

CVA4

Notice of termination or full implementation of voluntary arrangement



Companies House

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

1 Company details

Company number 0 3 6 1 6 6 6 3

Company name in full Trios Facilities Management Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Supervisor's name

Full forename(s) Kirstie Jane

Surname Provan

3 Supervisor's address

Building name/number 31st Floor

Street 40 Bank Street

Post town London

County/Region

Postcode E 1 4 5 N R

Country

4 Supervisor's name ^①

Full forename(s) Mark Robert

Surname Fry

① Other supervisor

Use this section to tell us about
another supervisor.

5 Supervisor's address ^②

Building name/number 31st Floor

Street 40 Bank Street

Post town London

County/Region

Postcode E 1 4 5 N R

Country

② Other supervisor

Use this section to tell us about
another supervisor.

CVA4

Notice of termination or full implementation of voluntary arrangement

6 Date voluntary arrangement fully implemented or terminated

Date

d	d	m	m	y	y	y	y
2	1	1	0	2	0	2	0

7 Attachments

- ☒ I have attached a copy of the notice to creditors
- ☒ I have attached the supervisor's report

8 Sign and date

Supervisor's signature

Supervisor's signature

X



X

Signature date

d	d	m	m	y	y	y	y
2	1	1	0	2	0	2	0

CVA4

Notice of termination or full implementation of voluntary arrangement



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 Kirstie Jane Provan

Company name Begbies Traynor (London) LLP

Address 31st Floor

40 Bank Street

Post town London

County/Region

Postcode E 1 4 5 N R

Country

DX

Telephone 020 7516 1500



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 and dated 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

NOTICE OF FULL IMPLEMENTATION OF THE COMPANY VOLUNTARY ARRANGEMENTS

Trios Facilities Management Limited (Registered Company Number: 03616663)
Trios Compliance Limited (Registered Company Number: 05418465)
Trios Secure Limited (Registered Company Number: 03169729)
Trios Skilz Limited (Registered Company Number: 03649813)
("the Companies")

This notice is given pursuant to Rule 2.44 of the Insolvency (England and Wales) Rules 2016 ("**the Rules**") and Standard Conditions 11 and 71 of the Arrangement.

Court details:

Court Name: The High Court of Justice
Court Number: CR-2020-003355

Office-holder details:

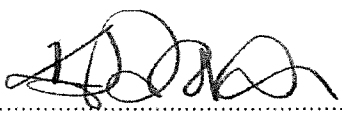
Kirstie Jane Provan, Mark Robert Fry and Gary Paul Shankland of Begbies Traynor (London) LLP were appointed as Joint Supervisors on 8 September 2020.

I hereby confirm that the Composite Company Voluntary Arrangements, which took effect on 8 September 2020, have been fully implemented as of 21 October 2020. Further information can be found in the Supervisors' final report and account dated 21 October 2020, a copy of which has been made available for viewing and downloading on a website.

Contact details

The Supervisors' postal address is at Begbies Traynor (London) LLP, 31st Floor, 40 Bank Street, London, E14 5NR. In the event that creditors and members have any queries in relation to this notice, they should contact Megan Campbell or Georgia Provan by telephone on 020 7516 1500, or by email at Trios@btguk.com or by post at the address detailed above.

Dated:21.10.2020.....

Signed: 
Kirstie Jane Provan
Joint Supervisor

CR-2020-003355

Kirstie Jane Provan, Mark Robert Fry and Gary Paul Shankland
were appointed Joint Supervisors on 8 September 2020

Trios Facilities Management Limited
Trios Compliance Limited
Trios Secure Limited
Trios Skilz Limited
(Composite Company Voluntary Arrangements)

Joint Supervisors' Final Report on completion
of the Composite Company Voluntary
Arrangements

Period: 8 September 2020 to 21 October 2020

Important Notice

This report has been produced by the joint supervisors solely to comply with their statutory duty to report to creditors and members at the conclusion of the Voluntary Arrangements. 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 or members for any purpose other than this report to them or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Companies"	Trios Facilities Management Limited Trios Compliance Limited Trios Secured Limited Trios Skilz Limited (Under a Voluntary Arrangement)
"the Supervisors" "we" "us" "our" etc	Kirstie Jane Provan, Mark Robert Fry and Gary Paul Shankland of Begbies Traynor (London) LLP, 31st Floor, 40 Bank Street, London, E14 5NR
"the Arrangement"	The terms of the Proposal, Standard Conditions and any modifications (and/or variations) agreed by the Companies' creditors
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"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)

