

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 07417320

Company name in full Dalston Hub Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Meghan

Surname Andrews

3 Liquidator's address

Building name/number 2nd Floor Regis House

Street 45 King William Street

Post town London

County/Region

Postcode EC4R 9AN

Country

4 Liquidator's name ①

Full forename(s) Stephen Paul

Surname Grant

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 2nd Floor Regis House

Street 45 King William Street

Post town London

County/Region

Postcode EC4R 9AN

Country

② Other liquidator

Use this section to tell us about
another liquidator.

Notice of final account prior to dissolution in CVL

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6 Liquidator's release

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

□ □

7	Final account
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☒ I attach a copy of the final account.

8	Sign and date
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Liquidator's signature

Signature

X Mezzotiefs

Signature date

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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
Meghan Andrews

Company name
Azets HOLDings Limited

Address
2nd Floor Regis House

45 King William Street

Post town
London

County/Region

Postcode
E C 4 R 9 A N

Country

DX

Telephone
0207 403 1877

**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

Dalston Hub Limited - In Liquidation

Joint Liquidators' Final Account to Creditors and Members

14 April 2022

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1 Introduction

- 1.1 Meghan Andrews and Stephen Paul Grant of Azets, 2nd Floor, Regis House, 45 King William Street, London, EC4R 9AN, were appointed as Liquidators of Dalston Hub Limited ("the Company") on 26 November 2020 following conversion from Administration on the same day. The affairs of the Company are now fully wound-up and this is the Joint Liquidators' final account of the Liquidation, which covers the period since the last progress report, to 14 April 2022 ("the Period").
- 1.2 The trading address of the Company was 174-184 Ridley Road, London, E8 2NH.
- 1.3 The registered office of the Company was changed to 2nd Floor Regis House, 45 King William Street, London, EC4R 9AN and its registered number is 07417320.
- 1.4 The Company entered Administration on 10 July 2019 upon the application of the qualifying floating chargeholder, Metro Bank Plc. During the period of the Administration, the Company's sole asset, a property at 174-184 Ridley Road, London, E8 2NH was sold and after discharging the balance owed to the secured creditor, together with the costs of sale and the costs of the Administration, there were sufficient surplus funds available in order to pay a dividend to the unsecured creditors of the Company. An Administrator does not have the power to pay a dividend to unsecured creditors of a company without first obtaining a court order and as such, the Joint Administrators filed a Notice of Move from Administration to Creditors' Voluntary Liquidation with the Registrar of Companies. In accordance with the terms of the Joint Administrators' proposals, the Joint Administrators were appointed as Joint Liquidators.
- 1.5 Information about the way that the Joint Liquidators will use, and store personal data on insolvency appointments can be found at www.azets.co.uk/about-us/privacy-cookie-policy/. If you are unable to download this, please contact us and a hard copy will be provided to you.

2 Receipts and Payments

- 2.1 At Appendix A, is an account of the Joint Liquidators' Receipts and Payments for the Period together with a cumulative account since the commencement of the Joint Liquidators' appointment, which provides details of the asset realised in the Liquidation, the costs and expenses of the Liquidation that have been paid from the funds in the Liquidation, the dividend that has been paid to the unsecured creditors of the Company and the funds that have been distributed to the sole shareholder. remuneration charged and expenses incurred and paid by the Liquidators.
- 2.2 Please note that a Receipts and Payments Account would ordinarily include details of the information that had been included on the Statement of Affairs that had been prepared by the director for the Liquidation however, in this case, since the Company was in Administration prior to being in Liquidation, there was no requirement for a Statement of Affairs to be prepared in the Liquidation. As referred to below the only asset to be dealt with in the Liquidation was the cash balance that was transferred from the Administration.
- 2.3 The Liquidation bank account was held with Metro Bank plc and was non-interest bearing. The account has been brought to nil as part of the formalities of finalising the Liquidation and will now be closed.

3 Work Undertaken by the Joint Liquidators

- 3.1 This section of the report provides creditors with an overview of the work undertaken in the Period, together with information on the overall outcome of the Liquidation.

Administration (including statutory compliance & reporting)

- 3.2 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work that the Joint Liquidators' anticipated undertaking in this regard was outlined in the initial fees estimate which was approved by creditors on 9 March 2021.

