

LIQ03

Notice of progress report in voluntary winding up



Companies House

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

1 Company details

Company number 0 7 5 6 9 7 7 0

Company name in full XL Distributors Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Jamie

Surname Taylor

3 Liquidator's address

Building name/number The Old Exchange

Street 234 Southchurch Road

Post town Southend on Sea

County/Region

Postcode S S 1 2 E G

Country

4 Liquidator's name ①

Full forename(s) Yiannis

Surname Koumettou

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 1 Kings Avenue

Street

Post town London

County/Region

Postcode N 2 1 3 N A

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6

Period of progress report

From date

^d2^d5^m0^m9^y2^y0^y2^y1

To date

^d2^d4^m0^m9^y2^y0^y2^y2

7

Progress report

☒ The progress report is attached

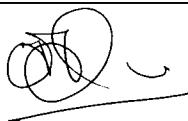
8

Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d1^d6^m1^m1^y2^y0^y2^y2

**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 **Jamie Taylor**

Company name **Begbies Traynor (Central) LLP**

Address
**The Old Exchange
234 Southchurch Road**

Post town
Southend on Sea

County/Region

Postcode **S S 1 2 E G**

Country

DX

Telephone
01702 467255

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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

XL Distributors Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 25/09/2021 To 24/09/2022 £	From 25/09/2018 To 24/09/2022 £
	SECURED ASSETS		
Uncertain	Patent	NIL	NIL
Uncertain	Trademark	NIL	19,000.00
		NIL	19,000.00
	COSTS OF REALISATION		
	Agents/Valuers Fees	NIL	2,850.00
		NIL	(2,850.00)
	SECURED CREDITORS		
(860,275.11)	HSBC Bank Plc	NIL	14,175.00
		NIL	(14,175.00)
	ASSET REALISATIONS		
	Bank Interest Gross	NIL	0.03
21,110.65	Book Debts	NIL	8,208.11
10,004.00	Cash in hand	NIL	10,004.52
NIL	Computer Equipment	NIL	NIL
NIL	Fixtures & Fittings	NIL	NIL
Uncertain	Gamucci Ireland Limited	NIL	NIL
Uncertain	Logista disputed debt	NIL	NIL
27,300.00	Plant & Machinery	NIL	16,300.00
	Refund Bank Charges	NIL	183.01
Uncertain	Rent Deposit	NIL	NIL
	Settlement proceeds	NIL	80,000.00
Uncertain	Shares held in Gamucci Ireland Limite	NIL	NIL
Uncertain	Stock	NIL	NIL
NIL	XL Distributors Inc.	NIL	NIL
		NIL	114,695.67
	COST OF REALISATIONS		
	Agents Fees (HCS Ltd)	NIL	3,012.04
	Agents/Valuers (Gordon Brothers Euro	NIL	2,445.00
	HCS Ltd costs re investigations	NIL	20,000.00
	Legal Fees (1)	NIL	1,750.00
	Liquidators' Expenses	NIL	3,557.20
	Liquidators' Fees	NIL	63,000.00
	Specific Bond	NIL	74.25
	Statement of Affairs Fee	NIL	16,000.00
	Stationery & Postage	NIL	1,835.69
	Statutory Advertising	NIL	169.20
		NIL	(111,843.38)
	PREFERENTIAL CREDITORS		
(2,718.12)	Employees re Arrears/Hol Pay	NIL	NIL
(12,347.42)	RPO re Arrears/Holiday Pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(50,289.58)	Consumer Creditors - online customer	NIL	NIL
(8,835.89)	Employees	NIL	NIL
(31,491.00)	HMRC (non VAT)	NIL	NIL
(61,945.17)	RPO	NIL	NIL
(160,573.95)	Trade Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL

(1,130,161.59)

REPRESENTED BY
Barclays Bulk Floating Current account

NIL

4,827.29

4,827.29

4,827.29



Jamie Taylor
Joint Liquidator

XL Distributors Limited (**In Creditors'** Voluntary Liquidation)

Progress report

Period: 25 September 2021 to 24 September
2022

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

Contents

- ❑ Interpretation
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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	XL Distributors Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 25 September 2018.
"the liquidators", "we", "our" and "us"	Jamie Taylor of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG and Yiannis Koumettou of Begbies Traynor (Central) LLP, 1 Kings Avenue, London, N21 3NA
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s):	Gamucci
Company registered number:	07569770
Company registered office:	The Old Exchange, 234 Southchurch Road, Southend on Sea, Essex, SS1 2EG
Former trading address:	V9 Vector Park, Forest Road, Feltham, TW13 7EJ

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	25 September 2018
Date of liquidators' appointment:	Yiannis Koumettou - 25 September 2018 Jamie Taylor – 28 July 2022
Changes in liquidator (if any):	Jamie Taylor replaced Lloyd Biscoe as Joint Liquidator of the Company on 28th July 2022 by order of the court.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 25 September 2021 to 24 September 2022.

