

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

THURSDAY



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A19

16/05/2019

#235

COMPANIES HOUSE

<b>1</b>	<b>Company details</b>	
Company number	2 0 8 7 5 3 7	<b>→ Filling in this form</b> Please complete in typescript or in bold black capitals.
Company name in full	Merthyr And Rhondda Cynon Taff Groundwork Trust	
<b>2</b>	<b>Liquidator's name</b>	
Full forename(s)	Simon	
Surname	Girling	
<b>3</b>	<b>Liquidator's address</b>	
Building name/number	Bridgewater House	
Street	Counterslip	
Post town	Bristol	
County/Region		
Postcode	B S 1 6 B X	
Country		
<b>4</b>	<b>Liquidator's name ①</b>	
Full forename(s)	Edward	<b>① Other liquidator</b> Use this section to tell us about another liquidator.
Surname	Kerr	
<b>5</b>	<b>Liquidator's address ②</b>	
Building name/number	Two Snowhill	<b>② Other liquidator</b> Use this section to tell us about another liquidator.
Street	Birmingham	
Post town		
County/Region		
Postcode	B 4 6 G A	
Country		

LIQ03

Notice of progress report in voluntary winding up

**6** Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 1	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
To date	<sup>d</sup> 2	<sup>d</sup> 0	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9

**7** Progress report

☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X

*S/G*

X

Signature date

<sup>d</sup>1

<sup>d</sup>5

<sup>m</sup>0

<sup>m</sup>5

<sup>y</sup>2

<sup>y</sup>0

<sup>y</sup>1

<sup>y</sup>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 **Simon Girling**

Company name **BDO LLP**

Address **5 Temple Square**

**Temple Street**

Post town **Liverpool**

County/Region

Postcode **L 2 5 R H**

Country

DX **BRNOTICE@bdo.co.uk**

Telephone **01512 374 500**



**Checklist**

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

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

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



**Important information**

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



**Where to send**

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

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



**Further information**

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

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

**Merthyr And Rhondda Cynon Taff Groundwork Trust  
(In Liquidation)  
Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £	From 21/04/2018 To 20/04/2019 £	From 21/04/2015 To 20/04/2019 £
<b>ASSET REALISATIONS</b>		
Bank Interest Gross	188.93	390.79
Bank Interest Net of Tax	NIL	135.15
Licence to Occupy	NIL	300.00
Transfer from Administration	NIL	313,781.12
VAT Refund	NIL	9,118.57
	<u>188.93</u>	<u>323,725.63</u>
<b>COST OF REALISATIONS</b>		
Administrators Fees	NIL	100,000.00
Agents/Valuers Fees (1)	NIL	8,837.70
Bank Charges	NIL	18.70
DTI Unclaimed Dividends	NIL	(52.66)
Electricity	NIL	8,625.78
Insurance of Assets	NIL	37,612.46
Legal Fees (1)	NIL	4,930.00
Liquidator's Fees	NIL	27,320.00
Other Property Expenses	NIL	1,015.00
Rates	NIL	2.38
Stationery & Postage	NIL	748.95
Statutory Advertising	NIL	153.44
Storage Costs	993.60	6,285.25
Utility Costs	NIL	7,071.78
VAT Irrecoverable	NIL	536.67
Water Rates	NIL	2,083.33
	<u>(993.60)</u>	<u>(205,188.78)</u>
<b>PREFERENTIAL CREDITORS</b>		
Preferential E.P.A.	NIL	25,262.73
Preferential Wages	NIL	9,219.06
	<u>NIL</u>	<u>(34,481.79)</u>
	<u>(804.67)</u>	<u>84,055.06</u>
<b>REPRESENTED BY</b>		
Bank 2 Current		83,440.18
Vat Control Account		93.24
Vat Input		521.64
		<u>84,055.06</u>

**Note:**

Statement of Affairs values are not included in the R&P as they were recorded in the previous Administration.

