authorised that I could draw category 2 disbursements on 26 November 2019.

9.2 I have incurred expenses to 15 April 2021 of £2,051.03 none of which was incurred in the period since 26 November 2020.

9.3 I have drawn £2,041.67 to date none of which was drawn in the period since 26 November 2020.

9.4 I have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Landers	Accountants	Fixed Fee
Knowles Benning LLP	Solicitors	Fixed Fee

9.5 The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case.

10 Members' Rights

10.1 A member may, with the permission of the court or with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company request further details of the liquidator's remuneration and expenses, within 21 days of receipt of this report.

10.2 A member may, with the permission of the court or with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, apply to court to challenge the amount of remuneration charged by the liquidator as being excessive, and/or the basis of the liquidator's remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this draft final account.

10.3 A copy of 'A Members Guide to Liquidators Fees' is enclosed Please note we have provided further details in the attached practice fee recovery sheet.

11 Provision of Services Regulations

11.1 To comply with the Provision of Services Regulations, some general information about PBC can be found at <http://www.pbcbusinessrecovery.co.uk/provisions-of-services-regulations>.

12 Summary

12.1 As reported above, the winding up of the company is now for all practical purposes complete.

12.2 As the attached notice indicates, I will deliver my final account to members and file a final return at Companies House to bring the liquidation to an end 8 weeks after I have delivered the Draft Final Account to members, unless members require further information from me about, or apply to Court to object to, my remuneration and expenses. However, I can shorten that period if every member confirms in writing that they do not intend to make any such request for further

information, or Court application. A form to enable you to give such confirmation is contained in the attached notice, and if you do not intend to make any such request for further information, or Court application, I would ask you to sign and return the duly completed form to me.

- 12.3 If members have any queries regarding the conduct of the liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Jenny Gent by email at jennygent@pbcbusinessrecovery.co.uk.

A handwritten signature in black ink, appearing to read 'GARY S PETTIT', with a stylized flourish at the end.

GARY S PETTIT
Liquidator

Kensworth Builders Ltd - In Members Voluntary Liquidation
Liquidator's Abstract of Receipts & Payments

From 26 November 2020 To 15 April 2021

S of A £		From 26/11/20	From 26/11/19
		To 15/04/21	To 15/04/21
ASSET REALISATIONS			
	Currency Gain	NIL	NIL
965,000.00	Freehold Land & Property	NIL	955,000.00
	Tax Refund	383.95	383.95
8,830,671.00	Cash at Bank	NIL	8,622,238.59
	Bank Interest Gross	0.19	14,562.80
1.00	Overage Agreement	NIL	1.00
	VAT refund	NIL	729.79
9,795,672.00		384.14	9,592,916.13
COST OF REALISATIONS			
()	Agents Commission	NIL	(10,542.50)
()	Legal Fees	NIL	(2,199.50)
()	Corporation Tax	(295.45)	(2,766.78)
()	Storage Costs	NIL	(31.76)
()	Statutory Advertising	NIL	(219.00)
()	Council Tax - 2a Admiral Row	NIL	(349.26)
()	Bank Charges	NIL	(20.00)
()	HM Land Registry - Office Copy Entries	NIL	(24.00)
()	Vat Irrecoverable	NIL	(1,664.98)
()	Accountancy Fees	NIL	(1,000.00)
()	Insurance Policy	NIL	(828.68)
()	Council Tax - The Old Mill	NIL	(985.86)
()	Property Expenses	NIL	(12,688.12)
()	Liquidators' Expenses	NIL	(2,041.67)
()	Liquidators' Fees - Fixed Fee	NIL	(5,000.00)
NIL		(295.45)	(40,362.11)
PREFERENTIAL CREDITORS			
	Statutory Interest - Preferential	NIL	(3.95)
NIL		NIL	(3.95)
UNSECURED CREDITORS			
(205,598.00)	HM Revenue & Customs	NIL	(310.60)
(205,598.00)		NIL	(310.60)
DISTRIBUTIONS			
(50,000.00)	Ordinary	(7,238.47)	(9,552,238.47)
	Ordinary Shareholders	NIL	(1.00)
(50,000.00)		(7,238.47)	(9,552,239.47)
9,590,074.00		(7,149.78)	NIL

REPRESENTED BY

PBC Re Kensworth Builders Limited

NIL

NIL

PRACTICE FEE RECOVERY POLICY FOR PBC BUSINESS RECOVERY & INSOLVENCY LIMITED

Introduction

This sheet explains the alternative fee bases allowed by the insolvency 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. The report accompanying the request to fix the basis of remuneration will indicate the basis, or bases, being requested in that particular case and will make it clear what work is to be undertaken in respect of each basis.

