

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

TUESDAY



\*A89UR8I8\*  
A07 16/07/2019 #67  
COMPANIES HOUSE

<b>1</b>	<b>Company details</b>	
Company number	0 2 7 1 3 1 4 4	<b>→ Filling in this form</b> Please complete in typescript or in bold black capitals.
Company name in full	Mediator Communications Limited	
<b>2</b>	<b>Liquidator's name</b>	
Full forename(s)	Gerald Maurice	
Surname	Krasner	
<b>3</b>	<b>Liquidator's address</b>	
Building name/number	4th Floor	
Street	Cathedral Buildings	
Post town	Dean Street	
County/Region	Newcastle upon Tyne	
Postcode	N E 1 1 P G	
Country		
<b>4</b>	<b>Liquidator's name ①</b>	
Full forename(s)	Gillian Margaret	<b>① Other liquidator</b> Use this section to tell us about another liquidator.
Surname	Sayburn	
<b>5</b>	<b>Liquidator's address ②</b>	
Building name/number	4th Floor	<b>② Other liquidator</b> Use this section to tell us about another liquidator.
Street	Cathedral Buildings	
Post town	Dean Street	
County/Region	Newcastle upon Tyne	
Postcode	N E 1 1 P G	
Country		

LIQ03

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6

Period of progress report

From date	d	1	6	m	0	5	y	2	0	1	8
To date	d	1	5	m	0	5	y	2	0	1	9

7

Progress report

☒ The progress report is attached

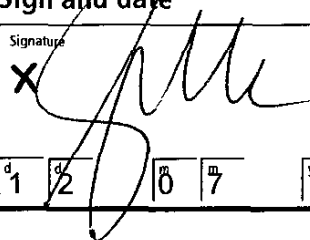
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Sign and date

Liquidator's signature

Signature

X



X

Signature date

d	1	2	m	0	7	y	2	0	1	9
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LIQ03

## Notice of progress report in voluntary winding up

**Presenter information**

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

Contact name	Gerald Maurice Krasner
Company name	Begbies Traynor (Central) LLP
Address	4th Floor
	Cathedral Buildings
Post town	Dean Street
County/Region	Newcastle upon Tyne
Postcode	N E 1 1 P G
Country	
DX	newcastle@begbies-traynor.com
Telephone	0191 2699820

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

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# **Mediator Communications Limited (In Creditors' Voluntary Liquidation)**

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## **Progress report**

**Period: 16 May 2018 to 15 May 2019**

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## **Contents**

1. Interpretation
2. Company information
3. Details of appointment of Liquidators
4. Progress during the period
5. Estimated outcome for creditors
6. Liquidators' remuneration and disbursements
7. Liquidators' expenses
8. Assets that remain to be realised and work that remains to be done
9. Other relevant information
10. Creditors' rights
11. Conclusion

### **Appendices**

1. Liquidators' account of receipts and payments
2. Liquidators' time costs and disbursements
3. Statement of Liquidators' expenses
4. Creditor information pack

### **Important Notice**

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

## **1. INTERPRETATION**

<b><u>Expression</u></b>	<b><u>Meaning</u></b>
"the Company"	Mediator Communications Limited (In Creditors' Voluntary Liquidation)
"the Liquidation"	The appointment of Liquidators on 16 May 2017
"the Liquidators", "we", "our" and "us"	Gerald M Krasner and Gillian M Sayburn of Begbies Traynor (Central) LLP, 4th Floor, Cathedral Buildings, Dean Street, Newcastle upon Tyne, NE1 1PG
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016
"secured creditor" and "unsecured creditor"	"Secured creditor", in relation to a company, means a creditor of the Company who holds in respect of his debt a security over property of the Company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

## **2. COMPANY INFORMATION**

Trading name:	None
Company registered number:	02713144
Company registered office:	Begbies Traynor (Central) LLP, Dean Street, Cathedral Buildings, Dean Street, Newcastle upon Tyne, NE1 1PG
Former trading address:	The Hat Factory, 166-168a Camden Street, London, NW1 9PT

### 3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	16 May 2017
Date of Liquidators' appointment:	16 May 2017
Changes in Liquidator (if any):	None

### 4. PROGRESS DURING THE PERIOD

This report should be read in conjunction with the report issued to creditors regarding the Company's financial position on 2 May 2017 and the progress report dated 24 May 2018.

