

WU15

Notice of final account prior to dissolution in a winding up by the court



Companies House

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

1 Company details

Company number 0 2 5 8 8 4 8 0

Company name in full The Devonshire Pub Company Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Nicholas W

Surname Nicholson

3 Liquidator's address

Building name/number Old Station Road

Street Loughton

Post town Essex

County/Region

Postcode I G 1 0 4 P L

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator

Use this section to tell us about
another liquidator.

WU15

Notice of final account prior to dissolution in a winding up by the court

6 Liquidator's release

Did any of the creditors object to the liquidator's release?

☐ Yes

☒ No

7 Date of final account

Date

^d	0	^d	4	^m	0	^m	3	^y	2	^y	0	^y	2	^y	2
--------------	---	--------------	---	--------------	---	--------------	---	--------------	---	--------------	---	--------------	---	--------------	---

8 Final account

☒ The final account is attached

9 Sign and date

Liquidator's signature

Signature

X

N. N. S.

X

Signature date

^d	1	^d	2	^m	0	^m	5	^y	2	^y	0	^y	2	^y	2
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**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 **Jeremy Wood**

Company name **Haslers**

Address **Old Station Road**

Loughton

Post town **Essex**

County/Region

Postcode **I G 1 0 4 P L**

Country

DX

Telephone **020 8418 3333**

**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.

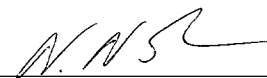
**Further information**

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

The Devonshire Pub Company Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments
From 16 March 2010 To 4 March 2022

Statement of Affairs	£	£	£
ASSET REALISATIONS			
Tax Refund	75.13		
Dusanj Settlement	98,434.06		
ISA interest	30.43		
			98,539.62
COST OF REALISATIONS			
Official Receivers Remuneration	189.34		
DTI Cheque Fees	3.80		
Secretary of State Fees	9,940.55		
OR credit balance	(715.00)		
Specific Bond	30.00		
Solicitors' client account write off	(0.03)		
Office Holders Fees	40,056.23		
Land Registry Fees	0.33		
Legal Fees (1)	21,093.48		
Legal Disbursements	228.33		
Tax on ISA interest	6.06		
Irrecoverable VAT	3.64		
Insurance of Assets	19,413.74		
Counsel's fees	7,273.15		
ISA Quarterly Charges	1,016.00		
			(98,539.62)
			(0.00)
REPRESENTED BY			
FEE SUSPENSE ACCOUNT			(33.78)
Vat Control Account			33.78
			NIL



Nicholas W Nicholson
Liquidator

**THE DEVONSHIRE PUB COMPANY LIMITED ("THE COMPANY")
IN COMPULSORY LIQUIDATION
IN THE HIGH COURT LONDON NUMBER 000576 OF 2010**

LIQUIDATORS' FINAL ACCOUNT TO CREDITORS TO 4 MARCH 2022

EXECUTIVE SUMMARY

The Company was part of a group of Companies who operated a number of public houses. The Companies entered Administration with PriceWaterhouseCoopers in August 2008 and the Administrators realised all known assets.

HM Revenue & Customs ("HMRC") were not fully satisfied with the outcome of the Administration and had lodged a significant claim in respect of outstanding liabilities. In the circumstances, they wished for investigations to be undertaken into the financial management of the Company. In order for further investigations to be undertaken, the Administrator exited the Administration procedure via a Compulsory Liquidation by petitioning for the winding up of the Company.

I was appointed Joint Liquidator, together with Richard Hooper, by the Secretary of State. I am currently the sole Appointee in this matter and details of other office holders are shown below.

Considerable investigations into the financial management of the Company led to identification of claims against the Directors which are described in more detail in the report below, and accordingly I instructed solicitors in this respect. These actions were successful and I secured a Settlement Agreement with the former Directors which would realise the total sum of £900,000. The realisations in this respect was to be divided between the Company and two others also in liquidation. This Agreement has now been settled in full and all other assets have been realised.

