

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 3 3 6 2 4 2 3

Company name in full Clandon Property Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Gavin

Surname Savage

### 3 Liquidator's address

Building name/number 5 Prospect House

Street Meridians Cross

Post town Ocean Way

County/Region Southampton

Postcode S O 1 4 3 T J

Country

### 4 Liquidator's name ①

Full forename(s) Simon

Surname Lowes

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number 5 Prospect House, Meridians Cross

Street Ocean Way

Post town Southampton

County/Region

Postcode S O 1 4 3 T J

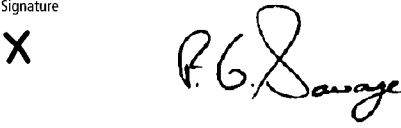
Country

#### ② Other liquidator

Use this section to tell us about  
another liquidator.

# LIQ03

## Notice of progress report in voluntary winding up

<b>6</b>	<b>Period of progress report</b>											
From date	<sup>d</sup> 1	<sup>d</sup> 5	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0				
To date	<sup>d</sup> 1	<sup>d</sup> 4	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1				
<b>7</b>	<b>Progress report</b>											
<input checked="" type="checkbox"/> The progress report is attached												
<b>8</b>	<b>Sign and date</b>											
Liquidator's signature	Signature 								X			
Signature date	<sup>d</sup> 0	<sup>d</sup> 2	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1				

**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 **Liam Burrows**

Company name **Begbies Traynor (Central) LLP**

Address **5 Prospect House, Meridians Cross  
Ocean Way**

Post town **Southampton**

County/Region

Postcode **S O 1 4 3 T J**

Country

DX

Telephone **023 8033 5888**

**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)**

**Clandon Property Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £		From 15/10/2020 To 14/10/2021 £	From 15/10/2019 To 14/10/2021 £
	ASSET REALISATIONS		
	Bank Interest Gross	NIL	0.02
	Cash at Bank	NIL	23.10
Uncertain	Director's Loan Account	NIL	5,400.00
		NIL	5,423.12
	COST OF REALISATIONS		
	Irrecoverable VAT	NIL	900.00
	Preparation of S. of A.	NIL	4,500.00
		NIL	(5,400.00)
	UNSECURED CREDITORS		
(35,379.00)	HM Revenue & Customs	NIL	NIL
(750.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(36,131.00)</b>		<b>NIL</b>	<b>23.12</b>
	REPRESENTED BY		
	Interest Bearing Bank Account		23.12
			<b>23.12</b>

Note:

---

## Clandon Property Limited (**In Creditors'** Voluntary Liquidation)

---

Progress report

Period: 15 October 2020 to 14 October 2021

### 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.

---

## Contents

- ❑ Interpretation
- ❑ Company information
- ❑ Details of appointment of liquidators
- ❑ Progress during the period
- ❑ Estimated outcome for creditors
- ❑ Remuneration and expenses
- ❑ Liquidators' expenses
- ❑ Assets that remain to be realised and work that remains to be done
- ❑ Other relevant information
- ❑ Creditors' rights
- ❑ Conclusion
- ❑ Appendices
  - 1. Liquidators' account of receipts and payments
  - 2. Liquidators' time costs and expenses
  - 3. Statement of Liquidators' expenses

## 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Clandon Property Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 15 October 2019.
"the liquidators", "we", "our" and "us"	Gavin Savage of Begbies Traynor (Central) LLP, 5 Prospect House, Meridians Cross, Ocean Way, Southampton, SO14 3TJ
	And
	Simon Lowes of Begbies Traynor (Central) LLP, 5 Prospect House, Meridians Cross, Ocean Way, Southampton, SO14 3TJ
"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(s):	N/a
Company registered number:	03362423
Company registered office:	5 Prospect House, Meridians Cross, Ocean Way, Southampton, SO14 3TJ
Former trading address:	Charlton Mead, Silverton, Exeter, EX5 4DE

## 3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	15 October 2019
Date of liquidators' appointment:	15 October 2019
Changes in liquidator (if any):	N/a

Gavin Savage, Simon Lowes and members of their team provide their services as licensed insolvency

practitioners), became part of Begbies Traynor's corporate recovery and insolvency practice. Further information in relation to Begbies Traynor and the Begbies Traynor Group can be accessed at: <http://www.begbies-traynorgroup.com>.

