

LIQ14

Notice of final account prior to dissolution in CVL



Companies House

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

1	Company details	
Company number	0 3 5 1 0 1 0 4	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	Penarth Arts & Crafts Limited	
2	Liquidator's name	
Full forename(s)	Melanie Reevel	
Surname	Giles	
3	Liquidator's address	
Building name/number	11	
Street	Coopers Yard	
	Curran Road	
Post town	Cardiff	
County/Region		
Postcode	C F 1 0 5 N B	
Country	Wales	
4	Liquidator's name ①	
Full forename(s)		① Other liquidator Use this section to tell us about another liquidator.
Surname		
5	Liquidator's address ②	
Building name/number		② Other liquidator Use this section to tell us about another liquidator.
Street		
Post town		
County/Region		
Postcode		
Country		

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6

Liquidator's release

☐ Tick if one or more creditors objected to liquidator's release.

7

Final account

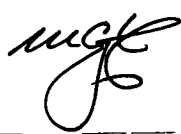
☒ I attach a copy of the final account.

8

Sign and date

Liquidator's signature

Signature

X 

X

Signature date

^d

2

^d

1

^m

0

^m

3

^y

2

^y

0

^y

2

^y

3

LIQ14

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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 **Melanie Reevel Giles**

Company name **PJG Recovery (GB) Limited**

Address **11 Coopers Yard**

Curran Road

Post town **Cardiff**

County/Region

Postcode **C F 1 0 5 N B**

Country **Wales**

DX

Telephone **02920-346530**



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

15 January 2023

11 Coopers Yard
Curran Road
Cardiff
CF10 5NB

Tel: 029 2034 6530
Fax: 029 2034 6531
www.pjgrecovery.com

Dear Sirs

**Penarth Arts & Crafts Limited ("the Company")
In Creditors' Voluntary Liquidation**

I refer to my appointment as Liquidator of the above named company on 6 April 2021.

I am now able to conclude the winding up of the affairs of the Company and enclose my final account and notice to creditors and members, together with a receipts and payments account for the whole of the period I was in office.

Also enclosed is a formal notice setting out the final dividend position in respect of the liquidation, although the information in that notice is summarised below.

A dividend will not be declared to non-preferential unsecured creditors as the funds realised have been used to make payments to secured and preferential creditors, and to meet the expenses of the Liquidation.

Creditors and members should note that provided no objections to my release are received I shall obtain my release as Liquidator following the delivery of the final notice to the Registrar of Companies, following which my case files will be placed in storage.

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/>. An explanatory note which shows PJG Recovery (GB) Limited's fee policy is also enclosed.

PJG Recovery (GB) Limited uses personal information in order to fulfil the legal obligations of our Insolvency Practitioner under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how PJG Recovery (GB) Limited uses your personal information on our website at <http://www.pjgrecovery.com/data-protection-policy.pdf>.

If creditors 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 me by email at melaniegiles@pjgrecovery.com, or by phone on 02920-346530 before my release.

Yours faithfully

A handwritten signature in black ink, appearing to read 'mrg' with a stylized flourish.

Melanie R Giles
Liquidator

**Notice of Final Account of
Penarth Arts & Crafts Limited ("the Company") – In Creditors' Voluntary Liquidation
Company registered number: 03510104**

NOTICE IS GIVEN by the Liquidator, Melanie Reevel Giles, under rule 6.28 of The Insolvency (England and Wales) Rules 2016 and section 106 of The Insolvency Act 1986, that the company's affairs have been fully wound up.

1. Creditors have the right under rule 18.9 of The Insolvency (England and Wales) Rules 2016 to request further details of the Liquidator's remuneration and expenses. That request must be made to the Liquidator within 21 days of receipt of the final account, and with either the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question). Secured creditors may also request further details.
2. Creditors have the right under rule 18.34 of The Insolvency (England and Wales) Rules 2016 to apply to Court to challenge the amount and/or basis of the Liquidator's fees, and/or the amount of any expenses incurred. That application must be made within 8 weeks of receipt of the final account, and with either the permission of the Court, or with the concurrence of 10% in value of the creditors (including the creditor in question). Secured creditors may also make an application.
3. Creditors may object to the release of the Liquidator by giving notice in writing to the Liquidator at the address given below before the end of the prescribed period. The prescribed period will end at the later of: 8 weeks after delivery of this notice; or, if any request for information regarding the Liquidator's remuneration and/or expenses is made under rule 18.9, or if any application is made to Court to challenge the Liquidator's fees and/or expenses under rules 18.34 or 18.35, when that request or application is finally determined.
4. The Liquidator will vacate office under section 171 of the Insolvency Act 1986 when, upon expiry of the prescribed period that creditors have to object to their release, they deliver to the Registrar of Companies the final account and a notice saying whether any creditor has objected to their release.
5. The Liquidator will be released under section 173 of the Insolvency Act 1986 at the same time as vacating office, unless any creditors objected to their release.