There have been no receipts or payments during this period.

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

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment.

The details below relate to the work undertaken in the period of this report only. Our previous reports contain details of the work undertaken since our appointment.

General case administration and planning

- Maintaining and updating the electronically held information at this office;
- General filing of incoming communications;
- Updating case strategy plan;
- Completion of periodic case and compliance reviews;
- Review and update of case compliance checklists and internal case diary;
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories;
- General case updates, including internal meetings on case strategy and effect of instruction;
- Overseeing and controlling the work undertaken on this engagement by junior members of staff;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9.

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

Compliance with the Insolvency Act, Rules and best practice

- Reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;
- Preparation of annual progress report and submission of forms to Companies House.

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

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

Investigations

- None during this period.

Realisation of assets

- None during this period.

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

- None during this period.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedures, tax, litigation, pensions and travel

- Submission of relevant VAT and corporation tax returns;
- Corresponding with HM Revenue and Customs in regard to VAT receivable by the Company.

There is no direct financial benefit to creditors of this work on this assignment, but it has been necessary in order to progress the insolvency process and to comply with tax legislation.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the director's estimated statement of affairs.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

Secured creditors

A previous distribution was made to the secured creditor under the fixed element of their security in the sum of £14,175. Based upon realisations to date and estimated future realisations, it is anticipated that there will be insufficient funds available to enable a further dividend to be paid to the secured creditor.

Preferential creditors

Based upon realisations to date and estimated future realisations, it is anticipated that there will be insufficient funds available to enable a dividend to be paid to the preferential creditors.

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

Details of how the prescribed part for unsecured creditors is calculated were provided in our letter to creditors dated 1st October 2018.

There will be no distribution of the prescribed part as our estimate of the Company's net property is nil.

Unsecured creditors

To date 68 claims in the sum of £226,652.30. Based upon realisations to date and estimated future realisations it is anticipated there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

6. REMUNERATION & EXPENSES

Remuneration

Our remuneration has been fixed by a decision of the creditors on 8 November 2018 obtained via a Decision Procedure by way of correspondence by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP and Alexander Lawson Jacobs in attending to matters arising in the winding up as set out in the fees estimate dated 19 October 2018 in the sum of £56,354.50 for Begbies Traynor (Central) LLP and £34,491 for Alexander Lawson Jacobs.

As advised in earlier reports, on 25 October 2019 Alexander Lawson Jacobs was absorbed into Begbies Traynor's corporate and insolvency practice and are now known as Begbies Traynor (Central) LLP, North London.

We are also authorised to draw expenses for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, which is attached at Appendix 2 of this report.

Our time costs in the Southend office for the period from 25 September 2021 to 24 September 2022 amount to £4,183.50 which represents 12.7 hours at an average rate of £329.41 per hour.

Our time costs in the North London office for the period from 25 September 2021 to 24 September 2022 amount to £132.00 which represents 0.4 hours at an average rate of £330.00 per hour.

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

- ❑ Time Costs Analysis for the period 25 September 2021 to 24 September 2022 for both offices;
- ❑ Cumulative Time Costs Analyses for the period 25 September 2018 to 24 September 2022 for both offices;
- ❑ Begbies Traynor (Central) LLP's charging policy; and
- ❑ Alexander Lawson Jacobs's charging policy prior to 25 October 2019.

To 24 September 2022, we have drawn the total sum of £63,000 on account of our remuneration, against total time costs of £99,437 incurred since the date of our appointment.

Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case and gives the total costs and average hourly rate charged for each work type. An additional analysis is also attached which details the time costs for the entire period for which we have administered the liquidation.

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

As Alexander Lawson Jacobs was absorbed into our firm, the fees estimates previously agreed in respect of both parties will amount to a combined sum of £90,845.50. Our combined costs to date amount to £99,437.

