



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number	0	6	7	6	8	0	5	3
Company name in full	Radio Physics Solutions Ltd							

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s)	Nicola J
Surname	Meadows

### 3 Administrator's address

Building name/number	Charlotte House
Street	Stanier Way
Post town	The Wyvern Business Park
County/Region	Derby
Postcode	D E 2 1 6 B F
Country	

### 4 Administrator's name ①

Full forename(s)	Richard
Surname	Tonks

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number	Azzuri House
Street	Walsall Business Park
Post town	Aldridge
County/Region	Walsall
Postcode	W S 9 0 R B
Country	

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	d	2	d	6	m	1	m	0	y	2	y	0	y	2	y	1
To date	d	2	d	5	m	0	m	4	y	2	y	0	y	2	y	2

### 7 Progress report

☐ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

NJ Meadows

X

Signature date

d	2	d	4	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 RS Sandhu

Company name Dains Business Recovery Limited

Address 15 Colmore Row

Birmingham

Post town B3 2BH

County/Region

Postcode

Country

DX

Telephone 0121 200 7900

**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)**

**Radio Physics Solutions Ltd**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 26/10/2021 To 25/04/2022 £	From 26/10/2021 To 25/04/2022 £
	<b>SECURED ASSETS</b>		
Uncertain	Intellectual Property - Patents	35,001.00	35,001.00
		35,001.00	35,001.00
	<b>SECURED CREDITORS</b>		
	Grapevine Holdings LLC	35,002.00	35,002.00
		(35,002.00)	(35,002.00)
	<b>ASSET REALISATIONS</b>		
98,333.00	Cash at Bank	98,333.41	98,333.41
750.00	Computer equipment	1.00	1.00
Uncertain	Development costs	NIL	NIL
200.00	Furniture & Equipment	4.00	4.00
NIL	Investment in Radio Physics Solutions	NIL	NIL
NIL	Leasehold Property	NIL	NIL
	Licence Fee	4,572.54	4,572.54
84,076.00	PAYE credit receivable	NIL	NIL
12,000.00	Plant & Machinery	27,001.00	27,001.00
NIL	Prepayments	NIL	NIL
	Rates Refund	1,492.68	1,492.68
Uncertain	Stock	1.00	1.00
NIL	Trade creditor overpayment	NIL	NIL
1,086.00	VAT Refund	NIL	NIL
NIL	Website development	NIL	NIL
		131,405.63	131,405.63
	<b>COST OF REALISATIONS</b>		
	Accountancy Services	1,610.57	1,610.57
	Agents/Valuers Fees	30,823.17	30,823.17
	Electric	202.69	202.69
	Employee expenses	381.76	381.76
	Employees Pension Contributions	1,339.11	1,339.11
	Insurance of Assets	620.48	620.48
	Legal Fees	28,073.20	28,073.20
	Office Holders Fees	26,000.00	26,000.00
	Pre Appointment Expenses	234.24	234.24
	Pre Appointment Fees	14,000.00	14,000.00
	Rent and Service Charge	6,858.80	6,858.80
	Specific Bond	190.00	190.00
	Stationery & Postage	689.58	689.58
	Statutory Advertising	83.00	83.00
	Wages & Salaries	12,217.44	12,217.44
	Web/Internet Services	1,793.65	1,793.65
		(125,117.69)	(125,117.69)
	<b>PREFERENTIAL CREDITORS</b>		
(32,361.54)	Employees - Arrears/Hol Pay	NIL	NIL
(46,894.00)	Inland Revenue	NIL	NIL
		NIL	NIL
	<b>FLOATING CHARGE CREDITORS</b>		
(3,077,772.00)	Floating Charge Creditor	NIL	NIL
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(157,551.00)	Banks/Institutions	NIL	NIL
(121,857.28)	Employees wages & holiday pay	NIL	NIL
(2,802,942.00)	Loan Notes & Interest	NIL	NIL

**Radio Physics Solutions Ltd**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 26/10/2021 To 25/04/2022 £	From 26/10/2021 To 25/04/2022 £
(287,700.23)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(4,468.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(6,335,101.05)</b>		<b>6,286.94</b>	<b>6,286.94</b>
	REPRESENTED BY		
	Floating Current A/c		5,297.81
	Vat Control Account		(21,030.93)
	Vat Receivable		22,020.06
			<b>6,286.94</b>

*NJ Meadows*

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Nicola J Meadows  
Joint Administrator

Private and Confidential

15 Colmore Row  
Birmingham  
B3 2BH

telephone 0121 200 7900  
fax 0121 265 4557  
email [recovery@dains.com](mailto:recovery@dains.com)

Our ref	RSS/MFPS/RA102/ADM1 900/14.0
Telephone contact	Rashpal Sandhu 0121 200 7946
Date	24 May 2022

Dear Sir/Madam

Radio Physics Solutions Ltd ("**the Company**") – In Administration  
In the High Court of Justice Birmingham Number CR-BHM-308 of 2021

This is our report on the progress of the Administration of the Company for the six month period from 26 October 2021 to 25 April 2022.

Dains Business Recovery Limited and BK Plus Limited use personal information in order to fulfil the legal obligations of their Insolvency Practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how Dains Business Recovery Limited and BK Plus Limited use your personal information on their websites at [www.dains.com/privacy](http://www.dains.com/privacy) and <https://bkplus.co.uk/privacy-policy/> respectively.

If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available on-line, they should contact Rashpal Sandhu on 0121 200 7946, or by email at [rsandhu@dains.com](mailto:rsandhu@dains.com).

Finally, please note that the affairs, business and property of the Company are being managed by the Joint Administrators, Nicola Joanne Meadows and Richard David Tonks. The Joint Administrators act as agents of the Company and contract without personal liability.

