

# WU07

## Notice of progress report in a winding-up by the court



Companies House

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

### 1 Company details

Company number 0 7 0 4 7 4 5 5

Company name in full Ten in Eight Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Jeremy

Surname Frost

### 3 Liquidator's address

Building name/number One Elmfield Park

Street

Post town Bromley

County/Region Kent

Postcode B R 1 1 L U

Country

### 4 Liquidator's name ①

Full forename(s) Stephen Patrick Jens

Surname Wadsted

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number c/o Frost Group Ltd, Court House

Street The Old Police Station, South Street

Post town Ashby-de-la-Zouch

County/Region Leicestershire

Postcode L E 6 5 1 B S

Country

#### ② Other liquidator

Use this section to tell us about  
another liquidator.

WU07

Notice of progress report in a winding-up by the court

**6** Period of progress report

From date	<sup>d</sup> 1	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 8	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1
To date	<sup>d</sup> 1	<sup>d</sup> 2	<sup>m</sup> 0	<sup>m</sup> 8	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2

**7** Progress report

☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X

*Seery R*

X

Signature date

<sup>d</sup> 1	<sup>d</sup> 0	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 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 **George Elliot**

Company name **Frost Group Limited**

Address **One Elmfield Park**

Post town **Bromley**

County/Region

Postcode **B R 1 1 L U**

Country

DX

Telephone **0345 260 0101**

**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)**

**Ten in Eight Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £	From 13/08/2021 To 12/08/2022 £	From 13/08/2014 To 12/08/2022 £
ASSET REALISATIONS		
Shares & Investments	NIL	36,768.00
Bank Interest Net of Tax	4.12	70.84
	4.12	36,838.84
COST OF REALISATIONS		
Balance from OR	NIL	1,150.00
ISA Cheque Fees	NIL	0.30
Sec of State Fees	0.62	4,096.10
Petitioners Costs	NIL	8,000.00
Statutory Bond	NIL	144.00
Office Holders Fees	NIL	4,426.80
ISA Quarterly Fees	88.00	704.00
Agents/Valuers Fees (1)	NIL	900.00
Legal Fees (1)	NIL	11,485.00
VAT Irrecoverable	NIL	3,224.70
Company Searches	NIL	2.00
Stationery & Postage	NIL	6.45
Statutory Advertising	NIL	144.24
	(88.62)	(34,283.59)
UNSECURED CREDITORS		
(297,126.43) Trade & Expense Creditors	NIL	NIL
(493,569.76) Directors	NIL	NIL
(1.00) Banks/Institutions	NIL	NIL
(64,898.00) HM Revenue & Customs - PAYE/NIC	NIL	NIL
	NIL	NIL
<b>(855,595.19)</b>	<b>(84.50)</b>	<b>2,555.25</b>
REPRESENTED BY		
ISA		2,555.25
		<b>2,555.25</b>

Note:

Ten In Eight Limited – T/A 10 In 8 Fine Dining Group – In Compulsory Liquidation

In the County Court at Bournemouth and Poole No 294 of 2014

Eighth Annual Progress Report to Creditors and Members  
Pursuant to Section 104A of the Insolvency Act 1986

For Period 13 August 2021 to 12 August 2022

# Frost Group

FROST GROUP LIMITED  
Regus  
One Elmfield Park  
Bromley  
BR1 1LU

Ten In Eight Limited T/A 10 In 8 Fine Dining Group – In Compulsory Liquidation  
In the County Court at Bournemouth and Poole No 294 of 2014

## **LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS**

For Period 13 August 2021 to 12 August 2022

### **EXECUTIVE SUMMARY**

As previously advised, there were a number of inter-company transactions that were flagged in my investigations which resulted in legal action being pursued. I can confirm that the action has now concluded, with a settlement being agreed between the respective parties.

Based on the information currently available to me, after taking into account asset realisations, together with fees and expenses incurred to date, together with estimated future realisations, fees and expenses, I think that it is unlikely that I will be able to make a distribution to any class of creditor.

### **STATUTORY INFORMATION**

Company name:	Ten in Eight Limited
Company number:	07047455
Trading address:	Sherwood House, 41 Queens Road, Farnborough, Hampshire, GU14 6JP
Registered office:	c/o Frost Group Limited, Court House, The Old Police Station, South Street, Ashby-de-la-Zouch, LE65 1BS
Former registered office:	61a High Street, Christchurch, Dorset, BH23 1AS
Principal trading activity:	Management Consultancy
Liquidators' names:	Jeremy Charles Frost and Stephen Patrick Jens Wadsted
Liquidators' address	Frost Group Limited, One Elmfield Park, Bromley BR1 1LU
Date of appointment	13 August 2014
Court name and reference	Bournemouth and Poole 294 of 2014
Actions of Joint Liquidators'	Any act required or authorised under any enactment to be done by a Liquidator may be done by either or both of the Liquidators acting jointly or alone.