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) "Payments to Insolvency Office Holders and their Associates from an Estate" and can be accessed at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/page/1> and <https://www.r3.org.uk/technical-library/england-wales/sips/more/29125/page/1/sip-9-payments-to-insolvency-office-holders-and-their-associates/>. Alternatively, a hard copy may be requested from PBC Business Recovery & Insolvency Ltd, 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP. Please note that we have provided further details in this policy document.

SIP 9 also contains various requirements that the office holder has to comply with in connection with their remuneration, both when seeking approval and when reporting to creditors and other interested parties after approval. One of the matters that an office holder has to comply with is that they must also seek approval for any payments that could reasonably be perceived as representing a threat to the office holder's objectivity or independence by virtue of a professional or personal relationship, including to an associate. Where it is anticipated that such payments will be made in a case they will be separately identified when seeking approval for the basis of the office holder's remuneration.

Other than in respect of Voluntary Arrangements an office holder is required to record the time spent on casework in all cases, even if they are being remunerated for that work on a basis other than time costs. Time is recorded directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration & Planning (including statutory reporting).
- Realisation of Assets.

- Investigations.
- Creditors
- Distributions.
- Trading
- Case specific matters.

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 31 April 2021 (£)	Previous charge-out rate per hour, effective from 31 April 2019 (£)
Partner (Appointment takers)	400	400
Manager	320	290
Associate	250	240
Case/Operations Manager	220	190
Other Senior Professionals	150	125
Senior Case Administrator	60	45
Case Administrator		
Assistants & Support Staff		

These charge-out rates charged are reviewed on 31 March each year and are adjusted to take account of inflation and the firm's overheads.

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, and by reference to each separate category of work. The blended rate is calculated as the prospective average cost per hour, based upon the estimated time to be expended by each grade of staff at their

specific charge out rate. 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.

A report accompanying the request to fix the basis of remuneration will include the fees estimate, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

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 summarise that information in an average or "blended" rate for all of the work being carried out within the estimate, and by reference to each separate category of work, and will also 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. A report accompanying the request to fix the basis of remuneration will set out the potential assets in the case, the remuneration percentage proposed in respect of any realisations and the work covered by that remuneration, which may solely relate to work undertaken in connection with the realisation of the assets, but might also include other categories of work as listed above. The report will also include details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

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.

A percentage of distributions made to unsecured creditors may also be requested, in order to cover the work associated with the agreement of claims and making the distribution.

The disclosure that we make will 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. In order to meet the requirements of SIP 9 it will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

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. A report accompanying the request to fix the basis of remuneration will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make will 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. In order to meet the requirements of SIP 9 we will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

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.

Direct Costs

Where we seek approval on a percentage and/or fixed fee basis, in order to meet the requirements of SIP 9 we also have to disclose the direct costs that are included within the remuneration that will be charged on those bases in respect of the work undertaken. The direct costs that will be included in respect of work undertaken are the staff costs of this firm.

Mixed basis

If remuneration is to be sought on a mixed basis, we will make it clear in the report accompanying the request to fix the basis of remuneration which basis will be charged for each category of work that is to be undertaken on the case.

Members' voluntary liquidations and Voluntary Arrangements

The legislation is different for members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) and Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee, and SIP 9 does not apply unless the members specifically request it. 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 fee bases

With the exception of IVAs and CVAs, which are usually VAT exempt, the office holder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Expenses

As already indicated, a report will accompany the request to fix the basis of remuneration and that will include details of expenses to be incurred, or likely to be incurred. 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.

Expenses are any payments from the insolvent estate that are neither an office holder's remuneration nor a distribution to a creditor, or a member. Expenses also include disbursements. Disbursements are payments that are first paid by the office holder and then reimbursed from the insolvent estate. Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do (Category 2).

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder. They can be paid by the office holder without obtaining prior approval. . Examples of costs that may amount to Category 1 expenses are professional advisors (who are not associates), statutory advertising, external meeting room hire (where the room is only hired for that meeting), external storage, specific penalty bond insurance, insolvency case management software fees charged on a per case basis, postage costs and Company search fees.

Category 2 expenses are either payments to associates, or payments in respect of expenses that have an element of shared costs, such as mileage. Category 2 expenses require approval in the same manner as an office holder's remuneration before they can be paid.