Yours faithfully  
for Radio Physics Solutions Ltd

*NJ Meadows*

Nicola J Meadows and Richard D Tonks  
Joint Administrators



### ADMINISTRATORS' ACTIONS SINCE APPOINTMENT

Below is a summary of the actions that have been undertaken by the Joint Administrators and their staff since appointment:

The case was set-up on our practice management system.

Based on the potential asset realisations, specific penalty bonds were obtained to protect the creditors' position in respect of asset realisations.

An initial case strategy was set by the Joint Administrators for them and their staff to follow to achieve the purposes of the Administration.

The Joint Administrators' appointment was advertised in the London Gazette to ensure that it comes to the notice of all interested parties.

Notice of the Administrators' appointment was filed at Companies House, together with changing the Registered Office to one of the Administrator's office address.

An initial letter was sent to all the creditors, loan note holders and shareholders, enclosing Notice to Communicate Electronically, Use of Websites, Option to Opt-out and Proof of Debt Form.

Notification of the Administrators' appointment was sent to the Company and all the Directors, enclosing Notice to submit a Statement of Affairs ('SoA') and a Company Directors Disqualification Act ('CDDA') questionnaire for completion and return.

The Directors were assisted to finalise the statutory SoA before being filed at Companies House.

Communicating with the Company's bankers and recovering the credit funds for the Administration and closing the bank account.

Notice of the Administrators' appointment was given to HMRC in respect of corporation tax and PAYE/NIC, and form VAT769 submitted in respect of VAT.

Communicating with the Company's web-site provider to insert a notice that the Company was in Administration.

Insurance of the company's chattel assets was arranged.

Instructing and liaising with agents regarding the sale of the Company's business and assets.

Communicating with patent attorneys regarding various patents held by the Company in the U.K. and the U.S.A.

Communicating with Manchester Metropolitan University regarding their association with the Company.

Instructing solicitors to check the validity of the Administrators' appointment, the validity of the security held over the Company's assets and assist with the sale agreement.

Communication with the Company's Directors/Employees retained for the purposes of the Administration and agreeing reduced remuneration with them.

Paying the Directors/Employees remuneration and expenses during the period of the Administration.



Making the Directors/Employees redundant once the asset sale had been agreed.

Checking the Directors/Employees claims for outstanding wages, holiday pay and redundancy, and liaising with the Redundancy Payments Service regarding the claims.

Conducting a pension search and filing a section 120 Notice with The Pension Protection Fund.

Liaising with Nest regarding the Company's pension scheme.

Preparing the Administrators' Proposals to achieve the purposes of the Administration and circulating to all interested parties, together with a request for the approval of the basis upon which the Administrators will be remunerated.

Our high-level strategy following our appointment was to seek a buyer for the Company's intellectual property and/or business and/or trade assets.

Due to departure of certain key/skilled employees, the Company had limited ongoing activities (for example, there were no pending sales orders). However, four employees remained with the Company at the date of Administration.

We determined that whilst there were minimal operational activities, it would be necessary to initially retain the four employees to assist in seeking a disposal of the Company's intellectual property and business assets, both from a technical nature in respect of accessing the technology and to ensure that assets were protected and capable of being transferred to a successful purchaser. Furthermore, the Company's trading premises had been transformed specifically to enable testing and demonstrations to take place and this could not be easily transferred to an alternative site and with no amount due to the landlord, this presented a relatively cost effective method of protecting the Company's intellectual property and business assets.

There was significant focus on the sales and marketing of the intellectual property and business assets. We recognised that a specialist firm would be required with experience in this area and Hilco were engaged. Calls were held between Hilco, the Administrators and staff to understand the business and a site visit undertaken. Potentially 1500 interested parties were identified. These were generated from conversations with the management team, previous interested parties and further market research. In addition, both BK Plus Limited and Dains Business Recovery Limited shared details with their contacts and social media pages. A data room was developed, and details of the opportunity published on Hilco Streambank and Hilco Valuation Services. Twelve parties entered the process with eight signing NDA's and the remaining four subsequently declining the opportunity. Site visits took place and calls with the staff in respect of the technology, along with presentations and demonstrations of the capability of the technology. Only one offer was received, which was not considered acceptable.

Regular discussions and (virtual) meetings were held with the Company's secured creditor (Grapevine) and its legal advisors to update them of the actions taken, summarise the marketing process, discuss the possibility of a sale, and seek a release of the creditors security over the assets, to allow a sale of the assets to proceed. Grapevine themselves expressed an interest in acquiring the assets and Hilco negotiated a sale with them for a sum in excess of the one offer that had been received.

Irwin Mitchell solicitors were instructed to assist with the asset sale agreement.

In addition to the asset sale, a two month licence fee was agreed with the buyer for the occupation of the trading premises.

The insurance cover over the assets was terminated and the insurance premium settled.

The trading premises lease was surrendered and the rent liability settled in full.

Specialist agents, CAPA, were instructed to check the trading premises rates liability and obtained a refund.

An investigation was carried out into the Company's financial affairs and the directors conduct and the CDDA report filed with The Insolvency Service.

There is certain work that we are required by the insolvency legislation to undertake in connection with the Administration that provides no financial benefit for the creditors. A description of the routine work undertaken since our appointment as Administrators is contained in Appendix A.

## RECEIPTS AND PAYMENTS ACCOUNT

Our Receipts & Payments Account for the period from 26 October 2021 to 25 April 2022 is attached at Appendix B. All amounts are shown net of VAT. We have reconciled the account against the financial records that we are required to maintain.

The balance of funds are held in a non-interest bearing Estate bank account.

## ASSETS

As fully detailed on Appendix B, to date, the asset realisations have totalled £166,406.63 in the first six months of the Administration.