- 3.3 The following work has been undertaken in the Period in this respect:-

- Preparation of the annual progress report on the conduct of the Liquidation, including circulating to creditors and filing with the Registrar of Companies;
- Periodic case progression reviews;
- Maintaining and managing the Liquidation estate cashbook and bank account;
- Continuing to chase HM Revenue & Customs for their confirmation of their agreement to the corporation tax calculations to account for the disposal of the Company's property;
- Once confirmation received from HM Revenue & Customs of the tax to be paid, arranging for the payment of the same; and
- Requesting tax clearance to close the Liquidation from HM Revenue & Customs and chasing regularly until received.

- 3.4 The following work has been undertaken in addition to the above, during the whole of the Liquidation in this respect:-

- Notifying creditors' of the Joint Liquidators' appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House;
- Complying with statutory duties in respect of the Joint Liquidators' specific penalty bond;
- Creation and update of case files on the firm's insolvency software;
- Periodic case progression reviews (typically at the end of Month 1 and every 6 months thereafter);
- Opening, maintaining and managing the Liquidation estate cashbook and bank account;
- Dealing with all post-appointment corporation tax compliance, including accounting for the tax arising on the disposal of the Company's property at Ridley Road, which was sold in the preceding Administration;
- Liaising with the secured creditor to obtain a summary of the loan repayment, split between interest repayments and capital repayments for the purposes of the corporation tax returns; and
- Regularly chasing HM Revenue & Customs for confirmation of their agreement to the corporation tax calculations in order to settle the tax arising as an expense of the Liquidation.

- 3.5 Where the costs of statutory compliance work or reporting to creditors has exceeded the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Joint Liquidators. In this case, the realisations were not protracted but the Liquidation has been ongoing longer than was anticipated owing to the protracted correspondence with HM Revenue & Customs to initially obtain their agreement to the Joint Liquidators' calculation of the tax payable on the disposal of the property in the

Administration period and latterly, to obtain their confirmation that all liabilities had been paid and correctly allocated to the Company's tax records such that they did not have any objections to the closure of the Liquidation.

- 3.6 As noted in the initial fees estimate, this work will not necessarily bring any financial benefit to creditors but is required on every case by statute.

Realisation of Assets

- 3.7 All of the Company's assets were realised during the period of the Administration.
- 3.8 At the date of conversion from Administration to Liquidation, there was a balance held in the Administration bank account of £2,482,400.93 which was transferred to the Liquidation account.
- 3.9 No other assets have been identified during the Period.
- 3.10 The work that the Joint Liquidators and their staff have undertaken has brought a financial benefit to the creditors because it has enabled a dividend of 100 pence in the £ to be declared against their claims and for statutory interest to be paid on their liabilities for the period from the date of Administration to the date of payment. Furthermore it has enabled funds of £2,105,686.17 to be distributed to the Company's sole shareholder against its shares.

Creditors (claims and distributions)

- 3.11 The Joint Liquidators are not only required to deal with correspondence and claims from unsecured creditors, but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture. The Company did not have any secured or preferential creditors at the date of Liquidation and as such, no work in this respect was required.
- 3.12 Work undertaken by the Joint Liquidators in dealing with a company's creditors may only therefore bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however Liquidators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Joint Liquidators in dealing with those claims. The Company did not have a significant number of creditors however, a large, complex claim was received which had not been listed on the Statement of Affairs or the Company's records and as such the Joint Liquidators required the assistance of legal advisors to adjudicate on this claim.
- 3.13 More information on the outcome for all classes of creditor in the Liquidation can be found in Section 4 below.

Investigations

- 3.14 You may recall from the Joint Liquidators' first progress report to creditors that some of the work the Joint Liquidators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 ("CDDA 1986") and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and

may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Joint Liquidators can pursue for the benefit of creditors.

- 3.15 The statutory report on the conduct of the director of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the Administration and unless additional matters have come to the attention of the Joint Liquidators, a further report is not required to be submitted where the Liquidation follows an Administration. No additional reporting was required.
- 3.16 Since the last progress report issued in this matter, the Joint Liquidators have not identified any other matters to be investigated and pursued which would increase the monies available in the Liquidation for distribution.

4 Outcome for Creditors

Secured Creditors

- 4.1 There is a fixed and floating charge over the Company's assets registered at Companies House in favour of Metro Bank Plc.
- 4.2 The indebtedness to Metro Bank Plc was paid in full in the Administration such that they had no claim in the Liquidation under the fixed and floating charge.