STATUTORY INFORMATION

Company name:	The Devonshire Pub Company Limited		
Company number:	02588480		
Registered office:	Haslers, Old Station Road, Loughton, IG10 4PL		
Principal trading activity:	Brewery		
Liquidators' names:	Nicholas Nicholson	Dominic Dumville	Richard Hooper
Liquidators' date of:			
Appointment:	16/03/2010	15/04/2016	16/03/2010
Removal:		21/01/2020	15/04/2016
Liquidators' address:	Old Station Road, Loughton, Essex, IG10 4PL		
Actions of Joint Liquidators'	Any act required or authorised under any enactment to be done by a Liquidator may be done by either or both of the Liquidators acting jointly or alone.		

LIQUIDATOR'S ACTIONS SINCE APPOINTMENT

Since my appointment, I have undertaken investigations into the operation and financial management of the Company by collating and reviewing all information available to me. It was established that due to the actions of the former Directors, claims could be brought against them. I sought the advice of my solicitors who acted on my behalf in bringing actions against the former Directors which were ultimately successful.

A settlement agreement was secured against the Director which has now been settled in full, further details are included in the 'assets' section below.

There is certain work that I am required by the insolvency legislation to undertake work in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my appointment as Liquidator is contained in Appendix A.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 16 March 2010 to 4 March 2022 is enclosed. This has been reconciled with the Insolvency Services Account operated by The Insolvency Service in respect of the Liquidation.

For information purposes, a VAT reclaim in the sum of £33.78 has been submitted to HMRC together with a Notice assigning the refund to Haslers. This will settle the debit balance due to Haslers in respect of outstanding fees and is shown as the fee suspense account on the enclosed receipts and payments account.

ASSETS

TAX REFUND

I received the sum of £75.13 from HMRC in respect of an overpayment of tax in the year 2009/10, when the Company was in Administration.

DUSANJ SETTLEMENT

Having conducted considerable investigations into the financial running of the Company, I instructed solicitors in order to bring claims against two parties who were the Directors of the Company ("the Directors"), RCB Realisations Limited ("RCB") and Cains Beer Company PLC ("Cains"). Also collectively known as "the Group" where applicable in this report.

My findings and the basis of claims against the Directors which resulted in the Settlement Agreement are as follows:

The Directors were initially Directors of RCB and the Company. In circa June 2007 they agreed a reverse takeover of Cains, thereby becoming the controlling shareholders of the Group.

Prior to this take over, from 2005 and at all times thereafter, RCB was unable to pay its debts as and when they fell due. It entered a number of 'time to pay' arrangements ("TTP") with HMRC in respect of overdue duty and other taxes but failed to meet the payments as agreed. Penalty charges and interest were applied and RCB was never in a position to be able to discharge any arrears.

RCB sought to agree a further TTP with HMRC at around the time that the reverse takeover was being considered. This arrangement was rejected by HMRC and from that date forward, RCB was continuously unable to pay its Crown debts as and when they fell due.

At the time of the reverse takeover in 2007, the financial position of both the Company and Cains was that they were insolvent or of doubtful solvency and the chain of public houses managed by these companies were not well managed and suffered from a lack of investment.

Immediately after the reverse takeover, the Group experienced a downturn in business, making trading losses and were also unable to pay their debts as and when they fell due.

Due to the increasing penalties and arrears, HMRC required payment in full and the Directors submitted a proposal for a further TTP. In doing so, however, the Directors misled HMRC into believing that certain liabilities totaling in excess of £1m had effectively been paid when in fact this sum had been dishonored. The proposal was rejected by HMRC and the Group continued to trade at a loss until it entered Administration in 2008.

It has been clear from my findings that the Directors did not adhere to their statutory and fiduciary duties whilst they were in office. Whilst the full particulars of the claims brought against them will remain confidential, the following formed the basis of such claims:

- The Companies incurred liabilities to HMRC and other creditors which they were not likely to meet, in addition to incurring further trading losses which could not be met;
- They engaged in business which was loss making;
- The Directors failed to consider what steps they could take to reduce ongoing losses and debts to creditors and to also consider how to improve profitability;
- The Directors failed to keep accurate and full accounting information which would enable them to fully understand the Companies' liabilities and trading position. This also hindered being able to forecast what the profitable or loss making elements of the business was;
- The Directors failed to have regard to the true interests of the Companies or its creditors;
- The Directors withheld information and mislead several parties to include HMRC, the bank and its auditors, about the true state of its business operations;
- The Directors adopted a policy of deliberately not paying creditors who were thought unlikely to take action against them, even when their banking facilities allowed them to do so.

