

# LIQ14

## Notice of final account prior to dissolution in CVL



Companies House

SATURDAY



\*A8JB13J5\*

A05

30/11/2019

#141

COMPANIES HOUSE

### 1 Company details

Company number 0 2 4 6 7 2 5 6

Company name in full A.C. Wellard & Partners Limited

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Jamie

Surname Taylor

### 3 Liquidator's address

Building name/number The Old Exchange

Street 234 Southchurch Road

Post town Southend on Sea

County/Region

Postcode S S 1 2 E G

Country

### 4 Liquidator's name ①

Full forename(s) Alan

Surname Clark

① Other liquidator  
Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number Recovery House, Hainault Business Park

Street 15-17 Roebuck Road

Post town Ilford

County/Region Essex

Postcode I G 6 3 T U

Country

② Other liquidator  
Use this section to tell us about  
another liquidator.

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**6 Liquidator's release**

☐ Tick if one or more creditors objected to liquidator's release.

:

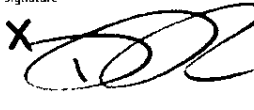
**7 Final account**

☒ I attach a copy of the final account.

**8 Sign and date**

Liquidator's signature

Signature

X  pp J. Taylor X

Signature date

d

2

d

8

m

1

m

1

y

2

y

0

y

1

y

9

LIQ14

Notice of final account prior to dissolution in CVL



**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 Dominik Thiel Czerwinke

Company name Begbies Traynor (Central) LLP

Address  
The Old Exchange  
234 Southchurch Road

Post town Southend on Sea

County/Region

Postcode S S 1 2 E G

Country

DX southend@begbies-traynor.com

Telephone 01702 467255



**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)

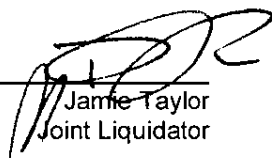
This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

**A.C. Wellard & Partners Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**  
**From 6 June 2016 To 28 November 2019**

Statement of Affairs	£	£	£
SECURED ASSETS			
Leasehold Land & Property	68,098.00		68,098.00
SECURED CREDITORS			
Barclays Bank Plc	68,098.00		(68,098.00)
ASSET REALISATIONS			
VAT Refund	14,500.00		
Bank Interest Gross	93.33		
Bank Refund	110.91		
Administration Surplus	47,312.79		62,017.03
COST OF REALISATIONS			
Specific Bond	230.00		
Liquidators' Expenses	44.00		
Joint Administrator's o/s time costs	33,613.83		
Legal Fees (1)	1,500.00		
Corporation Tax	17.29		
Irrecoverable VAT	158.76		
Stationery & Postage	145.14		
Statutory Advertising	75.14		
Insurance of Assets	26,157.78		
Bank Charges	75.09		(62,017.03)
			<u>0.00</u>

REPRESENTED BY

NIL

  
 Jamie Taylor  
 Joint Liquidator

**A.C. WELLARD & PARTNERS LIMITED (IN CREDITORS' VOLUNTARY  
LIQUIDATION)**

**REGISTERED COMPANY NUMBER: 02467256**

**NOTICE OF FINAL ACCOUNT UNDER RULE 6.28 OF THE INSOLVENCY (ENGLAND  
AND WALES) RULES 2016**

1. The Company's affairs are fully wound up.
2. A secured creditor or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question) or with the permission of the court, may request in writing that the Liquidators provide further information about their remuneration or expenses as set out in the final report. 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 final report by the person, or by the last of them in the case of an application by more than one creditor.
3. A secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors (including the creditor in question) or with permission of the court, may within 8 weeks after receipt of the final report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidators, as set out in the final account, are excessive.
4. A creditor may object to the release of the Liquidators by giving notice in writing to the Liquidators before the end of the prescribed period.
5. The prescribed period is the period ending at the later of:
  - a. eight weeks after delivery of this notice, or
  - b. if any request for information as detailed in point 2 above is received or an application to court made as detailed in point 3 above, when that request or application is finally determined.
6. The Liquidators will vacate office under Section 171 of the Insolvency Act 1986, as soon as the Liquidators have delivered their final account to the Registrar of Companies confirming whether any creditors have objected to the Liquidators' release.
7. The Liquidators will be released at the same time as vacating office unless any of the creditors object to the release.

Date: 30/03/19

Signed:  .....

The Liquidators' postal address is at The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG. They can also be contacted via Jordan Fry by e-mail at [jordan.fry@begbies-traynor.com](mailto:jordan.fry@begbies-traynor.com) or by telephone on 01702467255.

