

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

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

### 1 Company details

Company number 0 7 8 5 5 6 5 0

Company name in full Bemus Construction Services Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) John

Surname Radford

### 3 Liquidator's address

Building name/number Stanmore House

Street 64-68 Blackburn Street

Post town Radcliffe

County/Region Manchester

Postcode M 2 6 2 J S

Country

### 4 Liquidator's name ①

Full forename(s)

Surname

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode


Country

#### ② Other liquidator

Use this section to tell us about  
another liquidator.

# LIQ03

## Notice of progress report in voluntary winding up

<b>6</b>	<b>Period of progress report</b>												
From date	<sup>d</sup>	2	<sup>d</sup>	3	<sup>m</sup>	1	<sup>m</sup>	0	<sup>y</sup>	2	<sup>y</sup>	0	
To date	<sup>d</sup>	2	<sup>d</sup>	2	<sup>m</sup>	1	<sup>m</sup>	0	<sup>y</sup>	2	<sup>y</sup>	0	
<b>7</b>	<b>Progress report</b>												
<input checked="" type="checkbox"/> The progress report is attached													
<b>8</b>	<b>Sign and date</b>												
Liquidator's signature	<div>Signature</div> <div>  </div>												
Signature date	<sup>d</sup>	2	<sup>d</sup>	2	<sup>m</sup>	1	<sup>m</sup>	2	<sup>y</sup>	2	<sup>y</sup>	0	

**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 **John Radford**

Company name **Lucas Ross Limited**

Address **Stanmore House**

**64-68 Blackburn Street**

Post town **Radcliffe**

County/Region **Manchester**

Postcode **M 2 6 2 J S**

Country

DX

Telephone

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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

Bemus Construction Services Limited  
(In Liquidation)  
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 23/10/2020 To 22/10/2021 £	From 23/10/2020 To 22/10/2021 £
	ASSET REALISATIONS		
Uncertain	Cash at Bank	NIL	NIL
304,500.00	Debtors - Completed	NIL	NIL
290,000.00	Debtors - Work In Progress	NIL	NIL
1,100.00	Furniture, Fixtures & Equipment	3,642.00	3,642.00
4,800.00	Motor Vehicles	5,150.00	5,150.00
14,800.00	Stock	NIL	NIL
Uncertain	Utility Claim	NIL	NIL
		8,792.00	8,792.00
	COST OF REALISATIONS		
	Agents/Valuers Fees	4,076.36	4,076.36
	Insurance of Assets	417.00	417.00
		(4,493.36)	(4,493.36)
	PREFERENTIAL CREDITORS		
(87,641.41)	RPS/Employees - Arrears & Holiday Pa	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(70,000.00)	Bank - NatWest	NIL	NIL
(856,982.48)	Connected Company	NIL	NIL
(280,666.72)	Employees / Redundancy Payments Se	NIL	NIL
(300,000.00)	HM Revenue & Customs	NIL	NIL
(3,655,055.62)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(4,635,246.23)		4,298.64	4,298.64
	REPRESENTED BY		
	Bank 1 Current		5,241.77
	Vat Payable		(1,758.40)
	Vat Receivable		815.27
			4,298.64

# **BEMUS CONSTRUCTION SERVICES LIMITED - IN LIQUIDATION**

**Liquidator's first Annual Progress Report pursuant to  
Section 104A of the Insolvency Act 1986  
For the period from 23 October 2020 to 22 October 2021**

# BEMUS CONSTRUCTION SERVICES LIMITED - IN LIQUIDATION PROGRESS REPORT

## 1. INTRODUCTION, CREDITORS' RIGHTS AND ABBREVIATIONS

The following abbreviations will be used as appropriate throughout this report:

Act	Insolvency Act 1986
CDDA	Company Directors Disqualification Act 1986
Company	Bemus Construction Services Limited
Liquidator	Kevin Lucas of Lucas Ross Limited Stanmore House, 64-68 Blackburn Street, Radcliffe, Manchester, M26 2JS
Rules or Rule	Insolvency Rules 2016
SIP2	Statement of Insolvency Practice Number 2 - Investigations by office holders in administration and insolvent liquidations
SofA	Statement of Affairs signed by the directors at the start of the process

A resolution to wind up the Company was passed on 23 October 2020, when the Liquidator was appointed.