The actions brought against the Directors were on behalf of the Group and the ultimate sum agreed by way of damages and equitable compensation was to be dividend between each of the Companies in accordance with the level of claims. These actions were protracted however ultimately successful. A settlement Agreement was reached whereby the Directors were to pay the total sum of £900,000 over a period of seventy-two months.

The Agreement has been settled in full and the agreed sum of £98,434.06 was paid to the liquidation estate of the Company.

LIABILITIES

SECURED CREDITORS

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has 37 outstanding Charges. The former Administrators dealt with the sums due under these Charges, albeit secured lenders either suffered shortfalls in relation to their lending or there were insufficient funds available to settle sums due to them because of their ranking.

PREFERENTIAL CREDITORS

The Administrator's final report included a Statement of Affairs figure in respect of preferential creditors of £62,240. This relates to employee wages and holiday pay however I have not received claims from any preferential creditors.

CROWN CREDITORS

The handover papers received from the Official Receiver did not include an amount due to HMRC, however I was aware that they were a creditor. I have received a claim from HMRC in the sum of £616,557.18.

NON-PREFERENTIAL UNSECURED CREDITORS

The handover papers received from the Official Receiver did not include details of any other unsecured creditors and no claims have been received.

DIVIDENDS

A dividend will not be declared to non-preferential unsecured creditors as the funds realised have been used to make payments to meet the expenses of the Liquidation.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

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. Specifically, I reviewed the documentation retrieved from the former Administrators, recovered, listed and reviewed the Company's accounting records and obtained and reviewed copy bank statements prior to the Company ceasing to trade from the Company's bankers.

I identified that specific claims could be brought against the former Directors in relation to their financial management and running of the business, which are provided in more detail in the 'assets' section above.

LIQUIDATORS' REMUNERATION

My remuneration was previously authorised on a time cost basis. My total time costs to 4 March 2022 amount to £63,726.90, representing 266.78 of hours work at an average charge out rate of £238.87 per hour.

I have drawn £40,056.23 to 4 March 2022.

A schedule of my time costs incurred to date is enclosed.

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 the April 2007 version of 'A Creditors Guide to Liquidators' Fees', also published by R3 is available at the link <https://www.haslers.com/services/insolvency-and-recovery-services/> via the tab 'Tools and Resources'. An explanatory note which shows Haslers' fee policy is enclosed.

LIQUIDATORS' EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration. It is not Haslers' policy to charge Category 2 expenses.

I have incurred total expenses of £20,414.73 since my appointment as Liquidator. Please note that I have also incurred legal fees and expenses under a conditional fee arrangement, which are not included within this amount, further details can be found below.

I have incurred the following expenses in the period since my appointment as Liquidator:

Type of expense	Amount incurred/ accrued in the reporting period
Insolvency Practitioners' Bond	£30.00
Land Registry Fees	£83.66
Insurance of Assets	£19,413.74
Agents'/Valuers' Fees	£233.33
Storage Costs	£654.00

I have drawn £19,444.07 to date. Certain expenses were in relation to the Company, The Devonshire Pub Company Limited and RCB Realisations Limited, however internally posted to the Company's ledger. For reporting purposes, I have included a third of this amount in the above schedule which makes up the difference between expenses incurred and billed. This amount will remain unbilled.

I have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Moon Beever Solicitors	Solicitors	Conditional Fee Arrangement
Radcliffe Chambers	Counsel	Conditional Fee Arrangement
Quo Vadis Investigation Services	Agents	Fixed fee

Moon Beever Solicitors were instructed throughout the liquidation process, specifically in relation to the claims against the Directors. My solicitors provided their professional advice, attended and held meetings and hearings, prepared documentation required for Actions brought against the Directors and facilitated the collection of payments in respect of the Settlement Agreement. My Solicitors received fees as agreed in the sum of £21,093.48 and disbursements of £228.33.