The practice intends to seek approval to recover the following Category 2 expenses:

Mileage	45p per mile plus 5p per mile per passenger
Shared Costs	On a case by case basis
Payments to Associates	On a case by case basis

Professional advisors may be instructed to assist the office holder on the case where they consider that such assistance is necessary to enable them to appropriately administer the case. The fees charged by any professional advisors used will be recharged at cost to the case. Where the professional advisor is not an associate of the office holder it will be for the office holder to agree the basis of their fees. Where the professional advisor is an associate of the office holder it will be for those responsible for fixing the basis of the office holder's remuneration to approve payments to them. The fees of any professional advisors are subject to the rights of creditors to seek further information about them or challenge them as summarised below. Professional advisors that may be instructed on a case include:

- Solicitors/Legal Advisors;
- Auctioneers/Valuers;
- Accountants;
- Quantity Surveyors;
- Estate Agents;
- Pension specialists;
- Employment Claims specialists; and
- GDPR/Cyber Security specialists.

Reporting and rights to challenge

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 charged by the office holder in the period covered by the report, i.e., the amount that the office holder is entitled to draw, together with the amount of remuneration actually drawn. If approval has been obtained for remuneration on a time costs basis, the time costs incurred will also be disclosed, whether drawn or not, together with the "blended" rates of such costs. The report will also compare the actual time costs incurred with those included in the fees estimate prepared when fixing the basis of the remuneration, and indicate whether the fees estimate is likely to be exceeded. If the fees estimate has been exceeded, or is likely to be exceeded, the report will explain why that is the case.

The report will also provide information about expenses incurred in the period covered by the report, together with those actually paid, together with a comparison with the estimated expenses. If the expenses incurred, or anticipated to be incurred, have exceeded the estimate provided the report will explain why that is the case.

Under the insolvency legislation the report must also include a statement of the legislative rights of creditors to request further information about the remuneration charged and expenses incurred in the period covered by the report, or to challenge them on the grounds that they are excessive. Extracts of the relevant insolvency rules dealing with these rights are set out below. Once the time period to seek further information about the office holder's remuneration and/or expenses for the period covered by the report has elapsed, then a Court Order is required to compel the office holder to provide further information about the remuneration and expenses. A Court order is required to challenge the office holder's remuneration and/or expenses for the period covered by the report. Once that period has elapsed, then a separate Court Order is required to allow an application out of time.

Under rule 18.9 of the Insolvency (England and Wales) Rules 2006, 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 office holder's remuneration and expenses, within 21 days of receipt of any report for the period. Any secured creditor may request the same details in the same time limit.

Under rule 18.34, 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 office holder's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of any report for the period. Any secured creditor may make a similar application to court within the same time limit.

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.

LIQUIDATION - A MEMBERS' GUIDE TO FEES IN ENGLAND AND WALES

1. Introduction

- 1.1 When a Company goes into Members' Voluntary Liquidation, the costs of the proceedings are paid out of its assets. A declaration of solvency is sworn by the directors indicating that the creditors will be paid in full with statutory interest from the Company's assets, with the remaining assets being distributed to the members. As a result, it is the members who have a direct interest in the level of costs, and in particular the remuneration of the Insolvency Practitioner appointed to act as Liquidator. The insolvency legislation recognises this interest by providing a mechanism for members to fix the basis of the Liquidator's fees. This guide is intended to help members be aware of their rights to approve and monitor fees, explains the basis on which fees are fixed and how members can seek information about expenses incurred by the Liquidator and challenge those they consider to be excessive.

2. Liquidation procedure

- 2.1 Liquidation (or 'winding up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding up of a Company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Liquidation may be either voluntary, when it is instituted by resolution of the shareholders, or compulsory, when it is instituted by order of the Court.
- 2.2 Voluntary Liquidation is the more common of the two. A solvent voluntary liquidation is called a Members' Voluntary Liquidation (often abbreviated to 'MVL'). In this type of liquidation an Insolvency Practitioner acts as Liquidator throughout and the members appoint the Liquidator at a general meeting of the Company.
- 2.3 In an MVL all creditors must be paid in full with statutory interest within the period stated in the declaration of solvency otherwise the Liquidator will have to convene a meeting of creditors and convert it to a Creditors' Voluntary Liquidation, i.e. an insolvent liquidation.