An outline of the different types of asset sold and the amount for which they were sold, together with a comparison against the valuation realised is detailed below:

Asset category	Valuation basis & amount (£)	Sale Consideration (£)
Intellectual property	Uncertain value on the SoA.  Agents negotiated sale with secured creditor.	35,002.00
Development costs	Uncertain value on SoA.  No going concern buyer found.	0.00
Leasehold property	Nil value on SoA.  No value due to short-term lease only.	0.00
Plant & Machinery	Valued by agents at £12,000 on break-up basis.  Agents negotiated sale with secured creditor.	27,001.00
Furniture & Equipment	Agents valued at £200 on break-up basis.	3.00

	Nominal value allocated from sale to secured creditor.	
Computer equipment	Agents valued at £750 on break-up basis.	1.00
	Nominal value allocated from sale to secured creditor.	
Stock	Uncertain value on SoA.	1.00
	Nominal value allocated from sale to secured creditor.	
Website development	Nil value on SoA.	0.00
	No value realised.	
Trade creditors overpayment	Nil value on SoA.	0.00
	No realisation made.	
Investment in Radio Physics Solutions Inc	Nil value on SoA.	0.00
	No realisation made.	
Licence fee	Not included on the SoA.	4,572.54
	Negotiated with buyer for occupation of premises.	
PAYE credit	Calculated at £84,076 on the SoA.	On-going
	Still awaiting repayment	
VAT refund	Calculated at £1,086 on the SoA.	On-going
	Still awaiting repayment.	
Cash at bank	As per bank statement £98,333.	98,333.41
	Realised from the bank.	
Prepayments	Nil recovery on SoA.	0.00
	Nil realisation.	
Rates refund	Not included on SoA.	1,492.68



### Computer equipment

This had a book value of £15,339 in the Company's records and was valued by the agents at £750 in situ. A nominal value of £1 was allocated from the sale proceeds as it was not considered cost effective to remove and sell off site.

### Stock

The cost value of the stock in the Company's records amounted to £132,020, but the Directors placed an uncertain realisable value on their SoA. A nominal sum of £1 was allocated to the stock from the sale proceeds as it was specialist stock only suitable for the development of the Company's product and not considered cost effective to remove and sell off site.

### Website development

This had a small value of £46 in the Company's records and was not considered to have any realisable value on the Directors' SoA and no value was realised from the website.

### Trade creditor overpayment

There was a small debit balance of £260 on the Company's creditors' ledger, but the Directors' SoA did not envisage this to be realised. No realisation was made as it was not cost effective to pursue.

### Investment in Radio Physics Solutions Inc

There was a £1 investment in this U.S.A. registered company, but the Director's SoA did not anticipate any realisation from this investment. No realisation was made as this company never traded.

### Licence fee

This was not anticipated on the Director's SoA and was agreed with the buyer for a two month period, equating to the rental liability of £4,572.54 for the trading premises, to enable the buyer to remove all the assets from the property.

### PAYE credit

For a period of time prior to Administration, the Company had agreed with the employees to pay reduced salaries of 50% and 75%. However, the payroll was run at the full salary rate and the PAYE/NIC liability paid to HMRC based on the full salary rates. Subsequently, the payroll was rerun based on the actual amounts paid to the employees. This created an overpayment of PAYE/NIC of £84,076 in the Company's books and records.

We have been corresponding with HMRC on a regular basis with a view to recovering this overpayment for the benefit of the Administration. However, the repayment is still awaited and HMRC have indicated a repayment of only £61,252.75. This will be checked once the repayment has been received and details obtained as to the basis used by HMRC in calculating the repayment sum.

### VAT refund

We arranged for the deregistration of the Company's VAT and completed the final VAT return showing a refund due of £1,086. The refund is still outstanding from HMRC.

### Cash at bank

We corresponded with the Company's bankers to close the bank account and recovered the credit balance £98,333.41 for the Administration.

### Prepayments

The Company's records indicated prepayments of £13,190. However, the Directors did not anticipate any recovery on their SoA. No refunds have been received.

### Rates refund

Specialist agents, CAPA, were instructed to audit the Company's rates liability which resulted in a refund of £1,492.68 being recovered for the Administration.

## LIABILITIES

### Secured Creditors

According to the Charges Register held at Companies House, Grapevine Holdings LLC held a fixed and floating charges over the company's assets. They were owed a total sum of £1,089,300 and were paid a sum of £35,002 from the sale proceeds, in respect of their fixed charge over the intellectual property and patents.

In addition to the above, the Company had floating charge loan creditors totalling £3,077,772 in respect of Loan Notes issued in 2015, 2018 and 2021.

As the floating charge was created after 14 September 2003, the Directors' SoA indicated a Prescribed Part of £26,437.89, before the costs and expenses of the Administration proceedings. However, due to the level of the Administration costs and expenses, no Prescribed part will be available in this matter.

### Preferential Creditors

The Directors' SoA anticipated £32,361.54 in respect of ordinary preferential creditors relating to employee claims and £46,894 in respect of secondary preferential creditors relating to HMRC's PAYE/NIC claim. As yet, no preferential claims have been received.

### Prescribed Part

The Directors' SoA had indicated a Prescribed Part of £26,437.89, before the costs and expenses of the Administration proceedings. However, after taking into account the costs and expenses of the Administration proceedings, no Prescribed Part is available for distribution to the unsecured creditors.

### Crown Creditors

The Directors' SoA did not include any debt owed to HMRC in respect of their non-preferential claim. No claim from HMRC has been received. As stated above, a PAYE/NIC refund is due to the company.

### Non-preferential unsecured Creditors

The Directors' SoA disclosed the following unsecured debts:

Loan Note holders	1,148,817
Interest on secured Loan Note holders	1,654,125
HSBC bounce back loan	47,338
Risque loan	110,213
Employees' wages and holiday pay	121,857
Trade and Expense creditors	<u>287,700</u>
	<u>£3,370,050</u>

To date, we have received unsecured claims from 36 creditors in the total sum of £2,409,703, excluding employee claims. We have not received claims from 110 creditors with estimated claims of £1,737,022 on the Directors' SoA. In addition, as yet, no claim has been received from the Redundancy Payments Service in respect of the payments made to the employees from the Redundancy Fund.