2. RELEVANT INFORMATION

Name of Companies and each registered company number:	Trios Facilities Management Limited ("TFML") (03616663) Trios Compliance Limited ("TCL") (05418465) Trios Secure Limited ("TSL") (03169729) Trios Skilz Limited ("TSL") (03649813)
Trading name(s):	As above
Date of Incorporation:	TFML - 17 August 1998 TCL - 8 April 2005 TSL - 8 March 1996 TSZ - 14 October 1998
Companies' registered office:	Ground Floor, Egerton House, 68 Baker Street, Weybridge, Surrey, KT13 8AL
Commencement date of the Arrangement	8 September 2020
Duration of the Arrangement	8 September 2020 to 21 October 2020

Main provisions of the Arrangement
(as modified)

The main provisions of the Arrangement, as modified, are noted below. Please note that the variations are detailed at Section 6 of this report.

Composite Arrangement

All creditors of the Companies will rank alongside each other for dividend purposes as though they were each creditors of the same entity.

The CVA Creditor Fund Contributions

The Proposal provided for a total contribution of £5,500,000, to be allocated £1,150,000 to the Compromised Creditors' Payment Fund and £4,350,000 to the Triosgroup Debt Payment Fund.

The Proposal was varied on 5 October 2020, with the consent of Triosgroup and TGFM Debtco Limited, being the only parties materially affected by the reduced contribution level.

The varied Arrangement provides that the Companies will pay a total of £4,000,000 to fund payments to Creditors. This contribution will be paid into the Compromised Creditor Funds in the following manner:

- The Companies will pay £1,150,000 into the Compromised Creditors' Payment Fund; and
- The Companies will pay £2,850,000 into the Triosgroup Debt Payment Fund.

The CVA Cost Fund

The Companies will pay a total amount of £1,000,000 to the CVA Cost Fund.

Critical Creditors

The CVA shall not affect the rights of any Critical Creditors and any Critical Creditor Claims will continue to be paid and discharged by the Companies in accordance with the relevant terms and current agreements that exist between the Companies and the relevant Critical Creditors.

Compromised Creditors

The estimated dividend to this class of creditor under the Arrangement is 5.3p in the £.

Duration of the Arrangement

2 months from the effective date, when the obligations of the Companies and Triosgroup under the Interlocking CVAs have been satisfied.

Variations to the Arrangement since
approval

Full details in relation to the Variations to the Arrangement have been included within Section 6 of this report. These are summarised as follows:

- The total CVA Creditor Fund Contributions to be reduced from £5,500,000 to £4,000,000;
- The total payable by the Companies into the Triosgroup Debt Payment Fund be reduced from £4,350,000 to £2,850,000;
- The amount payable to the Triosgroup CVA in respect of the Triosgroup Debt be reduced to the amount contained within the revised Triosgroup Debt Payment Fund, resulting in a reduced estimated dividend of 66.8p/£ (previously 100p/£) in full and final settlement of the Triosgroup Debt; and
- The date for payment of the balance of the CVA Creditor Fund Contributions and the balance of the CVA Cost Fund be extended to 20 October 2020.

Dividends paid to creditors

No dividends have been paid to date

Anticipated dividend(s)

As set out in the CVA Proposals, dividends are due to be paid to creditors as follows:

- In respect of the Triosgroup Debt – within 5 business days of the issue of the Notice of Completion;
- In respect of the Compromised Creditors – within 3 months of the Claims Date, the Claims Date being 8 December 2020. However, the Supervisors are working towards being in a position to declare the dividend to this class of creditor around 13 January 2021.

3. INTRODUCTION

- 3.1 The Rules require that on final completion of the CVA the Supervisors are to send a report to creditors and members summarising all receipts and payments made by them in pursuance of the Arrangement. In addition, we are required to explain any departure from the proposal as originally approved.
- 3.2 This report to should be read in conjunction with the documentation forming the basis of the Arrangement.

4. ABSTRACT OF RECEIPTS AND PAYMENTS

- 4.1 Attached at Appendix 1 is the Supervisors' abstract which shows the receipts and payments since the effective date of our appointment, 8 October 2020. The abstract summarises all receipts and payments made by us in our capacity as Supervisors.