### **LIQUIDATORS' ACTIONS SINCE LAST REPORT**

I have attended to all statutory and administrative matters that have arisen during the period.

As previously advised, inter-company transactions were identified in my investigations that resulted in proceedings being commenced against a number of individuals and companies. This related to a transaction which would appear to have removed valuable assets from the Company in the period

immediately prior to the commencement of the Liquidation. Funding arrangements were finalised with Manolete Partners plc ("Manolete") and legal action pursued.

During the period, a settlement agreement was reached with the parties. The terms of the agreement are confidential and shall not be construed as an admission of liability or wrongdoing on any party to the agreement. The funds have been remitted in full and I await receipt of the final reconciliation.

There is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since the appointment of the Liquidator is contained in Appendix 1.

## RECEIPTS AND PAYMENTS

My Receipts & Payments Account for the period from 13 August 2021 to 12 August 2022 is attached at Appendix 2. All amounts are shown inclusive of VAT.

I have reconciled the account against the financial records that I am required to maintain with the Insolvency Services Account operated by The Insolvency Service in respect of the Liquidation.

The balance of funds is held in an interest-bearing account at the Insolvency Services Account.

## ASSETS

### Shares & Investments

As previously advised, the Company owned shares in the Hotel Terravina Ltd, which were sold for the sum of £36,768 following a valuation by Roffe Swayne Chartered Accountants. No realisations have been made during the period in respect of this and no further realisations are expected.

### Bank Interest Net of Tax

Bank Interest in the sum of £4.12 has been credited to the Liquidation bank account for the period of the report, totalling £70.84 for the entire Liquidation.

## LIABILITIES

### 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.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case there were no creditors secured by a floating charge such that the prescribed part provisions do not apply.

### Preferential Creditors

According to Official Receiver's ("OR") handover, there are no preferential creditors. We have not received any preferential claims from any potential preferential creditors to date.

### Crown Creditors

According to OR's handover, HM Revenue & Customs ("HMRC") are owed in sum £64,897 in respect of PAYE/NIC. We have received a claim from HMRC in the sum of £88,389.56 in respect of PAYE/NIC and VAT.

A breakdown of the HMRC claim shows £36,900.67 being due in respect of PAYE/NIC and £51,489.55 in respect of VAT.

### Non-preferential unsecured Creditors

According to Official Receiver's handover, there were approximately 24 creditors with an estimated total liability of £425,495.19. We have received claims totalling £602,462.91 from 11 creditors.

### DIVIDEND PROSPECTS

Based on current information, it is uncertain if a dividend will be declared to any class of creditor. If the position changes, we will advise creditors accordingly.

### INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. I am 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 obtained and reviewed copy bank statements for the 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.

As advised above, inter-company transactions were identified in my investigations which appeared to have removed valuable assets from the Company in the period immediately prior to the commencement of the Liquidation.

This matter was passed to legal agents and proceedings were commenced against a number of individuals and companies. A settlement agreement was reached with the parties, the terms of which are confidential and shall not be construed as an admission of liability or wrongdoing on any party to the agreement.

There are no further matters arising in relation to investigations and potential realisations, and I therefore consider that my investigations have been concluded.

### JOINT LIQUIDATORS' REMUNERATION

At a creditors meeting held by the OR on the 13 August 2014 for the election of a Liquidator, resolutions were approved appointing me and Stephen Wadsted as Joint Liquidators.

At the meeting a creditor's committee was formed, composed of three committee members - Hennessey Thompson of HAS Thompson & Co, Nina Basset and Stuart Benson. A further two creditors became committee members – Gerrard Bassett of GB Consultancy Ltd and Richard Pursey of Portridge Capital Limited.

On 9 December 2014, the Joint Liquidators reported to the Creditors Committee seeking approval of the Joint Liquidators' remuneration on the basis of time costs and for approval to draw category 2 disbursements. The Creditors' Committee did not respond on approval of the basis for the Joint Liquidators' remuneration. Therefore, Joint Liquidators' remuneration is automatically agreed to be drawn at the Official Receiver's scale rate.

