

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	8	2	5	9	0	6	3
Company name in full	PERSONAL TRACK SAFETY LTD							

→ **Filling in this form**
Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s)	GARY STEVEN
Surname	PETTIT

3 Liquidator's address

Building name/number	9/10
Street	SCIROCCO CLOSE
	MOULTON PARK
Post town	NORTHAMPTON
County/Region	
Postcode	N N 3 6 A P
Country	

4 Liquidator's name ①

Full forename(s)	
Surname	

① **Other liquidator**
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number	
Street	
Post town	
County/Region	
Postcode	
Country	


② **Other liquidator**
Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report															
From date	d	2	d	5	m	0	m	8	y	2	y	0	y	2	y	1
To date	d	2	d	4	m	0	m	8	y	2	y	0	y	2	y	2

7	Progress report											
<input checked="" type="checkbox"/> The progress report is attached												

8	Sign and date															
Liquidator's signature	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">X</div> <div style="flex-grow: 1;"> <div style="text-align: center;">Signature</div>  </div> <div style="margin-left: 10px;">X</div> </div>															
Signature date	d	2	d	5	m	1	m	0	y	2	y	0	y	2	y	2

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name PBC BUSINESS RECOVERY

& INSOLVENCY LIMITED

Address 9/10 SCIROCCO CLOSE

MOULTON PARK

Post town NORTHAMPTON

County/Region

Postcode

N

N

3

6

A

P

Country

DX

Telephone 01604 212150

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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

TO ALL KNOWN CREDITORS AND MEMBERS

20 October 2022

Our Ref: GSP/NCP/GCH/P172/credscover(09)

Dear Sirs

PERSONAL TRACK SAFETY LIMITED (“THE COMPANY”) – IN CREDITORS’ VOLUNTARY LIQUIDATION

Company Number: 08259063

1. Introduction

- 1.1 A copy of my progress report on the conduct of the liquidation is enclosed.

2. Further Information

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

Northampton Office: 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP Tel: 01604 212150 Fax: 01604 493008

Bedford Office: Suite G35, Bedford i-Lab, Priory Business Park, Stannard Way, Bedford, MK44 3RZ Tel: 01234 834886

E-mail: info@pbcbusinessrecovery.co.uk www.pbcbusinessrecovery.co.uk

Gary Pettit is licensed in the United Kingdom by the Institute of Chartered Accountants in England and Wales. When acting as administrator or administrative receiver he manages the affairs, business and property of the company as agent of the company over which he is appointed and contracts without personal liability.

To comply with the Provision of Services Regulations, some general information about PBC, including about our complaints policy, the Insolvency Code of Ethics and our professional indemnity insurance, can be found at <http://www.pbcbusinessrecovery.co.uk/provisions-of-services-regulations/>.

Data Protection: PBC is clear about our obligations under the General Data Protection Regulations. Please see our privacy policy which can be found at <https://www.pbcbusinessrecovery.co.uk/privacy-policy-3>

PBC, PBC Business Recovery and Insolvency and PBC Bottomley & Co are the trading names of PBC Business Recovery and Insolvency Ltd (Company Number 03869807) and PBC (Coventry) Limited (Company Number 10057925). Both companies are registered in England and Wales with the registered office at 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP.

- 2.2 Creditors should be aware that when considering any decisions regarding approval of the liquidator's fees and expenses, if votes are **only** received from creditors who I consider may be my associates under the provisions of Statement of Insolvency Practice 9, these votes will be used.
- 2.3 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 Natasha Pink by phone on 01604 212150 or by email at natashapink@pbcbusinessrecovery.co.uk.

Yours faithfully

A handwritten signature in black ink, appearing to read 'G. S. Pettit', with a stylized, cursive flourish at the end.

¹ **GARY S PETTIT**
Liquidator

PERSONAL TRACK SAFETY LIMITED – IN CREDITORS' VOLUNTARY LIQUIDATION

LIQUIDATOR'S PROGRESS REPORT TO CREDITORS AND MEMBERS FOR THE YEAR ENDING 24 AUGUST 2022

1 Introduction

- 1.1 This is my report to members and creditors following the 1st anniversary of my appointment as liquidator. This report should be read in conjunction with my previous reports.