CVR Global LLP will trade as 'Begbies Traynor' with effect from 16 January 2021 and will continue to operate from CVR Global LLP's existing offices.

CVR Global LLP becoming part of Begbies Traynor will not affect the ongoing administration of the liquidation of the Company which will continue to be dealt with by the existing members of the CVR Global LLP Team, with support from Begbies Traynor's personnel based elsewhere where required.

## 4. PROGRESS DURING THE PERIOD

### Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 15 October 2020 to 14 October 2021.

There have been no receipts and payments during the review period.

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 this report only. Our previous report contains details of the work undertaken since our appointment.

### General case administration and planning

The time recorded under this category included:

- Filing of documents to meet statutory requirements
- Filing of documents and undertaking periodic file reviews
- Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards
- Maintenance of statutory and case progression task lists/diaries
- Maintenance of the estate cash book
- Discussions regarding strategies to be pursued
- Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
- Updating checklists
- Dealing with physical records in storage and sending job files to storage

The Joint Liquidators are required to maintain records to demonstrate how decisions have been made and how work has been done. Although this is not of financial benefit to the creditors as a whole, this work is necessary to demonstrate how the case has been conducted.



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

Time recorded in this category will include:

- Monitoring and completion of statutory bonding information for the Liquidation
- Preparation of reports issued to creditors notifying of details of work administered throughout the review period
- Maintenance of the estate cash book
- Banking remittances and issuing cheques/BACS payments
- Completion of checklists
- Associated banking tasks and reconciliations

Although a lot of the work that is detailed in this category does not present any financial benefit to creditors it is important that it is carried out to ensure that the Joint Liquidators act in compliance with the statute requirements set out in the Insolvency Act and Rules alongside additional requirements from our other regulatory bodies.

#### Investigations

No time has been recorded under this category throughout this period.

#### Realisation of assets

Specific work is detailed below:

- Case strategy and establishing whether potential refunds are due from the Company

This involves work in realising assets of the company, which are known and stated in the statement of affairs. It may also include work involved in asset recoveries identified post appointment, which were either unknown or identified during the office holders' investigations.

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

The time recorded under this category included:

- Receive and follow up creditor enquiries via telephone
- Review and prepare correspondence to creditors and their representatives via facsimile, email and post
- Preparation of correspondence to potential creditors inviting submission of Proof of Debts
- Liaising with creditors with regards to quantum of claim and requesting evidence of the same
- Reviewing creditor's claims and reviewing records to reconcile the same
- Chasing creditors by telephone, email and post with regards to the provision of further information to support claims

Irrespective of whether sufficient realisations are achieved to pay a dividend to creditors, the Joint Liquidators have had to carry out key tasks which are detailed in the attached appendices.

Best practice means that we should respond to creditor queries in a timely manner.

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

Time recorded under this category included:

- Preparation of documents in relation to the Company's corporation tax position

This work related to this category is unlikely to provide any financial benefit to creditors, however, it is important in ensuring the case is administrated properly and can be progressed to closure in due course.

## 5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the director's statement of affairs) are as follows:

### Secured creditors

Following enquiries made at Companies House, it was established that the Company had granted 11 charges over the Company's assets. It was also established that these charges have been satisfied.

### Preferential creditors

There are no known preferential creditors in this case.

### Unsecured creditors

As per the director's statement of affairs, unsecured creditors were estimated to be owed £36,129. To date, two claims in the sum of £2,111.84 have been received. At present, neither claim has been adjudicated upon.

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

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

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.

### Dividend Prospects

At present, it is believed that unsecured creditors will receive a 100p in the £ dividend from the Liquidation estate. However, and as stated above, this will depend upon the adjudication and agreement of creditors claims. Further correspondence with regards to any potential dividend will be circulated to creditors in due course.

## 6. REMUNERATION & EXPENSES

### Remuneration

Our remuneration has been fixed by a resolution of creditors by correspondence obtained via a Decision Procedure by way of correspondence 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 in attending to matters arising in the winding up as set out in the fees estimate dated 14 November 2019 in the sum of £14,900 and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9).

We are also authorised to draw expenses, including expenses for services provided by our firm (defined as category 2 expenses in Statement of Insolvency Practice 9).

Our time costs for the period from 15 October 2020 to 14 October 2021 amount to £4,372.50 which represents 19.40 hours at an average rate of £225.39 per hour.