This is the first annual progress report to creditors and covers the period from 23 October 2020 to 22 October 2021 and is issued pursuant to Section 104A of the Act to provide creditors with an update on the progress of the Liquidation. This report should be read in conjunction with any previous reports.

### Creditors' rights

At the end of this report is an extract from the Insolvency Rules 2016 setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the liquidation. Creditors may access information setting out creditors' rights in respect of the approval of Liquidator's remuneration free of charge from this office on request

Complaints about Insolvency Practitioners should be made to the office of the relevant Liquidator in the first instance. If you are not satisfied with the response, the Insolvency Service has a central gateway for considering complaints. This gateway can be found at <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue a complaint.

All Licensed Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work. The Insolvency Code of Ethics can be found at <https://www.icaew.com/-/media/corporate/files/technical/ethics/insolvency-code-of-ethics.ashx?la=en>

**BEMUS CONSTRUCTION SERVICES LIMITED - IN LIQUIDATION  
PROGRESS REPORT**

**2. STATUTORY INFORMATION**

Date of appointment of the Liquidator: 23 October 2020

Trading style(s) of the Company:

Registered number: 07855650

Registered office: Stanmore House, 64-68 Blackburn Street,  
Manchester, M26 2JS

Changes in office holder: None in the review period itself. Pursuant to a block transfer order John Radford will be replacing Kevin Lucas as Liquidator with effect from 30 November 2021.

**3. PROGRESS OF THE LIQUIDATION DURING THE PERIOD**

**Fixtures and Fittings**

The SofA detailed fixtures and fittings with a book value of £16,999 and estimated to realise figure of £1,100. These assets had been inspected and valued by JPS Chartered Surveyors ("JPS") by the Liquidator in the period prior to his appointment. Given their familiarity with the assets, JPS were retained to assist with removal, storage and sale of the relevant items.

The Company had ceased trading in August 2020 and the premises were left unoccupied for a period prior to the Company going into liquidation. In the period immediately following the Liquidator's appointment, attempts were made to gain access to the site and premises, but sadly delivery up of keys and other information to permit access without causing damage or incurring associated costs was not provided.

Upon the very first visit to the premises it was apparent that the site had been the subject of multiple acts of vandalism and/or break-ins creating further delays in obtaining access. It is unclear whether this happened in the period between cessation of trade and the appointment of the Liquidator or shortly thereafter.

When access was finally possible, JPS advised that they believed further thefts and/or attempts at theft had taken place. Reports were made by the Liquidator and JPS to the police and insurer. Due to a lack of available evidence of what had been stolen and in particular when it had taken place, it was not possible for any insurance claim to be made for the benefit of creditors. Given JPS' earlier valuation advice, it was however not believed there had been any noticeable loss to creditors and therefore it was decided it would not be commercially beneficial for creditors for the liquidator to seek to challenge the rejection of the insurance claim. Therefore, no further action was taken by the liquidator

Once access was obtained, the absence of light or power being available and its unsafe internal condition made the collection of assets and records more difficult than anticipated and costs were higher than expected.

## **BEMUS CONSTRUCTION SERVICES LIMITED - IN LIQUIDATION PROGRESS REPORT**

JPS removed a quantity of items which were subsequently sold at auction. A number of items were abandoned at the trading premises on the advice JPS who only removed items they considered had any likely resale value in excess of the costs and time to uplift. As such the Liquidator subsequently disclaimed any interest in the building and its contents.

Creditors are directed to the commentary under stock for details of the sums realised during the auction.