On 9 December 2015, a distribution to Preferential Creditors of 100p in the £, totalling £34,481.79 was made.

TO ALL KNOWN CREDITORS AND MEMBERS

15 May 2019

Our Ref 00253091/SG/DF/C2

Please ask for  
David Forster  
0151 237 4530  
Email BRCMT@bdo.co.uk

Dear Madams/Sirs

**Merthyr And Rhondda Cynon Taff Groundwork Trust - In Creditors' Voluntary Liquidation  
(‘the Trust’)  
Registered number: 2087537**

I set out, below, an annual progress report in accordance with Section 104A of the Insolvency Act 1986 and Rule 18.4 of the Insolvency (England and Wales) Rules 2016 (‘the Rules’). This report covers the period of 21 April 2018 to 20 April 2019 (‘the Period’) and should be read in conjunction with my previous reports on the matter.

**Professional information regarding the Joint Liquidators**

The Joint Liquidators are currently Edward Kerr (officeholder No: 9021) of BDO LLP, Two Snowhill, Birmingham, B4 6GA and Simon Girling (officeholder No: 9283) of BDO LLP, Bridgewater House, Counterslip, Bristol BS1 6BX. The Liquidation commenced on 21 April 2015 and the Joint Liquidators carry out their functions jointly and severally, meaning any action can be done by one Liquidator or by both of them.

**Receipts & Payments**

I attach, for your information, a summary of my Receipts and Payments account, analysed to show activity during the Period compared to the whole of the Liquidation. The account shows a balance in hand of £84,055.

The transactions shown during the Period are largely self-explanatory.

**Costs in the Liquidation**

Additionally, I provide, below, a summary of the professional fees and other expenses which have been paid in the Period, the costs which have been accrued and not yet paid, and the costs that are anticipated.

Professional Fees and Expenses	Accrued £	Paid £	Anticipated £
Legal Fees	5,500	Nil	5,500

## **Progress of the Liquidation**

During the Period, I have dealt with my statutory obligations and continued to maximise realisations from the Trust's assets.

As previously reported, a review of unsecured creditor claims has been ongoing and I have sought legal advice in respect of one of the claims in the liquidation. The position has now been resolved and a notice of intended dividend will be circularised shortly to creditors who have not yet proved their claim. I would urge any creditor who has not submitted a claim to do so as soon as possible.

## **Assets**

There are no further asset realisations anticipated.

I can confirm that there are no assets of a peculiar or special nature, which cannot be sold. Consequently, there has been no distribution of unsold assets to creditors, as mentioned in Rules 18.10/14.13 of the Insolvency (England & Wales) Rules 2016.

## **Future Prospects**

### Secured Creditors

As previously reported, according to office copy entries obtained from the Land Registry the property owned by the Trust was the subject of a legal charge in favour of The Co-operative Bank ('the Co-op'). However, the legal charge had not been registered with the Registrar of Companies.

As the Legal Charge had not been registered at Companies House, under Section 874 of the Companies Act 2006 it is deemed void (as far as any security on the Trust's property or undertaking is conferred by it). Irrespective of the terms of the charge, when a charge becomes void under Section 874, the money secured by it becomes immediately due and payable but only as an unsecured debt. Thus, the Co-op is an unsecured creditor and its claim against the Trust will be registered as an unsecured claim.

As previously advised, to enable the sale of the freehold property to proceed, the Co-op released their charge registered at the Land Registry and the property was accordingly sold free of the charge.

### Preferential Creditors

A distribution of 100p in the £ was declared to the preferential creditors of the Trust on 3 November 2015.

The total amount paid to preferential creditors was £34,482, as shown on the enclosed Receipts and Payments account and related to arrears of wages and holiday pay due to the former employees of the Trust.

### Unsecured Creditors

To date, unsecured creditor claims received total £718,980. As stated above, a Notice of Intended Dividend will be circularised to unproved creditors shortly and thereafter, a first and

final dividend paid to agreed unsecured creditors. The quantum of the dividend will be dependent upon any further claims received.