### DIVIDEND PROSPECTS

#### Fixed charge creditor

Grapevine Holdings LLC has recovered £35,002 in respect of their fixed charge over the intellectual property and patents.

#### Preferential creditors

Due to the high costs and expenses of the Administration proceedings, it is not expected that there will be any funds available for a distribution to the preferential creditors.

#### Prescribed Part

After taking into account the costs and expenses of the Administration proceedings, there will be no Prescribed Part available for distribution to the unsecured creditors.

#### Floating charge creditors

After taking into account the costs and expenses of the Administration proceedings, no funds are available for distribution to the floating charge creditors.

#### Unsecured creditors

As previously advised, the Company gave floating charges to Grapevine Holdings LLC on 31 July 2020 and 23 June 2021, and various Loan Note holders in 2015, 2018 and 2021. Therefore, the Prescribed Part provisions will apply. On the basis of realisations to date, together with estimated future realisations, and after taking into account the costs of the Administration to date and the estimated future costs and expenses, the net property of the Company is £Nil, and we estimate that the Prescribed Part of the net property for unsecured creditors is £Nil.

Since the Company's net property will be less than £10,000, after taking into account the costs and expenses of the Administration proceedings, the insolvency legislation does not require us to distribute the Prescribed Part of the net property to creditors if we think that the costs of distributing the prescribed part would be disproportionate to the benefits to creditors. We are of the view that the costs of distribution would

be disproportionate and so will not be making a distribution of the prescribed part of the net property to unsecured creditors.

## INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

We 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. We are required by the Statements of Insolvency Practice to undertake such an initial investigation and the work detailed below has been undertaken in connection with that initial investigation. Specifically, we recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements and compared the information in the Company's last set of accounts with that contained in the SoA lodged in the Administration and made enquiries about the reasons for the changes.

There were no matters that justified further investigation in the circumstances of this appointment.

Within three months of our appointment as Administrators, we are required to submit a confidential report to the Secretary of State to include any matters which have come to our attention during the course of our 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. We would confirm that our report has been submitted.

## PRE-ADMINISTRATION COSTS

On 21 December 2021 the following pre-administration costs were approved by the creditors:

Pre-administration fees charged by Dains Business Recovery Limited: £7,000

Pre-administration fees charged by BK Plus Limited: £7,000

Pre-administration legal fees charged by Irwin Mitchell Solicitors: £8,000

These costs have been paid in full, as detailed in the attached Receipts and Payments Account, Appendix B.

## ADMINISTRATORS' REMUNERATION

Our remuneration was approved by the creditors on a time cost basis based on a fees estimate of £82,715.25. The fees estimate acts as a cap and we cannot draw remuneration in excess of that estimate without first seeking approval from the creditors. Our total time costs to the date of this Progress Report amount to £46,715.55 representing 143.23 hours of work at a blended charge out rate of £326.16 per hour for Dains Business Recovery Limited and £33,010, representing 104.6 hours of work at a blended charge out rate of £315.58 per hour for BK Plus Limited. The actual blended charge out rates incurred compares favourably with the estimated blended charge out rate of £326.92 in our fees estimate.

We have drawn £26,000 to the date of this Progress Report.

Detailed schedules of our time costs incurred to date are attached as Appendices C1 and C2 respectively.

As at 25 April 2022, as you can see from the information provided in this report, the total time costs we have incurred in this matter, in respect of the categories of work for which we are being remunerated on a time cost basis, have not exceeded the total estimated remuneration we set out in our fees estimate when our remuneration was authorised by the creditors. However, we estimate that our time costs are likely to exceed



our original estimate, but we do not propose to draw remuneration in excess of our original fees estimate. The reason our time costs are likely to exceed the fees estimate is due to the delay being experienced in obtaining the PAYE and VAT refunds from HMRC.

We sub-contracted some of the work we are required to undertake as office holders, namely the audit of the Company's rates liability. We sub-contracted this work because they specialise in this type of work. This work was sub-contracted to an unconnected third-party organisation and they have charged and been paid £373.17. Our choice of sub-contractor was based on our perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. We also confirmed that they hold appropriate regulatory authorisations. We consider that the amount they have charged for their work has ensured that the best value and service was provided to creditors.

During the course of these Administration proceedings, we have not instructed any other department of our practices, or any associates, to undertake any work which we were required to undertake as Administrators.

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/what-we-do/publications/professional/fees>. There are different versions of these Guidance Notes, and you should refer to the most recent version. Please note that we have also provided further information about office holders' remuneration and expenses in our practice fee recovery sheets, which are enclosed at Appendices D1 and D2.

The following sub-contractor has undertaken work on this case to date:

Sub-contractor	Nature of Work	Fee Arrangement
CAPA	Rates audit	No recovery no fee, 25% of realisation

CAPA undertook an audit of the Company's trading premises rates liability and recovered a refund of £1,492.68. They were paid a fee of £373.17, representing 25% of the recovery made.

We sub-contracted this work because they specialised in this type of work and our own staff were not qualified in this type of work.

The choice of sub-contractor was based on our perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. We considered that the basis on which they proposed to charge their fee represented value for money.

As indicated in the Receipts and Payments Account attached as Appendix B (included in the agents/valuers fees), to date we have paid £373.17 to CAPA for work done. We have reviewed the charges they have made and are satisfied that they are reasonable in the circumstances of this case.

## ADMINISTRATORS' EXPENSES

Expenses are any payments from the Estate which are neither an office holders' remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holders and then reimbursed to the office holders 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 holders; 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 holders' remuneration.

As fully detailed on Appendix B, we have incurred and paid total expenses of £84,883.45. In addition, we have outstanding expenses of PAYE £7,559.99 and Nest pension contributions of £601.11. These will be paid once the PAYE refund has been received.

