

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information please



A6EXX7II

A20

14/09/2017

#290

COMPANIES HOUSE

THURSDAY

1 Company details

Company number 0 5 7 8 8 8 7 0

Company name in full JUNDU PROPERTIES LIMITED

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) GARY STEVEN

Surname PETTIT

3 Liquidator's address

Building name/number THE TECHNO CENTRE

Street COVENTRY UNIVERSITY TECHNOLOGY PARK

PUMA WAY

Post town COVENTRY

County/Region

Postcode C V 1 2 T T

Country

4 Liquidator's name

Full forename(s) GAVIN GEOFFREY

Surname BATES

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address

Building name/number THE TECHNO CENTRE

Street COVENTRY UNIVERSITY TECHNOLOGY PARK

PUMA WAY

Post town COVENTRY

County/Region

Postcode C V 1 2 T T

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 5 m 0 m 7 y 2 y 0 y 1 y 6

To date

d 1 d 4 m 0 m 7 y 2 y 0 y 1 y 7

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X L H Bute

X

Signature date

d 0 d 8 m 0 m 9 y 2 y 0 y 1 y 7

JUNDU PROPERTIES LIMITED – IN CREDITORS' VOLUNTARY LIQUIDATION

LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS FOR THE YEAR ENDING 14 July 2017

1 Introduction

- 1.1 This is my report to members and creditors following the first anniversary of my appointment as liquidator. This report should be read in conjunction with my previous reports.

2 Statutory Information

- 2.1 The table below details key information regarding the company and the liquidation.

Company name:	Jundu Properties Limited – In Liquidation
Registered office:	Techno Centre, Coventry University Technology Park, Puma Way, Coventry CV1 2TT
Former registered office:	37 Walsall Road, Perry Barr, Birmingham B42 2LX
Registered number:	05788870
Date of winding up resolution:	15 July 2016
Joint Liquidators' names:	Gavin G Bates and Gary S Pettit
Joint Liquidators' address:	PBC (Coventry) Ltd ("PBC"), Techno Centre, Coventry University Technology Park, Puma Way, Coventry CV1 2TT
Joint Liquidators' date of appointment:	15 July 2016

3 Liquidators' Actions Since Last Report

- 3.1 Since my last report to creditors, the joint liquidators have undertaken the following actions:
- i. Realised the assets of the company as detailed below.
 - ii. Investigated the affairs of the company as detailed below.
 - iii. Dealt with all routine correspondence and emails relating to the case.
 - iv. Maintained and managed (including regular bank reconciliations) the office holder's estate bank account and cashbook.
 - v. Reviewed the adequacy of the specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).
 - vi. Undertaken periodic reviews of the progress of the case.
 - vii. Filed returns at Companies House.
 - viii. Prepared and filed VAT returns.
 - ix. Prepared and filed Corporation Tax returns.

- x. Dealt with creditor correspondence, emails and telephone conversations regarding their claims.
- xi. Maintained up to date creditor information on the case management system.

3.2 The above list includes certain work that I am required by the insolvency legislation to undertake in connection with the liquidation but provides no financial benefit for the creditors.

4 Receipts and Payments

4.1 My receipts & payments account for the period from 15 July 2016 to 14 July 2017 is attached.

4.2 The balance of funds is held in an interest bearing estate bank account.

5 Assets

5.1 The following table details the current asset position.

Asset Type	Estimated to realise (£)	Realisations to date (£)
Bank Interest Gross	Nil	0.15
Contribution from Director	Nil	4,800.00
Total	Nil	4,800.15

5.2 I would comment further as follows:

5.3 **Contribution from Director:** This relates to funds paid by the director in settlement of the pre appointment fee.

5.4 **VAT Reclaim:** I am looking into whether there is possible VAT to reclaim of £30,411 on the LPA Receiver's fees.

5.5 The VAT relates to the pre liquidation period therefore HM Revenue & Custom is entitled to offset the amount against its claim of £137,244. I have therefore requested a breakdown of their claim to determine whether it is based on an estimate, so I can consider whether it can be reduced and a balance available for the liquidation.

5.6 **Other Assets:** The following assets were realised in the period:

- i I have received a nominal amount of bank interest gross.

6 Investigation into the affairs of the company

6.1 I undertook an initial investigation into the company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of

the public interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved.

6.2 In particular, I recovered, listed and reviewed the company's accounting records; obtained and reviewed copy bank statements for the two years prior to the company ceasing to trade from the company's bankers; and compared the information in the company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and made enquiries about the reasons for the changes.