Creditors requiring further information regarding the above, should either contact me at PJG Recovery (GB) Limited, 11 Coopers Yard, Curran Road, Cardiff, CF10 5NB, or contact me by telephone on 02920-346530, or by email at melaniegiles@pjgrecovery.com.

DATED THIS 15th DAY OF JANUARY 2023


Melanie Giles
Liquidator

Notice about final dividend position

Penarth Arts & Crafts Limited ("the Company") – In Creditors' Voluntary Liquidation

Company registered number: 03510104

Notice is given under rule 14.36 of The Insolvency (England and Wales) Rules 2016, by Melanie Reevel Giles, the Liquidator, to the creditors of Penarth Pier Pavilion Limited, that no dividend will be declared to unsecured creditors

A dividend will not be declared to non-preferential unsecured creditors as the funds received have been used to meet the expenses of the Liquidation.

Creditors requiring further information regarding the above, should either contact me at PJG Recovery (GB) Limited, 11 Coopers Yard, Curran Road, Cardiff, CF10 5NB or contact me by telephone on 02920-346530, or by email at melaniegiles@pjgrecovery.com

DATED THIS 15th DAY OF JANUARY 2023

A handwritten signature in black ink, appearing to read 'mrg' followed by a stylized flourish.

Melanie R Giles
Liquidator

**Penarth Arts & Crafts Limited - ("the Company")
In Creditors' Voluntary Liquidation**

LIQUIDATORS' FINAL PROGRESS REPORT TO CREDITORS AND MEMBERS

For the period from 6 April 2022 to 15 January 2023

EXECUTIVE SUMMARY

The main focus of this liquidation has been to receive the remaining funds held in the Company's operating bank account, and to assist depositor customers in re-securing outstanding bookings with the landlord of the premises.

All known assets have now been realised, but there were no surplus funds available to effect a dividend to any class of creditor.

I am now able to conclude the winding-up of the affairs of the Company, and enclose my final progress report and account which serves as a summary of my administration of this liquidation to date.

STATUTORY INFORMATION

Company name:	Penarth Arts & Crafts Limited
Registered office:	11 Coopers Yard, Curran Road, Cardiff, CF10 5NB
Former registered office:	Penarth Pier Pavilion, The Esplanade, Penarth, CF64 3AU
Registered number:	03510104
Liquidators's name:	Melanie Reevel Giles
Liquidators's address:	11 Coopers Yard, Curran Road, Cardiff, CF10 5NB
Liquidators's date of appointment:	6 April 2021

LIQUIDATORS' ACTIONS SINCE APPOINTMENT

My main duties and functions as Liquidator are the realisation of the Company's assets, dealing with the claims of creditors, investigation of the Director's conduct and the company's affairs generally, and the eventual distribution of the Liquidation funds between the Creditors in accordance with their legal entitlements.

Since my appointment I have collected the monies held in the Company's bank, and provided assistance to consumer depositor's with regard to booking fees paid for functions which were

unable to proceed. I have also concluded investigations into the events leading to insolvency, and have filed the necessary Director's conduct return with the Insolvency Service, and liaised with the Charity Commission with regard to closing down the charity.

RECEIPTS AND PAYMENTS

My Receipts & Payments Account for the period from 6 April 2021 to 15 January 2023 is attached at Appendix 1. This shows the cumulative receipts and payments for the whole Liquidation, together with those incurred during the current reporting period from 6 April 2022 to 15 January 2023.

All amounts are shown net of VAT. I have reconciled the account against the financial records I am required to maintain. The sum of £1,883 presently remains due from H M Revenue & Customs, relating to input tax incurred during the period of the Liquidation. There are presently significant delays in processing VAT 100 claim forms by H M Revenue & Customs, and in order to cause no further delay in concluding this liquidation, my firm has taken an assignment of the right to receive those funds, and will retain same as part settlement of my fees when they are repaid. This transaction is recorded on the attached receipts and payments account.

ASSETS

All known assets have now been realised.

The Company had sold its assets to the landlord of its operating premises prior to my appointment, backed by an independent professional valuation which indicated that the sale was at market value, taking account of the downside of removal and subsequent auctioneer costs.

The only asset realised has been the surplus funds remaining in the Company's bank accounts with HSBC UK Bank plc ("the Bank") at the time of my appointment, totalling £9,643.

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company had granted the following charges:-

HSBC Bank plc

There is a prior charge in place in favour of HSBC Bank plc, dated 2 May 2000, where the sum of £20,405 is claimed, and is secured by fixed and floating charges over the business undertaking and assets.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In

this case the floating charge was created prior to 15 September 2003 such that the prescribed part provisions do not apply.

Royal Bank of Scotland Social and Community Capital Loan

This security was taken out in July 2018, and thus forms part of the "prescribed part" rulings as detailed further below. The sum of £15,208 is presently outstanding, for a loan taken out to refurbish the on-site café premises.