Receipts

4.2 **CVA Creditor Fund Contribution**

The sum of £4,000,000 has been received from the Companies into the CVA Creditor Fund in line with the terms of the approved Proposal and the subsequent variation detailed in section 6 of this report. £2,850,000 of these funds have been allocated to the Triosgroup Debt Payment Fund and £1,150,000 has been paid into the Compromised Creditors Payment Fund.

4.3 **CVA Cost Contribution**

The sum of £1,000,000 has been received from the Companies in relation to the CVA Cost Contribution set out in the Arrangement.

Payments

4.4 Advisory Fees

The sum of £100,000 plus VAT has been paid to BTG Advisory LLP in respect of fees for providing advice to the Group and assisting the Group in obtaining the New Funding Facility. This facility is essential to the successful implementation of the CVA. These costs have been paid from the CVA Cost Fund in line with the terms of the agreed Proposal.

4.5 Nominees' Fees

The sum of £61,834 has been paid to Begbies Traynor (London) LLP ("Begbies Traynor") in respect of the Joint Nominees' fees in assisting the Directors in placing the Companies into a CVA.

4.6 Nominees' Expenses

The sum of £1,237 has been paid to Begbies Traynor in respect of the expenses incurred by the Joint Nominees' in the period prior to the Companies entering into a CVA.

5. PROGRESS DURING THE PERIOD OF THIS REPORT

5.1 During the period of the report the following contributions from the Companies have been received into the Arrangement Funds:

5.1.1 £750,000 received into the CVA Cost Fund on 9 September 2020.

5.1.2 £250,000 received into the CVA Cost Fund on 19 October 2020.

5.1.3 £1,150,000 received into the Compromised Creditors' Payment Fund on 19 October 2020.

5.1.4 £2,850,000 received into the Triosgroup Debt Payment Fund on 19 October 2020.

5.2 The above contributions were all received in line with the terms of the varied Arrangement. Further details of these terms are detailed in Section 6.

5.3 The Supervisors have worked alongside BTG Advisory and the Group to ensure approval of the New Funding Facility. This was essential to the successful implementation of the CVA; the New Funding Facility successfully completed on 16 October 2020.

5.4 Work has also been carried out to ensure that creditor and employee claims have been received and queries addressed in a timely manner.

5.5 Further details of the work undertaken are provided at Appendix 2.

5.6 The terms of the Arrangement (as varied) provided for the following:

5.6.1 the Supervisors shall be entitled in their absolute discretion to treat the CVA as having been fully implemented if:

- (a) the No-Challenge Condition and the Triosgroup No-Challenge Condition have been satisfied;
- (b) the New Funding Facility has received full credit approval and drawdown remains only conditional on completion of the CVA;

- (c) the payments due from the Companies in respect of the CVA Creditor Fund Contributions and the CVA Cost Fund have been received by the Supervisors to their satisfaction; and
- (d) the Restructuring Agreement, and the steps under that Restructuring Agreement, have taken effect.

- 5.7 We confirm that the above conditions have all been fully satisfied and accordingly the Supervisors consider the Arrangements to have been fully implemented.
- 5.8 The Companies have complied fully with their obligations under the Arrangements and we have issued a Certificate of Full Implementation.
- 5.9 The Arrangement has therefore successfully concluded, with 21 October 2020 being the effective date of completion.

6. EXPLANATION OF ANY DEPARTURES FROM THE PROPOSAL AS IT ORIGINALLY TOOK EFFECT

Variation to the CVA Contribution Level

- 6.1 On 5 October 2020, the Companies submitted a formal request to the Supervisors for them to consider the following variations to the Arrangements:
 - That the total CVA Creditor Fund Contributions to be reduced from £5,500,000 to £4,000,000;
 - That the total payable to the Triosgroup Debt Payment Fund to be reduced to £2,850,000; and
 - That the amount payable to the Triosgroup CVA in respect of the Triosgroup Debt be reduced to the amount contained within the revised Triosgroup Debt Payment Fund, resulting in a lower estimated dividend of 66.8p/£ (previously 100p/£) in full and final settlement of the Triosgroup Debt.
- 6.2 These variations were requested as, whilst the New Funding Facility was viable and progressing to completion, the initial drawdown was anticipated to be at a lower level than originally expected due to reduced Debtor and Work in Progress Receivables being available following the cyber incident. This meant that the Companies would not have sufficient free cash flow to enable the level of contribution to be paid as detailed within the Proposal.
- 6.3 Therefore, to ensure that the Companies retained sufficient working capital within the business, Triosgroup and TGFM Debtco each agreed to take commensurately lower dividends from the CVAs than those they were entitled to under the original terms.
- 6.4 Clause 37.1 of Section 2 of the Proposal states as follows in respect of a Non-Material Variation of the CVA:

The Supervisors will have the power at any time after the Effective Date, if they consider it expedient to do so, to modify the provisions of the Proposal provided such modifications do not materially alter the effect or economic substance of the CVA. The Supervisors shall inform the CVA Creditors and the Companies of any such modifications and such modifications shall be binding on the CVA Creditors and the Supervisors and the CVA shall be modified accordingly.
- 6.5 The variation did not impact any CVA Creditors other than Triosgroup Limited and TGFM Debtco Limited, each of whom provided their consent to the variations proposed. As a result, the Supervisors agreed these variations in line with their powers under the Proposal. Both Triosgroup Limited and TGFM Debtco Limited accepted the variations and countersigned the Variation Request Letter sent to them by the Companies.

Variation to the timing of the payment of the balance of CVA Contributions

- 6.6 Approval and completion of the New Funding Facility took longer than anticipated, and therefore the following variations were requested by the Companies to allow sufficient time for the New Funding Facility to complete and thus enable the Companies to transfer the CVA Contributions to the Supervisors:
- Clause 17.2 to be varied to allow a further period up to 20 October 2020
 - Clause 20.2(b) to be varied to allow a further period up to 20 October 2020
- 6.7 The Supervisors agreed this variation in line with their powers under the Proposal, in accordance with Clause 37.1 of Section 2.
- 6.8 The effects of the above variations on the original Proposal are detailed as follows:

Section 1 – Part I

- *Paragraph 4.5* – Total payments to fund the CVA reduced from £6,500,000 to £5,000,000.
- *Paragraph 4.6* - CVA Creditor Fund Contributions reduced from £5,500,000 to £4,000,000.
- *Paragraph 4.6* – Deadline for payment into the CVA Creditor Fund and the balancing payment to the CVA Cost Fund extended to 20 October 2020.
- *Paragraph 6.2* – The revised dividend in respect of the Triosgroup Debt is 66.8p/£ (previously 100p/£) in full and final settlement of the Triosgroup Debt.

Section 2 – Terms of the CVA

- *Clause 5.5 and 5.6* – It is estimated that Triosgroup will receive a dividend of 66.8p/£.
- *Clause 17.1* – The CVA Creditor Fund Contribution will now total £4,000,000, with the proposed £1,150,000 payment to the Compromised Creditors Payment Fund remaining the same and the Triosgroup Debt Payment Fund contribution reducing from £4,350,000 to £2,850,000.
- *Clause 17.2* - Deadline for payment to the CVA Creditor Fund was extended to 20 October 2020.
- *Clause 20.2(b)* - Deadline for the balancing payment of £250,000 to the CVA Cost Fund was extended to 20 October 2020.
- *Clause 19.2* – The amount of £2,850,000 is to be paid to the Triosgroup Debt Payment Fund.
- *Clause 22.1* – The Triosgroup Debt dividend is reduced from 100p/£ to 66.8p/£.

The Debtco Loan

- The Proposal provided details of TGFM Debtco's agreement to release a portion of the Debtco Loan from its securities over the Companies. This release was originally proposed at £16,342,597, with TGFM Debtco Limited retaining a secured liability of £1,300,000 ("Residual Secured liability").
- Under the terms of the Restructuring Agreement, the release of security by TGFM Debtco has reduced to £14,842,597, with the Residual Secured Liability increasing to £2,800,000.

7. OUTCOME FOR CREDITORS

- 7.1 The total amount owed to creditors at the commencement of the Arrangement was estimated by the Directors within the Statements of Affairs to be £30,417,101.
- 7.2 Since the commencement of the Arrangement, we have become aware of a number of additional creditors whose claims were not anticipated under the terms of the Proposal. We have also been contacted by some creditors advising that they have no claim, or that their claims differ from the amounts noted in the Statement of Affairs. All claims will be dealt with by the Supervisors in due course, and the outcome to the CVA Creditors will depend on their respective classifications as defined in the terms of the Proposal

- 7.3 In line with the terms of the Arrangement, the Claims Date for creditors to submit their claims is 8 December 2020. Following this date, claims will be reviewed and agreed by the Supervisors, with a first and final distribution anticipated to be made to creditors on or around 13 January 2021. A Notice of Intended Dividend has been provided to creditors with this final report providing further information in this respect.

