

LIQ03

Notice of progress report in voluntary winding up



Companies House

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

1 Company details

Company number 1 1 4 8 5 4 9 4

Company name in full Hainault Business Services Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Wayne

Surname Macpherson

3 Liquidator's address

Building name/number 1066 London Road

Street

Post town Leigh On Sea

County/Region Essex

Postcode S S 9 3 N A

Country

4 Liquidator's name ①

Full forename(s) David

Surname Farmer

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 1066 London Road

Street

Post town Leigh On Sea

County/Region Essex

Postcode S S 9 3 N A

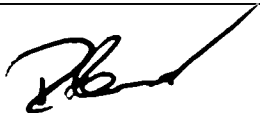
Country

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	3	^m	0	^m	1	^y	2	^y	0	^y	2	^y	2
To date	^d	1	^d	2	^m	0	^m	1	^y	2	^y	0	^y	2	^y	3
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	2	^d	4	^m	0	^m	1	^y	2	^y	0	^y	2	^y	3

**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 **Richard Goddard**

Company name **Begbies Traynor (London) LLP**

Address **31st Floor**

40 Bank Street

Post town **London**

County/Region

Postcode **E 1 4 5 N R**

Country

DX

Telephone **020 7516 1500**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

Hainault Business Services Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 13/01/2022 To 12/01/2023 £	From 13/01/2022 To 12/01/2023 £
	UNSECURED CREDITORS		
(6,000.00)	Director's loan	NIL	NIL
(50,000.00)	Metro Bank PLC - BBL	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(56,100.00)		NIL	NIL
	REPRESENTED BY		
			NIL

Note:



David Farmer
Joint Liquidator

Hainault Business Services Limited (In **Creditors' Voluntary Liquidation**)

Progress report

Period: 13 January 2022 to 12 January 2023

Important Notice

This penultimate 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
- ❑ Liquidators' remuneration and expenses
- ❑ 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 expenses
 - 3. Statement of liquidators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Hainault Business Services Limited (In Creditors' Voluntary Liquidation)
"the Liquidation"	The appointment of joint liquidators on 13 January 2022.
"the Liquidators", "we", "our" and "us"	David Farmer ("DF")* and Wayne Macpherson ("WM") of Begbies Traynor (Central) LLP, 1066 London Road, Leigh On Sea, Essex, SS9 3NA
"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):	None
Company registered number:	11485494
Company registered office:	The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG
Former trading address:	Unit H, Roebuck Road, Acorn Centre, Ilford, London, IG6 3TU

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	13 January 2022
Date of Liquidators' appointment:	13 January 2022 – LB** & WM 28 July 2022 – DF*
Changes in Liquidators:	On 28 July 2022 David Farmer* replaced Lloyd Biscoe ("LB")** as Liquidator of the Company by an Order of the Court dated 19th August 2022.

4. PROGRESS DURING THE PERIOD

This is our first report and account of the Liquidation following our appointment on 13 January 2022.

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments account (the "Account") for the 12-month period from 13 January 2022 to 12 January 2023 (the "Period"). The Company was not registered for VAT purposes. Consequently, VAT on costs and expenses incurred in the course of the conduct of the Liquidation is not reclaimable by the Liquidation estate ("the Estate"); moreover, where applicable, an additional cost of the Estate.

For the avoidance of doubt the Company has no known realisable assets and therefore there have been no receipts, and moreover, no payments in the period.

The work that has been done in the Period of this report, why was that work necessary and 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. There is an analysis for the Period of the report. The details below relate to the work undertaken in the Period of the report only. Various items of general work that have been carried out in the Period that have no direct financial benefit to creditors but are either required by best practice or statute, as detailed below include:

- General case administration and planning;
- Compliance with the Act, Rules and best practice; and
- Dealing with creditors' claims and correspondence.