There are provisions of the insolvency legislation that require a Liquidator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property" ("prescribed part"). A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. Any costs of the liquidation that are payable before the Liquidator has reached a position to make a distribution to the floating charge holder have to be deducted from floating charge realisations before arriving at an amount for the "net property" of the Company. As a result, the costs associated with realising floating charge assets, paying preferential claims in full, the general costs of winding up and the costs of confirming the validity of the floating charge will have to be deducted before the "net property" is calculated. The "prescribed part" that the Liquidator then has to set aside for unsecured creditors is:

- 50% of the first £10,000 of the net property; and 20% of the remaining net property; up to a maximum of £600,000.

As the floating charge granted to Royal Bank of Scotland was registered after 15 September 2003, I am required to make a prescribed part of the Company's net property available to the unsecured creditors. The net property of the Company is £9,642, such that the prescribed part of the net property for unsecured creditors is £4,821. However, this does not take into account the costs of the liquidation, which will reduce the amount of the Company's net property and of the prescribed part indicated above. Since the net property of the Company is already less than £10,000 before taking into account the costs of the liquidation, the Liquidator will not be making a distribution of the prescribed part of the net property to the unsecured creditors on the basis that the costs of distributing the prescribed part are disproportionate to the benefits to the unsecured creditors.

Preferential Creditors

The statement of affairs anticipated £1,509 in respect of outstanding VAT due to HM Revenue & Customs, which was deemed to be a secondary preferential creditor. No final claim has been received to date.

Non-preferential unsecured Creditors

The statement of affairs included 14 non-preferential unsecured creditors, with an estimated total liability of £13,826.

LIQUIDATOR'S REMUNERATION

My remuneration was approved by creditors at £9,000 plus VAT by way of a decision process in June 2022, representing a fixed fee to cover all work carried out for the duration of the Liquidation.

Creditors are reminded that there are certain tasks that I have to carry out on nearly every Liquidation, namely Administration, Investigations and Creditors, along with more case specific areas such as the Realisation of Assets. Although they are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not produce any direct benefit for creditors, but still have to be carried out as detailed below:-

1. Administration

This represents the work involved in the routine administrative functions of the case by the office holder and her staff, together with the control and supervision of the work done on the case by the office holder and her manager. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet her requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow and has included:-

- Devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up physical and electronic case files
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank accounts.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking periodic reviews of the progress of the case.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House
- Submitting VAT returns
- Final tax clearance
- Liaison with the Charity Commission
- Case Closure

2. Asset Realisations

- Collecting the monies held in the Company's bank account

3. Creditors

The office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of her statutory functions, and this has included the following tasks:-

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims
- Maintaining up to date creditor information on the case management system
- Reviewing proofs of debt received from creditor
- Investigating the nature of consumer deposits paid for venues and providing assistance and liaison with the new occupiers

4. Investigations

- Conduct an investigation to establish the causes of the insolvency of the Company
- Submit an online return on the conduct of the directors as required by the Company Directors Disqualification Act

I consider that this is a routine case, as highlighted above, and consider that after taking into account the nature and value of the assets involved, this demonstrates why the fixed fee produces a fair and reasonable reflection of the work that has been necessarily and properly undertaken.

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/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3, together with an explanatory note which shows PJG Recovery (GB) Limited's fee policy are also enclosed.

LIQUIDATOR'S EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:-

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration

I have received claims from three creditors totalling £22,091. I have not received claims from 11 creditors with original estimated claims in the statement of affairs of £8,245.

A summary of creditor claims is attached as Appendix 2.

DIVIDEND PROSPECTS

There is no prospect of any return for either class of creditor in this Liquidation.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. I am required by the Statements of Insolvency Practice to undertake such an initial investigation and the work detailed below has been undertaken in connection with that initial investigation.

In particular, I considered a number of matters of concern raised by creditors relating to customer deposits taken for future bookings which had not been held in trust. Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 12 months prior to the Company ceasing to trade from the Company's bankers. I also investigated the use of a local authority grant applied for in the sum of £25,000, and have confirmed that these monies were used to cover essential ongoing expenditure in 2020 following the COVID-19 pandemic, in the associated company – Penarth Pier Pavilion Limited.

As the Company's accounts had not been properly managed for some time prior to cessation of trade, my investigations were somewhat limited, however there were no matters that justified further investigation in the circumstances of this appointment.

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

PRE-APPOINTMENT REMUNERATION

The Board previously authorised the payment of a fee of £4,000 for my assistance with preparing the statement of affairs and arranging the deemed consent procedure for creditors to appoint a Liquidator.

The fee for preparing the statement of affairs and arranging the deemed consent procedure for creditors to appoint a liquidator was paid by the Company, prior to my appointment.

