

LIQ14

Notice of final account prior to dissolution in CVL




Companies House

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

1	Company details		→ Filling in this form Please complete in typescript or in bold black capitals.
Company number	0 3 2 4 7 1 3 2		
Company name in full	BEDFORDSHIRE & LUTON EDUCATION BUSINESS PARTNERSHIP		
2	Liquidator's name		
Full forename(s)	GARY STEVEN		
Surname	PETTIT		
3	Liquidator's address		
Building name/number	9/10		
Street	SCIROCCO CLOSE		
	MOULTON PARK		
Post town	NORTHAMPTON		
County/Region			
Postcode	N N 3 6 A P		
Country	UK		
4	Liquidator's name ①		
Full forename(s)			① Other liquidator Use this section to tell us about another liquidator.
Surname			
5	Liquidator's address ②		
Building name/number			② Other liquidator Use this section to tell us about another liquidator.
Street			
Post town			
County/Region			
Postcode			
Country			

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6	Liquidator's release	
	<input type="checkbox"/> Tick if one or more creditors objected to liquidator's release.	
	:	
7	Final account	
	<input checked="" type="checkbox"/> I attach a copy of the final account.	
8	Sign and date	
Liquidator's signature	Signature <div style="display: flex; align-items: center;"> X  X </div>	
Signature date	<div style="display: flex; gap: 5px;"> <div style="border: 1px solid black; padding: 2px;">d</div> <div style="border: 1px solid black; padding: 2px;">2</div> <div style="border: 1px solid black; padding: 2px;">d</div> <div style="border: 1px solid black; padding: 2px;">2</div> <div style="border: 1px solid black; padding: 2px;">m</div> <div style="border: 1px solid black; padding: 2px;">0</div> <div style="border: 1px solid black; padding: 2px;">m</div> <div style="border: 1px solid black; padding: 2px;">6</div> <div style="border: 1px solid black; padding: 2px;">y</div> <div style="border: 1px solid black; padding: 2px;">2</div> <div style="border: 1px solid black; padding: 2px;">y</div> <div style="border: 1px solid black; padding: 2px;">0</div> <div style="border: 1px solid black; padding: 2px;">y</div> <div style="border: 1px solid black; padding: 2px;">2</div> <div style="border: 1px solid black; padding: 2px;">y</div> <div style="border: 1px solid black; padding: 2px;">3</div> </div>	

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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

Company name PBC BUSINESS RECOVERY &
INSOLVENCY LTD

Address 9/10 SCIROCCO CLOSE

MOULTON PARK

Post town NORTHAMPTON

County/Region

Postcode N N 3 6 A P

Country

DX

Telephone 01604 212150



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

**BEDFORDSHIRE & LUTON EDUCATION BUSINESS PARTNERSHIP T/A DEVELOP – IN
CREDITORS' VOLUNTARY LIQUIDATION**

LIQUIDATOR'S FINAL ACCOUNT TO CREDITORS AND MEMBERS

1 Introduction

- 1.1 This is my final account to members and creditors. This report should be read in conjunction with my previous reports.

2 Statutory Information

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

Company name:	Bedfordshire & Luton Education Business Partnership – In Liquidation
Trading Name:	Develop
Registered office:	9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP
Former registered office:	Unit 5, Trust Industrial Estate, Trust House, Hitchin, SG4 0UZ
Registered number:	03247132
Date of winding up resolution:	05 August 2021
Liquidator's name:	Gary S Pettit
Liquidator's address:	PBC Business Recovery & Insolvency Ltd ("PBC"), 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP
Liquidator's date of appointment	05 August 2021

3 Liquidator's Actions Since Last Report

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

- viii. Prepared and filed a Corporation Tax return.
- ix. Dealt with creditor correspondence, emails and telephone conversations regarding their claims.
- x. Maintained up to date creditor information on the case management system.

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

4 Receipts and Payments

4.1 My receipts & payments account for the full period of the liquidation together with the final period from 05 August 2022 to 26 April 2023 is attached. I confirm this has been reconciled for the purposes of this report. All amounts are shown net of VAT.

5 Assets

5.1 The following table details the asset position.

Asset Type	Estimated to realise (£)	Realisations to date (£)
Book Debts	NIL	3,500.00
Cash at Bank/on Hand	21,782.37	21,782.37
Bank Interest Gross	NIL	17.05
Refunds	2,578.57	28,981.01
Furniture & Equipment	5,700.00	16,317.05
Total	30,060.94	70,597.48

5.2 I would comment further as follows:

5.3 **Cash at Bank/on Hand:** Prior to the liquidation, creditors will recall the company's bank account balance of £21,782.37 was transferred to my client account.