Counsel were instructed to act on my behalf in relation to securing the Settlement Agreement. The provided advice and attended Court hearings as necessary. Counsel received fees as agreed in the sum of £7,273.15.

Quo Vadis Investigation Services were instructed to make enquiries into the financial backgrounds of the former Directors and provide a report on their finding. Their fee was agreed on a fixed basis and divided between the three Companies in the Group.

The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.

FURTHER INFORMATION

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 Liquidators' remuneration and expenses within 21 days of their receipt of this final account. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Liquidators as being excessive, and/or the basis of the Liquidators' remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this final account. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Haslers can be found in the attached summary sheet.

SUMMARY

The winding up of the Company is now for all practical purposes complete and I am seeking my release as Liquidator of the Company. Creditors should note that provided no objections to my release are received I shall obtain my release as Liquidator following the delivery of the final notice to the Court, following which the case files will be placed in storage.

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 Michelle Dean by email at Michelle.Dean@Haslers.com, or by phone on 020 8418 3432 before my release.



NICHOLAS W NICHOLSON
LIQUIDATOR

APPENDIX A

ADMINISTRATION AND PLANNING

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder and their managers. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- 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 case files.
- 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 a general meetings of creditors.
- Dealing with all routine correspondence and emails relating to the case.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- 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 a final report to creditors.

CREDITORS

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

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

The Devonshire Pub Company Limited
(In Liquidation)
Liquidator's Summary of Receipts and Payments
To 04 March 2022

RECEIPTS	Statement of Affairs (£)	Total (£)
Tax Refund		75.13
Dusanj Settlement		98,434.06
ISA interest		30.43
OR credit balance		715.00
Solicitors' client account write off		0.03
		<hr/>
		99,254.65
		<hr/>

PAYMENTS

Official Receivers Remuneration		189.34
DTI Cheque Fees		3.80
Secretary of State Fees		9,940.55
Specific Bond		30.00
Office Holders Fees		40,056.23
Land Registry Fees		0.33
Legal Fees (1)		21,093.48
Legal Disbursements		228.33
Tax on ISA interest		6.06
Irrecoverable VAT		3.64
Insurance of Assets		19,413.74
Counsel's fees		7,273.15
ISA Quarterly Charges		1,016.00
		<hr/>
		99,254.65
		<hr/>

Net Receipts/(Payments)		0.00
		<hr/>

MADE UP AS FOLLOWS

FEE SUSPENSE ACCOUNT		(33.78)
VAT Receivable / (Payable)		33.78
		<hr/>
		0.00
		<hr/>

Liquidator

Ref:07 The Devonshore Pub Co

Analysis of time costs from 16/03/10 to 04/03/22

	Time recorded (Hours)							
Categories	Partner	Manager	Senior Administrator	Administrator	Junior	Total Time	Total Sum of Charge	Average Hourly Rate
GENERAL CASE ADMINISTRATION								
Administ & Planning	0.50		0.90			1.40	362.50	258.93
Case Planning	2.30	3.20	5.00	2.95	12.30	25.75	4,145.00	160.97
Administrative Set-up			0.80	0.50		1.30	186.50	143.46
Appointment Notification				0.70		0.70	56.00	80.00
Maintenance of Records	1.50	3.80	60.68	0.30	0.55	66.83	13,443.85	201.15
Statutory Reporting	0.90	0.20	1.00			2.10	487.50	232.14
Non-formal app Work			0.20		0.40	0.60	48.80	81.33
INS Cashiering	4.00		2.00	10.95	3.40	20.35	3,488.00	171.40
INSOLVENCY				0.70		0.70	70.00	100.00
Total	9.20	7.20	70.58	16.10	16.65	119.73	22,288.15	186.15
REALISATION OF ASSETS								
Property, Business and Asset Sales			0.05			0.05	9.75	195.00
Total			0.05			0.05	9.75	195.00
INVESTIGATIONS								
Investigations	109.10					109.10	29,777.50	272.94
SIP 2 Review			0.10			0.10	16.00	160.00
Investigating Antecedent Transactions	30.90		0.80			31.70	10,375.50	327.30
Total	140.00		0.90			140.90	40,169.00	285.09
CREDITORS								
Creditors				0.30		0.30	24.00	80.00
Communications With Creditors	0.80	1.10	2.30	1.00		5.20	1,154.00	221.92
Creditors' Claims (inc.: Employees and Preferential			0.40			0.40	58.00	145.00
Total	0.80	1.10	2.70	1.30		5.90	1,236.00	209.49
CASE SPECIFIC MATTERS								
Case Specific Matters			0.20			0.20	24.00	120.00
Total			0.20			0.20	24.00	120.00
	150.00	8.30	74.23	17.60	16.65	266.78	63,726.90	238.87