I can advise that my time costs from the date of my appointment to 12 August 2022 amount to £70,080.92, representing 311.13 hours of chargeable work at an average hourly rate of £225.25. In the



period covered by this report I have incurred time costs in the sum of £2,479.50, representing 13.85 hours of chargeable work at an average hourly rate of £179.03.

I can confirm that I have not drawn any remuneration for the period covered by this report. In periods prior to this report I have drawn remuneration in the sum of £4,426.80.

A schedule of our time costs incurred to date and for the reporting period since 13 August 2021 is attached as Appendix 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/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3, together with an explanatory note which shows Frost Group Limited's fee policy are available at the link <http://frostgroup.co.uk/about/policies-and-procedures>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the November 2011 version as the Liquidation followed on from the Administration of the Company.

Please note that we have also provided further information about an office holder's remuneration and expenses in our practice fee recovery sheet, which is enclosed at Appendix 4

## LIQUIDATORS' EXPENSES

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

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

I have incurred total expenses of £707.37 of which I incurred £0.00 in the period since 12 August 2021. I have previously drawn the sum of £296.69; however, no disbursements have been drawn during the period.

The following Category 1 disbursements have been incurred:

Type of Expense	Incurred	Paid	Balance
Specific Bond	181.20	144.00	37.20
Land Registry Searches	4.00	2.00	2.00
Statutory Advertising	144.24	144.24	0.00
Travel	24.40	0.00	24.40
Total	353.84	290.24	63.60

The following Category 2 disbursements have been incurred:

Type of category 2 disbursement	Incurred	Paid	Balance
Postage & Delivery	100.60	6.45	94.15
Mileage	233.11	0.00	233.11
Photocopying Charges	19.82	0.00	19.82
Total	353.53	6.45	347.08

Please note that approval to draw Category 2 disbursements has not been obtained and the £6.45 previously drawn will require to be refunded.

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

Professional Advisor	Nature of Work	Basis of Fees
Winston Solicitors*	Solicitors	Time costs

\*The instructed solicitor was previously employed at Carrick Read Solicitors.

The choice of professionals 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 considered that the basis on which they will charge their fees represented value for money. We have reviewed the charges they have made and are satisfied that they are reasonable in the circumstances of this case.

#### FURTHER INFORMATION

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

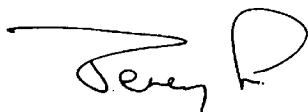
An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Liquidators as being excessive, and/or the basis of the Liquidators'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

To comply with the Provision of Services Regulations, some general information about Frost Group Limited can be found at <https://www.frostgroup.co.uk/about/policies-and-procedures>.

#### SUMMARY

The Liquidation will remain open until a final reconciliation has been received and this issue has been fully resolved. Once resolved the Liquidation will be finalised and my files will be closed.

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 George Elliot by email at [georgee@frostbr.co.uk](mailto:georgee@frostbr.co.uk), or by phone on 0345 260 0101.



Jeremy Frost  
Liquidator

## APPENDIX 1

### DETAILS OF WORK UNDERTAKEN TO DATE

## Appendix 1 Details of Work undertaken during the period

### Administration

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

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing an annual progress report to creditors and members.
- Filing returns at Companies House.
- Preparing and filing Corporation Tax returns.

### Creditors

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

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

### Investigations:

The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure, and also in respect of matters such as misfeasance and wrongful trading. The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors.

- Liaising with solicitors to progress the investigation and resultant legal action

APPENDIX 2

**JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT**

Ten in Eight Limited  
(In Liquidation)  
JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 13/08/2021 To 12/08/2022 £	From 13/08/2014 To 12/08/2022 £
<b>RECEIPTS</b>			
Shares & Investments		0.00	36,768.00
Bank Interest Net of Tax		4.12	70.84
		<u>4.12</u>	<u>36,838.84</u>
<b>PAYMENTS</b>			
Balance from OR		0.00	1,150.00
ISA Cheque Fees		0.00	0.30
Sec of State Fees		0.62	4,096.10
Petitioners Costs		0.00	8,000.00
Statutory Bond		0.00	144.00
Office Holders Fees		0.00	4,426.80
ISA Quarterly Fees		88.00	704.00
Agents/Valuers Fees (1)		0.00	900.00
Legal Fees (1)		0.00	11,485.00
VAT Irrecoverable		0.00	3,224.70
Company Searches		0.00	2.00
Stationery & Postage		0.00	6.45
Statutory Advertising		0.00	144.24
Trade & Expense Creditors	(297,126.43)	0.00	0.00
Directors	(493,569.76)	0.00	0.00
Banks/Institutions	(1.00)	0.00	0.00
HM Revenue & Customs - PAYE/NIC	(64,898.00)	0.00	0.00
		<u>88.62</u>	<u>34,283.59</u>
Net Receipts/(Payments)		<u>(84.50)</u>	<u>2,555.25</u>
<b>MADE UP AS FOLLOWS</b>			
ISA		(84.50)	2,555.25
		<u>(84.50)</u>	<u>2,555.25</u>