As can be concluded from the information above, the level of our approved remuneration we have exceeded the limit of our approved remuneration. For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved. The reason why the approved level of remuneration has been exceeded are as follows:

- The delays in HMRC processing payments to the Company in respect of VAT receivable. Since the pandemic, these have taken approximately 6 months from the point of reclaim to the funds being paid to the Company and the Company has been required to make more than one reclaim. The delays have created additional unforeseen costs in respect of matters such as general case reviews, bank reconciliations, statutory reporting requirements which naturally require completion over time.

In this instance we are not seeking creditor approval of a further fee estimate as it is not considered that the liquidation will have sufficient funds to cover our previously agreed estimate. However, should funds unexpectedly become available in future the liquidators may write to creditors to agree a further fee estimate at that time.

Expenses

No expenses have been drawn in the period.

Why have subcontractors been used?

No subcontractors have been used during this period.

Category 2 Expenses

No category 2 expenses have been incurred during this period.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

7. LIQUIDATORS' EXPENSES

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

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the liquidation would total £28,306.05. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

There are no assets that remain to be realised. The Joint Liquidators will be discharging some final costs of the liquidation from the balance of funds available before issuing their final report.

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

General case administration and planning

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

There is no direct commercial benefit to creditors in relation to the above matters, but creditors benefit from case progression and accuracy. This work is necessary to progress the case and comply with best practice and statute.

Compliance with the Insolvency Act, Rules and best practice

- Reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice and money laundering regulations;
- Updating case checklists and statutory diaries where necessary;
- Maintain accurate account of receipts and payments;
- Issuing annual progress reports for submission at Companies House.

Banking;

- Maintaining and managing the insolvent estate bank account.
- Maintaining and managing the officer holders' cash book on this assignment.
- Undertaking regular bank reconciliations of the estate bank account.
- Complying with risk management procedures;
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices; and
- Preparing and processing remittance advices for incoming funds.

Closure;

- Preparing, reviewing and issuing final report to members and creditors;
- Filing of final return at Companies House;
- Update physical and electronic case records following closure.

On this engagement, the work identified above does not have a direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

Investigations

- None

Realisation of assets

- None

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

- Potential responses to creditor enquiries and noting claims received.

On this assignment the above work will have no financial benefit to creditors as no dividend is expected. The work would be undertaken to comply with best practice and enable creditors to apply for VAT bad debt relief, where applicable.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedure, tax, litigation, pensions and travel)

- The Completion of Corporation Tax returns;
- Filing of final Corporation Tax return;
- Submission of VAT reclaims;
- Seeking closure clearance from HMRC.

There is no direct financial benefit to creditors of this work on this assignment, but it has been necessary in order to comply with tax legislation and to recover VAT receivable due to the Company.

How much will this further work cost?

The cost of this further work is estimated at £1,400. As advised above, the liquidators are restricted in what they may bill, due to both available funds and the previously agreed fee estimate.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to creditors on 19 October 2019 which included all of the expenses that we anticipate that we will incur throughout the liquidation.

What is the anticipated payment for administering the case in full?

We estimated that the cost of administering the case would be in the region of £90,845.50, and subsequently you have provided approval for us to draw our remuneration up to that level. However, as you are aware, due to the fact that there are limited assets, the remuneration that we can draw is limited to the amount that is realised for the assets, (less any costs incurred in realising those assets). At this stage in the liquidation, I can estimate that total remuneration drawn will be in the region of £67,000. However, please note that should there be additional or unexpected asset realisations, we will look to draw our remuneration from those too, capped at the level that the creditors approve.

9. OTHER RELEVANT INFORMATION

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties.

Change of Joint Liquidator

On 28th July 2022 Jamie Taylor replaced Lloyd Biscoe as Joint Liquidator of the Company by Order of the Court. The Order was advertised in the London Gazette on 31st August 2022. Under the terms of the Order, Lloyd Biscoe was granted his release, or discharge from liability as appropriate, 21 days after the publication of the Order in the London Gazette. We also write to advise all creditors and members that they are at liberty to apply to discharge or vary the Order upon an application to the Court.

Use of personal information

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

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

We will report again in approximately twelve months' time or at the conclusion of the liquidation, whichever is the sooner.