### **Stock**

The SofA disclosed book and estimated to realise values of £180,472 and £14,800 respectively.

The realisation of stock was also affected by the possible thefts and/or vandalism outlined above. JPS removed any items they believed had any likely resale value, and recommended any remaining items on the premises were abandoned and disclaimed. Due to the fact items were sold in auction as grouped lots, there was no breakdown available for realisations covering the items under the two headings of Fixtures and Fittings and Stock.

The value realised for the both categories of assets - fixtures and fittings and stock - was £3,642 and has been fully allocated against this category in the receipts and payments account.

### **Motor Vehicles**

The SofA disclosed a book value of £13,082 and estimated to realise £4,800. JPS removed and sold the van at auction. The sum of £5,150 was realised.

### **Book Debts (Work-in-Progress), Book Debts (Completed), and Utility Claim**

These 3 categories of assets were disclosed on the SofA with book and estimated to realise values respectively of £3,686,620 and estimated to realise £290,000; £1,287,048 and estimated to realise £304,500; and £60,000 and estimated to realise as "uncertain".

Naismiths, who are a firm of specialist construction surveyors who specialise in insolvency situations were instructed to assist the proposed Liquidator prior to appointment. Their services were then retained by the Liquidator following the confirmation of his appointment.

The estimated to realise values provided in the statement of affairs were arrived at by Naismiths following initial discussions with the director and reviewing information made available at that time.

During the period Naismiths have been liaising with the relevant customers in relation to book debts (work-in-progress) and book debts (completed), and in their latest report have advised that the overall outlook in respect of potential realisations is not positive.

The principal reasons are that the majority of the customers have cited counterclaims and disputes, owing to the fact the Liquidation led to a number of ongoing works not being completed, and completed contracts requiring remedial works, which of course the Company in liquidation is not able to fulfil leading to the instruction of new third parties whose costs are higher than if the Company had done the work.



## BEMUS CONSTRUCTION SERVICES LIMITED - IN LIQUIDATION PROGRESS REPORT

The Liquidator is also advised that the Covid-19 pandemic has slowed the discovery and investigation of previously both wholly and partly completed works. There have therefore been a number of defect periods that will not expire until 2022.

As a result, the prospect of recoveries remains very uncertain. The majority of debtors have also adjusted their accounts to factor in loss adjusted damages and remedial works and are now holding themselves out to be creditors of the Company.

Despite this outlook in relation to most matters, Naismiths did recover the sum of £6,500 during the period.

In relation to the Utility debts, their initial opinion was that a best-case scenario was a recovery of £20,000 and in a worst-case scenario no recovery would be made. They believed extensive costs would be needed to estimate and establish the liability, whilst specialist knowledge of the contract itself may be required, and ultimately the economics of recovery may be questioned. No recoveries have been made and the matter remains ongoing.

### Cash at Bank

The SofA disclosed book and estimated to realise values as “uncertain”. Despite a number of requests, the Liquidator has not received any response from NatWest Bank and is now affording the bank one further opportunity before considering issuing an application to the court to secure delivery up of information relating to the bank’s dealings with the Company.

Investigations to date have suggested that the NatWest, will be a net creditor of the Company. If this proves to be correct, any credit balance that was held by the bank at the date of Liquidation is likely to have been set-off against a purported loan debt to the bank.

It is anticipated that creditors will be able to be provided with confirmation of the position as at the date of liquidation in the next progress report.

### Investigations

Investigations have been undertaken in accordance with SIP2, which has included a review of:

- a) SofA
- b) Questionnaires submitted by directors of the Company who acted in the 3 years prior to the commencement of the liquidation
- c) The Company’s available financial information (including bank statements and management accounts)

The Liquidator has submitted his report to Department for Business, Energy & Industrial Strategy. This report is confidential as is the decision taken upon whether disqualification proceedings should be taken forward.

