

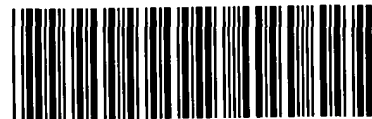
LIQ03

Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



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12/08/2020

#38

COMPANIES HOUSE

1 Company details

Company number
Type text here 0 9 6 2 4 4 9 5

Company name in full
Infinity House Productions & Retail Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s)
Simon John

Surname
Killick

3 Liquidator's address

Building name/number
24 Conduit Place

Street

Post town
London

County/Region

Postcode
W 2 1 E P

Country

4 Liquidator's name ①

Full forename(s)
Jeremy

Surname
Karr

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number
24 Conduit Place

Street

Post town
London

County/Region

Postcode
W 2 1 E P

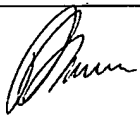
Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report																
From date	d	1	d	1	m	0	m	9	y	2	y	0	y	1	y	8	
To date	d	1	d	0	m	0	m	9	y	2	y	0	y	1	y	9	
7	Progress report																
<input checked="" type="checkbox"/> The progress report is attached																	
8	Sign and date																
Liquidator's signature	<div>Signature</div> <div>X  X</div>																
Signature date	d	0	d	4	m	1	m	1	y	2	y	0	y	1	y	9	

LIQ03

Notice of progress report in voluntary winding up

**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

Company name **Begbies Traynor (Central) LLP**Address **24 Conduit Place**Post town **London**

County/Region

Postcode

W 2 1 E P

Country

DX

Telephone

020 7262 1199**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

Infinity House Productions & Retail Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 11/09/2018 To 10/09/2019 £	From 11/09/2017 To 10/09/2019 £
	ASSET REALISATIONS		
40,000.00	Book Debts	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(61,500.00)	HM Revenue & Customs	NIL	NIL
(1,932,806.00)	Trade Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,954,406.00)		NIL	NIL
	REPRESENTED BY		
			NIL



Infinity House Productions & Retail Limited (In Creditors' Voluntary Liquidation)

Progress report

Period: 11 September 2018 to 10 September 2019

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

Contents

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

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Infinity House Productions & Retail Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 11 September 2017.
"the liquidators", "we", "our" and "us"	Simon John Killick and Jeremy Karr of Begbies Traynor (Central) LLP, 24 Conduit Place, London, W2 1EP Ian Franses was replaced by Simon John Killick by way of block transfer order made in the High Court of Justice on 22 May 2019.
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s):	N/A
Company registered number:	09624495
Company registered office:	24 Conduit Place, London, W2 1EP
Former trading address:	307c Finchley Road, Hampstead, London, NW3 6EH

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	11 September 2017
Date of liquidators' appointment:	11 September 2017
Changes in liquidator (if any):	Ian Franses was replaced by Simon John Killick by way of block transfer order made in the High Court of Justice on 22 May 2019.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 11 September 2018 to 10 September 2019 alongside a cumulative account since the commencement of the liquidation.

Thus far, there have been no realisations in the liquidation.

Other Matters

Disposal of the Company's Assets Prior to the Liquidation

As previously reported, the Company's intellectual property rights and interest held in Infinity House Retreat and Infinite 360VR Retreat sold/transferred to Infinity House Retreat Limited on 10 August 2017, shortly before the liquidation, for £40,000. Similarly, the Company's intellectual property rights held in Infinite 21, Infinite 360, Living the Life and Living the Dream, The Life and chattel assets were transferred/assigned to Infinite Mixed Reality Productions Limited on 10 August 2017, prior to the liquidation, for no consideration.

The sale consideration remained outstanding as at the date of the liquidation and we demanded the payment from the purchaser/assignee who refused to make payment on the grounds that the sale consideration has been offset against the amounts in excess of £50,000 lent by its director to the Company. However, no such liability was disclosed in the director's statement of affairs nor any evidence of such claim was provided. Thus, we instructed solicitors, Ward Hadaway, to recover this sum due from the purchaser/assignee. The solicitors are continuing with their efforts, however, so far, without success.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2.

General case administration and planning

- Case admin set up and update;
- Updating case strategy plan;
- Update of case compliance checklists;
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories;
- General case updates to include internal meetings on case strategy and effecting instruction;
- Ongoing maintenance of up to date information on the electronic case information;
- Periodic reviews of the case generally;
- Overseeing and controlling the work undertaken on this engagement by junior staff;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9;

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

Compliance with the Insolvency Act, Rules and best practice

- The preparation, drafting and issue of initial report to creditors and members;
- Reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;

Banking:

- Maintaining and managing the insolvent estate bank account and cash book.
- Complying with risk management procedures;
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices;
- Preparing and processing remittance advises for incoming funds;
- Processing of BACS/electronic payments where applicable;

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

Investigations

- Review of the Company's books and records, bank statements and financial records.
- Liaising with bank/director/accountants for financial information and records.
- Enquiries to the directors in respect of sale/transfer of the Company's assets prior to the liquidation.
- Submission of report to Department for Business, Energy & Industrial Strategy.