Preferential Creditors

- 4.3 The Company did not have any employees and as such did not have any preferential creditors.

Unsecured Creditors

- 4.4 The Statement of Affairs that the director of the Company prepared in the Administration indicated that there were two creditors whose debts totalled £86,539.53.
- 4.5 As creditors will recall from the previous report issued in the Liquidation, following the Joint Liquidators' appointment a notice was issued to those creditors or potential creditors that the Joint Liquidators were aware of, that hadn't submitted claims giving them a final opportunity to do so before the dividend was declared.
- 4.6 Claims totalling £2,140,960.96 were received from six creditors, including a claim in the amount of £2,085,736.79 from Allenbrooke Plc (in Liquidation) which had not been referenced on the Statement of Affairs and nor was it included in the Company's books and records. Owing to the size and complexity of the claim, the Joint Liquidators sought independent legal advice on the validity of the claim from Howard Kennedy LLP.
- 4.7 Following receipt of this advice, the full balance of the claim from Allenbrooke Plc (in Liquidation) was rejected. In addition to the rejection of this claim, the Joint Liquidators rejected a claim received from Affinity Commercial LLP who, despite numerous requests failed to provide sufficient supporting documentation for their claim.
- 4.8 Neither creditor made an application to appeal the Joint Liquidators' decision and as such, once the period for appeals had expired, the Joint Liquidators declared a first and final distribution of 100 pence in the £ to four creditors with claims totalling £42,224.15. In

addition, these creditors received statutory interest on their claims at a rate of 8% per annum from the date of Administration to the date of payment.

Shareholder Distributions

- 4.9 The sole shareholder of the Company is White & Co Property Partners Limited (in Administration).
- 4.10 Owing to the significant surplus in the Liquidation, after settling the unsecured creditors' claims in full together with statutory interest, it has been possible to declare a number of distributions to the shareholder against the shares held.
- 4.11 On 3 June 2021, a first interim distribution was declared to the shareholder against the 2 ordinary shares held. The rate of the distribution was £750,000.00 per £1 ordinary share and resulted in a payment of £1,500,000.00.
- 4.12 On 31 January 2022, a further interim distribution was declared to the shareholder and a payment in the amount of £500,000.00 was made, representing a distribution of £250,000.00 per £1 ordinary share.
- 4.13 Following receipt of tax clearance from HM Revenue & Customs, a final distribution was declared to the sole shareholder on 13 April 2022 at a rate of £52,843.08 per £1 ordinary share, resulting in a payment of £105,686.17 to the shareholder.
- 4.14 Total distributions of £1,052,843.08 per £ ordinary share have been declared to the shareholder, resulting in total payments of £2,105,686.17 having been made.

5 Joint Liquidators' Remuneration & Expenses

- 5.1 Where a company in Administration subsequently moves into Liquidation under Paragraph 83 of Schedule B1 to the Insolvency Act 1986 and the Administrators become the Liquidators, the basis of fees fixed in the earlier Administration automatically transfers to the subsequent Liquidation. Administrators are able to provide a fees estimate for the Liquidation (if they envisage the Company will move into Liquidation on exit from the Administration) either with their proposals in the earlier Administration or following their appointment as Liquidators. In this case, the creditors had approved a fixed fee of £25,000.00 plus VAT and expenses as the basis of the Joint Administrators' fees, including the subsequent fees for acting as Joint Liquidators.
- 5.2 There had been substantially more work required in the Administration than had been anticipated, owing to the complex issues that had arisen during the course of the sale of the Company's property and as a result of these issues, the costs that had been incurred significantly exceeded the fee that had been agreed. The work that had been necessarily undertaken had resulted in the property being sold for £4,250,000.00 which had resulted in a surplus of approximately £2,400,000.00 being available for the unsecured creditors. A decision procedure of the creditors was convened for 9 March 2021 by correspondence, to seek the creditors' approval for a further fixed fee to be paid to the former Joint Administrators' of £25,000.00 plus VAT. This resolution was approved and this additional fee was paid as an expense of the Liquidation.
- 5.3 Furthermore, owing to the additional work that had been required in the Administration and the additional costs that had been incurred as a result, there was no provision remaining for

the costs of dealing with the Liquidation, in particular the adjudication of the unsecured creditors' claims and the payment of the dividend. The Joint Liquidators sought a resolution to approve their remuneration for dealing with the work required in the Liquidation on a time cost basis and circulated their time cost budget to the creditors on 18 February 2021. At the decision by correspondence held on 9 March 2021, the creditors' approved the resolution for the Joint Liquidators' remuneration to be drawn on a time cost basis.