General case administration and planning

We are obliged to populate and maintain a virtual electronic case file, together with a hard copy (paper) Permanent File, to ensure we have a contemporaneous, accurate and complete record of how the case has been administered, including fully documenting the reasons for any decisions that materially affect the case. Moreover, where considered economical and appropriate to do so, we have carried out periodic internal case compliance and progression reviews. In addition, we have carried out periodic specific penalty bond reviews to ensure the adequacy of fidelity cover based upon the level of actual realisations achieved, if any, together with projected future realisations. Whilst these items of work are of no direct financial benefit to creditors, this is a statutory and best practice requirement for the aforementioned reasons.

Compliance with the Insolvency Act, Rules and best practice

In accordance with the Act, Rules and best practice guidance, we have incepted the Liquidators' bond (fidelity insurance) and given initial notification of our appointment as Liquidators to the requisite parties. Whilst these items of work are of no direct financial benefit to creditors notwithstanding and nevertheless, we are required by the Act and Rules to carry out certain tasks and give notifications to creditors.

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

A claim has been received and noted on our internal case management system. No dividend is presently anticipated so no formal claim agreement has taken place. There is no financial benefit to creditors of this work but it is done to comply with best practice.

Investigations

As you may be aware, as the Liquidators, we have a duty to enquire into the affairs of the Company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, we are also required to consider the conduct of the Company's Director(s) and to make an appropriate confidential submission to the Department for Business Energy and Industrial Strategy ("DBEIS") in accordance with the Company Directors Disqualification Act 1986 ("CDDA"). This is entirely standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs. The Company's sole director was asked to complete a comprehensive questionnaire to assist us with our enquiries. We have carried out a proportional investigation of specific matters including a review of the bank statements to assist us in compiling our report to DBEIS.

We have made our submission to DBEIS. However, our summary investigations are still ongoing to determine whether there are any material claims that could be pursued against any party, and that would if successful, generate realisations in the Liquidation. We are unable to comment further on this particular matter because to do so may prejudice our investigations.

Realisation of assets

There have been no realisations during the Period. The report on the financial position of the Company, pursuant to Statement of Insolvency Practice 6 sent to creditors prior to our appointment ("the SIP6 Report"), included the director's statement of affairs as at 07 January 2022 (the "SofA"). The SofA showed the Company had no realisable assets. No time has been expended in this regard during the period.

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

We have notified to Her Majesty's Revenue & Customs ("HMRC") of our appointment and also dealt with enquiries from HMRC as regards the Company's pre-appointment corporation tax ("CT") affairs.

5. OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment were detailed in the director's SofA produced as part of the process of placing the Company into Liquidation. We have set out below the amounts due to each class of creditor together with the outcome in the Liquidation.

Secured creditors

As at the date of our appointment, according to the SofA and Companies House records there are no outstanding unsatisfied secured creditors. Moreover, there have been no such claims received in the course of the Liquidation. Accordingly, as far as we are aware there are no secured creditors.

Primary preferential creditors

Primary preferential creditors ("the Primary Preferentials") ordinarily comprises of former employees' claims for arrears of salary and wages up to a limit of £800 and holiday pay. Where the Insolvency Service aka the Redundancy Payments Service ("RPS"), makes certain preferential payments to the employees subject to statutory limits from the National Insurance Fund ("NIF"), the RPS will be a subrogated creditor (i.e., stand in the shoes of the employees) for the amounts the RPS has paid to them.

According to the SofA there were no known preferential employee claims. Moreover, there have been no such claims received in the course of the Liquidation. Accordingly, as far as we are aware there are no Primary Preferentials.

Secondary preferential creditors (“the Secondary Preferentials”)

Under provisions introduced in the Finance Act 2020, HMRC has been afforded secondary preferential creditor status in insolvency appointments occurring on or after 01 December 2020 in relation to VAT, PAYE Income Tax (“PAYE”), employee National Insurance contributions (“NIC”), student loan deductions and Construction Industry Scheme (“CIS”) deductions.

According to the SofA there are no such amounts owed to HMRC in this respect. Moreover, there have been no such claims received in the course of the Liquidation. Accordingly, as far as we are aware there are no Secondary Preferentials.

Unsecured creditors

Unsecured creditors (“the Unsecureds”) generally comprises trade and other connected creditors together with the former employees’ claims for pay in lieu of notice (“PILON”) and Redundancy entitlements. However, as far as we are aware there are no employee claims.