Notice of Final Account of

**The Devonshire Pub Company Limited ("The Company") - In Compulsory Liquidation
In The High Court London Number 000576 Of 2010**

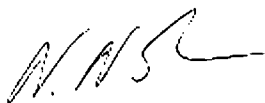
(Company Number 02588480)

NOTICE IS GIVEN by the Liquidator, Nicholas W Nicholson, under rule 7.71 of The Insolvency (England and Wales) Rules 2016 and section 146 of The Insolvency Act 1986, that the company's affairs have been fully wound up.

1. Creditors have the right under rule 18.9 of The Insolvency (England and Wales) Rules 2016 to request further details of the Liquidator's remuneration and expenses. That request must be made to the Liquidator within 21 days of receipt of the final account, and with either the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question). Secured creditors may also request further details.
2. Creditors have the right under rule 18.34 of The Insolvency (England and Wales) Rules 2016 to apply to Court to challenge the amount and/or basis of the Liquidator's fees, and/or the amount of any expenses incurred. That application must be made within 8 weeks of receipt of the final account, and with either the permission of the Court, or with the concurrence of 10% in value of the creditors (including the creditor in question). Secured creditors may also make an application.
3. Creditors may object to the release of the Liquidator by giving notice in writing to the Liquidator at the address given below before the end of the prescribed period. The prescribed period will end at the later of: 8 weeks after delivery of this notice; or, if any request for information regarding the Liquidator's remuneration and/or expenses is made under rule 18.9, or if any application is made to Court to challenge the Liquidator's fees and/or expenses under rules 18.34 or 18.35, when that request or application is finally determined.
4. The Liquidator will vacate office under section 172(8) of the Insolvency Act 1986 when, upon expiry of the prescribed period that creditors have to object to their release, they file in Court, and deliver to the Registrar of Companies the final account and a notice containing the statement required by section 146(4)(b) as to whether any creditor has objected to their release.
5. The Liquidator will be released under section 174(4)(d)(ii) of the Insolvency Act 1986 at the same time as vacating office, unless any creditors objected to their release.

Creditors requiring further information regarding the above, should either contact me at Old Station Road, Loughton, Essex, IG10 4PL, or contact Michelle Dean by telephone on 020 8418 3333, or by email at Michelle.Dean@Haslers.com

DATED THIS 4TH DAY OF MARCH 2022



Nicholas W Nicholson
Liquidator

Notice about final dividend position

**The Devonshire Pub Company Limited ("the Company") – In Compulsory Liquidation
In the High court London Number 000576 of 2010**

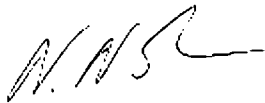
Company registered number: 02588480

Notice is given under rule 14.36 of The Insolvency (England and Wales) Rules 2016, by Nicholas W Nicholson, the Liquidator to the creditors of The Devonshire Pub Company Limited, that no dividend will be declared to unsecured creditors

A dividend will not be declared to unsecured creditors as the funds realised have been used to make payments to meet the expenses of the Liquidation.

Creditors requiring further information regarding the above, should either contact me at Old Station Road, Loughton, Essex, IG10 4PL, or contact Michelle Dean by telephone on 020 8418 3333, or by email at Michelle.Dean@Haslers.com.

DATED THIS 4TH DAY OF MARCH 2022

A handwritten signature in black ink, appearing to read 'N. Nicholson', with a long horizontal stroke extending to the right.