- 5.4 A copy of the approved fees estimate for the Liquidation is reproduced below:

<i>Category of Work</i>	<i>Estimated Number of Hours</i>	<i>Average Chargeout Rate</i>	<i>Estimated Cost</i>
Administration (inc statutory compliance & reporting)	18.40	£347.88	£6,401.00
Realisation of assets	0.60	£385.00	£231.00
Creditors (claims & distributions)	17.50	£398.60	£6,975.50
Investigations	-	-	-
Total Estimated Fees	36.50	£372.81	£13,607.50

- 5.5 The Joint Liquidators' total time costs for the Period are £2,999.40. This represents 9.00 hours at an average rate of £356.43 per hour. Attached at Appendix B is a breakdown of the time costs that have been incurred by activity and staff grade in the Period in respect of the costs fixed by reference to time properly spent by the Joint Liquidators and their staff in managing the Liquidation.
- 5.6 The total time costs incurred in the Liquidation, amount to £14,934.30 being 41.90 hours at an average chargeout rate of £356.42. Attached at Appendix C is a breakdown of the time costs that have been incurred for the whole period of the Liquidation, by activity and staff grade, in respect of the costs fixed by reference to time properly spent by the Joint Liquidators and their staff in managing the Liquidation.
- 5.7 Fees totalling £13,607.50 have been drawn from the funds available in the Liquidation, with £4,113.50 of this balance having been drawn in the Period. The balance of the time costs incurred has been written off.

Expenses

- 5.8 The following expenses have been incurred in the Liquidation during the Period:-

<i>Expense</i>	<i>Anticipated Cost</i>	<i>Incurred in Prior Period</i>	<i>Incurred in Period</i>
Statutory Advertising	-	£173.30	-
Statutory Insurance Bond	£118.75	£118.75	-
Storage Costs	£71.40	-	£71.40

The full balance of these expenses has been settled from the funds in the Liquidation.

- 5.9 As previously advised, owing to an administrative error, the costs of the statutory advertising that would be required in the Liquidation, namely the advert of the appointment of the Joint Liquidators and the advert for claims, were not included in the Joint Liquidators' fee budget report. Since these expenses are category 1 expenses, they do not require prior approval from

the creditors but the Joint Liquidators are required to identify where these expenses have exceeded any estimate that was provided, which owing to the administrative error is the case here.

- 5.10 In addition to those expenses incurred above, the Joint Liquidators identified as part of their review of the claim received in the Liquidation from Otis Limited that part of their claim related to invoices raised during the period of the Administration in relation to servicing the lift at the property. These invoices were not a valid claim in the Liquidation for dividend purposes but were an expense of the Administration which were required to be settled. A payment in the amount of £2,402.84 was made in this respect.
- 5.11 As previously advised, the Company is required to account to HM Revenue & Customs in relation to the tax arising on the disposal of the property at Ridley Road, including any tax arising on the rental income received prior to its sale. This tax was calculated to amount to £270,553.00 and was required to be paid as expense of the Liquidation. The relevant corporation tax returns were prepared by the Company's former accountants (see below) and upon receipt of HM Revenue & Customs acknowledgement of the calculations, the full balance of the tax was settled from the funds held in the Liquidation.

Professional Fees

- 5.12 As previously advised, the Joint Liquidators' instructed Howard Kennedy LLP to provide advice regarding the validity of the claim that had been submitted in the Liquidation by Allenbrooke Plc (in Liquidation). It was agreed that they would be paid on the basis of their time costs incurred for this work. The total costs incurred in this respect amounted to £2,000.00 plus VAT and these have been paid in full from the funds held in the Liquidation. No further work was required by Howard Kennedy LLP and as such they closed their files.
- 5.13 In addition, the Joint Liquidators instructed the Company's former accountants, Goldwyns, to prepare the corporation tax calculations and to submit the relevant returns to HM Revenue & Customs. The Joint Liquidators also requested that they submit the outstanding corporation tax return for the final period prior to Administration since it was evident that a dividend was going to be paid to the unsecured creditors of the Company so the submission of this return would enable HM Revenue & Customs to accurately quantify their claim for dividend purposes. It was agreed that Goldwyns would be paid on the basis of their time costs incurred for this work and payment in the amount of £3,590.00 plus VAT was made to them in this respect in the Period. No further work was required by Goldwyns and as such, they closed their files.
- 5.14 The choice of professionals was based on the Joint Liquidators' perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. The Joint Liquidators also considered whether the basis on which they were charging their fees represented value for money and was reasonable in the circumstances of the case.
- 5.15 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from our website at www.azets.co.uk/media/lybj2if4/liquidation-a_guide_for_creditors_on_insolvency_practitioners_fees- version_1_april_2021.pdf.
- 5.16 Attached as Appendix E is additional information in relation to the Joint Liquidators' fees and expenses.