According to the SofA the Unsecureds were estimated in aggregate to total £56,000, the principal and largest creditor being an amount owed to Metro Bank plc (“Metro”) of £50,000 in respect of an unsecured (COVID) bounce bank loan (“BBL”). Metro has subsequently submitted a claim in the course of the Liquidation for the same amount of £50,000. However, and notwithstanding, there have been no realisations in the Liquidation, to enable a dividend to be paid to the Unsecureds. Consequently, we have not taken steps to formally adjudicate and agree any such claims.

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, as the Liquidators we 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. In this particular case, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and therefore, this particular provision is not applicable.

6. LIQUIDATORS’ REMUNERATION & EXPENSES

Remuneration

No resolution has been sought from creditors in respect of our remuneration. We considered the basis of our remuneration following our assessment of the Company’s asset position. Given there have been no realisable assets to generate funds in the Liquidation, we have decided not to incur the costs of seeking a decision from creditors to fix the basis of our remuneration. However, for creditors information only, in the unlikely event the position changes we have set out below our time costs incurred in this matter, being the basis on which we would seek to be remunerated.

Our time costs for the Period (13 January 2022 to 12 January 2023), excluding the Costs of Closure (see below), amount to £5,862 which represents 15.8 hours at an average rate of £371.01 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;
- ☐ Begbies charging policy.

For the avoidance of doubt, we have been unable to draw any amount on account of our time costs incurred since the date of our appointment which, together with all future cost incurred to the closure of the Liquidation, will in all likelihood be written-off as irrecoverable. However, please note that in the event that subsequently there are any unexpected asset realisations in the period before we close the Liquidation, to the extent such realisations may prove to be sufficient to do so, we may seek creditors’ approval via a decision-making procedure (“DMP”) by correspondence to fix the basis of our remuneration on a time cost basis, capped at the level that creditors may approve.

Category 1 Expenses

To 12 January 2023, we have incurred expenses totalling £201 none of which has been re-imbursed to our Firm. All such undischarged expenses incurred to date together all and any further expenses that may be incurred in the period to the close of the Liquidation will be written-off as irrecoverable. See also Section 7 below.

Category 2 Expenses

There have been no Category 2 expenses and expenses which should be treated as Category 2 expenses, charged to the Estate in the Period, absent of the requisite resolution to fix the basis of our remuneration including specifically providing for our charging policy for any such expenses.

Use of subcontractors

We have not subcontracted any work that could otherwise be done more economically by us and/or our staff.

Use of other Professionals

No other professionals who have been employed to assist us in the conduct of the Liquidation in the Period.

Work undertaken prior to appointment

In addition to the post appointment time costs detailed in the Time Costs Analysis, the costs relating to work undertaken prior to our appointment in assisting with the preparation of the statement of affairs and seeking the decisions of creditors on the nomination of the Liquidators were fixed at £11,000 plus VAT and expenses (the "Pre-appointment Costs").

As a result of the lack of engagement on the part of creditors, we were unable to obtain the requisite approval, sought via DMP by correspondence in conjunction with our appointment, that the Pre-appointment Costs could be paid as an expense of the Liquidation. However, and notwithstanding, prior to our appointment the sum of £5,000 (plus VAT) was paid by the director personally, pursuant to the terms of a personal guarantee given in conjunction with our firm's initial engagement with the Company.

Given there have been no realisations in the Liquidation, in all likelihood we will be obliged to write-off the unpaid balance of the Pre-appointment Costs as irrecoverable. However, as with our remuneration above, in the event there are additional or unexpected asset realisations in the period before we vacate office as Liquidators, to the extent such realisations may prove to be sufficient to do so, we will seek to obtain creditors' approval via another DMP that the Pre-appointment Costs can be paid as an expense of the Liquidation, in order to reimburse ourselves for all and any outstanding Pre-appointment Costs.

Creditors' Guide to Liquidators Fees

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2021' 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.