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## **A.C. Wellard & Partners Limited (In Creditors' Voluntary Liquidation)**

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Final report and account of the liquidation

Period: 6 June 2019 to 26 September 2019

### **Important Notice**

This report has been produced solely to comply with our statutory duty to report to creditors and members of the Company pursuant to Section 106 of the Insolvency Act 1986. This 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.

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## **Contents**

- ☐ Interpretation
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  - 2. Liquidators' time costs and disbursements
  - 3. Statement of Liquidators' expenses

# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	A.C. Wellard & Partners Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 6 June 2016.
"the liquidators", "we", "our" and "us"	Jamie Taylor of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG and Alan Clark of Carter Clark, Recovery House, Hainault Business Park, 15-17 Roebuck Road, Ilford, Essex, IG6 3TU
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England & 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):	A.C. Wellard & Partners Limited
Company registered number:	02467256
Company registered office:	Recovery House, 15-17 Hainault Business Park, Roebuck Road, Ilford, Essex, IG6 3TU
Former trading address:	Port Zone, Old Park, Whitfield, CT16 2HQ

## 3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	6 June 2016
Date of liquidators' appointment:	6 June 2016
Changes in liquidator (if any):	None

## 4. PROGRESS SINCE OUR LAST REPORT

Since the last report, we have concluded our administration of this matter and are able to bring this to a close. This is our final report and account of the liquidation and should be read in conjunction with the progress reports to creditors dated 4 August 2017, 25 July 2018 and 5 August 2019.

### **Receipts and Payments**

Attached at Appendix 1 is our abstract of receipts and payments for the period from 6 June 2019 to 26 September 2019.

You may recall in my previous reports that details of asset and cost realisations were provided. However for ease of reference we have once again covered these details below.

### **ASSET REALISATIONS**

#### **SECURED ASSETS**

##### **Leasehold Land & Property**

The Company held a lease for Waldershare Road, Dover, CT15 5HZ. The value of the outstanding secured loan against the property was £67,436 with accruing interest. As advised in prior reports to creditors, the director expressed an interest in purchasing the lease for this amount and this was considered. The director was due to sell a separate freehold premises to discharge the liability to Barclays Bank Plc under his personal guarantee and at the same time take on the lease. The liability to Barclays bank was discharged for the total sum of £68,098 including interest.

## **UNSECURED ASSETS**

### **Administration Surplus**

The balance of funds previously held in the prior Administration was paid into the liquidation account totalling £47,312.79.

### **Bank Interest Gross**

The sum of £93.33 has been received in respect of bank interest on funds held in the liquidation account, including the amount of £1.96 during the period covered by this report.

### **Bank Refund**

The amount of £110.91 has been realised in respect of a bank refund.

### **VAT Refund**

The sum of £14,500 has been received from HM Revenue & Customs in relation to a VAT refund that was obtained following the sale of the Company's assets.

## **COSTS OF REALISATIONS**

### **Bank Charges**

The amount of £75.09 has been paid to Barclays Bank Plc in respect of bank charges.

### **Corporation Tax**

Corporation tax of £17.29 has been paid to HM Revenue & Customs, this includes £11.40 during the period of this report.

### **Insurance of Assets**

Insurance costs have been settled in the sum of £26,157.78 and paid to AUA Insolvency Risk Services Limited.

### **Irrecoverable VAT**

The sum of £158.76 in VAT has been deemed uneconomical to recover and has therefore been written off as irrecoverable.

### **Joint Administrator's Outstanding Time Costs**

The sum of £33,613.83 has been paid towards the Joint Administrators outstanding time costs.

### **Legal Fees**

Legal fees have been paid to Dentons Solicitors in respect of their assistance with the final matters pertaining to the leasehold premises conveyance and were chosen due their prior known effectiveness and experience with insolvency matters. Dentons were instructed on a fixed fee basis and the sum of £1,500 has been paid in this respect.

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

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we

have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only. Our previous reports contain details of the work undertaken since our appointment.

#### **General case administration and planning**

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

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

#### **Compliance with the Insolvency Act, Rules and best practice**

- Reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;
- Submission of forms to Companies House;
- Maintain accurate account of receipts and payments;
- The preparation and issue of this report to creditors and members to include all necessary information;
- Issuing annual progress report for submission at Companies House and copies sent to all known creditors.