I have incurred expenses to 15 January 2023 of £706, of which the sum of £285 has been incurred in the period from 6 April 2022 to 15 January 2023 as follows:-

Type of Expense	Amount incurred £
AUA Insolvency Risk Services – Specific Bond	96
PJG Recovery (GB) Limited – Postage and Records Storage	189

Details of the category 1 expenses that I have paid to date are included in the receipts and payments account attached.

FURTHER INFORMATION

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 Liquidator's remuneration and expenses within 21 days of their receipt of this report. Any secured creditor may request the same details in the same time limit.

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 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 report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about PJG Recovery (GB) Limited can be found in the attached summary sheet.

SUMMARY

The winding-up of the Company is now for all practical purposes complete, and I am seeking the release of myself as Liquidator of the Company. Creditors and members should note that provided no objections to my release are received, I shall obtain my release as Liquidator following the delivery of the final notice to the Registrar of Companies, following which my files will be placed in storage.

If creditors have any queries regarding the conduct of the Liquidation they should contact me on 02920-345530, or by email at melaniegiles@pjgrecovery.com.



Melanie R Giles
Liquidator
15 January 2023

Penarth Arts And Crafts Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 06/04/2022 To 15/01/2023 £	From 06/04/2021 To 15/01/2023 £
	ASSET REALISATIONS		
9,642.00	Cash at Bank	NIL	9,642.79
		NIL	9,642.79
	COST OF REALISATIONS		
	Accountancy Fees	NIL	70.00
	Office Holders Expenses	126.20	126.20
	Office Holders Fees	9,000.00	9,000.00
	Specific Bond	96.00	114.00
	Stationery & Postage	62.64	125.62
	Statutory Advertising	NIL	270.00
		(9,284.84)	(9,705.82)
	PREFERENTIAL CREDITORS		
(1,508.74)		NIL	NIL
		NIL	NIL
	FLOATING CHARGE CREDITORS		
(20,445.15)	Floating Charge Creditor - HSBC	NIL	NIL
(15,208.00)	Floating Charge Creditor - RBS	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
	Banks/Institutions	63.03	63.03
(2,920.83)	Consumer Deposits	NIL	NIL
(502.50)	Directors	NIL	NIL
(10,402.61)	Trade & Expense Creditors	NIL	NIL
		63.03	63.03
(41,345.83)		(9,221.81)	0.00
	REPRESENTED BY		
			NIL



Melanie Reevel Giles
 Liquidator

Penarth Arts And Crafts Limited
Creditor Claims Summary Report

Key	Name	Rep. By	S of A £	Claim £	Agreed Claim £
CB00	BT Plc SW16511793		473.44	2,040.76	2,040.76 (U)
CB01	British Gas 603208647		560.00	15,144.68	0.00
CC00	Clarity Copiers GLA4884		1,581.03	0.00	0.00
CC01	Ian James Courtney		125.00	0.00	0.00
CE00	Empower		3,986.06	4,597.14	0.00
CG00	Grenke Leasing Limited 168001633		1,330.17	0.00	0.00
CH00	HSBC UK Bank plc 40-36-06 81183729 & 71398105		20,445.15	20,404.85	20,404.85 (U)
CH01	H M Revenue & Customs 771 6607 15 & 2100702768		1,508.74	0.00	0.00
CL00	Chris Lee		775.00	0.00	0.00
CN00	William Finbar Nolan		377.50	0.00	0.00
CR00	S Tarry Esq		1,750.00	0.00	0.00
CR01	Royal Bank of Scotland Social and Community C RBS00135		15,208.00	0.00	0.00
CT00	Top Table Catering Hire Limited		97.20	0.00	0.00
CV00	Vale of Glamorgan Council		0.00	0.00	0.00
CW00	Watts Gregory		1,566.00	0.00	0.00
CW01	Welsh Water 4235691001		718.71	0.00	0.00
CW02	Daniel Williams		395.83	0.00	0.00
CW03	WCVA		90.00	0.00	0.00
18 Entries Totalling			50,987.83	42,187.43	22,445.61