Jamie Taylor
Joint Liquidator

Dated: 16 November 2022

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 25 September 2021 to 24 September 2022

XL Distributors Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

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Uncertain	Logista disputed debt	NIL	NIL
27,300.00	Plant & Machinery	NIL	16,300.00
	Refund Bank Charges	NIL	183.01
Uncertain	Rent Deposit	NIL	NIL
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Uncertain	Shares held in Gamucci Ireland Limite	NIL	NIL
Uncertain	Stock	NIL	NIL
NIL	XL Distributors Inc.	NIL	NIL
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	COST OF REALISATIONS		
	Agents Fees (HCS Ltd)	NIL	3,012.04
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	PREFERENTIAL CREDITORS		
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	UNSECURED CREDITORS		
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(31,491.00)	HMRC (non VAT)	NIL	NIL
(61,945.17)	RPO	NIL	NIL
(160,573.95)	Trade Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL

(1,130,161.59)

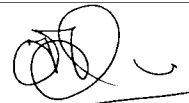
REPRESENTED BY
Barclays Bulk Floating Current account

NIL

4,827.29

4,827.29

4,827.29



Jamie Taylor
Joint Liquidator

COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analyses for the period from 25 September 2021 to 24 September 2022;
- c. Cumulative Time Costs Analyses for the period from 25 September 2018 to 24 September 2022; and
- d. Alexander Lawson Jacob's charging policy prior to 25 October 2019.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

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

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

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

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

Best practice guidance classifies expenses into two broad categories:

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

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

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

BEGBIES TRAYNOR CHARGE-OUT RATES

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

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

² Ibid 1

Grade of staff	Charge-out rate (£ per hour) 1 January 2022 – until further notice
Consultant/Partner	690
Director	580
Senior Manager	500
Manager	475
Assistant Manager	385
Senior Administrator	340
Administrator	260
Trainee Administrator	190
Support	175

Grade of staff	Standard and complex Charge-out rate (£ per hour) 18 March 2019 – until further notice
Consultant/Partner	645 - 710
Director	515 - 565
Senior Manager	440 - 485
Manager	410 - 455
Assistant Manager	315
Senior Administrator	290
Administrator	220 - 245
Trainee Administrator	160 - 180
Support	160 - 180

Prior to 18 March 2019, the following rates applied:

Grade of staff	Charge-out rate (£ per hour) 1 May 2016 – until further notice
Partner	395-550
Director	395
Senior Manager	365
Manager	315
Assistant Manager	285
Senior Administrator	250
Administrator	220
Trainee Administrator	n/a
Junior Administrator	160
Support	160

Prior to 1 May 2016, the following rates applied:

Grade of staff	Charge-out rate (£ per hour) 1 May 2011 – until further notice
Partner	495
Director	395
Senior Manager	365
Manager	315
Assistant Manager	270
Senior Administrator	235
Administrator Trainee	185
Administrator Junior	160
Administrator Support	160

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

Time is recorded in 6 minute units.

Staff Grade		Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning												0.00
	Administration	1.0						2.6			3.6	1,261.00	331.84
	Total for General Case Administration and Planning:	1.0						2.6			3.6	1,261.00	331.84
Compliance with the Insolvency Act, Rules and best practice	Appointment												0.00
	Banking and Bonding	1.1	0.1					0.2		2.0	3.4	1,125.00	330.88
	Case Closure												0.00
	Statutory reporting and statement of affairs	0.5	1.4					0.4			2.3	1,131.50	491.96
	Total for Compliance with the Insolvency Act, Rules and best practice:	1.6	1.5					0.6		2.0	5.7	2,256.50	395.88
Investigations	CDDA and investigations												0.00
	Total for Investigations:												0.00
Realisation of assets	Debt collection												0.00
	Property, business and asset sales												0.00
	Retention of Title/Third party assets												0.00
	Total for Realisation of assets:												0.00
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured												0.00
	Others												0.00
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:												0.00
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors												0.00
	Meetings												0.00
	Other												0.00
	Tax		0.4					0.2	2.6		3.2	666.00	208.13
	Litigation												0.00
	Total for Other matters:		0.4					0.2	2.6		3.2	666.00	208.13
	Total hours by staff grade:	2.6	1.9					3.6	2.6	2.0	12.7		
	Total time cost by staff grade £:	1,677.00	978.50					792.00	416.00	320.00		4,183.50	
	Average hourly rate £:	645.00	515.00	0.00	0.00	0.00	0.00	220.00	160.00	160.00			329.41
	Total fees drawn to date £:											63,000.00	