6.3 My investigations into the company's affairs are continuing.

6.4 Within three months of my appointment as liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make them unfit to be concerned with the management of the company. I would confirm that my report has been submitted.

7 Liabilities

7.1 **Secured Creditors:** An examination of the company's mortgage register held by the Registrar of Companies showed that the company has no current charges over its assets.

7.2 **Preferential Creditors:** The statement of affairs did not anticipate any preferential creditors. Accordingly no claims have been received.

7.3 **Crown Creditors:** The statement of affairs estimated HMRC's claim as uncertain. HMRC's provisional claim of £137,224 has been received.

7.4 As detailed above, I have requested a breakdown of HMRC's claim.

7.5 At the time of writing, I have not investigated the reasons for the difference in the level of claim received.

7.6 **Non-preferential unsecured Creditors:** The statement of affairs included three non-preferential unsecured creditors (including HMRC) with an estimated total liability of £250,000. I have received claims from one creditor at a total of £137,244. I have not received claims from two creditors with original estimated claims in the statement of affairs of £250,000.

8 Dividends

8.1 I confirm no dividend will be paid to creditors.

8.2 The legislation requires that if the company has created a floating charge after 15 September 2003, a prescribed part of the company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors.

- 8.3 There were no creditors secured by a floating charge such that the prescribed part provisions do not apply.

9 Pre-Appointment Remuneration

- 9.1 The creditors previously authorised the payment of a fee of £4,000 for my assistance with preparing the statement of affairs and convening the meeting of creditors.
- 9.2 As detailed above, I am holding funds which I have received from the director in this respect

10 Liquidators' Remuneration

- 10.1 No resolutions to approve my remuneration were issued with my report dated 25 July 2016 and therefore the joint liquidators have no authority to draw fees.
- 10.2 Accordingly, I am seeking resolutions to fix my remuneration and details of the proposed resolutions are outlined in the cover letter accompanying my report.
- 10.3 **Please note if no vote is received or the resolutions are not passed, I will have no option but to apply to court to fix my fees and disbursements. This process will significantly increase the cost of these proceedings and I would therefore urge you to respond promptly.**
- 10.4 I attach a copy of my practice fee recovery policy. In this case I am seeking to fix the basis of my remuneration on more than one basis as detailed below.
- 10.5 **Fixed fee basis:** There are certain tasks that I have to carry out on nearly every liquidation. Although they are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not produce any direct benefit for creditors, but still have to be carried out. After taking into account the nature and value of the assets involved, I have concluded that a fixed fee of **£11,000** is necessary to cover that work. **Creditors should note this fixed fee has increased by £500 as a result of the costs associated with this extra report given no vote was received on the written resolutions previously circulated.** I have also compared the proposed fixed fee with our past time records for undertaking the work in respect of cases of a similar size and complexity and taken that into account when determining the level of the fixed fee sought, and as a result I believe that this demonstrates why the fixed fee is expected to produce a fair and reasonable reflection of the work that I anticipate will be necessarily and properly undertaken. Please note that the lists below include generic tasks that may not be necessary every time, but arise in a typical case and are expected to be necessary in this case. If any one task is not required it would not make a material difference to the amount of work done for which approval of the fixed fee is being sought:
- 10.6 **Administration:**
- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
 - Setting up physical/electronic case files (as applicable).

- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Convening and holding general meetings of creditors and members (as applicable).
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing corporation tax returns.
- Seeking closure clearance from HMRC and other relevant parties.
- Preparing, reviewing and issuing final reports to creditors and members.
- Convening and holding final meeting meetings of creditors and members.
- Filing final returns at Companies House.

10.7 Creditors:

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.

10.8 **Percentage Basis:** There are certain tasks that I only have to carry out where there are assets to recover. They may produce a direct benefit for creditors, but are subject to the costs of the proceedings generally. I undertake the work to recover the assets, initially at my own cost, suffering the loss if any asset is not recoverable. If assets are recovered, I first recover my costs and then distribute any balance. I am seeking a percentage basis that I think reflects the risk that I am taking, the nature of the assets involved, the complexity of the liquidation, and shares the anticipated benefit with the creditors. I am therefore seeking a fee based on asset realisations which shall be drawn at **15% of realisations**.