##### **Banking:**

- Maintaining and managing the insolvent estate bank account.
- Maintaining and managing the officer holders' cash book on this assignment.
- Undertaking regular bank reconciliations of the estate bank account.
- Complying with risk management procedures;

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

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

##### **Creditors:**

- Updating schedules of creditor claims;
- Receipt of creditor claims and input on internal case management software;

On this engagement, the work detailed above has not had a direct financial benefit to creditors as insufficient funds have been realised to allow for a dividend to be paid to creditors.

**Other matters which includes meetings, tax, litigation, pensions and travel**

**Tax / VAT**

- Post appointment tax compliance – submission of corporation tax return(s).
- Post appointment VAT compliance – submission of VAT returns.

There is no direct financial benefit to creditors of this work on this assignment. It is required by statute for the office holders to identify any possible pension schemes in place and deal with their closure or otherwise.

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

Closure:

- Issue of this report to 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 hold 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.

## **5. OUTCOME FOR CREDITORS**

Details of the sums owed to each class of the Company's creditors were provided in the director's statement of affairs dated 23 June 2015 and provided in the prior Administration procedure.

On the basis of realisations, the outcome for each class of the Company's creditors is as follows:

### **Secured creditor**

Barclays Bank Plc have confirmed that their liability has been discharged in full through a combination of the director's personal guarantee and a return under their fixed charge from the sale of the lease.

### **Preferential creditors**

There are no known preferential creditors.

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

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

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

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

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

There will be no distribution of the prescribed part as our estimate of the Company's net property is less than the minimum prescribed by the Insolvency Act 1986 (Prescribed Part) Order 2003 and we think, in accordance with Section 176A(3)(b) of the Act, that the costs of making a distribution of the prescribed part to unsecured creditors would be disproportionate to the benefits.

#### **Unsecured creditors**

As detailed in our letter of the same date as this report, we confirm that no dividend will be made to unsecured creditors as there are insufficient funds available to enable a dividend to be paid to the unsecured creditors.

## **6. REMUNERATION & DISBURSEMENTS**

#### **Remuneration**

The Joint Liquidators have not sought to fix the basis of their remuneration.

On 2 September 2015 the secured and unsecured creditors agreed that the remuneration of the Administrator be fixed in accordance with Rule 2.106 of the Insolvency Rules 1986 by reference to the time properly given by the Administrator and his staff in attending to matters arising in the Administration. Barclays Bank subsequently provided consent in its capacity as secured creditor.

#### **Begbies Traynor (Central) LLP**

Our time costs for the period from 6 June 2019 to 26 September 2019 amount to £26,080 which represents 99.7 hours at an average rate of £261.58 per hour.

Our cumulative time costs for the period from 6 June 2016 to 26 September 2019 amount to £4,526 which represents 16.9 hours at an average rate of £267.81 per hour.

#### **Carter Clark**

Our time costs for the period from 6 June 2019 to 26 September 2019 amount to £77 which represents 0.2 hours at an average rate of £385 per hour.

Our cumulative time costs for the period from 6 June 2016 to 26 September 2019 amount to £6,775.50 which represents 32.8 hours at an average rate of £206.57 per hour.

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

- ❑ Time Costs Analysis for Begbies Traynor for the period 6 June 2019 to 26 September 2019
- ❑ Cumulative Time Costs Analysis for Begbies Traynor for the period 6 June 2016 to 26 September 2019
- ❑ Time Costs Analysis for Carter Clark for the period 6 June 2019 to 26 September 2019
- ❑ Cumulative Time Costs Analysis for Carter Clark for the period 6 June 2016 to 26 September 2019
- ❑ Begbies Traynor (Central) LLP's charging policy
- ❑ Carter Clark's charging policy

To 26 September 2019, we have not drawn any funds on account of our remuneration.

## **Time Costs Analysis**

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type.

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

## **Disbursements**

The sum of £494.28 has been drawn on account of our disbursements.

### **Category 2 Disbursements**

The following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since our last report to creditors:

- Photocopying: £21.40

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2015' 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](http://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.

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, together with an explanatory note which shows Carter Clark's fee policy are available at the link [www.carterclark.co.uk](http://www.carterclark.co.uk). Please note that there are different versions of the Guidance Notes and in this case you should refer to the November 2011 version.

## **7. LIQUIDATORS' EXPENSES**

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

## **8. UNREALISABLE ASSETS**

There are no assets that have proved to be unrealisable.

## **9. OTHER RELEVANT INFORMATION**

### **Investigations and reporting on directors conduct**

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

### Connected Party Transactions

We have not been made aware of any sales of the Company's assets to connected parties during the liquidation, with the exception of the lease mentioned earlier in this report.