Note:

## APPENDIX 3

### SUMMARY OF JOINT LIQUIDATORS' TIME COSTS

# Time Entry - SIP9 Time & Cost Summary

T0676 - Ten in Eight Limited T/A 10 In 8 Fine Dining Group  
All Post Appointment Project Codes  
From: 13/08/2021 To: 12/08/2022

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.50	0.00	0.00	9.35	9.85	1,458.00	148.02
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	1.50	1.50	191.25	127.50
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Specific Matters	1.00	0.00	0.00	0.00	1.00	397.50	397.50
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Statutory Matters	0.90	0.00	0.00	0.60	1.50	432.75	288.50
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	2.40	0.00	0.00	11.45	13.85	2,479.50	179.03
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	



# Time Entry - SIP9 Time & Cost Summary

T0676 - Ten in Eight Limited T/A 10 In 8 Fine Dining Group  
All Post Appointment Project Codes  
To: 12/08/2022

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	8.30	6.30	0.00	42.43	57.03	11,137.92	195.31
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	10.40	2.60	0.00	11.75	24.75	6,330.00	255.76
Investigations	10.40	2.30	0.00	56.30	69.00	12,536.50	181.69
Other Specific Matters	13.40	0.00	0.00	6.30	19.70	6,195.25	314.48
Realisation of Assets	29.10	0.00	0.00	8.15	37.25	12,043.75	323.32
Statutory Matters	18.20	5.40	0.00	79.50	103.10	21,732.50	210.79
Trading	0.30	0.00	0.00	0.00	0.30	105.00	350.00
Total Hours	90.10	16.60	0.00	204.43	311.13	70,080.92	225.25
Total Fees Claimed						4,426.80	
Total Disbursements Claimed						296.69	

# Time Entry - SIP9 Time & Cost Summary

## All Disbursements (Grouped By Analysis Code)

T0676 - Ten in Eight Limited T/A 10 In 8 Fine Dining Group  
To: 12/08/2022

Other amounts paid or payable to the office holders firm or to party in which the office holder or his firm or any associate has an interest.

Disbursement Description / Analysis Codes	Disbursement Category	Amount
Bordereau: (DBORD :)	Category 1	144.00
Bordereau: (DBORD :)	Category 1	37.20
Company & Land Reg Searches: (DSEARCH :)	Category 1	4.00
Statutory Advertising: (DSTATADV :)	Category 1	144.24
Travel Costs: (DTRAVEL :)	Category 1	24.40
Photocopying Charges: (DCOPY :)	Category 2	11.60
Photocopying Charges: (DCOPY :)	Category 2	8.22
Mileage: (DMILE :)	Category 2	233.11
Postage & Delivery: (DPOST :)	Category 2	67.36
Postage & Delivery: (DPOST :)	Category 2	33.24
	Total	707.37

## APPENDIX 4

### PRACTICE FEE RECOVERY POLICY FOR FROST GROUP LIMITED

# Frost Group

## Practice Fee Recovery Policy for Frost Group 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://insolvency-practitioners.org.uk/regulation-and-guidance/england-wales/>. Alternatively, a hard copy may be requested from Frost Group Limited, Regus, One Elmfield Park, Bromley BR1 1LU. 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	Previous charge-out rate per hour, effective from April 2019 (£)	Current charge-out rate per hour, effective from August 2020 (£)
Partner/Director/IP	320 - 440	335 - 460
Manager	280 - 385	215 - 290
Supervisor/Senior Administrator	165 - 225	195 - 260
Case Administrator	115 - 155	95 - 160
Support Staff	115	75 - 130

These charge-out rates charged are reviewed on 1 January each year and are adjusted to take account of inflation and the firm's overheads.

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.

#### 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, 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 intends to seek approval to recover the following Category 2 expenses that include an element of shared costs:

Mileage	45p per mile
Photocopying	10p per sheet

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.