5.4 **Chattel Assets:** The liquidator instructed W & H Peacock Auctioneers, experienced insolvency valuers and auctioneers who work with a number of different insolvency practices to value and sell the chattel assets of the company.

The assets level was uncertain with the initial valuation being carried out without having seen all the sites involved and a value of £5,700 was provided for the statement of affairs. Dealing with the chattels has been difficult and complicated and I would comment further as follows:

Hitchin/Bedford/Dunstable – After my appointment my agent was able to access the following offices. A third party was interested in taking leases at some of the premises and opened negotiations with the landlords. The same party also made offers for the chattel assets at those premises subject to negotiations with the landlord. Of the three premises below the third party only agreed a new lease with one of the landlords. The auction values, third party offer and outcome related to all three properties is detailed in the table below.

Location	Auction Valuation	Third party offer	Realisation (before costs)
Bedford	£1,380	£2,500	No lease agreed - Saleable assets collected and sold for £2,268 TOTAL £2,268
Hitchin	£3,855	Part offer £2,500	Third party purchased the laptops and chairs for £2,500 The remainder was collected and sold by auction for £2,688 Lease disclaimed. TOTAL £5,188
Dunstable	£3,668	£7,000	£7,000 sold to third party - additional £1,730 was raised selling unidentified Dell laptops through auction TOTAL £8,730

Norwich site – Upon my appointment I discovered the lease to this premises was not in the company's name. My agent had been unable to gain access prior to my appointment and had been unable to value the assets, although the director did not expect the assets to have significant value. Once appointed I opened up correspondence with the landlord's agents who refused access. As a result of this, given the expected minimal values of the assets I disclaimed my interest in the assets and no further action was taken.

Safestore – The company held storage units at Safestore which the director informed held some company assets. I entered into correspondence with them in order to gain access. However, as a result of non-payment they would not allow access. After considerable negotiation it was agreed my agent would uplift the assets and sell them for the benefit of the estate. The net proceeds of sale would be split between the two parties to a maximum of £4,500. The net funds of £1,085.10 were received and a payment of £542.55 was paid to Safestore.

- 5.5 **Debtors:** The statement of affairs did not include any debtors. However, upon my appointment the director advised there was a debtor of around £3,000. I contacted the debtor and they advised they had received the first invoice for the work carried out, but they were awaiting a further two invoice for £3,500. I raised the invoices and the payment was received in full.
- 5.6 **Refunds:** The statement of affairs estimated refunds of £2,578.57. I have received refunds in relation to insurance and rates of £9,857.75.
- 5.7 **Other refunds:** Whilst dealing with the asset realisations I noticed two photo copier companies were claiming to own the same machines. It was discovered the company had continued to pay for copiers to a former supplier resulting in a refund of £19,123.26 which has now been received in full and is included within the refunds figure on the R&P.
- 5.8 **Other Assets:** The following assets were realised in the period:

- i Bank interest of £17.05 of which £16.03 was received in the final period.

6 Investigation into the affairs of the company

- 6.1 I undertook an initial investigation into the company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved.
- 6.2 In particular, I recovered, listed and reviewed the company's accounting records; obtained and reviewed copy bank statements for the 24 months prior to the company ceasing to trade from the company's bankers; and compared the information in the company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and made enquiries about the reasons for the changes.
- 6.3 There were no matters that justified further investigation in the circumstances of this appointment.
- 6.4 Within three months of my appointment as liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make them unfit to be concerned with the management of the company. I would confirm that my report has been submitted.

7 Liabilities

- 7.1 **Secured Creditors:** An examination of the company's mortgage register held by the Registrar of Companies showed that the company has no current charges over its assets.
- 7.2 **Preferential Creditors:** The statement of affairs anticipated £65,959 in preferential creditors. No claims have been received from the Insolvency Service.
- 7.3 **Secondary Preferential Creditors:** HMRC are secondary preferential creditors for certain specified debts, such as VAT, PAYE, employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions. Secondary preferential debts are payable after all ordinary preferential debts have been paid in full, and before non-preferential unsecured debts. HMRC's estimated claim as a secondary preferential creditor was £17,274.
- 7.4 **Non-preferential unsecured Creditors:** In addition to HMRC and including employee claims the statement of affairs included 125 non-preferential unsecured creditors with an estimated total liability of 125 non-preferential unsecured creditors with an estimated total liability of £1,013,522. I have received claims from 25 creditors at a total of £490,896.41. I have not received claims from 109 creditors with original estimated claims in the statement of affairs of £870,955.30.