Creditors will recall that there were still book debts outstanding. The collection has continued and a further £5,868 have been recovered in the period.

The Company is a trustee of an occupational pension scheme. There is a conflict of interest between the Liquidators duties to the creditors of the Company and the Company's duty as trustee of the pension scheme. The Liquidators have instructed specialist pension agents Clumber Consultancy Limited to deal with the removal and replacement of the Company as Trustee and to wind down the pension scheme. We understand that this has now been done.

#### **Receipts and Payments**

Attached at Appendix 1 is our abstract of receipts and payments for the period from 16 May 2018 to 15 May 2019 and for the whole period of the Liquidation.

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

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

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only. Our previous report contains details of the work undertaken since our appointment.

#### General case administration and planning

We have maintained records to demonstrate how the case has been administered and to document the reasons for any decisions that affect the case. We have also carried out a review of the case. There was no financial benefit to creditors however this work is necessary to ensure the case is administrated in the correct manner.

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

We have prepared an annual progress report and circulated notification of the availability of the report to creditors. We have reviewed the Insolvency Practitioners' bonds and undertaken bank reconciliations. There was no financial benefit to creditors

#### Realisation of assets

Further book debts have been received. This is of financial benefit to creditors as further funds have been realised.

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

The Liquidators have continued to liaise with the Company's creditors as required.

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

We have prepared a final Corporation Tax return and VAT return. This will not benefit creditors financially but we are required to continue to account to HM Revenue & Customs in respect of taxable income and expenditure whilst we are in office as Liquidators.

## 5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the director's statement of affairs and in our previous progress report.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

### **Secured creditors**

There will be insufficient funds to pay secured creditors.

### **Preferential creditors**

We consider that there no dividend will be available for preferential creditors because the funds realised have already been used or allocated for defraying the expenses of the Liquidation.

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

Details of how the prescribed part for unsecured creditors is calculated were provided in our progress report for the period 16 May 2017 to 15 May 2018.

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

### **Unsecured creditors**

Based upon realisations to date and estimated future realisations it is anticipated there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

## 6. LIQUIDATORS' REMUNERATION AND DISBURSEMENTS

### **Remuneration**

We have not at this time drawn any funds on account of our remuneration, nor on account of certain expenses. The Liquidators sought approval of the basis of their remuneration on 6 December 2017 and 24 May 2018 but no responses were received.

Accordingly, we are seeking approval that our remuneration be fixed by reference to the time properly given by us (as Liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the winding up as set out in the fees estimate which appears at Appendix 4. We are also seeking approval to draw disbursements, including disbursements

for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy.

Total time spent during the period 16 May 2018 to 15 May 2019 amounts to 13.6 hours at an average composite rate of £200.85 per hour resulting in total time costs to date of £2,731.50.

Total time spent for the whole Liquidation amounts to 67.7 hours at an average composite rate of £175.72 per hour resulting in total time costs to date of £11,896.50.

A more detailed breakdown of the time spent so far is included at Appendix 2. Please note that this time is included in the fees estimate which appears at Appendix 4.

To assist creditors in determining whether to approve this basis of remuneration as well as our expenses, the following further information is set out at Appendix 2:

- ☐ Begbies Traynor (Central) LLP's charging policy which includes details of our charge-out rates
- ☐ Time Costs Analysis for the period 16 May 2018 to 15 May 2019 and for the whole period of our Liquidation.

#### **Disbursements**

To date, we have also drawn disbursements in the sum of £3,164. These are disbursements that do not require approval by creditors, unlike those contained in the Charging Policy at Appendix 4.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2017 which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides). Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

## **7. LIQUIDATORS' EXPENSES**

There were no expenses incurred during the period of this progress report. A cumulative statement showing the total expenses incurred since the date of our appointment also appears at Appendix 3.