## **Prescribed Part**

Under Section 176A of the Insolvency Act 1986, where, after 15 September 2003, a company has granted a floating charge to a secured creditor, a proportion of the net property of that company must be made available purely for the unsecured creditors.

The Trust has not granted a floating charge to any creditor after the 15 September 2003 and, consequently, there will be no prescribed part in this Liquidation.

## **Investigations**

The Joint Liquidators have a duty to investigate the affairs of the Trust and the conduct of the directors and, in respect of the latter, to submit a confidential statutory report to the Secretary of State. I confirm that a report has been submitted.

I have completed my review of the Trust affairs and assets to establish whether there are any actions that can be investigated for the benefit of the creditors and concluded there are no causes of action to be pursued.

## **Joint Liquidators' Remuneration**

Pursuant to the Rules, the Joint Liquidators are obliged to fix their remuneration in accordance with Rule 18.16. This permits remuneration to be fixed either:

- (1) As a percentage of the assets realised and distributed; and/or
- (2) By reference to the time the Joint Liquidators and the staff have spent attending to matters in the Liquidation; and/or
- (3) As a set amount; and/or
- (4) As a combination of the above.

The Joint Liquidators' remuneration has previously been approved by creditors at a meeting held on 13 January 2013, on the basis of time properly spent in dealing with issues in the Liquidation. To date, the Joint Liquidators have drawn £27,320 in respect of remuneration as shown on the enclosed Receipts and Payments account.

I attach two schedules detailing the time costs incurred to date. The first schedule covers the Period and records time costs of £12,098, which represents 60 hours, spent at an average charge out rate of £202 per hour.

The second schedule covers the whole period of appointment and records time costs of £65,323, which represents 364 hours spent at an average charge out rate of £180 per hour.

## **Detail of Work Undertaken**

Below is a breakdown of the work undertaken by the Liquidators and their staff during the period of this report:

### **C: Planning and Strategy**

This relates to time costs incurred by the Joint Liquidators and their staff in managing/monitoring the case and reviewing the position, in line with internal BDO requirements. This ensures that all on-going matters are progressed efficiently, dealt with in a timely manner and in accordance with current legislation and best practice.

This work is primarily led by the Joint Liquidators and Associate Director, with input from the rest of the team where appropriate.

Although there is no direct benefit to creditors, planning and strategy ensures that key issues are identified and resolved/progressed in an effective and efficient manner, allowing for an orderly progression of the case.

### **D: General Administration**

General administration covers time costs incurred by the Joint Liquidators and their staff in dealing with various matters arising in the Liquidation. This includes, but is not limited to, the following matters:

- Dealing with issues in relation to VAT reclaims in the liquidation, ensuring VAT correctly accounted for;
- Reviewing the Company tax position and submitting any necessary information to HMRC, including annual tax returns;
- Liaising with legal advisors in relation to matters arising in the liquidation;
- Cashiering (processing receipts and payments, bank reconciliations, correspondence with the bank, updating the receipts and payments account);
- Matters arising in respect of Company records held in storage, including review and payment of storage costs;
- Dealing with remuneration matters;
- Dealing with statutory matters required by the Rules;
- General case filing and maintaining internal files in line with BDO requirements;

The majority of this work requires a range of insolvency knowledge and experience, balanced with accounting and administrative skills. This work is predominantly undertaken by staff from Administrator to Manager level, with input from other grades as required.

The majority of points referred to above are requirements placed upon us pursuant to the Rules, BDO internal policies and accounting requirements (such as VAT returns, corporation tax returns etc). Although there is no specific benefit to creditors, we are required to deal with these matters as part of our day-to-day responsibilities in managing the case.

### **H: Creditor Claims**

This category relates to the time costs incurred by the Joint Liquidators and their staff in dealing with creditors' correspondence and ad hoc queries. This also includes the work undertaken in this case in relation to queried claims and in particular one claim requiring legal advice.