The following further information in relation to our time costs and expenses is set out at Appendix 2:

- ❑ Time Costs Analysis for the period 15 October 2020 to 14 October 2021;
- ❑ Cumulative Time Costs Analysis for the period 15 October 2019 to 14 October 2021;
- ❑ Begbies Traynor (Central) LLP's charging policy;
- ❑ CVR Global LLP's charging policy.

To 14 October 2021, we have not drawn any sums on account of our remuneration, against total time costs of £13,330.00 incurred since the date of our appointment.

### Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case and gives the total costs and average hourly rate charged for each work type. An additional analysis is also attached which details the time costs for the entire period for which we have administered the liquidation.

Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only.

As can be seen from the information above, we are extremely close to the limit of our approved remuneration. For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved. Based on current information it is expected that the fee estimate previously agreed will be exceeded. This is primarily due to the following reason:

- As detailed in our previous report, we have spent significant time in liaison with creditors in order to seek confirmation of their claims in the Liquidation, this has resulted in costs being greater than expected; and
- As a result of the above, the Joint Liquidators have had to administer the Liquidation estate for a longer period than expected and as a result the Joint Liquidators have had to attend to routine and statutory tasks associated with the administration of the estate.

However, given the above and current and future asset realisations the Joint Liquidators will not be seeking an increase to the level of remuneration already approved.

Should circumstances change in this matter as a result of previously unforeseen events, the Joint Liquidators will provide an update to creditors in future reports.

## Work undertaken prior to appointment

In addition to the post appointment remuneration, the costs relating to work undertaken prior to our appointment for assisting with the preparation of the statement of affairs and seeking the decisions of creditors on the nomination of liquidators were approved by the creditors on 14 November 2019 in the sum of £4,500 plus VAT.

## Category 1 Expenses & Category 2 Expenses

To 14 October 2021, we have not drawn any category 1 or category 2 expenses. A detailed breakdown of the expenses incurred in this matter can be found in the attached appendices of this report.

## Why have subcontractors been used?

No subcontractors have been employed throughout this period.

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

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. 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 £323. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

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

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

The time to be recorded under this category will primarily relate to:

- Filing of documents to meet statutory requirements
- Filing of documents and undertaking periodic file reviews
- Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards
- Maintenance of statutory and case progression task lists/diaries
- Maintenance of the estate cash book
- Discussions regarding strategies to be pursued
- Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
- Updating checklists
- Dealing with electronic and physical records in storage and sending job files to storage

As stated above, the Joint Liquidators are required to maintain records to demonstrate how decisions have been made and how work has been done. Although this is not of financial benefit to the creditors as a whole, this work is necessary to demonstrate how the case has been conducted.

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

Time recorded in this category will include:

- Monitoring of statutory bonding information for the Liquidation
- Preparation of reports issued to creditors notifying of details of work administered throughout the review period
- Maintenance of the estate cash book
- Banking remittances and issuing cheques/BACS payments
- Completion of checklists
- Associated banking tasks and reconciliations

Although a lot of the work that is detailed in this category does not present any financial benefit to creditors it is important that it is carried out to ensure that the Joint Liquidators act in compliance with the statute requirements set out in the Insolvency Act and Rules alongside additional requirements from our other regulatory bodies.

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

The time recorded under this category included:

- Receive and follow up creditor enquiries via telephone
- Review and prepare correspondence to creditors and their representatives via facsimile, email and post
- Preparation of correspondence to creditors with regards to notice of intended dividend
- Receipt of Proof of Debts, if necessary
- Reconciliation of claim and the adjudication and agreement of claims
- The issue of dividend correspondence and declaration of a dividend
- Preparation and circulation of further reports and the final account and report on the administration of the Liquidation estate

Irrespective of whether sufficient realisations are achieved to pay a dividend to creditors, the Joint Liquidators have had to carry out key tasks which are detailed in the attached appendices.

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

Time recorded in this category will include:

- Liaising with HM Revenue & Customs regarding tax clearance and confirmation of tax position before the case meets its' closure.

While this work doesn't provide any financial benefit to creditors this work is required to enable us to close the case in due course.

How much will this further work cost?

The 'further work' detailed above has always been anticipated, but at this point in the proceedings, it has not yet been completed. As you know, this work is necessary in order that I may complete the liquidation as envisaged. The cost of completing this work will not exceed any amounts approved by creditors previously.

## Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as follows:

Expenses	(£)
Stationery and Postage	40.00
Statutory Advertising	160.00
Total	200.00

What is the anticipated payment for administering the case in full?

We estimated that the cost of administering the case would be in the region of £14,900, and subsequently you have provided approval for us to draw our remuneration up to that level. However, as you are aware, due to the fact that there are limited assets, the remuneration that we can draw is limited to the amount that is realised for the assets, (less any costs incurred in realising those assets). At this stage of the liquidation, we are not in a position to determine whether sufficient realisations will be made to enable us to draw a fee or not.

However, please note that should there be unexpected asset realisations, we will look to draw our remuneration from those too, capped at the level that the creditors approve.

## 9. OTHER RELEVANT INFORMATION

### Investigations

As detailed above, the Joint Liquidators are required to undertake an investigation into the affairs of the Company prior to the commencement of the insolvency process. An office holder is required to submit a report on the conduct of the directors who were in office in the period three years prior to the commencement of the insolvency process, to the Insolvency Service, in accordance with legislation. Occasionally such investigations identify further potential asset recoveries.

Following these investigations, no matters were brought to the attention of the Joint Liquidators that required further analysis. As such, the Joint Liquidators investigations are complete.

### Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties.

### 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.



R.G. Savage  
G SAVAGE  
Joint Liquidator

Dated: 2 November 2021

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 15 October 2020 to 14 October 2021

Statement of Affairs £		From 15/10/2020 To 14/10/2021 £	From 15/10/2019 To 14/10/2021 £
	ASSET REALISATIONS		
	Bank Interest Gross	NIL	0.02
	Cash at Bank	NIL	23.10
Uncertain	Director's Loan Account	NIL	5,400.00
		NIL	5,423.12
	COST OF REALISATIONS		
	Irrecoverable VAT	NIL	900.00
	Preparation of S. of A.	NIL	4,500.00
		NIL	(5,400.00)
	UNSECURED CREDITORS		
(35,379.00)	HM Revenue & Customs	NIL	NIL
(750.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(36,131.00)		NIL	23.12
	REPRESENTED BY		
	Interest Bearing Bank Account		23.12
			23.12



## COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy;
- b. CVR Global LLP charging policy;
- c. Time Costs Analysis for the period from 15 October 2020 to 14 October 2021
- d. Cumulative Time Costs Analysis for the period from 15 October 2019 to 14 October 2021

## 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;
- Storage of books and records (when not chargeable as a Category 1 disbursement) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;

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.

Services provided by other entities within the Begbies Traynor group

---

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

<sup>2</sup> Ibid 1

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

Eddisons Commercial Ltd may be instructed to provide valuation services and to dispose of the Company's assets. They charge £750 plus disbursements plus VAT for completing the valuation report. They also charge 10% of realisations plus disbursements plus VAT for disposing the Company's assets.

It may become necessary to instruct Eddisons Commercial Limited to provide services 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:

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

Instruction of Eddisons Insurance Services Limited ("EIS") 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 for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the 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.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

- (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 Southampton office are as follows:

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

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.

## Current Charge-out Rates for the firm

### Time charging policy

Charge-out rates are normally reviewed annually when rates are adjusted to reflect such matters as inflation; increases in direct wage costs; and changes to indirect costs such as Professional Indemnity Insurance. It is the firm's policy for the cashier's time spent on an assignment to be charged to the case. However, secretarial and office admin support time is charged only in respect of identifiable blocks of time devoted to the case where we consider it to be viable to do so. All time is recorded in 6-minute units.

Staff	Charge out rates £
Insolvency Practitioner/Partners	390-495
Consultants	390-495
Directors	360-390
Associate Directors	330-360
Managers	300-330
Assistant Manager	290-310
Senior Executive	240-275
Executive	155-190
Cashier	135-185
Secretarial/Admin/Analyst	90-125

### **Direct expenses ("Category 1 Disbursements")**

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case, will be charged to the estate at cost, with no uplift. These include but are not limited to such items as advertising our appointment, meetings and requesting claims from creditors, storage in relation to the books and records of the company or individuals and the assignment records, online reporting facilities in relation to the uploading of documents and reports for creditors, bonding and other insurance premiums to protect the estate and its assets, and properly reimbursed expenses incurred by personnel in connection with the case.