In addition, the Association of Business Recovery Professionals (R3) has set up a website that contains a step-by-step guide designed to help creditors navigate their way through an insolvency process. You can access the website at the following address: <http://www.creditorinsolvencyguide.co.uk/>.

7. LIQUIDATORS' EXPENSES

We, as Liquidators, are required to provide a statement of the expenses incurred by us during the Period of the report, irrespective of whether payment was made in respect of such expenses during the Period. Expenses include all expenses incurred, for example the costs of third parties instructed by us e.g., solicitors, valuers, agents etc and also expenses incurred. It is not always possible to provide a precise figure for an expense that has been incurred. Where this is the case, we have provided a 'best estimate' of

the quantum of the expense. A statement of the expenses incurred during the Period of this progress report set out at Appendix 3.

Absent of any realisations in the Liquidation, we will be obliged to write-off the outstanding unpaid balance of expenses as irrecoverable. However, in the event there are additional or unexpected asset realisations in the period before the close of the Liquidation, to the extent such realisations may prove to be sufficient to do so, we will reimburse our firm for all and any unbilled and unpaid expenses.

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

According to the SofA and following our review of the Company's affairs, we have determined that the Company has no realisable assets. However, as mentioned above, our summary investigations are still ongoing to determine whether there are any material claims that could be pursued against any party, and that would if successful, generate net material realisations in the Liquidation.

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

General case administration and planning

- Updating case strategy plan, diary records and compliance checklists;
- Creation of files notes where necessary;
- 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;
- Completion of six monthly compliance and progression checklists;
- Overseeing and controlling the work undertaken on this engagement by junior staff;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9.

There is no direct commercial benefit to creditors in relation to the above matters, but creditors benefit from case progression and accuracy. This work is necessary to progress the case and 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 and money laundering regulations;
- Updating case checklists and statutory diaries where necessary;
- Maintain accurate account of receipts and payments;
- Issuing annual progress reports for submission at Companies House.

Closure;

- Preparing, reviewing and issuing final report to members and creditors;
- Filing of final return at Companies House;
- Update physical and electronic case records following closure.

On this engagement, the work identified above does not have 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

- Correspondence with directors/third parties deemed capable of assisting with our enquiries;

Further information will not be provided at this time in regards to our investigations to avoid prejudicing our enquiries.

The work detailed above will only have a financial benefit to creditors if viable actions are identified and pursued leading to recovery to the insolvent estate sufficient to enable a dividend to be paid.

Realisation of assets

- None

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

- Receipt of creditor enquiries and claims and input on internal case management software.

On this engagement, the work identified above does not hold a direct commercial benefit to creditors as no dividend is currently forecast. Recording claims has been undertaken in accordance with the insolvency Act and Rules together with best practice to ensure that all creditors' details are up to date.

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

- The Completion of Corporation Tax returns;
- Filing of final Corporation Tax return;
- Seeking closure clearance from HMRC.

There is no direct financial benefit to creditors of this work however it is a requirement of the office holders to complete and file tax returns in accordance with tax legislation.

How much will this further work cost?

It is estimated that the further work will cost in the region of £4,500. However, as mentioned above no creditor approval to draw remuneration is held.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are provided in Appendix 3.

What is the anticipated payment for administering the case in full?

We have not sought creditor approval for Joint Liquidators remuneration. As such no payment is anticipated to this firm. Should the circumstances in the liquidation change we may write to creditors for approval of our remuneration. In that instance, the anticipated payment would be capped at the level that creditors approve.

9. OTHER RELEVANT INFORMATION

Change of liquidator

On 28th July 2022, David Farmer replaced Lloyd Biscoe as Joint Liquidator of the Company by Order of the Court. The Order was advertised in the London Gazette on 31st August 2022. Under the terms of the Order, Lloyd Biscoe was granted his release, or discharge from liability as appropriate, 21 days after the publication of the Order in the London Gazette. We also write to advise all creditors and members that they are at liberty to apply to discharge or vary the Order upon an application to the Court.