10.9 Therefore based on the anticipated realisation of the VAT reclaim the fee will be **£4,561.63**. I think the percentage I am seeking approval for reflects the risk that I am taking and the nature of the assets involved. The percentage I am seeking is the same as the Official Receiver charges on assets realised and as a result, I believe that this demonstrates why the percentage proposed is expected to produce a fair and reasonable reflection of the work that I anticipate will be necessarily and properly undertaken. The list below shows the tasks which are likely to be undertaken by me and my staff. Please note that the list includes generic tasks that may not be necessary every time, but arise in a typical case and are expected to be necessary in this case. If any one task is not required it would not make a material difference to amount of work done for which approval of the percentage is sought:

10.10 Realisation of assets:

- Corresponding with HMRC and attempting to collect pre appointment VAT.
- Liaising with the bank regarding the closure of the account.
- Instructing solicitors to assist in the realisation of assets.

10.11 Time costs: Some work cannot be identified with enough certainty for me to seek remuneration on a fixed or percentage basis. For these tasks, I propose to seek approval on a time cost basis. i.e. by reference to time properly spent by me and members of staff of the practice at our standard charge out rates. When I seek approval for my fees on a time cost basis I have to provide a fees estimate. That estimate acts as a cap on my time costs so that I cannot draw fees of more than the total estimated time costs without further approval from those who approved the fees. I attach a "fees estimate summary" that sets out the work that I intend to undertake, the hourly rates I intend to charge for each part of the work, and the time that I think each part of the work will take. It includes a summary of that information in an average or "blended" rate for all of the work being carried out within the estimate. As indicated in the fees estimate the following areas of work will be charged on a time cost basis.

10.12 Investigations

- Review of the company's previous accounts and review of the assets as compared to the statement of affairs.
- A review of the company bank statements in order to identify any payments which may be overturned by the joint liquidators.
- SIP2 review of potential actions.
- Investigation of any potential preference or transaction at an undervalue.
- Investigation of any potential wrongful trading
- Completion of the Directors Disqualification Report.
- Correspondence with the Directors Disqualification Unit
- Correspondence with solicitors in respect of any transaction that may be found.

10.13 Distributions

- Issuing a notice of intended dividend and placing an appropriate gazette notice.
- Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.
- Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.

10.14 Case specific matters

- Any communication with the director and non-statutory communications with estate creditors.
- Any communication with shareholders.

- Dealing with any company pension schemes.
- Disclaiming onerous property.

10.15 More details of the tasks included in these categories are included in the fees estimate. I estimate that the total time costs that I will incur in undertaking these tasks in this case will be £6,165.

10.16 I anticipate needing to seek approval to draw fees in excess the estimate if this work leads to further areas of investigation, potential further asset recoveries and any associated action, such as arbitration or legal proceedings.

10.17 To date a total of 15.2 hours have been spent working on the above tasks in the liquidation, and total time costs to date are £3,203.02 charged at an average charge out rate of £210.73. Details of the time units used and current charge-out rates are provided in our practice fee recovery sheet, a copy of which is enclosed. I attach, in respect of the areas of work where I am seeking to charge fees on a time cost basis, an analysis of time costs incurred to date by reference to grade of staff and work done.

11 Liquidators' Expenses

11.1 As outlined above, creditors have not authorised I can draw fees or category 2 disbursements and I am therefore seeking to fix my remuneration with this report.

11.2 I have incurred expenses to 14 July 2017 of £363 however I have not been able to draw any expenses in this matter.

11.3 I have not used any agents or professional advisors during the reporting period.

12 Creditors' Rights

12.1 An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the joint liquidators' remuneration and expenses within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

12.2 An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the joint liquidators' fees and the amount of any proposed expenses or expenses already incurred within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

12.3 Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3 is available at <http://www.pbcbusinessrecovery.co.uk/links>. Please note that there are different versions of the guidance notes and in this case you should refer to April 2017 version. Please note we have provided further details in the attached practice fee recovery sheet.

13 Provision of Services Regulations

- 13.1 To comply with the Provision of Services Regulations, some general information about PBC can be found at <http://www.pbcbusinessrecovery.co.uk/provision-of-services-regulations>

14 Summary

- 14.1 The liquidation will remain open until the following matters have been fully resolved:
- i) My investigations into the company's affairs are complete.
 - ii) I have realised the potential VAT.
- 14.2 I estimate that this will take approximately one year and once resolved the liquidation will be finalised and our files will be closed.
- 14.3 If creditors have any queries regarding the conduct of the liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Natasha Pink on the above telephone number, or by email at natashapink@pbcbusinessrecovery.co.uk.