Liquidators are required to carry out investigations into the Company's affairs and submit a report to the Department for Business, Industrial Strategy and Energy under the Company Directors Disqualification Act ("CDDA"). We can confirm that we have discharged our duties in these respects.

Realisation of assets:

- Liaising with the Company's bankers.
- Liaising with the debtor(s) and directors with a view to recover the debtors disclosed in the statement of affairs.
- Liaising with solicitors as necessary.

On this assignment, the work detailed above has not yet resulted in any realisation for the insolvent estate. The office holders are duty bound to realise and get in the Company's property and maximise asset realisations. In the event that recoveries are made, there will be a direct financial benefit to creditors.

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

Creditors:

- The issue of this report and associated required documents;
- Updating schedule of unsecured creditor claims;
- Dealing with the potential claims of the Company's former employees and meetings with them.
- Correspondence with Employment Tribunal and former employees Dealing with the notices and claims received. Correspondence with ACAS.
- Receipt of creditor claims and input on internal case management software;
- Taking and dealing with phone calls from creditors;
- Acknowledgment of creditor claims correspondence and/or dealing with further queries on claims;
- Receipt of, consideration of and response to creditor correspondence;

On this engagement, the work detailed above resulted in a direct financial benefit to creditors as a dividend will be paid to preferential creditors. The work will also have been undertaken to comply with the Insolvency Act and Rules together with best practice and enabling creditors to have evidence of their loss for tax and VAT purposes.

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

- The completion of VAT forms;
- De-registration of VAT.
- The Completion of Corporation Tax returns;

Some of the above have no direct financial benefit to creditors but have to be done in order to comply with the Insolvency Rules such as creditors and members meetings, as well as a legal requirement, such as completion of corporation tax returns. Others do have a direct financial benefit to creditors. These include the provision of VAT returns after the liquidation as the majority of VAT will be recoverable and therefore an asset of the insolvent estate.

5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the director's statement of affairs) and on the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

Secured creditor

There are no secured creditors.

Preferential creditors

There were no known preferential claims. However, as previously advised, following the date of the liquidation we have received claims from the Company's former employees for outstanding wages and other entitlements. Following enquiries made to the director we were advised that following the liquidation the staff were transferred to an associated company, Infinite 360VR Productions Limited ("Infinite"). The employees have subsequently issued claims against Infinite and the Company in the Employment Tribunal. As the staff were taken over under the TUPE Regulations it is anticipated that the Company will not be responsible for the employees' liabilities.

Unsecured creditors

Unsecured creditors were estimated at £1,994,306 which included a claim of £881,915 from Rosemary Reed, a former director of the Company.

Based upon realisations to date and estimated future realisations it is anticipated there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

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

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

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

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

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

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

6. REMUNERATION & DISBURSEMENTS

Remuneration

Our remuneration has been fixed by a decision of the creditors on 23 November 2018 obtained via a Decision Procedure by way of correspondence by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the winding up as set out in the fees estimate dated 02 November 2018 in the sum of £56,586.50 and we are authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, which is attached at Appendix 2 of this report.

Our time costs for the period from 11 September 2018 to 10 September 2019 amount to £5,258 which represents 17 hours at an average rate of £309.29 per hour.

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

- ☐ Time Costs Analysis for the period 11 September 2018 to 10 September 2019
- ☐ Begbies Traynor (Central) LLP's charging policy

To 10 September 2019, we have not drawn any remuneration, against total time costs of £50,154 incurred since the date of our appointment.

Time Costs Analysis

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

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

As can be seen from the information above, and the cumulative Time Costs Analysis, our fees estimate has not been exceeded. We do not anticipate that it is likely to be exceeded if matters progress to conclusion as envisaged.

Disbursements

To 10 September 2019, we have not drawn any disbursements.

Category 2 Disbursements

In accordance with the resolution obtained in relation to disbursements, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been incurred but not discharged since the date of our appointment:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Document Storage	0.40
TOTAL	0.40

Why have subcontractors been used?

No subcontractors have been used in this case.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2017' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

Work undertaken prior to appointment

As previously reported, it was decided by the creditors at the physical meeting of creditors held on 11 September 2017 "That, insofar as not paid prior to the meeting, the Joint Liquidators are authorised to pay the outstanding costs in the sum of £4,200 (including VAT) in respect of convening and holding the meeting of creditors as an expense of the liquidation to Ashok Bhardwaj". However, we have been unable to pay these costs due to the lack of realisations in the liquidation.