We have used the following professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Hilco	Valuer/Auctioneer	Time costs as agreed
Irwin Mitchell	Solicitors	Time costs as agreed

The choice of professionals used was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them. We also confirmed that they hold appropriate regulatory authorisations. We have reviewed the fees they have charged and are satisfied that they are reasonable in the circumstances of this case.

Hilco were instructed to undertake the marketing process for seeking a buyer for the Company's intellectual property and business assets. Hilco was chosen for its specialist experience in dealing with the marketing and disposal of distressed entities, technology companies, and, specialist intellectual property assets. Hilco was also chosen due to its international presence and having demonstrated experience in relation to similar transactions.

The engagement with Hilco covered a substantial amount of work over a three week period following the Company being placed into Administration, which included (but was not limited to):

- The preparation and submission of a teaser document giving notice of the Administration and the opportunity to acquire the Company's intellectual property and business assets ("the Opportunity").
- Hilco directly contacted approximately 1,500 parties to notify them of the Opportunity. These parties were contacted having been identified by Hilco as entities that have previously represented an interest in businesses operating in the Company's sector, entities interested in new technologies, and/or, entities interested in acquiring assets and/or businesses on a distressed basis.
- Hilco also contacted a number of additional parties having undertaken market research to identify parties who were not previously known to Hilco, but might otherwise be interested in the Opportunity.
- In addition, pursuant to the work undertaken for the Company by Corum (prior to the Administration), we and Hilco were able to contact a number of the parties who had previously expressed an interest in the Company, to notify them of the Opportunity.

- A deadline for offers was set and one offer was received prior to the deadline.

The engagement terms with Hilco included an element of contingent fees based on successful outcome and linked to the value of realisations achieved. However, based on the only offer received, the contingent element did not apply.

Irwin Mitchell was chosen for their knowledge in dealing with insolvency processes and their prior involvement in assisting with the Administration appointment process. They also advised on the validity the security documents and assisted with drafting and finalising the Sale Agreement.

We have incurred the following expenses in the period since our appointment as Administrators:

Type of expense	Amount incurred/accrued in the reporting period (£)
Specific bond	190.00
Web/Internet services	1,793.65
Electric	202.69
Agents/Valuers fees	30,823.17
Legal fees	28,073.20
Accountancy services	1,610.57
Postage	689.58
Statutory advertising	83.00
Rent and service charge	6,858.80
Insurance of assets	620.48
Wages & Salaries	12,217.44
Employee's pension contributions	1,339.11
Employees' expenses	<u>381.76</u>
Total paid to date as per Appendix B	84,883.45
Still to pay:	
Wages PAYE	7,559.99
Employees' Nest pension contributions	<u>601.11</u>
Total Category 1 expenses incurred to date	93,044.55

Details of the Category 1 expenses that we have paid to date are included in the Receipts and Payments Account attached as Appendix B.

We are required to seek approval before we can pay any expenses to associates, or pay expenses where there is an element of shared costs, which are known as Category 2 expenses. Even though we have obtained approval to pay Category 2 expenses, we do not propose to draw any Category 2 expenses during the period of the Administration.

The only Category 2 expense paid to date is mileage of £234.24 for the pre-appointment period.

We summarise below a comparison of the estimated expenses against the expenses incurred to date:

Nature of expense	Estimated expenses (£)	Expenses incurred to date (£)
Hilco, sales & marketing	30,000.00	30,450.00
Irwin Mitchell, legal advice	20,000.00	28,073.20 (includes £8,000 pre-appointment costs)
Clumber, pensions specialist	1,000.00	0.00
London Gazette, advertising	83.00	83.00
IT support, cloud storage, web hosting, electric	1,000.00	1,996.34
Royal Mail, redirection of post	321.00	0.00
Employee costs	25,000.00	22,099.41
Bond	430.00	190.00
Postage	950.00	689.58
Storage of records	200.00	0.00
Rent & service charge	0.00	6,858.80
Insurance of assets	0.00	620.48
Bromesberrow, accountancy services	0.00	1,610.57
CAPA, rates audit	0.00	373.17
Total	78,984	93,044.55

As illustrated above, the total expenses we have incurred in this matter have exceeded the total expenses we estimated we would incur when our remuneration was approved. The reasons we have exceeded the estimate of expenses are that extra IT support was required to access the Company records to assist with checking the employees' claims and finalising the PAYE refund claim. The rent and service charge relates to the longer period of occupation of the premises than had been anticipated at the time the estimate was prepared. It should also be noted that part of this was recovered from the buyer as a licence fee for a two month period. The insurance of assets cost was omitted from the fees estimate. Additional accountancy services were required to enable the Company's records to be accessible to us for the purposes of the Administration. The rates audit work was beneficial to the Administration as a refund of £1,492.68 was recovered.



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

- ## 2. Creditors

Employees - The office holders need to deal with the ex-employees in order to ensure that their claims are processed appropriately by the Redundancy Payments Service (RPS). The office holders are required to undertake this work as part of their statutory functions.

- Obtaining information from the case records about employee claims.
- Completing documentation for submission to the Redundancy Payments Service.
- Corresponding with employees regarding their claims.
- Liaising with the Redundancy Payments Service regarding employee claims.

Claims of creditors - the office holders need 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 holders also need to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holders are required to undertake this work as part of their statutory functions.