8 Pre-Appointment Remuneration

- 8.1 The creditors previously authorised the payment of a fee of £7,500 for my assistance with preparing the statement of affairs and convening the decision procedure of the creditors.

- 8.2 The fee for preparing the statement of affairs and convening and holding the meeting of creditors was paid from first realisations on appointment and is shown in the enclosed receipts and payments account.

9 Liquidator's Remuneration

- 9.1 My remuneration was previously authorised on a mixture of a fixed fee and on a time cost basis.
- 9.2 **Fixed Fee:** I was authorised to draw a fixed fee of £12,000 for my work in respect of administration and planning and creditors.
- 9.3 I have drawn £12,000 to 26 April 2023 (of which all was drawn prior to the final reporting period) in respect of work done for which my fees were approved as a fixed fee.
- 9.4 **Time Costs:** I was authorised to draw time costs for my work in respect of investigations, realisations, case specific matters and distributions. This approval was based on my fees estimate of £30,883. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors.
- 9.5 My total time costs for such work to 26 April 2023 amount to £31,397, at an average charge out rate of £218.49 per hour, (of which £514, was charged in the period since 05 August 2022, at an average charge out rate of £190.37 per hour.
- 9.6 The actual average charge out rate incurred compares with the estimated average charge out rate of £219.03 in my fees estimate.
- 9.7 I have drawn £23,914.62 to 26 April 2023 (of which £6,704.62 was drawn in the period since 05 August 2022) in respect of work done for which my fees were approved on a time cost basis.
- 9.8 A detailed schedule of my time costs incurred to date on the above categories (and since 05 August 2022) compared with my original fees estimate is attached.

10 Liquidator's Expenses

- 10.1 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.
- 10.2 Creditors authorised that I could draw category 2 expenses on 21 September 2021. Category 1 expenses do not require authority from creditors before they are paid from the estate.

10.3 I have incurred disbursements to 26 April 2023 of £728.57 (of which £243.44 was incurred in the period since 05 August 2022).

10.4 A schedule of the disbursements is included with the analysis of time costs.

10.5 I have drawn £728.57 to date (of which £243.44 was drawn in the period since 05 August 2022).

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

Professional Advisor	Nature of Work	Fee Arrangement	Amount (£)
W & H Peacock	Valuer/Auctioneer	Time costs and commission	£7,994.32
ERA Solutions	Employment rights advice	Fixed cost plus fee per employee	£3,120.00

10.7 Messrs W&H Peacocks are experienced insolvency valuers and auctioneers and work with a number of different insolvency practitioners in respect of insolvency assignments.

10.8 Messrs ERA Solutions are employment rights specialists who have many years of experience and work with a number of different insolvency practitioners.

10.9 Some of the work sub-contracted out above could have been done by my staff. However, the choice of agents are experts in their field and whilst their charge-out rates might be higher than those of this firm, the work was done more efficiently and therefore at a lower overall cost to the estate and subsequently was of a benefit to creditors.

10.10 The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case. It should also be noted that insolvency is a very specialist field. Therefore agents who work for insolvency practitioners have very specialist knowledge and skill set. There are limited numbers of agents available and they are therefore likely to be acting for this firm on a number of cases.

11 Dividends

11.1 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.

12 Creditors' Rights

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

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

12.3 Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guidance notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/> and <https://www.r3.org.uk/technical-library/england-wales/sips/more/29125/page/1/sip-9-payments-to-insolvency-office-holders-and-their-associates/>. There are different versions of these guidance notes, and in this case please refer to the latest versions the links guide you to. Please note that I have also provided further details in the practice fee recovery sheet.

13 Provision of Services Regulations

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

14 Summary

14.1 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 and members should note that provided no objections to my release is received I shall obtain my release as liquidator following the delivery of the final notice to the Registrar of Companies, following which my case files will be placed in storage.

14.2 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 Grace Carter-Hands by email at gracecarter@pbcbusinessrecovery.co.uk.