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. A cumulative statement showing the total expenses incurred since the date of our appointment also appears at Appendix 3.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the liquidation would total £4,737.50. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

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

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

As detailed above, we are continuing pursuing the amounts due to the Company and liaising with the solicitors.

General case administration and planning

- Updating case strategy plan;
- Update of case compliance checklists;
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories;
- General case updates to include internal meetings on case strategy and effecting instruction;
- Ongoing maintenance of up to date information on the electronic case information;
- Periodic reviews of the case generally;
- Overseeing and controlling the work undertaken on this engagement by junior staff;
- Completion of six monthly compliance and progression checklists;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9;

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

Compliance with the Insolvency Act, Rules and best practice

- Reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;
- Statutory filing with Registrar of Companies;
- Maintain accurate account of receipts and payments;
- Issuing annual progress reports to all known creditors & members.

Banking:

- Maintaining and managing the officer holders' cash book on this assignment.
- Complying with risk management procedures;
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices;
- Preparing and processing remittance advises for incoming funds;
- Processing of BACS/electronic payments where applicable;

Closure

- Preparing, reviewing and issuing final report to members and creditors;
- Filing of final receipts and payments and account of the liquidation with Registrar of Companies;
- Update physical and electronic case records following closure;

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

Investigations

- Review of the Company's books and records
- Review of Bank Statements to establish whether any payments have been made to connected parties or unusual movement of funds.
- Pursue the purchaser of the Company's assets and liaise with the solicitors in this regard, as necessary.

Realisation of assets

- Continuing liaising with the solicitors to recover the sums due in respect of the Company's assets.

- Continuing review of current and new information and formulating an asset realisation strategy;

The office holders are duty bound to realise and get in the Company's property and maximise asset realisations. In the event that recoveries are made, it is considered likely that there will be a direct financial benefit to creditors.

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

Creditors:

- The issue of reports and associated required documents;
- Updating schedule of unsecured creditor claims;
- Receipt of creditor claims and input on internal case management software;
- Receipt of, consideration of and response to creditor correspondence;
- Where necessary, consideration of issues to reject claims and issue of appropriate letter to creditor(s) affected in accordance with statutory requirements concerning rejection of all or part claims;
- Potential calculation and subsequent payment of dividend to unsecured creditors;

On this engagement, the work detailed above will have a direct financial benefit to creditors should a dividend become payable. The work will also have been undertaken to comply with the Insolvency Act and Rules together with best practice and enabling creditors to have evidence of their loss for tax and VAT purposes.

Other matters which include, seeking decisions from creditors (via DCP and/or via Decision Procedures), tax, litigation, pensions and travel

- The completion of VAT forms;
- The Completion of Corporation Tax returns;
- Seeking closure clearance from HMRC;

Some of the above have no direct financial benefit to creditors but have to be done in order to comply with the Insolvency Rules such as creditors and members meetings, as well as a legal requirement, such as completion of corporation tax returns. Others do have a direct financial benefit to creditors. These include the provision of VAT returns after the liquidation as the majority of VAT will be recoverable and therefore an asset of the insolvent estate.

How much will this further work cost?

We estimate the costs of the above work will be in the region of £6,000.

Expenses

Details of the expenses that has been incurred and we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to the creditors on 02 November 2018.

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Energy and Industrial Strategy. We can confirm that we have discharged our duties in these respects.

Investigations carried out to date

We have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect. We are continuing with our investigations into the Company's affairs, however, we are unable to disclose further details at this stage which may prejudice the prospect of any recover.

Use of personal information

Please note that in the course of discharging our statutory duties as liquidators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner.

Yours faithfully



Simon Killick
Joint Liquidator

Dated: 04 November 2019

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 11 September 2018 to 10 September 2019

Infinity House Productions & Retail Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 11/09/2018 To 10/09/2019 £	From 11/09/2017 To 10/09/2019 £
ASSET REALISATIONS			
40,000.00	Book Debts	NIL	NIL
		NIL	NIL
UNSECURED CREDITORS			
(61,500.00)	HM Revenue & Customs	NIL	NIL
(1,932,806.00)	Trade Creditors	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,954,406.00)		NIL	NIL
REPRESENTED BY			
			NIL

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 11 September 2018 to 10 September 2019; and
- c. Cumulative Time Costs Analysis for the period from 11 September 2017 to 10 September 2019.