GAVIN G BATES

Joint Liquidator

Jundu Properties Limited - In Creditors Voluntary Liquidation
Joint Liquidators' Abstract of Receipts & Payments

From 15 July 2016 To 14 July 2017

S of A £		As Previously Reported	15/07/16 to 14/07/17	Total £
RECEIPTS				
NIL	Bank Interest Gross	NIL	0.15	0.15
NIL	Contribution from Director	NIL	4,800.00	4,800.00
NIL		NIL	4,800.15	4,800.15
PAYMENTS				
NIL		NIL	NIL	NIL
0		NIL	NIL	(NIL)
0	CASH IN HAND	NIL	4,800.15	4,800.15

Jundu Properties Limited

Remuneration Schedule

Between 15-Jul-16 and 14-Jul-17

FIXED FEE

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	1.70	6.40	21.10	1.20	30.40	5,075.58	166.96
Creditors	0.90	0.90	0.70	-	2.50	626.65	250.66
Total hours	2.60	7.30	21.80	1.20	32.90		
Time costs	983.78	1,789.56	2,845.46	83.42		5,702.22	
Average hourly rate	378.38	245.15	130.53	69.52			173.32

Total Fixed Fees charged to 14/07/2017 £0.00

SCALE RATE

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Realisations	0.10	2.40	3.30	-	5.80	979.65	168.90
Total hours	0.10	2.40	3.30	-	5.80		
Time costs	37.65	546.00	396.00	-		979.65	
Average hourly rate	376.48	227.50	120.00	-			168.90

Total Scale Rate Fees charged to 14/07/2017 £0.00

TIME COSTS

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate	Time costs as detailed in Fee Estimate
Investigations	1.80	7.20	4.80	-	13.80	2,888.52	209.31	-
Case Specific Matters	-	1.40	-	-	1.40	314.50	224.64	-
Distributions	-	-	-	-	-	-	-	-
Total hours	1.80	8.60	4.80	-	15.20			
Time costs	681.18	1,948.00	573.84	-		3,203.02		-
Average hourly rate	378.44	226.51	119.55	-			210.73	

Total Time Cost Fees charged to 14/07/2017 £0.00

EXPENSES

Description	Total Incurred £	Total Recovered £
Advertising	173.88	-
Postage/Stamps/Copying/Stationery	3.27	-
Bordereau	76.00	-
Insolv Case Administration Fee	110.00	-
Totals	363.15	-

FEES ESTIMATE SUMMARY

Jundu Properties Ltd

The office holder is seeking to be remunerated on a time cost basis for the categories of work to be undertaken on the case that are set out below. We use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform, recording time spent in 6 minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work. This document provides an estimate as to how much time the office holder and his staff will spend undertaking specific tasks within broad categories of work, and the time costs of undertaking such work, which will depend upon the grade, or grades, of staff undertaking the work and the number of hours spent undertaking the work by each grade of staff. The estimated time that will be spent undertaking the work in each category of work has been multiplied by the applicable charge out rate for each member of staff that it is anticipated will undertake work in that category to arrive at the estimated total time costs attributable to that category of work on the case. We have then divided that estimated total by the estimated number of hours to arrive at what is known as a blended hourly charge out rate for that category of work. The sum of all the estimates for the different categories of work is the total estimated time costs to undertake all the necessary work on the case. Again, we have then divided that estimated total by the estimated number of hours to arrive at a blended hourly charge out rate for the case as a whole.

The hourly charge out rates that will be used on this case are:

£

Partner	380.00
Other Directors	275.00
Case Manager	230.00
Senior Case Administrator	180.00
Case Administrator	120.00
Junior Case Administrator	75.00
Assistants & Support Staff	45.00

INVESTIGATIONS

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
Recovering the books and records for the case.	2.00	410.00	
Listing the books and records recovered.	1.00	230.00	
Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act (delete if not applicable).	3.00	540.00	
Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.	7.00	1,805.00	
Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors.	4.00	1,115.00	
Total:	17.00	£4,100.00	£241.18

DISTRIBUTIONS

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
Issuing a notice of Intended dividend and placing an appropriate gazette notice.	0.50	115.00	
Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.	0.50	115.00	
Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.	0.50	115.00	
Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.	1.00	305.00	
Total:	2.50	£650.00	£260.00

CASE SPECIFIC MATTERS

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
Any communication with the director and non-statutory communications with estate creditors.	2.50	650.00	
Any communication with shareholders.	0.50	115.00	
Disclaiming onerous property.	1.50	420.00	
Dealing with any company pension schemes.	1.00	230.00	
Total:	5.50	£1,415.00	£257.27