Staff Grade		Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning												0.00
	Administration				0.4						0.4	132.00	330.00
	Total for General Case Administration and Planning:				0.4						0.4	132.00	330.00
Compliance with the Insolvency Act, Rules and best practice	Appointment												0.00
	Banking and Bonding												0.00
	Case Closure												0.00
	Statutory reporting and statement of affairs												0.00
	Total for Compliance with the Insolvency Act, Rules and best practice:												0.00
Investigations	CDDA and investigations												0.00
	Total for Investigations:												0.00
Realisation of assets	Debt collection												0.00
	Property, business and asset sales												0.00
	Retention of Title/Third party assets												0.00
	Total for Realisation of assets:												0.00
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured												0.00
	Others												0.00
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:												0.00
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors												0.00
	Meetings												0.00
	Other												0.00
	Tax												0.00
	Litigation												0.00
	Total for Other matters:												0.00
	Total hours by staff grade:				0.4						0.4		
	Total time cost by staff grade £:				132.00							132.00	
	Average hourly rate £:	0.00	0.00	0.00	330.00	0.00	0.00	0.00	0.00	0.00			330.00
	Total fees drawn to date £:											11,500.00	

Staff Grade		Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	2.7	6.7	7.9				2.0	19.9		39.2	11,027.00	281.30
	Administration	6.2	1.4	6.5			0.3	3.5	20.5		38.4	11,358.00	295.76
	Total for General Case Administration and Planning:	8.9	8.1	14.4			0.3	5.5	40.4		77.6	22,385.00	286.47
Compliance with the Insolvency Act, Rules and best practice	Appointment		0.6	0.3					6.5		7.4	1,386.50	187.36
	Banking and Bonding	5.2	0.2					0.6	2.2	19.5	27.7	6,732.50	243.05
	Case Closure												0.00
	Statutory reporting and statement of affairs	0.5	5.8	2.5			1.3	0.6	12.6		23.3	6,640.50	285.00
	Total for Compliance with the Insolvency Act, Rules and best practice:	5.7	6.6	2.8			1.3	1.2	21.3	19.5	58.4	14,759.50	252.73
Investigations	CDDA and investigations	8.8	0.6	20.0				9.3	21.3		60.0	18,657.00	310.95
	Total for Investigations:	8.8	0.6	20.0				9.3	21.3		60.0	18,657.00	310.95
Realisation of assets	Debt collection	1.0	0.3	11.1				0.3	0.9		13.6	5,045.00	370.96
	Property, business and asset sales	2.3	1.6	20.0					0.8		24.7	9,473.00	383.52
	Retention of Title/Third party assets								2.2		2.2	352.00	160.00
	Total for Realisation of assets:	3.3	1.9	31.1				0.3	3.9		40.5	14,870.00	367.16
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured		0.6	5.4					0.5		6.5	2,682.50	412.69
	Others	0.3	1.6	5.0					19.6		26.5	5,857.00	221.02
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	0.3	2.2	10.4					20.1		33.0	8,539.50	256.77
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors								0.7		0.7	112.00	160.00
	Meetings	2.7									2.7	1,741.50	645.00
	Other	1.4							0.2		1.6	935.00	584.38
	Tax		3.5	0.2				0.7	15.2		19.6	4,416.50	225.33
	Litigation			1.7				1.0			2.7	968.00	358.52
	Total for Other matters:	4.1	3.5	1.9				1.7	16.1		27.3	8,173.00	299.38
	Total hours by staff grade:	31.1	22.9	80.6			1.6	18.0	123.1	19.5	296.8		
	Total time cost by staff grade £:	18,150.00	10,437.50	31,556.50			464.00	3,960.00	19,696.00	3,120.00		87,384.00	
	Average hourly rate £:	583.60	455.79	391.52	0.00	0.00	290.00	220.00	160.00	160.00			294.42
	Total fees drawn to date £:											63,000.00	