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

Radio Physics Solutions Ltd  
(In Administration)  
Joint Administrators' Summary of Receipts and Payments  
To 25 April 2022

RECEIPTS	Statement of Affairs (£)	Total (£)
Intellectual Property - Patents	Uncertain	35,002.00
Development costs	Uncertain	0.00
Leasehold Property	NIL	0.00
Plant & Machinery	12,000.00	27,001.00
Furniture & Equipment	200.00	3.00
Computer equipment	750.00	1.00
Stock	Uncertain	1.00
Website development	NIL	0.00
Trade creditor overpayment	NIL	0.00
Investment in Radio Physics Solutions In	NIL	0.00
Licence Fee		4,572.54
PAYE credit receivable	84,076.00	0.00
VAT Refund	1,086.00	0.00
Cash at Bank	98,333.00	98,333.41
Prepayments	NIL	0.00
Rates Refund		1,492.68
		<hr/>
		166,406.63
		<hr/>
PAYMENTS		
Grapevine Holdings LLC		35,002.00
Specific Bond		190.00
Pre Appointment Fees		14,000.00
Pre Appointment Expenses		234.24
Office Holders Fees		26,000.00
Web/Internet Services		1,793.65
Electric		202.69
Agents/Valuers Fees		30,823.17
Legal Fees		28,073.20
Accountancy Services		1,610.57
Postage		689.58
Statutory Advertising		83.00
Rent and Service Charge		6,858.80
Insurance of Assets		620.48
Wages & Salaries		12,217.44
Employees Pension Contributions		1,339.11
Employee expenses		381.76
Inland Revenue	(46,894.00)	0.00
Employees - Arrears/Hol Pay	(32,361.54)	0.00
Floating Charge Creditor	(3,077,772.00)	0.00
Loan Notes & Interest	(2,802,942.00)	0.00
Banks/Institutions	(157,551.00)	0.00
Employees wages & holiday pay	(121,857.28)	0.00
Trade & Expense Creditors	(287,700.23)	0.00
Ordinary Shareholders	(4,468.00)	0.00
		<hr/>
		160,119.69
		<hr/>
Net Receipts/(Payments)		6,286.94
		<hr/>



Radio Physics Solutions Ltd  
(In Administration)  
Joint Administrators' Summary of Receipts and Payments  
To 25 April 2022

MADE UP AS FOLLOWS

Floating Current A/c  
VAT Receivable / (Payable)

5,297.81  
989.13

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6,286.94

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*NJ Meadows*

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Nicola J Meadows  
Joint Administrator

## Dains Business Recovery Limited

Radio Physics Solutions Ltd - In Administration  
A Schedule of the Joint Administrator's Timecosts  
For the period 26 October 2021 to 25 April 2022

Report to Creditors  
19-05-2022

Classification of Work Function	Hours					
	Partner	Senior Manager	Cashier & Secretaries	Total Hours	Time Cost £	Average Hourly Rate £
<b>ADMINISTRATION &amp; PLANNING</b>						
Case Planning	3.71	3.56	0.00	7.27	2,588.19	356.01
Administrative set-up	0.38	28.34	1.04	29.76	9,669.36	324.91
Appointment notification	0.85	0.00	0.43	1.28	424.47	331.62
Maintenance of records	4.64	0.00	11.70	16.34	3,703.42	226.65
Statutory reporting	8.76	11.40	0.00	20.16	7,098.51	352.11
<b>INVESTIGATIONS</b>						
SIP 2 review	0.00	0.00	0.00	0.00	0.00	0.00
CDDA reports	0.42	0.00	0.00	0.42	170.10	405.00
<b>REALISATION OF ASSETS</b>						
Identifying, securing, insuring assets	2.92	0.00	0.00	2.92	1,182.60	405.00
Debt collection	0.22	0.00	0.00	0.22	89.10	405.00
Property, business and asset sales	4.08	8.10	0.00	12.18	4,325.40	355.12
<b>TRADING</b>						
Management of operations	1.40	0.00	0.00	1.40	567.00	405.00
On-going employee issues	0.00	0.00	0.00	0.00	0.00	0.00
<b>CREDITORS</b>						
Communication with creditors (inc employees)	5.05	29.15	3.20	37.40	12,224.75	326.86
Creditors' claims (including employees and other preferential creditors')	1.23	12.65	0.00	13.88	4,672.65	336.65
<b>Total Hours</b>	<b>33.66</b>	<b>93.20</b>	<b>16.37</b>	<b>143.23</b>		
<b>Total Fees Claimed £</b>	<b>13,632.30</b>	<b>30,756.00</b>	<b>2,327.25</b>		<b>46,715.55</b>	
<b>Average Rate £</b>	<b>405.00</b>	<b>330.00</b>	<b>142.17</b>			<b>326.16</b>