GRAND TOTAL FOR ALL CATEGORIES OF WORK 25.00 £6,165.00 £248.66

Explanatory Note: This estimate has been provided to creditors at an early stage in the administration of the case and before the office holder has full knowledge of the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the office holder's current knowledge of the case and their knowledge and experience of acting as office holder in respect of cases of a similar size and apparent complexity. As a result, the estimate does not take into account any currently unknown complexities or difficulties that may arise during the administration of the case. If the time costs incurred on the case by the office holder exceed the estimate, or is likely to exceed the estimate, the office holder will provide an explanation as to why that is the case in the next progress report sent to creditors. Since the office holder cannot draw remuneration in excess of this estimate without first obtaining approval to do so, then where the office holder considers it appropriate in the context of the case, they will seek a resolution to increase the fee estimate so that they will then be able to draw additional remuneration over and above this estimate.

Investigations - The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure (and also in respect of matters such as misfeasance and wrongful trading). The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holder will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and the office holder will provide an estimate of that benefit if an increase in fees is necessary. The estimated time required to be spent to do so and the time costs of doing so are included in the estimate. The office holder is unable to quantify the benefit to creditors of these investigations at present but will include such information in their statutory report to creditors once the position is clear. The office holder is also required by legislation to report to the Department for Business, Innovation and Skills on the conduct of the directors and the work to enable them to comply with this statutory obligations is of no direct benefit to the creditors, although it may identify potential recovery actions.)

Distributions - The office holder has to undertake certain statutory formalities in order to enable him to pay a dividend to creditors. This includes writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.

Note 5: Case specific matters - It is common that correspondence is required with both the directors and shareholder which whilst may not lead to a direct benefit to creditors may reduce time cost overall because of the individuals knowledge of the Company. We are required to conduct a search for Company pension schemes and if any are identified then take appropriate to notify the Pension Protection Fund of the insolvency. In some circumstances further work is required to deal with the Company scheme as required under the Pension Act. Again whilst this may not lead to a financial benefit to the case it is legal requirement. It is common to disclaim leasehold property and therefore a disclaimer is required. This ultimately reduces potential claim in the estate and is therefore required. Landlords may also require either that the lease is disclaimed or assumed.

PRACTICE FEE RECOVERY POLICY FOR PBC BUSINESS RECOVERY & INSOLVENCY LTD

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://www.pbcbusinessrecovery.co.uk/links/>. The reader should note there are two versions of these guides and should refer to those titled Post-October 2015. Alternatively a hard copy may be requested from PBC Business Recovery & Insolvency Ltd, 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP. Please note that we have provided further details in this policy document.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Charge-out Rates

Grade of staff	Current charge-out rate per hour, effective from 31 March 2017 (£)	Current charge-out rate per hour, effective from 31 March 2013 (£)
Partner (Appointment Takers)	380	377
Manager		
Other Directors	275	215-271
Case Manager	230	176
Other Senior Professionals		
Senior Case Administrator	180	176
Case Administrator	120	119-120
Junior Case Administrator	75	55
Assistants & Support Staff	45	44

These charge-out rates charged are reviewed on 31 March each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning.
- Investigations.
- Realisation of Assets.
- Creditors.
- Trading
- Case specific matters.

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and on new appointments we now only seek time costs for the following categories:

- Investigations
- Trading
- Distributions of funds to creditors and/or shareholders
- Case Specific Matters

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or “blended” rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The

legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Members' voluntary liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Disbursements

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or PBC Business Recovery & Insolvency Ltd and in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered:

Room Hire	40.00	Per formal meeting at firm's offices
Case File Storage & Destruction	20.00	Storage of case files for 6 years after case closure and final shredding – per case (Min. up to 4 case files). Additional files charged at £5 each.
Mileage	0.45	Per mile travelled
Card printing	0.17	Per sheet
Digital photographs	0.50	High Resolution digital photographs - each
Electoral Database Search	1.00	Use of commercial database of electoral rolls
Archive boxes	5.00	Per box
Files & dividers	3.50	Per file
Labels	0.50	Per sheet used
Photocopying	0.15	Per sheet used

**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

PBC BUSINESS RECOVERY

& INSOLVENCY LIMITED

Address

9/10 SCIROCCO CLOSE

MOULTON PARK

Post town

NORTHAMPTON

County/Region

Postcode

N N 3 6 A P

Country

DX

Telephone

01604 212150

**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