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

Creditors will recall that we estimated that the expenses of the Liquidation would total £3,184. That estimate has been exceeded as the travel costs were more than anticipated. We do not expect it to be exceeded any further if matters progress to conclusion as envisaged.

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

As detailed in section 4, the book debts are still being pursued.

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

#### General case administration and planning

We will continue to maintain records to demonstrate how the case has been administered and to document the reasons for any decisions that affect the case. We will also carry out reviews of the case. There is no financial benefit to creditors however this work is necessary to ensure the case is administrated in the correct manner.

Compliance with the Insolvency Act, Rules and best practice

We will prepare a further progress report and a final progress report and circulated notification of the availability of the reports to creditors. We will undertake bank reconciliations and reviews of the insolvency practitioners' bond. There is no financial benefit to creditors but the reports are a statutory requirement and the other work is good practice to ensure the case is administrated correctly.

Realisation of assets

The Liquidators will continue to pursue the remaining book debts. This will be of financial benefit to creditors should sufficient funds become available for a dividend to creditors.

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

The Liquidators will continue to liaise with the creditors when required.

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

We are seeking a decision from creditors in relation to our fees via a decision process. These documents have been prepared in the period following this report. VAT returns will be submitting when due. An annual Corporation Tax return will be required. A final Corporation Tax return and VAT return will be prepared. This will not benefit creditors financially but we are required to continue to account to HM Revenue & Customs in respect of taxable income and expenditure whilst we are in office as Liquidators.

**How much will this further work cost?**

We anticipate this further work will cost £12,000.

**Expenses**

Details of the expenses that have incurred and that we expect to incur in connection with the work that remains to be done are referred to above and included within the estimate of anticipated expenses attached at Appendix 4.

## 9. OTHER RELEVANT INFORMATION

**Investigations and reporting on director's conduct**

You may be aware that a Liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, a Liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Energy and Industrial Strategy. We can confirm that we have discharged our duties in these respects.

**Investigations carried out to date**

We have undertaken an initial assessment of the manner in which the business was conducted prior to the Liquidation of the Company and potential recoveries for the estate in this respect.

**Use of personal information**

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

## 10. CREDITORS' RIGHTS

### **Right to request further information**

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

### **Right to make an application to court**

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

## 11. CONCLUSION

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



Gerald M Krasner  
Joint Liquidator

Dated: 12 July 2019

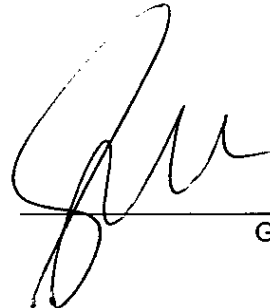
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# LIQUIDATORS' ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 16 May 2018 to 15 May 2019 and for the whole period of the Liquidation

**Mediator Communications Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs ALL		From 16/05/2018 To 15/05/2019 ALL	From 16/05/2017 To 15/05/2019 ALL
	<b>ASSET REALISATIONS</b>		
6,750.00	Anticipated Income	NIL	NIL
	Bank Interest Gross	7.19	10.29
13,578.00	Book Debts	5,868.00	15,318.00
250.00	Furniture & Equipment	NIL	300.00
	Insurance Refund	NIL	842.54
		<u>5,875.19</u>	<u>16,470.83</u>
	<b>COST OF REALISATIONS</b>		
	Contribution to travel	NIL	615.20
	Pension Agent Fees	NIL	2,350.00
	Specific Bond	NIL	30.00
	Statement of Affairs Fee	NIL	5,000.00
	Statutory Advertising	NIL	169.20
		<u>NIL</u>	<u>(8,164.40)</u>
	<b>PREFERENTIAL CREDITORS</b>		
(10,965.20)	RPO & Employees re Arrears/Holiday	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	<b>FLOATING CHARGE CREDITORS</b>		
(76,250.00)	Royal Bank of Scotland	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(32,559.00)	HMRC - PAYE	NIL	NIL
(20,925.00)	HMRC - VAT	NIL	NIL
(362,907.75)	Loans from Associated Companies	NIL	NIL
(37,976.16)	RPO & E'ees re Notice / Redundancy	NIL	NIL
(2,042.76)	RPO & Employees Re Arrears	NIL	NIL
(85,695.32)	Trade Creditors	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(11,450.00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(620,193.19)</u>		<u>5,875.19</u>	<u>8,306.43</u>
	<b>REPRESENTED BY</b>		
	Bank 2 Current		8,306.43
			<u>8,306.43</u>