6 Conclusion

- 6.1 This final account will conclude the Joint Liquidators' administration of this case. The Notice accompanying this account explains creditors rights on receipt of this information and also when the Joint Liquidators will vacate office and obtain their release.



Meghan Andrews
Joint Liquidator

Appendix A

Receipts and Payments Account from 26 November 2021 to 14 April 2022 incorporating Cumulative Receipts and Payments Account for Period from 26 November 2020 to 14 April 2022

Dalston Hub Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 26/11/2020 To 25/11/2021 (£)	From 26/11/2021 To 14/04/2022 (£)	Total (£)
Transfer from Administration		2,482,400.93	0.00	2,482,400.93
		2,482,400.93	0.00	2,482,400.93
PAYMENTS				
Accountant Fees		3,590.00	0.00	3,590.00
Former Joint Administrators' Fees		25,000.00	118.75	25,118.75
Joint Liquidators' Fees		9,494.00	4,113.50	13,607.50
Joint Liquidators' Expenses		0.00	244.70	244.70
Legal Fees		2,000.00	0.00	2,000.00
Corporation Tax		270,553.00	0.00	270,553.00
VAT		8,016.80	895.39	8,912.19
Other Property Expenses		2,402.84	0.00	2,402.84
Unsecured Creditors		50,285.78	0.00	50,285.78
Ordinary Shareholders		1,500,000.00	605,686.17	2,105,686.17
		1,871,342.42	611,058.51	2,482,400.93
Net Receipts/(Payments)		611,058.51	(611,058.51)	0.00
MADE UP AS FOLLOWS				
Bank 1 Current		611,058.51	(611,058.51)	0.00
		611,058.51	(611,058.51)	0.00

Note:

Appendix B

Time Analysis for the Period from 26 November 2021 to 14 April 2022

Analysis of Joint Liquidators' Time Costs

Period: 26 November 2021 to 14 April 2022

	Partner / Director (hours)	Manager (hours)	(Senior) Administrators (hours)	Junior Administrators/ Support Staff (hours)	Estimated Total (hours)	Estimated Total Cost	Average Hourly Rate
Administration (inc. statutory compliance & reporting)	4.20	-	-	2.40	6.60	£1,960.40	£297.03
Realisation of Assets	-	-	-	-	-	-	-
Creditors (claims & distributions)	2.40	-	-	-	2.40	£1,039.00	£432.92
Investigations	-	-	-	-	-	-	-
Total Hours by Staff Grade	6.60	-	-	2.40	-	-	-
Total Costs by Staff Grade	£2,745.40	-	-	£254.00	-	-	-
Totals	-	-	-	-	9.00	£2,999.40	£356.43

Appendix C

Cumulative Time Analysis for the Period from 26 November 2020 to 14 April 2022

Analysis of Joint Liquidators' Time Costs

Period: 26 November 2020 to 14 April 2022

	Partner / Director (hours)	Manager (hours)	(Senior) Administrators (hours)	Junior Administrators/ Support Staff (hours)	Estimated Total (hours)	Estimated Total Cost	Average Hourly Rate
Administration (inc. statutory compliance & reporting)	19.10	-	-	5.60	24.70	£8,191.80	£331.65
Realisation of Assets	0.60	-	-	-	0.60	£231.00	£385.00
Creditors (claims & distributions)	16.60	-	-	-	16.60	£6,511.50	£392.26
Investigations	-	-	-	-	-	-	-
Total Hours by Staff Grade	36.30	-	-	5.60	-	-	-
Total Costs by Staff Grade	£14,388.30	-	-	£546.00	-	-	-
Totals	-	-	-	-	41.90	£14,934.30	£356.42

Appendix D

Additional Information in Relation to the Joint Liquidators' Fees and Expenses



AZETS HOLDINGS LIMITED – FEES AND EXPENSES POLICY

Introduction

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.creditorsolvencyguide.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 9 (SIP 9) and can be accessed at <https://www.azets.co.uk/restructuring-and-insolvency/downloads/>. A hard copy may be requested from Azets Holdings Limited, 2nd Floor Regis House, 45 King William Street, London, EC4R 9AN or meghan.andrews@azets.co.uk.