GARY S PETTIT
Liquidator

Bedfordshire & Luton Education Business Partnership T/A Develop - In Creditors Voluntary Liquidation
Liquidator's Abstract of Receipts & Payments

From 05 August 2022 To 26 April 2023

S of A £		From 05/08/22	From 05/08/21
		To 26/04/23	To 26/04/23
ASSET REALISATIONS			
	Book Debts	NIL	3,500.00
	Cash at Bank	NIL	21,782.37
	Bank Interest Gross	16.03	17.05
2,578.57	Refunds	NIL	28,981.01
5,700.00	Furniture & Equipment	NIL	16,317.05
21,782.37	Cash on Hand	NIL	NIL
30,060.94		16.03	70,597.48
COST OF REALISATIONS			
	Currency Loss	NIL	NIL
	Liquidators' Fees - Time Costs	(6,704.62)	(23,914.62)
	Statement of Affairs Fee	NIL	(7,500.00)
	Agents/Valuers Fees (1)	NIL	(13,813.68)
	Storage Costs	(95.28)	(399.33)
	Statutory Advertising	NIL	(249.00)
	Irrecoverable Vat Receivable	(1,393.98)	(10,093.48)
	VAT Irrecoverable Pre Appointment Fee	NIL	(1,500.00)
	Sundry Payment	NIL	(229.40)
	Liquidators' Expenses	(243.44)	(728.57)
	Liquidators' Fees - Fixed Fee	NIL	(12,000.00)
	Statement of Affairs Expenses	NIL	(169.40)
NIL		(8,437.32)	(70,597.48)
PREFERENTIAL CREDITORS			
(65,959.14)	Employee	NIL	NIL
(65,959.14)		NIL	NIL
UNSECURED CREDITORS			
(50,000.00)	Bounce Back Loan	NIL	NIL
(300,211.58)	Employee	NIL	NIL
(305.30)	Employee expenses	NIL	NIL
(50,194.59)	Landlord	NIL	NIL
(30,068.38)	Lease/Loan	NIL	NIL
(8,776.71)	NIC	NIL	NIL
(183,078.35)	Subcontractor	NIL	NIL
(391,881.45)	Trade Creditor	NIL	NIL
	Utility Creditor	NIL	NIL
(1,014,516.36)		NIL	NIL
(1,050,414.56)		(8,421.29)	NIL
REPRESENTED BY			
	Current A/C		NIL

Remuneration Schedule for: Bedfordshire & Luton Business Education Partnership

Between 05/08/2021 and 26/04/2023

TIME COSTS

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate	Time costs as detailed in Fee Estimate
Investigations	2.50	-	6.20	51.60	60.30	12,561.00	208.31	6,740.00
Realisations	4.50	47.30	0.90	0.80	53.50	12,407.00	231.91	4,970.00
Case Specific Matters	-	26.50	1.80	-	28.30	6,077.00	214.73	5,500.00
Distributions	-	1.60	-	-	1.60	352.00	220.00	8,260.00
Total hours	7.00	75.40	8.90	52.40	143.70			
Time costs	2,800.00	27,712.00	759.00	126.00		31,397.00		25,470.00
Average hourly rate	400.00	367.53	85.28	2.40			218.49	

Total Time Cost Fees charged to 26/04/2023 £23,915.54

EXPENSES

Description	Total Incurred £	Total Recovered £
Postage/Stamps/Copying/Stationery	202.90	202.90
Land Registry	9.00	9.00
Bordereau	400.00	400.00
Insolv Case Administration Fee	116.67	116.67
Totals	728.57	728.57

Remuneration Schedule for: Bedfordshire & Luton Education Business Partnership

Between 05/08/2022 and 26/04/2023

TIME COSTS

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate	Time costs as detailed in Fee Estimate
Investigations	-	-	0.50	-	0.50	30.00	60.00	5,740.00
Realisations	-	-	-	-	-	-	-	4,970.00
Case Specific Matters	-	0.60	-	-	0.60	132.00	220.00	5,500.00
Distributions	-	1.60	-	-	1.60	352.00	220.00	8,260.00
Total hours	-	2.20	0.50	-	2.70			
Time costs	-	484.00	30.00	-		514.00		25,470.00
Average hourly rate	-	220.00	60.00	-			190.37	

Total Time Cost Fees charged to 26/04/2023 £23,915.54

EXPENSES

Description	Total Incurred £	Total Recovered £
Postage/Stamps/Copying/Stationery	73.44	73.44
Bordereau	170.00	170.00
Totals	243.44	243.44

Notice about final dividend position

Bedfordshire & Luton Education Business Partnership ("the Company") – In Creditors' Voluntary Liquidation

Trading as: Develop

Company registered number: 03247132

Notice is given under rule 14.36 of The Insolvency (England and Wales) Rules 2016, by Gary Pettit, the liquidator, to the creditors of the above named company that no dividend will be declared to unsecured creditors

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.