Gerald Maurice Krasner  
Joint Liquidator

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## LIQUIDATORS' TIME COSTS AND DISBURSEMENTS

- a. Time Costs Analysis for the period from 16 May 2018 to 15 May 2019 and for the whole period of the Liquidation.

Staff Grade	Case planning	Consultant/Partner	Director	Snr Mngr	Ingr	Asst Mngr	Snr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning				2.5				0.5		3.0	717.50	239.17
	Administration								0.1	0.5	0.6	48.00	81.67
	<b>Total for General Case Administration and Planning:</b>				2.5				0.6	0.5	3.6	766.50	212.92
	Compliance with the Insolvency Act, Rules and best practice												
	Appointment												
Compliance with the Insolvency Act, Rules and best practice	Banking and Bonding	0.3	0.3							3.3	3.9	594.00	152.31
	Case Closure												0.00
	Statutory reporting and statement of affairs				4.2						4.2	1,113.00	265.00
	<b>Total for Compliance with the Insolvency Act, Rules and best practice:</b>	0.3	0.3		4.2					3.3	8.1	1,707.00	210.74
	GDAA and investigations												
Investigations	<b>Total for investigations:</b>												0.00
	Debt collection												0.00
	Property, business and asset sales	0.2									0.2	99.00	495.00
	Retention of Title/Third party assets												0.00
	<b>Total for Realisation of assets:</b>	0.2									0.2	99.00	495.00
Trading	Trading												0.00
	<b>Total for Trading:</b>												0.00
	Secured												0.00
	Others												0.00
	Creditors committee												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	<b>Total for Dealing with all creditors claims (including employees), correspondence and distributions:</b>												0.00
	Seeking decisions of creditors												0.00
	Meetings												0.00
	Other												0.00
	Tax		0.2							1.5	1.7	159.00	93.53
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel	Litigation												0.00
	<b>Total for Other matters:</b>		0.2							1.5	1.7	159.00	93.53
	Total hours by staff grade:	0.5	0.5		6.7				0.8	5.3	13.6		
	<b>Total time cost by staff grade:</b>	247.50	172.50		1,775.50				66.00	470.00	2,731.50		
	Average hourly rate £:	495.00	345.00	0.00	265.00	0.00	0.00	0.00	110.00	88.64	200.85		
	<b>Total fees drawn to date £:</b>											0.00	

[illegible]

## CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Contribution to travel	Redfern Travel Limited	615.20
Pension Agent Fees	Clumber Consultancy Limited	2,350.00
Specific Bond	Marsh Limited	30.00
Statement of Affairs Fee	Begbies Traynor (Central) LLP	5,000.00
Statutory Advertising	Courts Advertising Limited	169.20

**MEDIATOR COMMUNICATIONS LIMITED****CREDITOR INFORMATION PACK - THE LIQUIDATORS' PROPOSED  
REMUNERATION, DISBURSEMENTS AND EXPENSES****Introduction:**

This pack contains information to assist creditors in understanding the basis upon which we are proposing to be remunerated, how we intend to charge for disbursements and provides details of the expenses that we consider will be, or are likely to be, incurred. It also contains details of the work that we have undertaken on the matter so far and the costs associated with that work.

The Association of Business Recovery Professionals (R3) has set up a website that contains a step-by-step guide designed to help creditors navigate their way through an insolvency process which includes information in relation to remuneration. You can access the website at the following address: <http://www.creditorinsolvencyguide.co.uk/> In addition, a copy of '*A Creditors' Guide to Liquidators' Fees (E&W) 2017*' can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides) It may assist you to consult the R3 website and to consider the Guide before considering the contents of this pack and casting your vote in relation to our remuneration and disbursements.