Staff Allocation and Charge Out Rates

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, Senior Manager or Manager and a Senior or Associate. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several Seniors or Associates may be allocated to meet the demands of the case.

We operate a time recording system which allows staff working on the assignment along with the office holders to allocate their time to an assignment in 6 minute units.

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

Time costs are recorded at the individual's hourly rate in force at that time. Our charge out rates are shown below and the rates shown are exclusive of VAT.

1 February 2022 to date		£	3 December 2018 to 31 January 2022		£
Partners/Directors	400.00 – 580.00		Partners	430.00 - 470.00	
Managers	280.00 – 375.00		Directors/Managers	210.00 - 390.00	
Administrators	130.00 – 275.00		Administrators	110.00 - 210.00	
Support Staff	120.00		Junior/Trainee Administrators	95.00 - 200.00	
			Cashiers/Secretaries	60.00 - 100.00	

Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rate for undertaking such work.

Please note that charge out rates are reviewed annually and may be subject to change.

Expenses

On insolvency appointments, an office holder will typically incur expenses which relate to that assignment. Expenses (or costs) are amounts properly payable by an office holder from an insolvency estate which are not otherwise categorised as the office holder's remuneration or a distribution to a creditor or shareholder. These expenses may include, but are not limited to, agent's costs for disposal and realisation of assets, legal costs, specialist pension advice, tax services or other routine expenses associated with an insolvency appointment such as statutory advertising costs, the office holder's specific penalty bond and costs associated with storing the books and records. Expenses also include disbursements which are payments that are first met by the office holder and then reimbursed at a later date from the estate, usually when realisations permit. Details of the anticipated expenses on an insolvency assignment will be outlined in the office holder's fees estimate or other information provided to creditors about the fee basis or bases being proposed.

Expenses recharged to, or incurred directly by, an insolvent estate are subject to VAT at the applicable rate where appropriate.

Some expenses can be paid without prior approval from creditors (referred to as Category 1 expenses) and other expenses which may have an element of shared costs or are proposed to be paid to an associate of the office holder, require approval before they can be paid (referred to as Category 2 expenses).

Category 1 expenses are directly referable to an invoice from a third party that is not an associate of the office holder or the firm, which is either in the name of the estate or Azets Holdings Limited; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the insolvency estate. These costs are recoverable 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.

Category 2 expenses are directly attributable to the estate but include an element of shared costs or is a payment to an associate of the office holder or the firm. These expenses are recoverable from the estate, subject to the prior approval of the creditors, in the same manner as the approval of the office holder's remuneration.

The Category 2 expenses which include an element of shared costs and are charged by this firm are as follows:

- Postage – charged in accordance with the current Royal Mail price guide for first class.
- Business mileage – charged at standard rates which comply with HM Revenue & Customs limits. The current rate is 45 pence per mile.
- Internal photocopying - charged at 5 pence per sheet for reports and circulars issued to creditors, shareholders, employees and other stakeholders. No additional charge is made for individual items of correspondence.

Please note that these category 2 expenses are reviewed annually and may be subject to change.

Payments to associates (as defined in Section 435 of the Insolvency Act 1986 and the Insolvency Code of Ethics), which are also classified as a category 2 expense requiring creditor approval, are not routinely made by this firm. Any such payments will be considered on a case by case basis and when seeking approval for the payments, the office holder will provide creditors with an explanation of the work to be done, why the work is necessary and the estimated payment that will be made. The form and nature of the relationship with the associate will also be provided.

Provision of Services Regulations

When carrying out all professional work relating to an insolvency appointment, Insolvency Practitioners are bound by the Insolvency Code of Ethics.

To comply with the Provision of Service Regulations, some general information about Azets Holdings Limited, including our complaints policy and Professional Indemnity Insurance and the Insolvency Code of Ethics, is available on our website using the following link: www.azets.co.uk/about-us/legal-regulatory-information/.