The Liquidator’s initial investigations highlighted that there were a number of areas that required further investigation to be able to be satisfied that no rights of action may exist to the liquidator. Concerns were expressed in particular in relation to dealings between the Company and companies connected by common directors, in particular Bemus Plant Limited who purportedly acquired ownership of the assets in the years prior to liquidation before entering agreements to rent these back to the Company; and general movements in funds in

## BEMUS CONSTRUCTION SERVICES LIMITED - IN LIQUIDATION PROGRESS REPORT

the last 6 months of the Company's existence particularly after the Company took on CBILS borrowings. Lastly, it has become apparent that the director failed to carry out the necessary consultation with employees prior to making more than 20 redundancies in any one establishment and the Company may now suffer increased claims as a result of this action, which may be considered a breach of duties.

Investigations were undertaken with lenders, creditors and customers of the Company about the Company's dealings and affairs in the period prior to liquidation.

Despite a number of requests of customers, suppliers and lenders, not all have been forthcoming with information. This lack of co-operation and/or lack of substantive information available has hindered the Liquidator's overall investigations. No proceedings have been issued against un-cooperative third parties to date.

Attempts were made to secure interviews with the Company director in the months following the liquidation and with little demonstrable co-operation. The Liquidator instructed Primas Law Solicitors, an independent firm regulated by the Solicitors Regulatory Authority and who have an insolvency specialism to take action to secure the co-operation of the director of the Company to comply with his statutory duties, including issuing court proceedings should he remain uncooperative.

The instruction of Primas Law did lead to co-operation being received and ultimately an interview was held on 23 April 2021 via Microsoft Teams where a representative from the Liquidator's office attended with a representative from Primas Law and met with the director and a representative from Salimian and Co Accountants assisting with director.

Following the interview it was agreed a transcript would be obtained and provided to parties upon request. The Liquidator instructed Apple Transcription Services to transcribe the recorded interview.

At the end of the interview there were a number of further questions and/or pieces of information to be provided. It was agreed a further meeting would take place, which was arranged for 10 June 2021 and held at the offices of Salimian and Co, advisers to the director.

Again, at the end of the meeting it was agreed further information would be provided. In the weeks that followed the director again sadly fell silent and Primas Law had to again chase to ensure information flowed.

The director finally responded at the end of July 2021 apologising for being busy with other matters and promising a response within a few days. No response was forthcoming and Primas Law were again instructed to chase due to the absence of response being provided to the Liquidator.

In August some information was provided by Salimian and Co, but not all information or evidence was provided. Nothing further has been received since then.

As at the date of the anniversary the Liquidator is still outstanding a number of responses and pieces of information from the director and third parties and as a result his investigations remain incomplete and no conclusions have yet been reached regarding the concerns identified for further investigation, or any other matters coming to light during those investigations themselves continue in this regard.

## BEMUS CONSTRUCTION SERVICES LIMITED - IN LIQUIDATION PROGRESS REPORT

The Liquidator again makes the request that should any creditors have information that they consider may assist in the investigations into the financial dealings of the Company, or any other new areas for investigation or suggestions for further enquiry, please provide details in writing to this office supported by evidence as appropriate.

### Future Actions

The Liquidation will remain open until the investigations have been fully concluded, and potential asset realisations also investigated and concluded. At the present time it is not possible to provide creditors with an indication as to a time estimate to conclusion of the case. A further update will be provided in the next report, and creditors may in the meantime contact my office for an update at any time.

### 4. COSTS OF THE LIQUIDATION

A summary of the receipts and payments account is attached for your information, analysed to show activity in the last year and the entire period of the liquidation as appropriate.

It shows actual receipts and actual payments rather than accrued and unrealised/unpaid receipts and payments.

### Remuneration of the Liquidator

No steps have been taken to fix the basis of the Liquidator's remuneration and therefore no remuneration has yet been drawn in this matter.