U - Unsecured



LIQUIDATION: A GUIDE FOR CREDITORS ON INSOLVENCY PRACTITIONER FEES

ENGLAND AND WALES

1 Introduction

- 1.1 When a company goes into liquidation the costs of the proceedings are paid out of its assets. The creditors, who hope to recover some of their debts out of the assets, therefore 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 mechanisms for creditors to fix the basis of the liquidator's fees (also referred to in this guide as 'remuneration'). This guide is intended to help creditors be aware of their rights to approve and monitor fees, explains the basis on which fees are fixed and how creditors 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. An insolvent voluntary liquidation is called a creditors' voluntary liquidation (often abbreviated to 'CVL'). In this type of liquidation an insolvency practitioner acts as liquidator throughout and the creditors can participate in the appointment of the liquidator. A solvent liquidation is called a members' voluntary liquidation. It should be noted that this guide does not extend to members' voluntary liquidations as the fees in these cases are not determined by the creditors.
- 2.3 In a compulsory liquidation, the function of the liquidator is, in most cases, initially performed not by an insolvency practitioner but by an official called the official receiver. The official receiver is an officer of the court and an official belonging to The Insolvency Service. In most compulsory liquidations, the official receiver becomes liquidator immediately on the making of the winding-up order. Where the specialist skills of an insolvency practitioner are required or the majority of creditors request the appointment of an insolvency practitioner, an insolvency practitioner will usually be appointed to act as liquidator in place of the official receiver. Where an insolvency practitioner is not appointed the official receiver remains as liquidator.
- 2.4 Where a compulsory liquidation follows immediately on an administration the court may appoint the former administrator to act as liquidator. In such cases the official receiver does not become liquidator. An administrator may also subsequently act as liquidator in a CVL.

3 The liquidation committee

- 3.1 In a liquidation (whether voluntary or compulsory) the creditors have the right to appoint a committee called the liquidation committee, with a minimum of 3 and a maximum of 5 members, to monitor the conduct of the liquidation and approve the liquidator's fees. An invitation to decide on whether a committee is to be established will be sent to creditors at the same time as a decision is sought on the appointment of a liquidator. In cases where a liquidation follows immediately on an administration any committee established for the purposes of the administration will continue in being as the liquidation committee.



- 3.2 The liquidator must call the first meeting of the committee within 6 weeks of its establishment and subsequent meetings must be held either at specified dates agreed by the committee, or when requested by a member of the committee, or when the liquidator decides they need to hold one. The liquidator is required to report to the committee at least every 6 months on the progress of the liquidation, unless the committee directs otherwise. This provides an opportunity for the committee to monitor and discuss the progress of the insolvency and the level of the liquidator's fees.

4 Fixing the liquidator's fees

4.1 Basis

- 4.1.1 The basis for fixing the liquidator's fees is set out in Rule 18.16 of the Insolvency (England and Wales) Rules 2016. This Rule states that the basis of fees must be fixed:

- as a percentage of the value of the assets which are realised, distributed or both, by the liquidator
- by reference to the time properly given by the liquidator and their staff in attending to matters arising in the liquidation, or
- as a set amount.

- 4.1.2 Any combination of these bases may be used to fix the fees and different bases may be used for different things done by the liquidator. Where the fee is fixed as a percentage, different percentages may be used for different things done by the liquidator.

- 4.1.3 Where remuneration is sought on more than one basis by the liquidator, it should be clearly stated to which part of the liquidator's activities each basis relates.

- 4.1.4 Payments to a liquidator from a liquidation should be fair and reasonable reflections of the work necessarily and properly undertaken in respect of the liquidator's appointment. These payments should not be approved by any party with whom the liquidator has a professional or personal relationship which gives rise to a conflict of interest. Those responsible for approving payments from a liquidation to a liquidator or their associates should be provided with sufficient information to enable them to make an informed judgement about the reasonableness of the liquidator's requests.

- 4.1.5 Information provided by the liquidator should be presented in a manner which is transparent, consistent throughout the life of the appointment and useful to creditors and other interested parties, whilst being proportionate to the circumstances of the appointment.

4.2 Advance information where fees are not based on time costs

- 4.2.1 Prior to the determination of the basis of fees, the liquidator must give the creditors details of the work the liquidator proposes to undertake, and the expenses they consider will be, or are likely to be, incurred.

4.3 Fees estimates where fees are to be based on time costs

- 4.3.1 Where the liquidator proposes to take fees based on time costs, they must first provide the creditors with detailed information in the form of a 'fees estimate'. A fees estimate is a written estimate that specifies –



- details of the work the liquidator and their staff propose to undertake;
- the hourly rate or rates the liquidator and their staff propose to charge for each part of that work;
- the time the liquidator anticipates each part of that work will take;
- whether the liquidator anticipates it will be necessary to seek approval or further approval under the Rules; and
- the reasons it will be necessary to seek such approval.

4.3.2 When providing a fees estimate, the liquidator should supply that information in sufficient time for creditors (including when acting through a committee) to be able to make an informed judgement about the reasonableness of the liquidator's requests. Fees estimates should be based on all of the information available to the liquidator at the time that the estimate is provided.

4.3.3 In addition, the liquidator must give the creditors details of the expenses they consider will be, or are likely to be, incurred.

4.4 Who fixes the fees?

4.4.1 It is for the liquidation committee (if there is one) to determine on which of these bases, or combination of bases, the fees are to be fixed. Where it is fixed as a set amount or a percentage, it is for the committee to determine the amount, percentage or percentages to be applied. Rule 18.16 says that in arriving at its decision the committee 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 insolvency;
- the effectiveness with which the liquidator appears to be carrying out, or to have carried out, their duties;
- the value and nature of the property with which the liquidator has to deal.