It is important to deal with enquiries from creditors and provide updates where appropriate and ensures that all claims and queries are correctly dealt with.

This work is led at manager level, supported by an assistant manager.

## **I: Reporting**

Preparing periodic reports to creditors regarding the progress achieved, including preparation of receipts and payments accounts, a suitable analysis of time costs accrued and a review of actual costs and accrued costs against fees drawn.

The associate director is responsible for leading the reporting and delegating production of the accounts, fee analysis and comparisons to suitably experience staff. Much of the basic accounting and analysis is conducted by case administrators, with the reports prepared and finalised by assistant managers and managers.

This is a statutory requirement and ensures that the creditors are kept up to date with case developments.

## **J: Distribution and Closure**

Minimal time costs have been incurred in dealing with certain aspects of the preparation for a Notice of intended dividend to unsecured creditors.

For guidance, I enclose 'A creditors' guide to Liquidators' fees', together with a document that outlines the policy of BDO LLP in respect of fees and disbursements.

## **Disbursements**

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. Since my last report, no category 1 disbursements have been incurred.

Some Liquidators recharge expenses, for example printing, photocopying and telephone costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP in respect of this appointment is not to charge any category 2 disbursements with the exception of mileage on the basis of the mileage scale approved by HMRC, being 45p per mile unless otherwise disclosed to the creditors. I can confirm that no category 2 disbursements have accrued or been recharged in the Period.

Total disbursements of £640 have been incurred in this Liquidation as detailed below.

	Cat. 1 (£)	Cat. 2 (£)	Total (£)
Bonding	640.00	-	640.00
<b>Total</b>	<b>640.00</b>	<b>-</b>	<b>640.00</b>

To date disbursements totalling £640 have been drawn.

## **Creditors' rights**

I provide at the end of this report an extract from the Rules setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the liquidation. Creditors may access information setting out creditors' rights in respect of the approval of Liquidator's remuneration at <https://www.r3.org.uk/what-we-do/publications/professional/fees>.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency practitioners. In the event that you make a complaint to me but are not satisfied with the response from me then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

The Joint Liquidators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at: <http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d>

If you require any further information please contact me or my colleague David Forster at [BRCMT@bdo.co.uk](mailto:BRCMT@bdo.co.uk).

Yours faithfully  
for and on behalf of  
Merthyr And Rhondda Cynon Taff Groundwork Trust



Simon Girling  
Joint Liquidator  
Authorised by the Insolvency Practitioners Association in the UK

## **Enclosures:**

Receipts and Payments Account  
SIP 9 Time Cost Report for the Period  
SIP 9 Time Cost Report for the whole of Liquidation  
BDO LLP Policy in respect of Fees and Disbursements  
Statement of Creditors' Rights in respect of Fees and Disbursements

**Merthyr And Rhondda Cynon Taff Groundwork Trust**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £	From 21/04/2018 To 20/04/2019 £	From 21/04/2015 To 20/04/2019 £
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Summary of Time Charged and Rates Applicable for the Period From 21/04/2018 to 20/04/2019

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AV R
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
C. Planning and Strategy	0.50	266.50	1.30	613.30			0.30	168.35					3.10	1,048.65	£ 338.2
D. General Administration	0.80	421.20	11.65	3,247.10	0.85	123.00	7.30	1,566.45	4.70	344.30	7.10	500.80	32.90	6,202.85	188.5
H. Creditor Claims	1.00	533.00	8.15	2,348.75			1.55	324.85	0.65	44.35			11.35	3,250.95	286.4
I. Reporting	0.25	130.00	1.10	251.90			2.55	405.00	7.40	495.80			11.30	1,282.70	113.5
J. Distribution and Closure			1.15	312.65									1.15	312.65	271.8
	2.55	1,350.70	23.85	6,774.20	0.85	123.00	12.70	2,464.65	12.75	884.45	7.10	500.80			