## TIME COSTS ANALYSIS FOR THE PERIOD 26 OCTOBER 2021 TO 25 APRIL 2022

SIP9 SubCategory / Staff Grade	Office Holder	Manager	Senior	Support / Other	Total Hours	Charge	AvgRate
<b>Administration and planning</b>							
Appointment Formalities	8.10	-	6.70	0.10	14.90	4,590.00	308.05
Bonding	0.20	-	-	-	0.20	80.00	400.00
Books & Records	1.00	-	0.50	-	1.50	500.00	333.33
Cashiering	0.20	-	0.30	-	0.50	140.00	280.00
Director/Other Advice	3.80	-	-	-	3.80	1,520.00	400.00
Final Reports & Case Closure	-	-	-	-	-	-	-
General Filing	-	-	0.80	0.50	1.30	210.00	161.54
Post Appointment VAT & Tax	-	-	0.50	-	0.50	100.00	200.00
Proposals/Progress Reports	3.00	-	-	-	3.00	1,200.00	400.00
Reviews & Checklists	-	-	2.50	-	2.50	500.00	200.00
Strategy	5.00	-	-	-	5.00	2,000.00	400.00
	<u>21.30</u>	<u>-</u>	<u>11.30</u>	<u>0.60</u>	<u>33.20</u>	<u>10,840.00</u>	<u>326.51</u>
<b>Creditors</b>							
Creditors Committee	-	-	-	-	-	-	-
Employee Claims & RPO/Distributions	3.00	-	-	-	3.00	1,200.00	400.00
Pensions	0.80	-	2.60	-	3.40	840.00	247.06
Pre Appointment VAT/PAYE/CTax	-	-	-	-	-	-	-
Retention of Title	0.10	-	-	-	0.10	40.00	400.00
Secondary Preferential Claims/Distributions	-	-	-	-	-	-	-
Secured Creditor Claims/Distributions	2.30	-	-	-	2.30	920.00	400.00
Shareholder Distributions	-	-	-	-	-	-	-
Unsecured Claims/Distributions	0.40	-	-	-	0.40	160.00	400.00
	<u>6.60</u>	<u>-</u>	<u>2.60</u>	<u>-</u>	<u>9.20</u>	<u>3,160.00</u>	<u>343.48</u>
<b>Investigations</b>							
Antecedent Transactions	0.30	-	-	-	0.30	120.00	400.00
D Form Drafting & Submission	3.10	-	4.50	-	7.60	2,140.00	281.58
Investigations/SIP2	1.80	-	17.10	-	18.90	4,140.00	219.05
	<u>5.20</u>	<u>-</u>	<u>21.60</u>	<u>-</u>	<u>26.80</u>	<u>6,400.00</u>	<u>238.81</u>
<b>Realisation of assets</b>							
Cash at Bank/Investments	0.40	-	0.30	-	0.70	220.00	314.29
Debtors	1.20	-	5.90	-	7.10	1,660.00	233.80
Directors Loan Account	-	-	-	-	-	-	-
Fixtures & Fittings	-	-	-	-	-	-	-
Freehold Property	-	-	-	-	-	-	-
Goodwill/IP	1.70	-	-	-	1.70	680.00	400.00
Insurance of Assets	0.30	-	0.20	-	0.50	160.00	320.00
Leasehold Property	1.90	-	-	0.90	2.80	850.00	303.57
Motor Vehicles	-	-	-	-	-	-	-
Plant & Equipment	-	-	-	-	-	-	-
Sale of Business	15.50	-	-	-	15.50	6,200.00	400.00
Stock & WIP	-	-	-	-	-	-	-
	<u>21.00</u>	<u>-</u>	<u>6.40</u>	<u>0.90</u>	<u>28.30</u>	<u>9,770.00</u>	<u>345.23</u>
<b>Trading</b>							
Customer & Debtors	-	-	-	-	-	-	-
Employees	6.20	-	-	-	6.20	2,480.00	400.00
Purchases & Creditors	-	-	-	-	-	-	-
Sale of Business	-	-	-	-	-	-	-
Strategy/Operations	0.90	-	-	-	0.90	360.00	400.00
	<u>7.10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7.10</u>	<u>2,840.00</u>	<u>400.00</u>
<b>Other case specific matters</b>							
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u><b>61.20</b></u>	<u><b>-</b></u>	<u><b>41.90</b></u>	<u><b>1.50</b></u>	<u><b>104.60</b></u>	<u><b>33,010.00</b></u>	<u><b>315.58</b></u>
<b>Total Charge</b>	<u><b>24,480.00</b></u>	<u><b>-</b></u>	<u><b>8,380.00</b></u>	<u><b>150.00</b></u>	<u><b>33,010.00</b></u>		

## PRACTICE FEE RECOVERY POLICY FOR DAINS BUSINESS RECOVERY 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/what-we-do/publications/professional/fees>. Alternatively, a hard copy may be requested from Dains Business Recovery Limited, 15 Colmore Row, Birmingham, B3 2BH or by email from [recovery@dains.com](mailto:recovery@dains.com). 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:

- Case Administration (including statutory reporting).
- Realisation of Assets.
- Investigations.
- Creditors (claims and 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 1 April 2014 £	Previous charge-out rate per hour, effective from 1 April 2013 £
Partner – appointment taker	405	390
Director	-	350
Senior Manager	330	320
Manager	245	240



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. In respect of work undertaken for each of the standard categories of work below, where the office holder is to be remunerated for such work on either a percentage or fixed fee basis the only direct cost we look to recover is the cost of the staff undertaking the work:

- Case Administration (including statutory reporting)
- Realisation of Assets
- Investigations
- Creditors (claims and distributions)
- Trading

#### 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

All fee bases

## Expenses

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, 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 photocopying and mileage. Category 2 expenses require approval in the same manner as an office holder's remuneration before they can be paid.

The practice does not propose to recover any Category 2 expenses that include an element of shared costs.

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.



## PROVISION OF SERVICES REGULATIONS SUMMARY SHEET FOR DAINS BUSINESS RECOVERY LIMITED

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.

### Trading Name

Dains Business Recovery Limited – Registered Company number 10115314 (also trading as “DBRL”). Registered office at St. Johns Court, Wiltell Road, Lichfield, Staffordshire, WS14 9DS. Registered in England and Wales.

### Licensing Body

Martin Frederick Peter Smith and Nicola Joanne Meadows are licensed to act as Insolvency Practitioners in the United Kingdom by the Institute of Chartered Accountants in England and Wales (“ICAEW”).

Martin FP Smith is a fellow of the ICAEW (“FCA”) and fellow of Association of Business Recovery Professionals (“FABRP”).

Nicola J Meadows is an affiliate of the ICAEW, a fellow of Association of Certified Chartered Accountants (“FCCA”) and a fellow of Association of Business Recovery Professionals (“FABRP”).

### 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 Martin FP Smith and Nicola J Meadows can be found at <https://www.icaew.com/regulation/insolvency/sips-regulations-and-guidance>. In addition, IPs are bound by the Statements of Insolvency Practice (SIPs), details of which can be found at <https://www.r3.org.uk/technical-library/england-wales/sips>.

### Ethics

All IPs are required to comply with the Insolvency Code of Ethics and a copy of the Code can be found at which the Code of Ethics can be found at <https://www.icaew.com/regulation/insolvency/sips-regulations-and-guidance>

### Data Protection Act and Copyright

Dains Business Recovery Limited uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how Dains Business Recovery Limited uses your personal information on our website at [www.dains.com/privacy](http://www.dains.com/privacy).