8. JOINT SUPERVISORS' REMUNERATION & DISBURSEMENTS

- 8.1 Our remuneration has been fixed by reference to the time properly given by us (as Supervisors) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the Arrangement 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) in accordance with our firm's policy, details of which are attached at Appendix 2 of this report.
- 8.2 Our time costs for the period from 8 September 2020 to 20 October 2020 amount to £53,918 which represents 156 hours at an average rate of £345 per hour. An analysis of time costs incurred in this period is attached at Appendix 2 showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type. It is intended that the Time Costs Analysis and the information contained in this report will provide sufficient information to enable creditors to consider the level of those fees in the context of the case.
- 8.3 The following further information in relation to our time costs and disbursements is set out at Appendix 2:
- ❑ Begbies Traynor's charging policy; and
 - ❑ Time Costs Analysis for the period 8 September 2020 to 20 October 2020.
- 8.4 No Supervisors' fees or disbursements have been drawn to date. The costs incurred to date are to be paid from the CVA Cost Fund.
- 8.5 Following issue of the Completion Notice, we will continue to incur Supervisors costs, disbursements and expenses as work continues to agree creditor claims and distribute funds to these creditors. In accordance with the terms of the Proposals, these costs will be paid out of the CVA Cost Fund.
- 8.6 A copy of 'Voluntary Arrangements – A Creditors' Guide to Insolvency Practitioners' Fees (E&W) 2017' which provides guidance on creditors' rights can be obtained online at 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.

Supervisors' disbursements

- 8.7 No Category 2 Disbursements have been incurred during the Period.

Expenditure incurred to date

- 8.8 To date the expenditure incurred has not been significant in the context of the case and is in line with the terms of the agreed proposal.
- 8.9 Legal fees of £10,500 plus VAT have been incurred in respect of legal services provided by Pinsent Masons. These costs remain outstanding and will be settled from the CVA Cost Fund.
- 8.10 ERA Solutions have been instructed to assist the Supervisors with processing the claims of Redundant Employees. Their costs to date total £7,480 plus VAT and will be paid from the CVA Cost Fund.

Why have subcontractors been used?

- 8.11 No subcontractors have been used during the Period.

9. OTHER RELEVANT INFORMATION

Use of personal information

- 9.1 Finally, please note that notwithstanding that the CVA is being brought to an end, in the course of discharging our remaining duties as Supervisors, 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 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 contact us.

10. CONCLUSION

- 10.1 In light of the above information and the issuing of the Certificate of Full Implementation, the Arrangement has come to a successful completion, with the effective end date being 21 October 2020.
- 10.2 We have explained in correspondence our intentions with regard to vacating office.



Kirstie Jane Provan
Joint Supervisor

Dated: 21 October 2020

JOINT SUPERVISORS' ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 8 September 2020 to 21 October 2020

	£	£
ASSET REALISATIONS		
CVA Cost Fund	1,000,000.00	
CVA Creditor Fund	1,150,000.00	
Triosgroup Debt Payment Fund	<u>2,850,000.00</u>	
		5,000,000.00
COST OF REALISATIONS		
Advisory Fees	100,000.00	
Nominees' Fees	61,834.00	
Nominees' expenses	<u>1,236.97</u>	
		(163,070.97)
		<u><u>4,836,929.03</u></u>
REPRESENTED BY		
VAT		20,000.00
CVA Cost Fund		816,929.03
Compromised Creditor Payment Fund		1,150,000.00
TG Debt Payment Fund		2,850,000.00
		<u><u>4,836,929.03</u></u>

JOINT SUPERVISORS' TIME COSTS AND EXPENSES

- a. Begbies Traynor's charging policy; and
- b. Time Costs Analysis for the period from 8 September 2020 to 20 October 2020.
- c. Summary of work undertaken during the period of this report.

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 guidance¹ 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 guidance² 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):

- Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £150 per meeting;
- Car mileage is charged at the rate of 45 pence per mile; and
- 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

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

² Ibid 1

particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.