Net Total	59.80	12,097.80
Secretarial Expense		0.00
Other Disbursements		0.00
Billed		0.00
Grand Total		12,097.80

Detail of Time Charged and Rates Applicable for the Period From 21/04/2015 to 20/04/2019

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
<b>B. Steps on Appointment</b>														
12. Setting up Internal Files			0.40	92.00									0.40	92.00
sub total -			0.40	92.00									0.40	92.00
<b>C. Planning and Strategy</b>														
07. Strategy Planning	1.00	526.50	2.00	680.40			3.30	685.85					6.30	1,892.75
sub total -	1.00	526.50	2.00	680.40			3.30	685.85					6.30	1,892.75
<b>C. Planning and Strategy</b>														
<b>D. General Administration</b>														
01. Insurance Matters														
02. VAT														
03. Taxation														
04. Instruct Lease Solicitors	1.00	470.20	2.60	820.70	4.20	782.50	2.65	548.80	0.10	15.30			10.45	2,622.20
06. Conduct Reports			0.30	72.60									0.30	72.60
07. Receipts Payments Accounts	0.80	421.20	8.60	1,995.05	7.60	1,401.00	9.80	1,895.85	36.65	3,694.80	20.45	1,304.40	83.90	10,802.30
08. Remuneration Issues	0.10	50.90	1.40	471.00	1.10	214.20	0.25	51.75					2.85	787.85
09. Statutory Matters	0.40	184.40	0.75	181.50	29.55	5,408.85	2.85	604.20	6.00	444.35			39.55	6,913.30
13. General Meetings									0.35	27.30			0.35	27.30

## Detail of Time Charged and Rates Applicable for the Period From 21/04/2015 to 20/04/2019

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
14. General Discussions	0.25	121.00	0.10	24.20	0.10	19.20							0.45	164.40
15. Gen. Admin Correspondence	2.00	1,019.80	2.80	641.45	19.65	3,698.45	9.70	1,892.05	28.10	2,456.45	0.60	44.90	62.85	9,753.10
16. Maintain Internal Files			7.00	1,970.80	8.70	1,715.40			3.00	332.70			18.70	4,018.90
sub total -	4.55	2,267.50	26.85	7,052.25	73.25	13,705.80	40.45	8,069.80	76.30	7,369.20	21.05	1,439.30	242.45	39,983.85
D. General Administration														
E. Assets Realisation/Dealing														
04. Agent Instruction/Liasing														
06. Property Related Matters	0.40	189.00	0.75	221.25	1.60	296.60							0.40	75.00
07. Debt Collection					0.20	36.60			0.55	42.90			2.75	706.85
08. Dealing with Chattel Assets					0.60	109.80							0.75	79.50
09. Dealing with other Assets					0.90	166.60							0.60	109.80
99. Other Matters	0.25	121.00	0.30	68.70									0.90	166.60
sub total -	0.65	310.00	1.05	289.95	3.70	684.60			0.55	42.90			5.95	1,327.45
E. Assets Realisation/Dealing														
F. Trading Related Matters														
99. Other Matters	0.15	72.60											0.15	72.60

Detail of Time Charged and Rates Applicable for the Period From 21/04/2015 to 20/04/2019