**Nicholas W Nicholson
Liquidator**

PRACTICE FEE RECOVERY POLICY FOR HASLERS

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.haslers.com/services/insolvency/>. Alternatively a hard copy may be requested from Haslers, Old Station Road, Loughton, Essex IG10 4PL. 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

Grade of staff	Current charge-out rate per hour, effective from 1 April 2021 £	Previous charge-out rate per hour, effective from 1 April 2020 £
Partner – appointment taker	375-510	375-510
Manager	285-320	285-320
Senior Administrator	195-250	195-250
Case Administrator	95-165	95-165
Cashier	100	100

Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rate for undertaking such work.

These charge-out rates charged are reviewed on 1 January 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.
- Maintenance of records
- Investigations.
- Realisation of Assets.
- Creditors.
- Case specific matters.
- Statutory reporting.

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 seek time costs for all categories of work

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.

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 Haslers; 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. It is not Haslers' policy to charge for such costs.

PROVISION OF SERVICES REGULATIONS SUMMARY SHEET FOR HASLERS

The following information is designed to draw the attention of interested parties to the information required to be disclosed by the Provision of Services Regulations 2009.

Licensing Body

Nicholas Nicholson is licensed to act as an Insolvency Practitioner in the United Kingdom by the Institute of Chartered Accountants in England and Wales.

Nicholas Nicholson is a Member of the Insolvency Practitioners Association.

Haslers is also a member of the ICAEW, Institute of Chartered Accountants in England and Wales.

Rules Governing Actions

All IPs are bound by the rules of their professional body, including any that relate specifically to insolvency. The rules of the professional body that licences Haslers' IPs <https://www.icaew.com/-/media/corporate/files/members/regulations-standards-and-guidance/master-insolvency-regulations-and-guidance-notes-010518.ashx?la=en>. In addition, IPs are bound by the Statements of Insolvency Practice (SIPs), details of which can be found at <https://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice>.

Ethics

All IPs are required to comply with the Insolvency Code of Ethics and a copy of the Code can be found at <https://www.icaew.com/-/media/corporate/files/members/regulations-standards-and-guidance/ethics/code-of-ethics-part-d-insolvency-practitioners-1-jan-2011.ashx> IPA - <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/ethics-code>.

Complaints

At Haslers we always strive to provide a professional and efficient service. However, we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of a particular case then in the first instance you should contact the IP acting as office holder.

If you consider that the IP has not dealt with your comments or complaint appropriately you should then put details of your concerns in writing to our complaints officer Jon O'Shea, Haslers, Old Station Road, Loughton, Essex IG10 4PL. This will then formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at www.gov.uk/complain-about-insolvency-practitioner; or you can email insolvency.enquiryline@insolvency.gov.uk; or you may phone 0300 678 0015. Information on the call charges that apply is available at <https://www.gov.uk/call-charges>.

Professional Indemnity Insurance

Haslers' Professional Indemnity Insurance is provided by Axis Speciality SE, of Willis Limited, 51 Lime Street, London EC3M 7DQ. This professional indemnity insurance provides worldwide coverage.

VAT

Haslers is registered for VAT under registration no. 978 0506 90.

Bribery Act 2010

Haslers is committed to applying the highest standards of ethical conduct and integrity in its business activities. Every employee and individual acting on Haslers' behalf is responsible for maintaining our reputation and for conducting company business honestly and professionally.

Haslers take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate.

Haslers requires all those who are associated with it to observe the highest standards of impartiality, integrity and objectivity.

Haslers prohibits anyone acting on its behalf from:

- bribing another person. A bribe includes the offering, promising or giving of any financial or other type of advantage;
- accepting a bribe. This includes requesting, agreeing to receive or accepting any financial, or another kind of advantage;
- bribing a foreign public official; and
- condoning the offering or acceptance of bribes.

Haslers will:

- avoid doing business with others who do not accept our values and who may harm our reputation;
- maintain processes, procedures and records that limit the risk of direct or indirect bribery;
- promote awareness of this policy amongst its staff, those acting on its behalf and entities with which it has any commercial dealings;
- investigate all instances of alleged bribery, and will assist the police, and other authorities when appropriate, in any resultant prosecutions. In addition, disciplinary action will be considered against individual members of staff;
- review this policy regularly and update it when necessary.
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