Connected party transactions

In accordance with industry best practice (Statement of Insolvency Practice 13), we are obliged to inform creditors of any sale of the Company's business or assets which involves a party connected to the Company. As far as we are aware, to the best of our knowledge there have been no such transactions.

Use of personal information

Please note that in the course of discharging our statutory duties as the 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 first and final 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 report. For the avoidance of doubt, we have been unremunerated in the Liquidation in the Period.

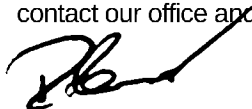
Right to make an application to court

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 first and final report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the Period of this report are excessive or, the basis fixed for our remuneration is inappropriate. As above, we have been unremunerated in the Liquidation in the Period.

11. CONCLUSION

We will report again at the conclusion of the Liquidation. We shall then produce our final account of the winding-up, showing how the Liquidation has been conducted. Unless creditors object by giving notice in writing within 8-weeks of the delivery of the notice of this final Account, we shall have our release from liability at the same time as vacating office. We shall vacate office upon our delivering to the Registrar of Companies our final account.

Should you require further explanation of any matters contained within this report, please do not hesitate to contact our office and in the first instance speak to the case manager George Langley at our office.



David Farmer
Joint Liquidator

Dated: 24 January 2023

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 13 January 2022 to 12 January 2023

Hainault Business Services Limited (In Liquidation) Joint Liquidators' Summary of Receipts & Payments			
Statement of Affairs		From 13/01/2022 To 12/01/2023	From 13/01/2022 To 12/01/2023
£		£	£
	UNSECURED CREDITORS		
(6,000.00)	Director's loan	NIL	NIL
(50,000.00)	Metro Bank PLC - BBL	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(56,100.00)		NIL	NIL
	REPRESENTED BY		
			NIL

COSTS AND EXPENSES

- a. Begbies' charging policy; and
- b. Time Costs Analysis for the Period.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This policy 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 creditors' decision being made for the office holder to be remunerated on a time cost basis. Best practice guidance* requires that such information should be disclosed to those who are responsible for approving the basis of an office holder's remuneration. Within our fee estimate creditors can see how we propose to be remunerated.

In addition, this policy 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. Best practice guidance* indicates that such charges should be disclosed to those who are responsible for approving the basis of 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 their 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 in 6-minute units 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

Expenses are payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements, which are expenses that are initially paid by the office holder's own firm, but which are subsequently reimbursed from the estate when funds are available.

Best practice guidance classifies expenses into two broad categories:

- ☐ Category 1 expenses (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 expenses (approval required) - items of expenditure that are directly related to the case and either:
 - (i) 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; or
 - (ii) are items of expenditure which are payable to an associate of the office holder and/or their firm

Shared or allocated costs (pursuant to (i) above)

The following expenses include an element of shared or allocated cost and 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 £100 (London £150) per meeting;
- ☐ Car mileage which is charged at the rate of 45 pence per mile;

General Office Overheads

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

- ☐ Telephone and facsimile;
- ☐ Printing and photocopying;
- ☐ Stationery;

BEGBIES CHARGE-OUT RATES

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

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

Grade of staff	Charge-out rate (£ per hour) 01 January 2022 – until further notice
Consultant/Partner	690
Director	580
Senior Manager	500
Manager	475
Assistant Manager	385
Senior Administrator	340
Administrator	260
Trainee Administrator	190
Support	175

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead. As detailed above, time is recorded in 6-minute units.

SIP9 Hainault Business Services Limited - Creditors Voluntary Liquidation - 03HA903.CVL : Time Costs Analysis From 13/01/2022 To 12/01/2023

[illegible]

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	£Amount incurred	£Amount discharged	£Balance undischarged
Expenses incurred with entities not within the Begbies Traynor Group				
Statutory advertising	Courts Advertising	180	0	180
Bonding	Insolvency Risk Services	21	0	21
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
None		-	-	-

ADDITIONAL EXPENSES ANTICIPATED FOR FUTURE WORK

Expenses anticipated to be incurred prior to closure of the case	Name of party with whom expense anticipated to be incurred	Amount estimated to cost £
Postage	Postworks Limited	5