Creditors requiring further information regarding the above, should either contact me at 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP, or contact Grace Carter-Hands by email at gracecarter@pbcbusinessrecovery.co.uk.

DATED: 26/4/23

 **GARY S PETTIT**
Liquidator

**Notice of Final Account of
Bedfordshire & Luton Education Business Partnership ("the Company") – In Creditors' Voluntary
Liquidation**

Trading as: Develop
Company registered number: 03247132

NOTICE IS GIVEN by the liquidator, Gary Pettit, under rule 6.28 of The Insolvency (England and Wales) Rules 2016 and section 106 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 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 171 of the Insolvency Act 1986 when, upon expiry of the prescribed period that creditors have to object to their release, they deliver to the Registrar of Companies the final account and a notice saying whether any creditor has objected to their release.
5. The liquidator will be released under section 173 of the Insolvency Act 1986 at the same time as vacating office, unless any creditors objected to their release.

DATED 26/4/23


B² **GARY PETTIT**
Liquidator

The liquidator may be contacted at 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP or by email to gracecarter@pbcbusinessrecovery.co.uk.

PRACTICE FEE RECOVERY POLICY FOR PBC BUSINESS RECOVERY & INSOLVENCY LIMITED

Introduction

This sheet explains the alternative fee bases allowed by the insolvency 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. The report accompanying the request to fix the basis of remuneration will indicate the basis, or bases, being requested in that particular case and will make it clear what work is to be undertaken in respect of each basis.

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) "Payments to Insolvency Office Holders and their Associates from an Estate" and can be accessed at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees//page/1> and <https://www.r3.org.uk/technical-library/england-wales/sips/more/29125/page/1/sip-9-payments-to-insolvency-office-holders-and-their-associates/>. Alternatively, a hard copy may be requested from PBC Business Recovery & Insolvency Ltd, 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP. Please note that we have provided further details in this policy document.

SIP 9 also contains various requirements that the office holder has to comply with in connection with their remuneration, both when seeking approval and when reporting to creditors and other interested parties after approval. One of the matters that an office holder has to comply with is that they must also seek approval for any payments that could reasonably be perceived as representing a threat to the office holder's objectivity or independence by virtue of a professional or personal relationship, including to an associate. Where it is anticipated that such payments will be made in a case they will be separately identified when seeking approval for the basis of the office holder's remuneration.

Other than in respect of Voluntary Arrangements an office holder is required to record the time spent on casework in all cases, even if they are being remunerated for that work on a basis other than time costs. Time is recorded directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration & Planning (including statutory reporting).
- Realisation of Assets.

- Investigations.
- Creditors
- Distributions.
- Trading
- Case specific matters.

Time cost basis

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

Charge out Rates

Grade of staff		Current charge-out rate per hour, effective from 31 March 2023 (£)	Previous charge-out rate per hour, effective from 31 March 2021 (£)
Partner (Appointment takers)		400	400
Manager	Associate	320	320
	Insolvency Manager	320	250
	Assistant Insolvency Manager	280-320	New role
	Operations Manager	280	250
Other Senior Professionals	Senior Case Administrator	220	220
	Case Administrator	150	150
Assistants & Support Staff		60-80	60

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

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, and by reference to each separate category of work. The blended rate is calculated as the prospective average cost per hour, based upon the estimated time to be expended by each grade of staff at their specific charge out rate. 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. A report accompanying the request to fix the basis of remuneration will include the fees estimate, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

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 summarise that information in an average or “blended” rate for all of the work being carried out within the estimate, and by reference to each separate category of work, and will also 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. A report accompanying the request to fix the basis of remuneration will set out the potential assets in the case, the remuneration percentage proposed in respect of any realisations and the work covered by that remuneration, which may solely relate to work undertaken in connection with the realisation of the assets, but might also include other categories of work as listed above. The report will also include details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

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.

A percentage of distributions made to unsecured creditors may also be requested, in order to cover the work associated with the agreement of claims and making the distribution.

The disclosure that we make will 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. In order to meet the requirements of SIP 9 it will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

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. A report accompanying the request to fix the basis of remuneration will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make will 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. In order to meet the requirements of SIP 9 we will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

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.