### **Indirect expenses ("Category 2 Disbursements")**

It is our normal practice to also charge the following indirect disbursements ("Category 2 Disbursements as defined by SIP 9) to the case, where appropriate:

#### Circulars to creditors:

Plain/headed paper including photocopying	12p per side
Envelopes	12p each
Postage	Actual cost

#### Room Hire

For the convenience of creditors and to save the cost of booking an outside hotel room, meetings of creditors are occasionally held internally at our offices. Where meetings of creditors are held in one of our internal meeting rooms, a charge of £100 plus VAT may be levied to cover the cost of booking the room.

## Travel

Mileage incurred as a result of any necessary travelling is charged to the estate at the H M Revenue & Customs approved rate, currently 45p per mile.

All of the above costs are subject to amendment by the firm at any time and if amended will be notified to creditors with the next circular sent to all creditors.

## Company Searches & Electronic Verification of Identity

Included in expense and/or disbursements, Company Searches and electronic Verification of Identity include an element of shared costs. Such expenses are of an incidental nature but are generally incurred on each case. In line with the cost of the external provision of such services, a charge of £15 plus VAT is levied to cover the cost of these searches.

## Time Costs Analysis for the period from 15 October 2020 to 14 October 2021

[illegible]

Cumulative Time Costs Analysis for the period from 15 October 2019 to 14 October 2021

Staff Grade										
	Consultant/Partner	Sr Mgt.	Mgt.	Asst Mgt.	Admin	Jr Admin	Report	Total Hours	Time Cost's	Average hourly rate £
General Case Administration and Planning	Case planning	0.7	1.3	9.0	2.5	0.7		14.9	3,437.00	247.03
	Administration	2.0	0.6	0.1		0.9		3.6	1,073.00	297.22
	Total for General Case Administration and Planning:	2.6	1.9	9.1	2.5	1.6		18.1	4,462.00	267.02
Compliance with the Insolvency Act, Rules and best practice	Appointment		0.3	2.7				3.0	873.00	291.00
	Banking and Bonding					0.1	1.6	1.7	360.00	176.47
	Case Closure									0.00
Investigations	Evidence gathering and statement of affairs		0.8	7.4	2.0	3.2		11.4	2,483.00	200.26
	Total for Compliance with the Insolvency Act, Rules and best practice: CDEA and investigations	1.0	0.6	9.1	2.0	3.3	1.6	18.1	3,468.00	214.88
	Total for Investigations:	1.0	0.8	1.9				3.6	1,121.00	320.29
Realisation of assets	Debt collection		0.3					0.3	90.00	330.00
	Priority, business and asset sales	0.5	0.2	0.2				0.9	313.00	347.78
	Recovery of Title Third Party Assets									0.00
	Total for Realisation of assets:	0.6	0.5	0.2				1.2	412.00	348.33
Trading	Trading									0.00
	Total for Trading:									0.00
	Dealings with all creditors' claims (including employees), correspondence and distributions	Secured								
Others		2.0	1.3	0.6	0.6	2.7		13.4	3,430.00	256.64
Creditors Committee										0.00
	Total for Dealings with all creditors' claims (including employees), correspondence and distributions:	2.0	1.3	0.8	0.8	2.7		13.4	3,438.00	268.84
Other matters which includes meetings, tax, litigation, pensions and travel	Resolving decisions at creditors'									0.00
	Meetings			0.1				0.1	290.00	290.00
	Other									0.00
	Tax		0.4	0.1	0.6			1.1	221.00	179.00
	Litigation									0.00
	Total for Other matters:		0.4	0.2	0.8			1.4	260.00	178.67
	Total hours by staff grade:	6.0	6.8	28.3	8.2	7.8	1.6	63.7		
	Total time cost by staff grade £:	2,340.00	88.00	1,784.00	7,637.00	645.00	281.00	13,330.00		
	Average hourly rate £:	380.00	320.00	260.00	80.00	80.00	151.88			248.23
	Total fees drawn to date £:							0.00		



## STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
-	-	-	-	-
Total	-	-	-	-
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
-	-	-	-	-
Total	-	-	-	-

## CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Electronic Filing Fee	Insolpoint	12.00
Legal Expenses	JLT	56.00
Statutory advertising	Courts Advertising	160.40
Bond	JLT Specialty	20.00
Statement of Affairs Fee	CVR Global LLP	4,500.00
Irrecoverable VAT	HM Revenue & Customs	900.00
Total	-	5,648.40