3. Fixing the Liquidator's remuneration

- 3.1 **Basis:** The basis for fixing the Liquidator's remuneration is set out in Rule 18.16 of The Insolvency (England and Wales) Rules 2016. The Rule states that the remuneration shall be fixed:
- as a percentage of the value of the assets which are realised or distributed or both,
 - by reference to the time properly given by the Liquidator and his staff in attending to matters arising in the liquidation, or
 - as a set amount.

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

3.2 **Who fixes the remuneration?** Rule 18.19 indicates that it is for the members at a general meeting of the Company to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the members to determine the percentage or percentages to be applied and Rule 18.16(9) says that in arriving at their decision the members shall have regard to the following matters:

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

3.3 A resolution specifying the terms on which the Liquidator is to be remunerated may be taken at the general meeting of the Company which appoints the Liquidator.

3.4 If the remuneration is not fixed as above, it will be fixed by the Court on application by the Liquidator, but the Liquidator may not make such an application unless he has first tried to get his or her remuneration fixed by the members as described above, and in any case not later than 18 months after his or her appointment.

4. Review of remuneration

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

5. What information should be provided by the Liquidator?

5.1 General principles

5.1.1 The Liquidator should provide those responsible for approving his or her remuneration with sufficient information to them to make an informed judgement about the reasonableness of the Liquidator's request. The information should be presented in a manner which is transparent, consistent throughout the life of the case and useful to members, while being proportionate to the circumstances of the case.

5.1.2 The Liquidator should disclose:

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

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

- 5.1.3 Where the Liquidator sub-contracts out work that could otherwise be carried out by the Liquidator or his or her staff, this should be drawn to the attention of members with an explanation of why it is being done.

5.2 Key issues

- 5.2.1 The key issues of concern to those with a financial interest in the level of payments from the insolvency estate will commonly be:

- the work the Liquidator anticipates will be done, and why that work is necessary;
- the anticipated cost of that work, including any expenses expected to be incurred in connection with it;
- whether it is anticipated that the work will provide a financial benefit to members, and if so what benefit (or if the work provided no direct financial benefit, but was required by statute);
- the work actually done and why that work was necessary;
- the actual costs of the work, including any expenses incurred in connection with it, as against any estimate provided;
- whether the work has provided a financial benefit to members, and if so what benefit (or if the work provided no direct financial benefit, but was required by statute).

When providing information about payments, fees and expenses, the Liquidator should do so in a way which facilitates clarity of understanding of these key issues. Narrative explanations should be provided to support any numerical information supplied.

- 5.2.2 When approval for a fixed amount or a percentage basis is sought, the Liquidator should explain why the basis requested is expected to produce a fair and reasonable reflection of the work that the Liquidator anticipates will be undertaken.

5.3 Expenses

- 5.3.1 Expenses are any payments from the estate that are neither an office holder's remuneration nor a distribution to a creditor, or a member. Expenses also include disbursements. Disbursements are payments that are first paid by the office holder and then reimbursed from the estate. Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do (Category 2).

- Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder. They can be paid by the office holder without obtaining prior approval. Examples of costs that may amount to Category 1 expenses are professional advisors (who are not associates), statutory advertising, external meeting room hire (where the room is

only hired for that meeting), external storage, specific penalty bond insurance, insolvency case management software fees charged on a per case basis, postage costs and Company search fees.

- Category 2 expenses are either payments to associates, or payments in respect of expenses that have an element of shared costs, such as photocopying and mileage. Category 2 expenses require approval in the same manner as an office holder's remuneration before they can be paid.

When seeking approval, the Liquidator should explain, for each category of cost, the basis on which the charge is being made. If the Liquidator has obtained approval for the basis of Category 2 expenses, that basis may continue to be used in a sequential appointment where further approval of the basis of remuneration is not required, or where the Liquidator is replaced.

5.3.2 The following are not permissible as expenses:

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

6. Progress reports and requests for further information

6.1 The Liquidator is required to send annual progress reports to members. In addition to the items described above and especially those in paragraph 5.2.1, the reports must include:

- details of the basis fixed for the fee of the liquidator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it);
- if the basis has been fixed, the fee charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report);
- if the report is the first to be made after the basis has been fixed, the fee charged during the periods covered by the previous reports, together with a description of the things done during those periods, irrespective of whether payment was actually made during the period of the report;
- a statement of the expenses incurred by the liquidator during the period of the report, irrespective of whether payment was actually made during that period;
- details of progress during the period of the report, including a summary of the receipts and payments during the period;
- details of what remains to be done;
- where appropriate, a statement setting out whether, at the date of the report:
 - the expenses incurred or expected to be incurred are likely to exceed, or have exceeded, the details given to the creditors prior to the determination of the basis of fees; and
 - the reason for that excess.