Direct Costs

Where we seek approval on a percentage and/or fixed fee basis, in order to meet the requirements of SIP 9 we also have to disclose the direct costs that are included within the remuneration that will be charged on those bases in respect of the work undertaken. The direct costs that will be included in respect of work undertaken are the staff costs of this firm.

Mixed basis

If remuneration is to be sought on a mixed basis, we will make it clear in the report accompanying the request to fix the basis of remuneration which basis will be charged for each category of work that is to be undertaken on the case.

Members' voluntary liquidations and Voluntary Arrangements

The legislation is different for members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) and Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee, and SIP 9 does not apply unless the members specifically request it. 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 fee bases

With the exception of IVAs and CVAs, which are usually VAT exempt, the office holder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Expenses

As already indicated, a report will accompany the request to fix the basis of remuneration and that will include details of expenses to be incurred, or likely to be incurred. 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.

Expenses are any payments from the insolvent estate that are neither an office holder's remuneration nor a distribution to a creditor, or a member. Expenses also include disbursements. Disbursements are payments that are first paid by the office holder and then reimbursed from the insolvent estate. Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do (Category 2).

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder. They can be paid by the office holder without obtaining prior approval. . Examples of costs that may amount to Category 1 expenses are professional advisors (who are not associates), statutory advertising, external meeting room hire (where the room is only hired for that meeting), external storage, specific penalty bond insurance, insolvency case management software fees charged on a per case basis, postage costs and Company search fees.

Category 2 expenses are either payments to associates, or payments in respect of expenses that have an element of shared costs, such as mileage. Category 2 expenses require approval in the same manner as an office holder's remuneration before they can be paid. The practice intends to seek approval to recover the following Category 2 expenses:

Mileage	45p per mile plus 5p per mile per passenger
Shared Costs	On a case by case basis
Payments to Associates	On a case by case basis

Professional advisors may be instructed to assist the office holder on the case where they consider that such assistance is necessary to enable them to appropriately administer the case. The fees charged by any professional advisors used will be recharged at cost to the case. Where the professional advisor is not an associate of the office holder it will be for the office holder to agree the basis of their fees. Where the professional advisor is an associate of the office holder it will be for those responsible for fixing the basis of the office holder's remuneration to approve payments to them. The fees of any professional advisors are subject to the rights of creditors to seek further information about them or challenge them as summarised below. Professional advisors that may be instructed on a case include:

- Solicitors/Legal Advisors;
- Auctioneers/Valuers;
- Accountants;
- Quantity Surveyors;
- Estate Agents;
- Pension specialists*;
- Employment Claims specialists*;
- and
- GDPR/Cyber Security specialists.

* Note: where such professional advisors are instructed on a case, the office holder will not charge any remuneration to the case in respect of such work, other than in respect of supervising and monitoring their work.

Reporting and rights to challenge

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 charged by the office holder in the period covered by the report, i.e., the amount that the office holder is entitled to draw, together with the amount of remuneration actually drawn. If approval has been obtained for remuneration on a time costs basis, the time costs incurred will also be disclosed, whether drawn or not, together with the "blended" rates of such costs. The report will also compare the actual time costs incurred with those included in the fees estimate prepared when fixing the basis of the remuneration, and indicate whether the fees estimate is likely to be exceeded. If the fees estimate has been exceeded, or is likely to be exceeded, the report will explain why that is the case.

The report will also provide information about expenses incurred in the period covered by the report, together with those actually paid, together with a comparison with the estimated expenses. If the expenses incurred, or anticipated to be incurred, have exceeded the estimate provided the report will explain why that is the case.

Under the insolvency legislation the report must also include a statement of the legislative rights of creditors to request further information about the remuneration charged and expenses incurred in the period covered by the report, or to challenge them on the grounds that they are excessive. Extracts of the relevant insolvency rules dealing with these rights are set out below. Once the time period to seek further information about the office holder's remuneration and/or expenses for the period covered by the report has elapsed, then a Court Order is required to compel the office holder to provide further information about the remuneration and expenses. A Court order is required to challenge the office holder's remuneration and/or expenses for the period covered by the report. Once that period has elapsed, then a separate Court Order is required to allow an application out of time.

Under rule 18.9 of the Insolvency (England and Wales) Rules 2006, 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 office holder's remuneration and expenses, within 21 days of receipt of any report for the period. Any secured creditor may request the same details in the same time limit.

Under rule 18.34, 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 and/or basis of the office holder's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of any report for the period. Any secured creditor may make a similar application to court within the same time limit.

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.