**Contents:**

1. A fees estimate;
2. Our charging policy which contains details of our current charge-out rates
3. A narrative summary of time costs incurred included within the report
4. A table of time spent and charge-out value (please note that the sums contained in this table are included in the fees estimate referred to at 1 above) at Appendix 2
5. Details of the expenses that we consider have been or are likely to be incurred
6. A Receipts and Payments Account at Appendix 1

**Further assistance:**

If you have any queries relating to any of the documents, please contact our office using the contact details provided in correspondence sent to you.

**DATED: 12 July 2019**

# **MEDIATOR COMMUNICATIONS LIMITED**

## **THE LIQUIDATORS' FEES ESTIMATE**

Further to our appointment as Liquidators, we are seeking to be remunerated on a time costs basis. Details of our firm's hourly charge-out rates are set out in the charging policy which accompanies this estimate. Prior to creditors determining the basis upon which we are to be remunerated, we are obliged to produce a fees estimate and to provide it to each creditor of whose details we are aware so that it can be approved at the same time as the basis of our remuneration.

Our fees estimate for the Liquidation is set out below. Please note that blended hourly rates have been used which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column.

Details of the work that the liquidators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	27.70	7,520.00	271.48
Compliance with the Insolvency Act, Rules and best practice	45.00	10,660.00	236.89
Investigations	7.00	1,502.50	214.64
Realisation of assets	3.20	1,199.00	374.69
Trading	0.00	0.00	
Dealing with all creditors' claims (including employees), correspondence and distributions	4.60	1,097.00	238.48
Other matters which include seeking decisions from creditors via Deemed Consent Procedures or Decision Procedures, tax, litigation, pensions and travel	9.60	2,292.00	238.75
<b>Total hours</b>	<b>97.10</b>		
<b>Total time costs</b>		<b>24,270.50</b>	
<b>Overall average hourly rate   £</b>			<b>249.95</b>

Although the fees estimate indicates that the total time costs for this matter will be £[24,270.50, we are aware that there are limited assets to realise and so the time costs that we will be able to draw will be limited to the amount that is realised for the assets. This is expected to be in the region of £10,000.

Should creditors require further information on how this estimate has been produced this can be obtained from our website at <http://www.begbies-traynorgroup.com/fee-estimates>.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>.

Dated: **12 July 2019**

## **BEGBIES TRAYNOR CHARGING POLICY**

### **INTRODUCTION**

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance<sup>2</sup> indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

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

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

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

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

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Car mileage is charged at the rate of 45 pence per mile.

*Expenses which should be treated as Category 2 disbursements (approval required)* – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

<sup>2</sup> Ibid 1

***Services provided by other entities within the Begbies Traynor group***

The following items of expenditure which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, may also to be charged to the case (subject to approval):

It may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour)</b>
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Instruction of Eddisons Insurance Services Limited to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The costs of insurance cover will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Eddisons Insurance Services Limited is not paid from the assets of the estate for the services it provides. In accordance with standard insurance industry practice, Eddisons Insurance Services Limited will receive payment of commission for the services it provides directly from the open cover insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

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

- Telephone and facsimile
- Printing and photocopying
- Stationery

**Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction**

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

## BEGBIES TRAYNOR CHARGE-OUT RATES

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

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour) 1 December 2018 – until further notice</b>
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

Prior to 1 December 2018, the following rates applied:

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour)</b>
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Junior Administrator	110
Support	60 - 110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

**MEDIATOR COMMUNICATIONS LIMITED**

**DETAILS OF THE EXPENSES THAT THE LIQUIDATORS CONSIDER WILL BE, OR ARE LIKELY TO  
BE INCURRED**

<b>No.</b>	<b>Type of expense</b>	<b>Description</b>	<b>Estimate £</b>
1.	Advertisements	Of appointment, meetings, dividends etc.	254
2.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds	30
3.	Storage costs	An Insolvency Practitioner is required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	20
4.	Travel	Liquidators' costs of travel to meeting	1,000
5.	Pension Agent	Fees for agent to review and settle administrative responsibilities of Liquidator to the various pension schemes	2,350