Staff Grade		Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning												0.00
	Administration	2.8			10.8	0.2	7.1			18.4	39.3	8,219.50	209.15
	Total for General Case Administration and Planning:	2.8			10.8	0.2	7.1			18.4	39.3	8,219.50	209.15
Compliance with the Insolvency Act, Rules and best practice	Appointment												0.00
	Banking and Bonding	0.6					0.1			0.9	1.6	357.50	223.44
	Case Closure												0.00
	Statutory reporting and statement of affairs												0.00
	Total for Compliance with the Insolvency Act, Rules and best practice:	0.6					0.1			0.9	1.6	357.50	223.44
Investigations	CDDA and investigations												0.00
	Total for Investigations:												0.00
Realisation of assets	Debt collection												0.00
	Property, business and asset sales	5.3			2.3						7.6	3,036.00	399.47
	Retention of Title/Third party assets												0.00
	Total for Realisation of assets:	5.3			2.3						7.6	3,036.00	399.47
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured						1.6				1.6	440.00	275.00
	Others												0.00
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:						1.6				1.6	440.00	275.00
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors												0.00
	Meetings												0.00
	Other												0.00
	Tax												0.00
	Litigation												0.00
	Total for Other matters:												0.00
	Total hours by staff grade:	8.7			13.1	0.2	8.8			19.3	50.1		
	Total time cost by staff grade £:	3,685.00			4,323.00	66.00	2,420.00			1,559.00		12,053.00	
	Average hourly rate £:	423.56	0.00	0.00	330.00	330.00	275.00	0.00	0.00	80.76			240.58
	Total fees drawn to date £:											11,500.00	

PRACTICE FEE RECOVERY POLICY FOR ALEXANDER LAWSON JACOBS

EFFECTIVE 1ST JUNE 2017

Introduction

The insolvency legislation was changed in April 2010 for insolvency appointments commenced from that time in order to allow more flexibility on how an office holder's fees are charged to a case. This sheet explains how we may apply the alternative fee bases. The new legislation allows different fee bases to be used for different tasks within the same appointment. The basis or combination of bases set for a particular appointment are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the court. Further detail about how an office holder's fees are approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at www.alj.uk.com by clicking on the downloads link. Alternatively a hard copy may be requested by contacting AlexanderLawsonJacobs, 1 Kings Avenue, Winchmore Hill, London, N21 3NA.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn and time costs incurred and will also enable the recipients to see the average rates of such costs. Under the new legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under the old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time cost basis

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

Chargeout Rates

Grade of staff	Current charge-out rate per hour, effective from 1st June 2017 £
Partner – appointment taker	£385 – £440
Manager	£275 – £330
Senior Administrator	£210 – £275
Administrator	£110 – £190
Support staff	£ 80 – £130

These charge-out rates are reviewed annually and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Each unit of time is 6 minutes. The work is recorded under the following categories:

Administration and Planning
Investigations
Realisation of assets
Debtors
Creditors
Employee matters
Trading

Percentage basis

The new legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal. Different percentages can be used for different assets or types of assets. Where we would like to realise any asset or type of assets on a percentage basis we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

Fixed fee

The new legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. Where we would like to charge a set amount for a task or different set amounts for different tasks we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Alexander Lawson Jacobs; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance, company search fees and postage.

It is sometimes necessary to instruct an agent to collect debts on cases. Insolvency Advisory Consultants Limited t/as IAC Debt Recovery, are experienced in the recovery of such debtors to pursue recovery of these amounts. IAC work on a no win no fee basis, and in the event they do make collections, their charges are based on the age of the debts and are as detailed:

- Under 6 months 10%
- Over 6 months but under 12 months 15%
- Over 12 months 20%

It is considered that IAC offer competitive rates and have a good debtor recovery rate and - would only be instructed on cases where it is considered appropriate to do so.

In accordance with best practice, I must advise creditors that the director and shareholder of IAC is Michael Iacovides, an ex-employee of Alexander Lawson Jacobs and the son of a former director and shareholder of that company. Where a connected person provides a service, payment should not be made unless it is approved in the same way as office holder's remuneration or category 2 disbursements. Given the relationship, it is not considered that IAC are a connected party which requires approval. This information is being provided in the interest of transparency.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, and internal storage.

It is proposed that the following Category 2 disbursements are recovered:

Room Hire	£75.00
Mileage	in accordance with HMRC approved mileage rates at the date incurred
Photocopying	8p per sheet

STATEMENT OF EXPENSES

None during this period.

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Specific Bond	AUA Insolvency Risk Services	316.25
Land Registry Search	HM Land Registry	146.00
Collection Agents Fees	Husband Collection Services Ltd	3,012.04
Cost re Investigations		20,000.00
Agent/Valuers Fee		2,850.00
Legal Fees	BTMK Solicitors Ltd	1,750
Statutory Advertising	The Stationery Office Ltd	169.20
Photocopying	Begbies Traynor (Central) LLP	651.20
Agent/Valuers Fee	Gordon Brothers	2,445.00
Postage	Royal Mail Group Limited	669.95
	Postworks Limited	5.36