4.4.2 If there is no liquidation committee, or the committee does not make the requisite determination, the liquidator's fees may be fixed by a decision of the creditors by a decision procedure. The creditors take account of the same matters as apply in the case of the committee.

4.4.3 If the fees are not fixed as above, it will be fixed in one of the following ways. In a CVL, it will be fixed by the court on application by the liquidator, but the liquidator may not make such an application unless they have first tried to get their fees fixed by the committee or creditors as described above, and in any case not later than 18 months after their appointment. In a compulsory liquidation, it will be calculated in accordance with a scale set out in the Rules.

4.4.4 Where the liquidation follows directly on from an administration in which the liquidator had acted as administrator, the basis of fees fixed in the administration continues to apply in the liquidation.



5. Review of fees

- 5.1 Where there has been a material and substantial change in circumstances since the basis of the liquidator's fees was 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.

6 What information should be provided by the liquidator?

6.1 General principles

- 6.1.1 The liquidator should provide those responsible for approving the fees with sufficient information to enable 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 creditors, while being proportionate to the circumstances of the case.
- 6.1.2 The liquidator should provide an indication of the likely return to creditors when seeking approval for the basis of their remuneration.
- 6.1.3 The liquidator should disclose:
- a) all payments arising from the insolvency appointment to the liquidator or their associates;
 - b) the form and nature of any professional or personal relationships between the liquidator and their associates.
- 6.1.4 The liquidator should inform creditors and other interested parties 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. An insolvency practitioner may provide information, including a fees estimate, within pre-appointment communications (such as when assisting directors in commencing a liquidation).
- 6.1.5 Where the liquidator sub-contracts work that could otherwise be carried out by the liquidator or their staff, this should be drawn to the attention of creditors and other interested parties with an explanation of why it is being done, what is being done, and how much it will cost.

6.2 Key issues

- 6.2.1 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 payment for that work;
 - whether it is anticipated that the work will provide a financial benefit to creditors, and if so what anticipated 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 payment for the work;
 - whether the work has provided a financial benefit to creditors, and if so what benefit (or if the work provided no direct financial benefit, but was required by statute).

Liquidation: A Guide for Creditors on Insolvency Practitioners Fees
(Version 1 April 2021)

Whilst every care has been taken in its preparation, this guide is intended for general guidance only, and does not constitute legal advice.



- 6.2.2 When providing information about payments from the liquidation, the liquidator should do so in a way which clearly explains the key issues. Narrative explanations should be provided to support any numerical information supplied. Such an approach allows creditors and other interested parties to better recognise the nature of a liquidator's role and the work they intend to undertake, or have undertaken, in accordance with the key issues.
- 6.2.3 When approval for a set fee 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. Where a set amount or a percentage basis is being used, an explanation should be provided of the direct costs included. The liquidator should not seek to separately recover sums already included in a set amount or percentage basis fee and should be transparent in presenting any information.
- 6.3 Fee estimates**
- 6.3.1 When providing a fees estimate of time to be spent, creditors and other interested parties may find a blended rate (or rates) and total hours anticipated to be spent on each part of the anticipated work more easily understandable and comparable than detail covering each grade or person working on the appointment. The estimate should also clearly describe what activities are anticipated to be conducted in respect of the estimated fee.
- 6.3.2 The information provided in the fees estimate may not be presented on the basis of alternative scenarios or provide a range of estimated charges. However, for other payments that the liquidator anticipates will be, or are likely to be, made, it is acceptable to provide a range or repeat a range quoted by a third party, for example legal costs in litigation in any expense estimates.
- 6.4 Expenses**
- 6.4.1 Expenses are any payments from the liquidation which are neither a liquidator's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the liquidator, and then reimbursed to the liquidator from the liquidation.
- 6.4.2 Expenses are divided into those that do not need approval before they are charged to the liquidation (category 1) and those that do (category 2).
- Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the liquidator. Category 1 expenses can be paid without prior approval.
 - Category 2 expenses: These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as a liquidator's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.
- 6.4.3 When seeking approval of category 2 expenses, the liquidator should explain, for each expense, the basis on which the expense is being charged to the liquidation. 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.



6.4.4 Any shared or allocated payments incurred by the liquidator or their firm are to be treated as category 2 expenses and approval sought before payment.

6.4.5 The following are not permissible as either remuneration or an expense:

- a) an expense or any other charge calculated as a percentage of remuneration;
- b) an administration fee or charge additional to a liquidator's remuneration;
- c) the recovery of any overheads other than those absorbed in the charge out rates.