The Liquidator will, in due course, contact creditors separately to seek approval of his remuneration which will be by a decision by correspondence. This process will also involve the Liquidator furnishing creditors with further information in respect of the fee basis sought. It is currently expected the liquidator will seek recovery of his fees on the basis of time costs incurred, although the drawing of such may be limited by the level of asset realisations.

The Liquidator's time costs for the period 23 October 2020 to 22 October 2021 are £33,692.50 and are shown in more detail at the end of this report. This represents 126.1 hours at an average hourly rate of £267.19. Time has been mainly spent on Admin & Planning, Creditors, and Investigations; below is further guidance on the work involved for each category where time has been recorded:

Category	Description of work undertaken
Admin & Planning	Work undertaken under this category does not necessarily give rise to a direct financial benefit to creditors, but is necessary in order for the Liquidator to fulfil his statutory and compliance obligations. Tasks undertaken have included notification of appointment, statutory filing, dealing with post-appointment formalities, dealing with tax and cashing formalities, strategy reviews, and all other internal aspects of the case.
Realisation of Assets	Time has been spent liaising with the director and JPS in relation to identification, securing and removal of assets and subsequent sale, difficulties with access to the premises and the issue of vandalism and break-ins, instructing and liaising with Naismiths

**BEMUS CONSTRUCTION SERVICES LIMITED - IN LIQUIDATION  
PROGRESS REPORT**

	in respect of the book debts and utility claim, and dealing with disclaiming the former trading premises.
Creditors	Time has been spent dealing with numerous creditor enquiries by telephone, letter and email. A large amount of time was spent assisting the former employees with their claims to the Redundancy Payments Service ("RPS") and dealing with the Company pension scheme.
Investigations	Work has included the completion an initial assessment which included gathering the available Company's books and records and reviewing bank statements. The Liquidator has sought further information regarding the Company's dealings from the director, creditors, and other third parties. This also included a meeting with the director and accountant, and a site visit to the Company's trading premises. A considerable amount of time has also been spent analysing the available Company records and transactions, identifying areas for further enquiry, and instructing and liaising with Primas Law in order to progress these investigations, interviewing the director and reviewing the information supplied

The Liquidator has not drawn any remuneration since his appointment.

### **Expenses**

Expenses are payments from the insolvent estate which are neither an office holder's remuneration nor a distribution to a creditor or member (as appropriate). Expenses include disbursements, which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

Expenses are split into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2):

- Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder and may be paid without prior approval.
- Category 2 expenses 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. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

Details of the professional advisors and sub-contractors used are listed below together with the basis of the fee arrangement with them. The organisations and/or individuals were chosen based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them:

Name of Professional Adviser of Sub-contractor	Brief description of services provided	Basis of fee arrangement
JPS	Agents costs - valuation and disposal advice	Hourly rate, disbursements and sales commission

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Naismiths	Advice and assistance with collecting the book debts and the utility claim	Hourly rate, disbursements, and percentage of recoveries
Primas Law	Legal costs - advice in respect of the Liquidation and assistance with the Liquidator's investigations	Hourly rate, disbursements and sales commission, but payable on a success basis if recoveries are made from investigations

Any expenses paid during the reporting period are shown on the receipts and payments account at the end of this report.

All expenses incurred to date

Expense Incurred	Incurred in prior period £	Incurred in this period £	Paid to end of period £	Total anticipated period end cost £	Original Fee Estimate £
<b>Category 1</b>					
Agents' costs (JPS)	-	4,076.36	4,076.36	4,076.36	N/A
Agents' costs (Naismiths)	-	12,500.00	-	See note below	N/A
Legal costs	-	4,986.00	-	See note below	N/A
Insurance of Assets (Marsh Limited)	-	417.00	417.00	417.00	N/A
Postage (at cost - Postworks)	-	103.09	-	103.09	N/A
Specific Bond	-	640.00	-	640.00	N/A
Statutory Advertising	-	158.00	-	158.00	N/A
Apple Transcription Services		138.45	138.45	138.45	N/A
<b>Total</b>	-	<b>23,018.90</b>	<b>4,631.81</b>	<b>5,582.90</b>	<b>N/A</b>

Naismiths have (as outlined above) collected £6,500 to date. Their latest update confirmed their fees incurred to date were £12,500. No fees have been paid to them to date.