In accordance with 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. We confirm that the following assets were sold:

Date of sale	Asset sold and nature of transaction	Consideration paid and date	Name of Purchaser	Relationship with the Company
31/05/17	Purchase of insolvent estate's interest in lease of Waldershare Road	£68,098	M & C Hayes t/a C & M Hayes	Director and his father.

### Use of personal information

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

## 10. CONCLUSION

This report and account of receipts and payments is our final account of the winding-up, showing how the liquidation has been conducted and details of how the Company's property has been disposed of.

Unless creditors object, by giving notice in writing within 8 weeks of the delivery of this report, we will have our release from liability at the same time as vacating office. We will vacate office upon our delivering to the Registrar of Companies our final account.

In accordance with The Insolvency Regulations 1994 Paragraph 16(2), the liquidators may, at any time after the expiration of a period of one year from the date of dissolution, destroy or otherwise dispose of the books, papers and other records of the company.

Should you require further explanation of any matters contained within this report, you should contact our office and speak to the case manager, Jordan Fry in the first instance, who will be pleased to assist.

  
Jannie Taylor  
Joint Liquidator

Dated: 26 September 2019

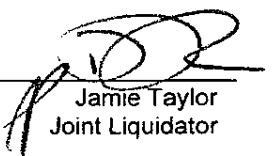
# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 6 June 2019 to 26 September 2019



**A.C. Wellard & Partners Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £	From 06/06/2019 To 26/09/2019 £	From 06/06/2016 To 26/09/2019 £
SECURED ASSETS		
Leasehold Land & Property	NIL	68,098.00
	NIL	68,098.00
SECURED CREDITORS		
Barclays Bank Plc	NIL	68,098.00
	NIL	(68,098.00)
ASSET REALISATIONS		
Administration Surplus	NIL	47,312.79
Bank Interest Gross	1.96	93.33
Bank Refund	NIL	110.91
VAT Refund	NIL	14,500.00
	1.96	62,017.03
COST OF REALISATIONS		
Bank Charges	75.09	75.09
Corporation Tax	11.40	17.29
Insurance of Assets	NIL	26,157.78
Irrecoverable VAT	158.76	158.76
Joint Administrator's o/s time costs	3,213.83	33,613.83
Legal Fees (1)	NIL	1,500.00
Liquidators' Expenses	NIL	44.00
Liquidators' Fees	(2,420.00)	NIL
Specific Bond	NIL	230.00
Stationery & Postage	NIL	145.14
Statutory Advertising	NIL	75.14
	(1,039.08)	(62,017.03)
	<b>(1,037.12)</b>	<b>0.00</b>
REPRESENTED BY		
		NIL

  
 Jamie Taylor  
 Joint Liquidator

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## TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Begbies Traynor's Time Costs Analysis for the period from 6 June 2019 to 26 September 2019;
- c. Begbies Traynor's Cumulative Time Costs Analysis for the period from 6 June 2016 to 26 September 2019;
- d. Carter Clark's charging policy;
- e. Carter Clark's Time Costs Analysis for the period from 6 June 2019 to 26 September 2019;
- f. Carter Clark's Cumulative Time Costs Analysis for the period from 6 June 2016 to 26 September 2019.

## **BEGBIES TRAYNOR CHARGING POLICY**

### **INTRODUCTION**

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance<sup>2</sup> indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### **OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

### **EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Photocopying is charged at 20p per sheet.

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

- Telephone and facsimile
- Printing and sundry photocopying

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

<sup>2</sup> Ibid 1

- Stationery

#### BEGBIES TRAYNOR CHARGE-OUT RATES

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

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour) 18 March 2019 – until further notice</b>
Consultant/Partner	645 - 710
Director	515
Senior Manager	440
Manager	410
Assistant Manager	315
Senior Administrator	290
Administrator	220
Trainee Administrator	160
Support	160

Prior to 18 March 2019, the following rates applied:

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour)</b>
Partner	395-550
Director	395
Senior Manager	365
Manager	315
Assistant Manager	285
Senior Administrator	250
Administrator	220
Junior Administrator	160
Cashier	160
Support	160

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

Time is recorded in 6 minute units.