6.5 Payment of pre-appointment expenses

6.5.1 The following categories of expenses may be paid out of the company's assets, either before or after the commencement of the liquidation, as an expense of the liquidation:

- any reasonable and necessary expenses of preparing the statement of affairs
- any reasonable and necessary expenses of the decision procedure or deemed consent procedure to seek a decision from the creditors on the nomination of a liquidator

6.5.2 If payment has not been made pre-commencement of the liquidation, payment may not be made to the liquidator or any associate of the liquidator, otherwise than with the approval of the liquidation committee, creditors or the court.

6.5.3 Disclosure should be made of amounts already paid to the liquidator in respect of pre-appointment costs, giving the amounts paid, the name of the payer, and its relationship to the estate and the nature of the payment.

6.5.4 Disclosure should follow the principles and standards as set out in this Guidance.

6.6 Realisations for secured creditors

6.6.1 Where the liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds (see paragraph 12.1 below), they should disclose the amount of that remuneration in any reports they send to creditors.

7. Exceeding the amount set out in the fees estimate

7.1 Fees cannot be drawn in excess of the fees estimate without approval by the body which fixed the original basis of the fee. The request for approval must specify –

- the reason why the liquidator has exceeded, or is likely to exceed, the fees estimate;
- the additional work the liquidator has undertaken or proposes to undertake;
- the hourly rate or rates the liquidator proposes to charge for each part of that additional work;
- the time that additional work has taken or the liquidator anticipates that work will take;



- whether the liquidator anticipates that it will be necessary to seek further approval; and
- the reasons it will be necessary to seek further approval.

8. Progress reports and requests for further information

8.1 The liquidator is required to send annual progress reports to creditors. In addition to the items described above and especially those in paragraph 6.2.1, 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;
- if the fees have been fixed on a time costs basis, the actual hours and average rate (or rates) of the costs charged for each part of the work;
- 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 needs to be done;
- where appropriate, a statement setting out whether, at the date of the report –
 - the fee expected to be charged is likely to exceed the fees estimate or any approval given;
 - 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 creditors' rights to request further information, as explained in paragraph 8.2, and their right to challenge the liquidator's fees and expenses.

8.2 Within 21 days of receipt of a progress report, a creditor may request the liquidator to provide further information about the fees and expenses set out in the report. A request must be in writing and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including themselves) or the permission of the court.

8.3 The liquidator must provide the requested information within 14 days, unless they consider 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 the liquidator must give the reasons for not providing some or all of the information.

- 8.4 Any creditor 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.

9. Provision of information – additional requirements

- 9.1 The liquidator must provide certain information about the time spent on the case, free of charge, upon request by any creditor, director or shareholder of the company.

- 9.2 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.

- 9.3 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 they have vacated office, the date that they vacated office.

- 9.4 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.

- 9.5 Requests for additional information about payments should be viewed upon their individual merits and treated by the liquidator in a fair and reasonable way. The provision of additional information should be proportionate to the circumstances of the appointment.

10. What if a creditor is dissatisfied?

- 10.1 Except in cases where there is a liquidation committee it is the creditors as a body who have authority to approve the liquidator's fees.

- 10.2 If a creditor believes that the liquidator's fees are excessive, the basis is inappropriate, or the expenses incurred by the liquidator are in all the circumstances excessive, the creditor may, provided certain conditions are met, apply to the court.

- 10.3 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including themselves) agree, or they have 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 fees or incurring of the expenses in question is first reported (see paragraph 8.1 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.



- 10.4 If the court considers the application well founded, it may order that the fees 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 insolvent company.
- 10.5 On receipt of the liquidator's final account, creditors have 8 weeks in which they may challenge the liquidator's fees and expenses as set out above.
- 11. What if the liquidator is dissatisfied?**
- 11.1 If the liquidator considers that the fee fixed by the liquidation committee, or in the preceding administration, is insufficient or that the basis used to fix it is inappropriate, the liquidator may request that the amount or rate be increased, or the basis changed, by decision of the creditors. If the liquidator considers that the fees fixed by the liquidation committee or the creditors, or in the preceding administration or in accordance with the statutory scale is insufficient, or that the basis used to fix it is inappropriate, they may apply to the court for the amount or rate to be increased or the basis changed. If the liquidator decides to apply to the court, they must give at least 14 days' notice to the members of the committee and the committee may nominate one or more of its members to appear or be represented at the court hearing. If there is no committee, the liquidator's notice of application must be sent to such of the creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid out of the assets.
- 12 Other matters relating to fees**
- 12.1 Where the liquidator realises assets on behalf of a secured creditor, the liquidator is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules. Usually, however, the liquidator will agree the basis of their fee for dealing with charged assets with the secured creditor concerned.
- 12.2 Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the fee payable should be apportioned. Any dispute between them may be referred to the court, the committee or the creditors.
- 12.3 If a new liquidator is appointed in place of another, any determination, decision 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, decision or court order is made.
- 12.4 Where the basis of the fees 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 fees. Where the outgoing liquidator and the incoming liquidator are from the same firm, they will usually agree the apportionment between them.
- 12.5 There may also be occasions when creditors 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 creditors. Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvent company. Any arrangements of this nature will be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration.