Primas Law were instructed on a contingency basis dependant on asset realisations in relation to investigations and therefore payment of any fees depends on future realisations arising from their involvement.

A copy of 'A Creditors' Guide to Liquidators' Fees' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set is available from the Liquidator on request at no cost.

## 5. PROSPECTS FOR CREDITORS

### Secured Creditors

There are no secured creditors in this matter.

### Preferential Creditors

The SofA detailed that there were preferential creditors of £87,641 in respect of arrears of wages and holiday pay. Claims have all been submitted to the Redundancy Payments Service and the Liquidator is awaiting details of their final claim. Based on current estimates it is unlikely that there will be funds available for a distribution to preferential creditors.

### Unsecured Creditors and Prescribed Part

Pursuant to Section 176A of the Act where a company has granted a floating charge to a creditor on or after 15 September 2003, a proportion of the net property of that company must be made available purely to unsecured creditors.

As there are no qualifying floating charges registered at Companies House, the Prescribed Part does not apply in this matter.

The SofA detailed unsecured creditors of £5,162,704. As at the date of this report claims have been received totalling £4,239,910. A significant number of creditors have yet to submit claims, including those debtors who are now claiming to be net creditors. In addition, a number of former employees have submitted protective award claims to the employment tribunal. No update on this has yet been received, but it is likely given what is known that their claim will be successful and claims will be registered accordingly.

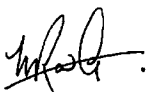
The likely final quantum of unsecured claims is unknown at this time. It is understood that some of the claims have been personally guaranteed by the director and therefore may be withdrawn in time.

Based on realisations to date, there will not be funds available to distribute to unsecured creditors. An update on dividend prospects will however be provided in the next annual report.

### Next Report to Creditors

The next report to creditors will be sent out to creditors following the next anniversary of the Liquidation or the conclusion of the winding up, whichever may be sooner.

If you require any further information please contact us via [help@lucasross.co.uk](mailto:help@lucasross.co.uk).



John Radford  
Liquidator

21 December 2021

## **Creditors' and members' requests for further information in administration, winding up and bankruptcy**

### **18.9.**

- (1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—
- (a) a secured creditor;
  - (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
  - (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
  - (d) any unsecured creditor with the permission of the court; or
  - (e) any member of the company in a members' voluntary winding up with the permission of the court.
- (2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.
- (3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—
- (a) providing all of the information requested;
  - (b) providing some of the information requested; or
  - (c) declining to provide the information requested.
- (4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—
- (a) the time or cost of preparation of the information would be excessive; or
  - (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
  - (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
  - (d) the office-holder is subject to an obligation of confidentiality in relation to the information.
- (5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.
- (6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—
- (a) the office-holder giving reasons for not providing all of the information requested; or
  - (b) the expiry of the 14 days within which an office-holder must respond to a request.
- (7) The court may make such order as it thinks just on an application under paragraph (6).

*Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive*

### **18.34.**

- (1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—
- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
  - (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
  - (c) the expenses incurred by the office-holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—
- (a) a secured creditor,
  - (b) an unsecured creditor with either—
    - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
    - (ii) the permission of the court, or
  - (c) in a members' voluntary winding up—

- (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
  - (ii) a member of the company with the permission of the court.
- (3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

*Applications under rules 18.34 and 18.35 where the court has given permission for the application*  
**18.36.**

- (1) This rule applies to applications made with permission under rules 18.34 and 18.35.
- (2) Where the court has given permission, it must fix a venue for the application to be heard.
- (3) The applicant must, at least 14 days before the hearing, deliver to the office-holder a notice stating the venue and accompanied by a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
- (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
  - (b) an order reducing any fixed rate or amount;
  - (c) an order changing the basis of remuneration;
  - (d) an order that some or all of the remuneration or expenses in question is not to be treated as expenses of the administration, winding up or bankruptcy;
  - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
    - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
    - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
  - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration, winding up or bankruptcy.