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
sub total -	0.15	72.60		0.00									0.15	72.60
<b>F. Trading Related Matters</b>														
<b>G. Employee Matters</b>														
02. Dealing with Employees			2.30	543.55	0.50	94.20			5.05	504.90	1.45	150.80	2.80	637.75
03. EPA Matters			6.70	1,393.60					0.20	34.40			13.20	2,049.30
99. Other Matters			0.30	88.50	0.40	76.80							0.90	199.70
sub total -			9.30	2,025.65	0.90	171.00			5.25	539.30	1.45	150.80	16.90	2,886.75
<b>G. Employee Matters</b>														
<b>H. Creditor Claims</b>														
03. Preferential Creditors			1.90	410.50	0.50	94.20							2.40	504.70
04. Non-Preferential Creditors	2.70	1,417.00	17.35	4,598.35	8.65	1,720.30	26.40	5,446.80	4.95	536.60	0.20	13.80	60.05	13,719.05
99. Other Matters													0.20	13.80
sub total -	2.70	1,417.00	19.25	5,008.85	9.15	1,814.50	26.40	5,446.80	4.95	536.60	0.20	13.80	62.65	14,237.55
<b>H. Creditor Claims</b>														
<b>I. Reporting</b>														
01. Statutory Reporting	0.65	314.40	1.65	379.00			1.35	156.60	10.65	830.90			14.30	1,680.90
04. Reporting to Creditors			0.85	273.10			8.30	1,682.60					9.15	1,955.70
sub total -	0.65	314.40	2.50	652.10			9.65	1,839.20	10.65	830.90			23.45	3,636.60
<b>I. Reporting</b>														

Detail of Time Charged and Rates Applicable for the Period From 21/04/2015 to 20/04/2019

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
J. Distribution and Closure														
02. Distributions	0.15	72.60	3.20	755.70	1.90	364.80							5.25	1,193.10
sub total -														
J. Distribution and Closure	0.15	72.60	3.20	755.70	1.90	364.80							5.25	1,193.10
Net Total														65,322.65
Secretarial Expense														0.00
Other Disbursements														0.00
Billed														0.00
Grand Total														65,322.65



## **Merthyr And Rhondda Cynon Taff Groundwork Trust - In Creditors' Voluntary Liquidation**

In accordance with best practice I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency, follows:

<b>GRADE</b>	<b>£</b>
Partner	533
Manager	235-411
Assistant Manager	212
Senior Administrator	200-212
Administrator	71-180
Other Staff	75

This in no way implies that staff at all such grades will work on the case. The rates charged by BDO LLP are reviewed on a regular basis 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. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories:-

Pre Appointment  
Steps upon Appointment  
Planning and Strategy  
General Administration  
Asset Realisation/Management  
Trading Related Matters  
Employee Matters  
Creditor Claims  
Reporting  
Distribution and Closure  
Other Issues.

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

### **1) Other Costs**

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.



## **2) Category 1**

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

## **3) Category 2**

We propose to recover from the estate the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the HM Revenue & Customs Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency (England and Wales) Rules 2016 to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

BDO LLP  
15 May 2019



## Statement from the Insolvency (England and Wales) Rules 2016 regarding the rights of creditors in respect of the Joint Liquidators' fees and expenses:

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

**18.9.**—(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—

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

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

**18.34.**—(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
  - (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
  - (c) the expenses incurred by the office-holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—
- (a) a secured creditor,
  - (b) an unsecured creditor with either—
    - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
    - (ii) the permission of the court, or
  - (c) in a members' voluntary winding up—
    - (i) members of the Trust with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the Trust, or
    - (ii) a member of the Trust with the permission of the court.
- (3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ('the relevant report').

### Applications under rules 18.34 and 18.35 where the court has given permission for the application

**18.36.**—(1) This rule applies to applications made with permission under rules 18.34 and 18.35.

- (2) Where the court has given permission, it must fix a venue for the application to be heard.

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

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

- 18.37.**—(1) On receipt of an application under rule 18.34 for which the court's permission is not required, the court may, if it is satisfied that no sufficient cause is shown for the application, dismiss it without giving notice to any party other than the applicant.
- (2) Unless the application is dismissed, the court must fix a venue for it to be heard.
- (3) The applicant must, at least 14 days before any hearing, deliver to the office-holder a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
- (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
  - (b) an order reducing any fixed rate or amount;
  - (c) an order changing the basis of remuneration;
  - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration or winding up or bankruptcy;
  - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
    - (i) the administrator or Liquidator or the administrator's or Liquidator's personal representative to the Trust, or
    - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
  - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration or as winding up or bankruptcy.