- 12.6 Where realisations are sufficient for creditors to be paid in full with interest, the creditors will not have the principal financial interest in the level of payments from the estate. Once this has been established by the liquidator, they should provide the beneficiaries of the anticipated surplus, on request, with information in accordance with the principles and standards set out above.

13. Effective date

- 13.1 This guide applies where a liquidator is appointed on or after 1 October 2015, or where information is provided by the liquidator about fees, expenses or other payments after 6 April 2017.
- 13.2 *Please note that insolvency practitioners were subject to different regulatory requirements prior to 1 April 2021. Therefore, information provided by insolvency practitioner prior to that date may vary slightly to the information required as set out in this guide.*

PRACTICE FEE RECOVERY POLICY FOR PJG RECOVERY (GB) LIMITED

Introduction

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

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9), which is attached.

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

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

Time cost basis

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

Chargeout Rates

Grade of staff	Current charge-out rate per hour, effective from May 2014 £	Previous charge-out rate per hour, until May 2014 £
Insolvency Practitioner	330	325
Senior Manager	240	240
Manager	180	180
Supervisor/Senior Administrator	150	150
Case Administrator	120	120
Support Staff	80	80

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

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

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

Fixed fee

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

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

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

Members' voluntary liquidations and Voluntary Arrangements

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

PROVISION OF SERVICES REGULATIONS SUMMARY SHEET FOR PJG RECOVERY (GB) LIMITED

The following information is designed to draw the attention of interested parties to the information required to be disclosed by the Provision of Services Regulations 2009.

Licensing Body

Melanie Reevel Giles is licensed to act as an Insolvency Practitioner in the United Kingdom by the Insolvency Practitioners Association.

Rules Governing Actions

All IPs are bound by the rules of their professional body, including any that relate specifically to insolvency. The rules of the professional body that licences Melanie Reevel Giles can be found at <http://www.insolvency-practitioners.org.uk/>. In addition, IPs are bound by the Statements of Insolvency Practice (SIPs), details of which can be found at <https://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice>.

Ethics

All IPs are required to comply with the Insolvency Code of Ethics and a copy of the Code can be found at <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/ethics-code>].

Complaints

At PJG Recovery (GB) Limited we always strive to provide a professional and efficient service. However, we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of a particular case then in the first instance you should contact the IP acting as office holder in accordance with the attached guidance notes.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at www.gov.uk/complain-about-insolvency-practitioner; or you can email insolvency.enquiryline@insolvency.gov.uk; or you may phone 0300 678 0015. Information on the call charges that apply is available at <https://www.gov.uk/call-charges>.

Professional Indemnity Insurance

PJG Recovery (GB) Limited's Professional Indemnity Insurance is provided by Aqueous

Underwriting, Meridien House, 69-71 Clarendon Road, Watford, WD17 1DS. This professional indemnity insurance provides worldwide coverage.

VAT

PJG Recovery (GB) Limited is registered for VAT under registration no 236 7978 55.

Bribery Act 2010

PJG Recovery (GB) Limited is committed to applying the highest standards of ethical conduct and integrity in its business activities. Every employee and individual acting on PJG Recovery (GB) Limited's behalf is responsible for maintaining our reputation and for conducting company business honestly and professionally.

PJG Recovery (GB) Limited takes a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate.

PJG Recovery (GB) Limited requires all those who are associated with it to observe the highest standards of impartiality, integrity and objectivity.

PJG Recovery (GB) Limited prohibits anyone acting on its behalf from:-

- bribing another person. A bribe includes the offering, promising or giving of any financial or other type of advantage;
- accepting a bribe. This includes requesting, agreeing to receive or accepting any financial, or another kind of advantage;
- bribing a foreign public official; and
- condoning the offering or acceptance of bribes.

PJG Recovery (GB) Limited will:-

- avoid doing business with others who do not accept our values and who may harm our reputation;
- maintain processes, procedures and records that limit the risk of direct or indirect bribery;
- promote awareness of this policy amongst its staff, those acting on its behalf and entities with which it has any commercial dealings;
- investigate all instances of alleged bribery, and will assist the police, and other authorities when appropriate, in any resultant prosecutions. In addition, disciplinary action will be considered against individual members of staff;
- review this policy regularly and update it when necessary.

These charge-out rates charged are reviewed on 1 May each year and are adjusted to take account of inflation and the firm's overheads.

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

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

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. Since this time, when we seek time costs approval, we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

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

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

Percentage basis

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

All bases

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

Agent's Costs

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

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

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

Disbursements

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

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

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

It is proposed that the following Category 2 disbursements are recovered:

Room Hire	£50
Mileage	40p per mile
Storage	30p per box per month/annum
Photocopying	5p per sheet
Case Administration System Costs	Between £50 and £100 per year