SIP9 A.C. Wellard & Partners Limite - Creditors Voluntary Liquidation - 03AC085 CVL : Time Costs Analysis From 06/06/2019 To 30/09/2019

Sight Grade	Consultant/Partner	Director	Sr Mgr	Mgr	Asst Mgr	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning		0.3						1.4		1.7	278.50	222.65
Case planning												
Administration								0.7		0.7	112.00	160.00
Total for General Case Administration and Planning:		0.3						2.1		2.4	490.50	204.38
Appointment												0.00
Banking and Bonding	0.2								2.2	2.4	481.00	200.42
Case Closure		1.4					3.8			5.2	1,557.00	299.42
Statutory reporting and statement of affairs						6.6				6.6	1,914.00	290.00
Total for Compliance with the Insolvency Act, Rules and best practice:	0.2	1.4				8.6	3.8		2.2	14.2	3,952.00	278.31
Investigations												0.00
CCOA and investigations												0.00
Total for investigations:												0.00
Realisation of assets												0.00
Debt collection												0.00
Property, business and asset sales												0.00
Retention of Time/Third party assets												0.00
Total for Realisation of assets:												0.00
Trading												0.00
Trading												0.00
Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions												0.00
Secured												0.00
Others												0.00
Creditors committee												0.00
Total for Dealing with all creditors claims (excluding employees), correspondence and distributions:												0.00
Other matters which includes meetings, tax, litigation, pensions and travel												0.00
Seeking decisions of creditors												0.00
Meetings												0.00
Other												0.00
Tax		0.1						0.2		0.3	43.50	278.33
Litigation												0.00
Total for Other matters:		0.1						0.2		0.3	83.50	278.33
Total hours by staff grade:	0.2	1.6				8.6	3.8	2.3	2.2	16.9		
Total time cost by staff grade:	129.00	927.00				1,914.00	538.00	368.00	332.00		4,628.00	
Average hourly rate £:	645.00	515.00	0.00	0.00	0.00	290.00	220.00	160.00	180.00			287.81
Total fees drawn to date £:											0.00	

SIP9 A.C. Wellard & Partners Limite - Creditors Voluntary Liquidation - 03AC085.CVL : Time Costs Analysis From 06/06/2016 To 30/09/2019

Staff Grade	Costs/Staff/Partner	Director	Snr Mgr	Mngr	Asst Mgr	Snr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	1.0	0.6	0.7	5.5				9.0		16.8	4,186.00	247.96
Administration	1.1	0.3		2.8		0.4	0.1	4.3		9.0	2,296.00	255.11
Total for General Case Administration and Planning:	2.1	0.9	0.7	8.3		0.4	0.1	13.3		25.8	6,482.00	250.47
Compliance with the Insolvency Act, Rules and best practice				2.5						2.5	787.50	315.00
Appointment												
Banking and Bonding	3.3						4.7	0.8	14.1	22.9	4,758.50	207.78
Case Closure		1.4				0.2	3.6			5.4	1,804.00	297.04
Statutory reporting and statement of affairs	0.4	3.8		5.8		11.1				21.1	6,479.50	307.09
Total for Compliance with the Insolvency Act, Rules and best practice:	3.7	5.2		6.3		11.3	8.6	0.8	14.1	51.3	13,029.50	252.61
Investigations				1.3		5.2		0.4		6.9	1,695.50	245.72
CDAA and investigations												
Total for Investigations:				1.3		5.2		0.4		6.9	1,695.50	245.72
Realisation of assets				1.1		0.3				1.4	417.30	297.86
Debt collection												
Property, business and asset sales		2.1				0.8				3.0	1,041.00	347.00
Retention of Title/Third party assets												
Total for Realisation of assets:		2.1		1.1		1.2				4.4	1,458.00	331.36
Trading												
Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions												0.00
Secured												0.00
Others				0.2				0.1		0.3	79.00	263.33
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions:				0.2				0.1		0.3	79.00	263.33
Other matters which includes meetings, tax, litigation, pensions and travel												0.00
Setting decisions of creditors												0.00
Meetings	0.3									0.3	135.00	450.00
Other												0.00
Tax		3.2		0.6		1.3	0.1	4.9		10.1	2,821.00	259.50
Litigation												0.00
Total for Other matters:	0.3	3.2		0.6		1.3	0.1	4.9		10.4	2,786.00	265.00
Total hours by staff grade:	6.1	11.4	0.7	19.5		19.4	8.7	19.6	14.1	99.7		
Total time cost by staff grade:	2,765.00	4,787.00	270.50	6,237.00		4,932.00	1,742.50	3,120.00	2,258.00	28,080.00		
Average hourly rate £:	453.26	416.16	365.43	315.00	0.00	253.71	200.29	160.00	160.00			281.38
Total fees claimed to date £:											0.00	

## 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 creditZone section of our website [www.carterclark.co.uk](http://www.carterclark.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 [www.carterclark.co.uk](http://www.carterclark.co.uk). Alternatively a hard copy may be requested from Carter Clark at Recovery House, 15-17 Roebuck Road, Hainault Business Park, Ilford, Essex, IG6 3TU. 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.