*Applications under rule 18.34 where the court's permission is not required for the application*  
**18.37.**

- (1) On receipt of an application under rule 18.34 for which the court's permission is not required, the court may, if it is satisfied that no sufficient cause is shown for the application, dismiss it without giving notice to any party other than the applicant.
- (2) Unless the application is dismissed, the court must fix a venue for it to be heard.
- (3) The applicant must, at least 14 days before any hearing, deliver to the office-holder a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
- (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
  - (b) an order reducing any fixed rate or amount;
  - (c) an order changing the basis of remuneration;
  - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration or winding up or bankruptcy;
  - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
    - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or



(ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;

(f) any other order that it thinks just.

(5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.

(6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration or as winding up or bankruptcy.

## OFFICE HOLDER'S FEES AND DISBURSEMENTS POLICY

### Fees based on Time Properly Given and the Estimation of Fees

Each member of staff involved with the case will time charge on an individual basis. The hourly cost of each member of staff shall be calculated in accordance with their experience and resultant grade within the practice.

### Recording of Fees

Time is formally recorded in prescribed categories in units of 6 minutes. All units of time properly spent, shall be recorded on a formal time management system and retained throughout appointment, irrespective of the basis of fees.

### Charge Out Rates

Hourly charge out rates from 3 December 2020 are:

Charges for usual cases	(£)
Partner/Director/Consultant	395
Manager/Senior Manager	280-325
Assistant Manager	260
Administrator/Senior Administrator	170-225
Cashier(#)	150
Junior and Support Staff	125

(#) Please note that time charged by our cashiers relates only to accounting matters relevant to the case.

The basis upon which the Office Holder determines the appropriate charge out rate on the complexity of the case is detailed in the respective independent creditors' guides to fees, available to download from our company website or by email from this office.

The Office Holder reserves the right to uplift both the hourly rates and category 2 disbursements periodically without further recourse to the creditors. By law, such increases must be disclosed to creditors within each statutory report. Where such increases affect the total fees incurred and take these over the totality of any fee resolution proposed previously, an additional fee resolution will be sent to creditors for their consideration.

### Support Staff

In an effort to minimise costs to the case, it is necessary to use support staff to undertake certain matters. Support staff time is charged in the same manner as technical staff on the rates outlined above.

### VAT

Services provided by Insolvency practitioners are subject to VAT, except when acting as Nominee or Supervisor of an estate.

Our fees will be subject to VAT at the appropriate rate.

Where the case is not registered for VAT, VAT shall be shown as an irrecoverable expense of the estate.

### Expenses

Every case dealt with will incur expenses in addition to fees.

Expenses are payments from the insolvent estate which are neither an office holder's remuneration nor a distribution to a creditor or member (as appropriate). Expenses include disbursements, which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

Expenses are split into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2):

- Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder and may be paid without prior approval.
- Category 2 expenses 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. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

Category 1 can include, but not be limited to, insolvency bonds, statutory advertising, company searches, post redirection, third party postal service, external room hire, public transport and accommodation costs incurred by staff whilst attending to the administration of the estate, bank charges, Anti Money Laundering searches.

Category 2 can include, but not be limited to, mileage, storage of books and records, any payments to a person/provider where a reasonable and informed third party would consider there to be an association.

Any authorised category 2 disbursements which have been charged shall be shown in the statutory abstract of accounts, postage and stationery costs

Lucas Ross Limited currently charge mileage at 50pence per mile. Other costs are not currently charged.