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 statutory meetings of creditors is charged at the rate of (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;

In addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

Services provided by other entities within the Begbies Traynor group

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

In addition to the services detailed above, it may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275

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

² Ibid 1

Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- Telephone and facsimile
- Printing and photocopying
- Stationery

Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Paddington office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour)	Charge-out rate (£ per hour)
	1 May 2011 – until further notice	1 December 2018 – until further notice
Partner	395	495
Director	345	445
Senior Manager	310	395
Manager	265	345
Assistant Manager	205	250
Senior Administrator	175	225
Administrator	135	175
Trainee Administrator	110	140
Support	60 - 110	140

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

SIP9 Infinity House Productions and - Creditors Voluntary Liquidation - 01IN241.CVL : Time Costs Analysis From 11/09/2018 To 10/09/2019

Staff/Grade	Consultant/ Partner	Director	Snr/Mngr	Mngr	Asst/Mngr	Snr/Admin	Admin	Jnr/Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning									4.3	1,788.50	415.93
	Administration	0.1	2.1	4.3					0.6	7.1	1,929.50	271.76
	Total for General Case	0.1	2.1	4.3					0.6	11.4	3,718.00	326.14
Compliance with the Insolvency Act, Rules and best practice	Administration and Planning:											
	Appointment											0.00
	Banking and Bonding			0.1					0.1	0.2	48.50	242.50
	Case Closure											0.00
	Statutory reporting and statement of affairs		0.4							0.4	124.00	310.00
	Total for Compliance with the Insolvency Act, Rules and best practice:		0.4	0.1					0.1	0.6	172.50	287.50
Investigations	CDDA and investigations			1.8						1.8	477.00	265.00
	Total for investigations:			1.8						1.8	477.00	265.00
Realisation of assets	Debt collection											0.00
	Property, business and asset sales			0.3						0.3	79.50	265.00
	Retention of Title/Third party assets											0.00
	Total for Realisation of assets:			0.3						0.3	79.50	265.00
Trading	Trading											0.00
	Total for Trading:											0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured											0.00
	Others		0.2	0.9						1.1	316.50	287.73
	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:		0.2	0.9						1.1	316.50	287.73
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel	Seeking decisions of creditors			0.3						0.3	79.50	265.00
	Meetings											0.00
	Other											0.00
	Tax			1.2				0.3		1.5	415.00	276.67
	Litigation											0.00
	Total for Other matters:			1.5				0.3		1.8	494.50	274.72
	Total hours by staff grade:	4.3	0.1	2.7	8.9			0.3	0.7	17.0		
	Total time cost by staff grade:	1,788.50	44.50	862.50	2,446.50			33.00	83.00		5,258.00	
	Average hourly rate £:	415.93	445.00	319.44	274.89	0.00	0.00	110.00	118.57			309.29
	Total fees drawn to date £:										0.00	

SIP9 Infinity House Productions and - Creditors Voluntary Liquidation - 01IN241.CVL : Time Costs Analysis From 11/09/2017 To 10/09/2019

Staff Grade	Consultant/ Partner	Director	Snr Mgr	Mngr	Asst Mgr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	39.8			2.5						42.3	16,473.50	389.44
		0.2	8.3	8.4		0.4		1.0	29.8	48.1	8,364.50	173.90
	39.8	0.2	8.3	10.9		0.4		1.0	29.8	90.4	24,838.00	274.76
Compliance with the Insolvency Act, Rules and best practice				1.7						1.7	450.50	265.00
				0.1				0.3	0.1	0.5	81.50	163.00
												0.00
			0.4	1.7						2.1	574.50	273.57
			0.4	3.5				0.3	0.1	4.3	1,106.50	257.33
Investigations				78.1						78.3	20,758.50	265.11
			0.2	78.1						78.3	20,758.50	265.11
Realisation of assets												0.00
				2.9						2.9	768.50	265.00
												0.00
				2.9						2.9	768.50	265.00
Trading												0.00
Dealing with all creditors claims (including employees), correspondence and distributions												0.00
												0.00
			0.2	7.0		0.7				7.9	2,055.50	260.19
												0.00
			0.2	7.0		0.7				7.9	2,055.50	260.19
												0.00
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel				0.3						0.3	79.50	265.00
												0.00
												0.00
				1.7				0.3		2.0	547.50	273.75
												0.00
				2.0				0.3		2.3	627.00	272.61
	39.8	0.2	9.1	104.4		1.1		1.6	29.9	186.1		
	15,811.00	79.00	2,846.50	27,754.00		192.50		176.00	3,295.00		50,154.00	
	397.26	395.00	312.80	265.84	0.00	175.00	0.00	110.00	110.20			269.50
											0.00	

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Bond Premium	AUA Insolvency Risk Services	3.60	0.00	3.60
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>)				
Storage Costs	Archive Solutions	0.40		0.40

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Bond Premium	AUA Insolvency Risk Services	71.10
Taxi Fare	Uber	19.77
Agent's Valuation Fee	Ashwells Nationwide Services	250.00
Statutory Advertising	TMP UK Limited	140.00
Storage Costs	Archive Solutions	0.40