### Bribery Act 2010

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

Dains Business Recovery Limited 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.

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

Dains Business Recovery Limited 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.

Dains Business Recovery Limited 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.

## Complaints

At Dains Business Recovery Limited 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, MFP Smith, Dains Business Recovery Limited, 15 Colmore Row, Birmingham, B3 2BH. 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](http://www.gov.uk/complain-about-insolvency-practitioner); or you can email [insolvency.enquiryline@insolvency.gov.uk](mailto: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

Dains Business Recovery Limited's Professional Indemnity Insurance is provided by Arch Insurance (UK) Ltd, 5<sup>th</sup> Floor, Plantation Place South, 60 Great Tower Street, London, EC3R 5AZ. This professional indemnity insurance provides worldwide coverage, [excluding professional business carried out from an office in the United States of America or Canada, and any action for a claim brought in any court in the United States of America or Canada].

## VAT

Dains Business Recovery Limited is registered for VAT under registration no. 241 1416 53.

**Fees**

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/what-we-do/publications/professional/fees>

Alternatively, a hard copy may be requested from BK Plus Limited, Azzurri House, Walsall Business Park, Walsall Rd, Walsall WS9 0RB or by email from [info@bkplus.com](mailto:info@bkplus.com).

Further information about creditors' rights can be obtained by visiting the creditors' information microsite published by the Association of Business Recovery Professionals (R3) at:

<http://www.creditorinsolvencyguide.co.uk>

**Charge Out Rates**

When charging fees on a time cost basis, charge out rates appropriate to the experience, skills and specialist knowledge of a member of staff are utilised. Time spent is recorded in 6-minute units directly to the relevant case using time recording software. The nature of the work undertaken is also recorded at that time.

Time spent is recorded under the following categories:

- Administration (including statutory reporting)
- Realisation of assets
- Creditors (claims and distribution)
- Investigations
- Trading
- Case specific matters (where applicable)

The hourly charge out rates (exclusive of VAT) for each member of staff that may be involved in the assignment are as follows:

<b>Grade of Staff</b>	<b>Charge Out Rates effective from 1 June 2021</b>
Office Holder	£400
Case Manager	£300
Case Administrator	£200
Support Staff	£100

Charge out rates are reviewed periodically and may be subject to change.

Should it be necessary for members of staff from other departments to undertake tasks on an assignment, their charge out rate in effect at that time will be used.

**Case Staff Allocation**

Tasks relevant to an assignment will be delegated to the most appropriate member of staff taking into account their experience, skills, specialist knowledge and availability. More senior members of staff deal with the more complex tasks or tasks of greater significance.

## **Expenses**

Expenses are payments from an estate which are neither 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 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***

Category 1 expenses are payments to persons providing a service to which the expense relates who are not an associate of the office holder. Category 1 expenses can be paid without prior approval.

Examples of Category 1 expenses are as follows (please note that the list is not exhaustive):

- Professional advice (legal fees and disbursements, agent's fees, pension advisors etc.)
- Statutory advertising costs
- Specific penalty bond
- Asset insurance
- Books and records storage

### ***Category 2 expenses***

These 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. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

Whilst it is not this firm's policy to charge category 2 expenses, if this is considered necessary on an appointment, the relevant stakeholders will be notified and the necessary approval sought.



#### **Provision of Services Regulations**

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.

Trading Name - BK Plus Limited  
Registered Company Number - 09701168  
Registered Office - Azzurri House Walsall Road, Aldridge, Walsall, England, WS9 0RB  
Registered in England and Wales

#### **Licensing Body**

Richard Tonks and Kim Richards are licensed to act as Insolvency Practitioners in the United Kingdom by the Institute of Chartered Accountants in England and Wales ("ICAEW").

#### **Rules Governing Actions**

All Insolvency Practitioners are bound by the rules of their professional body, including any that relate specifically to insolvency. The rules of the professional body that licences Richard Tonks and Kim Richards can be found at <https://www.icaew.com/regulation/insolvency/sips-regulations-and-guidance>

In addition, Insolvency Practitioners are bound by the Statements of Insolvency Practice (SIPs), details of which can be found at <https://www.r3.org.uk/technical-library/england-wales/sips>

#### **Complaints**

At BK Plus Limited 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 Insolvency Practitioner acting as office holder.

If you consider that the Insolvency Practitioner has not dealt with your comments or complaint appropriately you should then put details of your concerns in writing to Shaun Knight at BK Plus Limited, Azzurri House, Walsall Business Park, Walsall Rd, Walsall WS9 0RB. This will then formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior member of staff 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](http://www.gov.uk/complain-about-insolvency-practitioner); or you may phone 0300 678 0015. Information on the call charges that apply is available at <https://www.gov.uk/call-charges>.

#### **Ethics**

All Insolvency Practitioners are required to comply with the Insolvency Code of Ethics and a copy of the Code can be found at which the Code of Ethics can be found at <https://www.icaew.com/regulation/insolvency/sips-regulations-and-guidance/insolvency-code-of-ethics>

#### **Bribery Act 2010**

It is our policy to conduct all of our business in an honest and ethical manner. We 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 and implementing and enforcing effective systems to counter bribery and corruption.

We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, we remain bound by UK laws, including the Bribery Act 2010, in respect of our conduct both at home and abroad.

#### **Data Protection Act and Privacy Policy**

You can find information on how BK Plus Limited uses your personal information at <https://bkplus.co.uk/privacy-policy>

#### **Professional Indemnity Insurance**

BK Plus Limited's Professional Indemnity Insurance is provided by QBE European Operations, 30 Fenchurch Street, London, EC3M 3BD. This professional indemnity insurance provides worldwide coverage, excluding United States of America and Canada.

#### **VAT**

BK Plus Limited is registered for VAT under registration number 372 2194 05.