## Chargeout rates

Period	From 01/11/14	01/05/10 to 31/10/14	01/01/05 to 30/04/10
	£	£	£
Partners (or equivalent)	310 - 385	300 - 375	250 - 290
Managers	270 - 325	250 - 300	150 - 260
Senior administrators	200 - 250	200	175
Administrators	150 - 190	120 - 175	90 - 160

\* Rates vary between individuals, reflecting experience. For certain more complex tasks, Carter Clark may seek to apply a higher rate in respect of work to be undertaken, but subject to prior authorisation in accordance with the Act. For further information on the manner in which an office holder's fees may be fixed, please refer to the applicable Creditors' guide to fees. Support staff will also occasionally charge their time when performing a substantial administrative task within a case. Support staff charge their time at the lower Administrators rate of £150 per hour.

These charge-out rates charged are reviewed annually 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.

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. For example, 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 fixed or 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. For example, 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. For example, 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**

These are 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 Carter Clark; 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	A charge will be made by reference to comparable commercial facilities available locally as follows :-	
	250	London
	200	Welwyn Garden City
Travel & subsistence		At cost to the firm
Storage	An associated company, Ideal Data Limited, may be utilised in handling storage and transportation for the firm. Costs currently are as follows :-	
Storage	0.50	Per box, per week
Collection	20.00	Per hour
Listing of documents	1.50	Per box
Box charges	2.25	Per box
Transportation costs	150.00	Per load

### Provision of Information

Each statutory report made by the office holder containing an account of receipts & payments relevant to that appointment will generally be accompanied by a Summary of the office holders fees and expenses in the form suggested by SIP9. Where further information is requested, reports will be provided on receipt of a written request to Carter Clark. Carter Clark reserves the right to either refuse to comply with such request or to insist upon payment of costs by the recipient wherever, in their professional opinion, the request is manifestly frivolous or out of proportion to the circumstances.

### Authorising Body

Alan J Clark is licensed to act as an Insolvency Practitioner in the UK under the authority of the Institute of Chartered Accountants in England & Wales and holds an enabling bond for the purpose of receiving appointments under his licence.

# Time Entry - SIP9 Time & Cost Summary

ACW3016CVL - A.C.Willard & Partners Limited  
All Post Appointment Project Codes  
From: 06/06/2019 To: 26/09/2019

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	0.20	0.00	0.00	0.00	0.20	77.00	385.00
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>0.20</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.20</b>	<b>77.00</b>	<b>385.00</b>
<b>Total Fees Claimed</b>						<b>396.92</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

# Time Entry - SIP9 Time & Cost Summary

ACW3016CVL - A.C.Willard & Partners Limited  
All Post Appointment Project Codes  
From: 01/01/2000 To: 26/09/2019

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	0.20	13.60	13.10	0.00	26.90	5,544.00	206.10
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	1.40	0.40	1.80	298.00	165.56
Investigations	0.00	0.00	2.60	0.00	2.60	476.00	170.00
Realisation of Assets	1.10	0.00	0.20	0.00	1.30	457.50	351.92
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>1.30</b>	<b>13.60</b>	<b>17.50</b>	<b>0.40</b>	<b>32.80</b>	<b>6,775.50</b>	<b>206.57</b>
<b>Total Fees Claimed</b>						<b>2,796.92</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

APPENDIX 3

## STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities <b>not</b> within the Begbies Traynor Group				
Postage	Royal Mail	21.69	0.00	21.69
Storage Charges	Archive Facilities	0.40	0.00	0.40
Expenses incurred with entities within the Begbies Traynor Group ( <i>for further details see Begbies Traynor Charging Policy</i> )				
Photocopying	Begbies Traynor	21.40	0.00	21.40

## CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Photocopying	Begbies Traynor (Central) LLP	65.40
Postage	Royal Mail	166.83
Advertising	TMP UK	75.14
Insurance	Insolvency Risk Solutions	26,157.78
Legal Fees	Dentons Solicitors	1,500.00
Bond	Carter Clark	230.00
Storage Charges	Archive Facilities	0.40