- a statement of the members' rights to request further information, as explained in paragraph 6.2, and their right to challenge the Liquidator's fees and expenses.

6.2 Within 21 days of receipt of a progress report, a member may request the Liquidator to provide further information about the remuneration and expenses set out in the report. A request must be in writing, and may be made by a member or members representing at least 5% in value of the total voting rights of members (including himself), or any member with the permission of the Court.

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

- the time and cost involved in preparing the information would be excessive; or
- disclosure would be prejudicial to the conduct of the liquidation or might be expected to lead to violence against any person; or
- the Liquidator is 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.

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

7. Provision of information – additional requirements

7.1 The Liquidator must provide certain information about the time spent on the case, free of charge, upon request by any creditor, director or member of the Company. The information which must be provided is –

- the total number of hours spent on the case by the Liquidator or staff assigned to the case;
- for each grade of staff, the average hourly rate at which they are charged out;
- the number of hours spent by each grade of staff in the relevant period.

7.2 The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the Liquidator's appointment, or where he has vacated office, the date that he vacated office.

7.3 The information must be provided within 28 days of receipt of the request by the Liquidator, and requests must be made within two years from vacation of office.

8. What if a member is dissatisfied?

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

8.2 Applications may be made to the Court by any member or members representing at least 10 per cent in value of voting rights (including himself), or by any member with the permission of the Court.

Any such application must be made within 8 weeks of the applicant receiving the Liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 6.1 above). If the Court does not dismiss the application (which it may if it considers that insufficient cause is shown), the applicant must give the Liquidator a copy of the application and supporting evidence at least 14 days before the hearing.

- 8.3 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 out of the assets of the Company being wound up.

9. What if the Liquidator is dissatisfied?

- 9.1 If the Liquidator considers that the remuneration fixed by the members is insufficient or that the basis used to fix it is inappropriate, he or she may apply to the Court for the amount or rate to be increased or the basis changed.
- 9.2 If he or she decides to apply to the Court he must give at least 14 days' notice to the members, or such one or more of the members as the Court may direct, to appear or be represented at the Court hearing. The Court may order the costs of the application or of any member appearing at the Court hearing to be paid out of the assets.

10. Other matters relating to remuneration

- 10.1 Where two (or more) joint Liquidators are appointed, it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the Court or a meeting of members.
- 10.2 If the appointed Liquidator is a solicitor and employs his or her own firm to act in the winding up, profit costs may not be paid unless authorised by the members or the Court.
- 10.3 If a new Liquidator is appointed in place of another, any determination or Court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new Liquidator until a further determination by the members, or Court order, is made.
- 10.4 Where the basis of the remuneration is a set amount, and the Liquidator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing Liquidator. The application must be made to the same body as approved the remuneration, i.e. either to the members or the Court. Where the outgoing Liquidator and the incoming Liquidator are from the same firm, they will usually agree the apportionment between themselves.
- 10.5 There may also be occasions when members will agree to make funds available themselves to pay for the Liquidator to carry out tasks which cannot be paid for out of the assets, either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to members. Arrangements of this kind are sometimes made to fund litigation. Any arrangements of this nature will be a matter for agreement between the Liquidator and the members concerned and will not be subject to the statutory rules relating to remuneration.

NOTICE TO ACCOMPANY FINAL ACCOUNT

KENSWORTH BUILDERS LIMITED ("THE COMPANY") - IN MEMBERS' VOLUNTARY LIQUIDATION

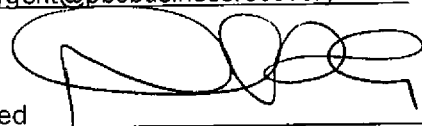
Company Number: 01377811

NOTICE IS GIVEN to the members of the above-named company by Gary Pettit, the liquidator of the above named company, under rule 5.10 of The Insolvency (England and Wales) Rules 2016 that:

- the company's affairs have been fully wound up;
- the liquidator, having delivered copies of the final account to the members must, within 14 days of the date on which the final account is made up, deliver a copy of the account to the Registrar of Companies;
- the liquidator will vacate office under section 171(6) of The Insolvency Act 1986, and be released under section 173(2)(d) on delivery of the final account to the Registrar of Companies.

Members requiring further information regarding the above, should contact Jenny Gent by email at jennygent@pbcbusinessrecovery.co.uk.

Signed



GARY S PETTIT

Liquidator

Dated 15 APRIL 2021