- (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

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 London office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour)
Consultant/Partner	710/645
Director	515
Senior Manager	440
Manager	410
Assistant Manager	315
Senior Administrator	290
Administrator	220
Trainee Administrator	160
Support	160

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.

SIP9 Trios – TMFL, TCL, TSL & TSZ – Company Voluntary Arrangement – 01TR385.CVA : Time Costs Analysis From 08/09/2020 To 20/10/2020

Staff Grade	Consultant/Partner	Director	Snr Mgr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	12.0			1.0					13.0	6,055.00	619.62
	Administration	0.5			2.3	8.4				11.2	3,483.00	310.96
	Total for General Case Administration and Planning:	12.5			3.3	8.4				24.2	11,538.00	476.78
	Appointment											0.00
Compliance with the Insolvency Act, Rules and best practice	Banking and Bonding		0.3			0.5			4.5	5.3	1,019.50	192.36
	Case Closure					10.1				10.1	2,920.00	290.00
	Statutory reporting and statement of affairs				6.2					6.2	2,563.00	315.00
	Total for Compliance with the Insolvency Act, Rules and best practice:		0.3		6.2	10.6			4.5	23.6	6,531.50	276.76
Investigations	CDOA and Investigations											0.00
	Total for Investigations:											0.00
	Debt collection											0.00
	Property, business and asset sales	3.9								3.9	2,515.50	645.00
Realisation of assets	Retention of Title/Third party assets											0.00
	Total for Realisation of assets:	3.9								3.9	2,515.50	645.00
	Trading											0.00
	Total for Trading:											0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured											0.00
	Others	4.1			69.7	3.1		5.5		102.4	32,679.00	319.13
	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	4.1			69.7	3.1		5.5		102.4	32,679.00	319.13
Other matters which includes seeking decisions of creditors, meetings, tax litigation, pensions and travel	Seeking decisions of creditors											0.00
	Meetings											0.00
	Other					0.8				0.8	232.00	290.00
	Tax		0.2			1.1				1.3	422.00	324.62
	Litigation											0.00
	Total for Other matters:		0.2			1.9				2.1	654.00	311.43
	Total hours by staff grade:	20.5	0.5		101.2	24.0		5.5	4.5	156.2		
	Total time cost by staff grade:	13,222.50	257.50		31,678.00	6,960.00		880.00	720.00		53,918.00	
	Average hourly rate £:	645.00	515.00	0.00	315.00	290.00	0.00	160.00	160.00			345.19
	Total fees drawn to date £:										0.00	

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?

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.

General case administration and planning

Work undertaken falling under this heading includes but is not limited to the following:

- Filing and general information gathering;
- Corresponding with various parties;
- Maintaining case files;
- Case strategy discussions; and
- Dealing with miscellaneous telephone calls and correspondence as received.

Although the above work is of no direct financial benefit to creditors, this work is required to efficiently and effectively progress the CVA.

Compliance with the Insolvency Act, Rules and best practice

Work undertaken falling under this heading includes ensuring compliance with the Act, Rules and best practice, and specifically dealing with:

- Ensuring adequate bordereau cover for each Company;
- Maintaining the CVA bank accounts and monitoring contributions;
- Handling of receipts and payments; and
- Preparing and sending statutory notices following our appointment as Supervisors.

Although not all the above work is of direct financial benefit to creditors, this work is required of us by the Act and the Rules.

Realisation of assets

The contributions received have been detailed in the receipts and payments account included at Appendix 1. We can confirm that all payments due from the Companies into the Arrangement, under the terms of the Proposal and subsequent variations, have now been received.

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

The majority of the time incurred during the Period has been in relation to work undertaken falling under this heading and relates to time spent liaising with the creditors with regards to the CVA. Due to the large number of trade creditors, substantial time has been spent in correspondence with these creditors in order to provide guidance around the process and also ensure that claims are received.

The adjudication process for agreeing creditor claims has also commenced. As a result, time spent in this regard has been recorded under this heading.

Time under this heading has also been spent assisting redundant employees with queries and ensuring their claims are processed and payment received in a timely manner.

Other matters which includes meetings, tax, litigation, pensions and travel

We have provided HM Revenue & Customs ("HMRC") with the initial notification of the CVA.

We have also submitted S120 notifications to the Pension Protection Fund for those Companies which have been identified.