2 Statutory Information

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

Company name:	Personal Track Safety Ltd – In Liquidation
Trading Name:	PTS Training Academy
Registered office:	9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP
Former registered office:	22 West Green Road, London N15 5NN
Registered number:	08259063
Date of winding up resolution:	25 August 2021
Liquidator's name:	Gary S Pettit
Liquidator's address:	PBC Business Recovery & Insolvency Ltd ("PBC"), 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP
Liquidator's date of appointment:	25 August 2021

3 Liquidator's Actions Since Last Report

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

- x. Obtained information from the case records about employee claims.
- xi. Completed documentation for submission to the Redundancy Payments Office.
- xii. Corresponded with employees regarding their claims.
- xiii. Liaised with the Redundancy Payments Office regarding employee claims.
- xiv. Dealt with creditor correspondence, emails and telephone conversations regarding their claims.
- xv. Maintained up to date creditor information on the case management system.

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

4 Receipts and Payments

4.1 My receipts & payments account for the period from 25 August 2021 to 24 August 2022 is attached. I confirm this has been reconciled for the purposes of this report. All amounts are shown net of VAT.

4.2 The balance of funds is held in an interest bearing estate bank account.

5 Assets

5.1 The following table details the current asset position.

Asset Type	Estimated to realise (£)	Realisations to date (£)
Fixtures, Fittings, Office Furniture & Equipment	4,350	4,050.00
Book Debts	23,250	Nil
Insurance Refund	Nil	393.98
Bank Interest Gross	Nil	0.04
Directors Loans	6,000	400.00
Total	33,600	4,844.02

5.2 I would comment further as follows:

5.3 **Chattel Assets:** The liquidator instructed SIA Group Asset Ingenuity Ltd, experienced insolvency valuers and auctioneers who work with a number of different insolvency practices to value and sell the chattel assets of the company.

5.4 The IT equipment and office furniture were sold to a third party for £4,050 plus VAT which is in line with the estimated to realise value on the statement of affairs of £4,350.

5.5 **Motor Vehicles:** The company did not own any vehicles and those in its possession were subject to leasing agreements. The vehicles have been returned.

5.6 **Debtors:** The statement of affairs indicated the company was owed £36,504 at the date of liquidation with an estimated to realise value of £23,250.

- 5.7 I wrote to all debtors requesting payment. However, I received disputes from two debtors resulting in those balances totalling £3,458 being written off. To date I have not received responses from two debtors totalling £33,000. There are limited records relating to these debtors to enable me to pursue them further. Therefore, I am considering what further action can be taken.
- 5.8 **Investments:** The statement of affairs indicated the investments held of £593,866 in respect of connected companies G5 Rail Ltd and Education Qualification and Awards Ltd had no estimated to realise value.
- 5.9 Further investigation into the company's affairs revealed those companies received payments from the company in the year leading up to the liquidation, which may have helped to fund trading.
- 5.10 Both companies have ceased to trade and applied for voluntary strike off. The voluntary strike off action against Education Qualification and Awards Ltd has been suspended. However, G5 Rail Ltd was dissolved on 01 February 2022.
- 5.11 **Rent Deposit:** The landlord of units 4/5 Westleigh Office Park held a rent deposit of £11,100. However, this amount was offset against the outstanding rent. Accordingly, no further action will be taken.
- 5.12 **Inter Company Debts:** As at the date of liquidation, amounts totalling £1,234,928 were owed to the company by various connected companies. However, the statement of affairs estimated the realisable value at nil.
- 5.13 I wrote to all connected parties requesting payment. However, I have only received a response from one of the connected parties so far, offering a settlement, which I am currently reviewing.
- 5.14 I will be instructing solicitors in relation to the recoveries of the remaining connected parties.
- 5.15 **Director's Loans:** The statement of affairs estimated that a balance of £6,000 was due to the company by Matthew Joyce under his adverse director's loan account.
- 5.16 Initially he owed £17,000. However, after the deduction of expenses, this left a balance of £6,350.98.
- 5.17 His claim to the Redundancy Payments Service for his employee entitlements totalled £4,974.04 was offset against the amount due, in accordance with the RPS' procedure. This left a final figure of £1,376.94 payable.
- 5.18 The director is now making payments of £200 per month until paid in full. To date he has paid £400 and payments are up to date.
- 5.19 **Other Assets:** The following assets were realised in the period:
- i A nominal amount of bank interest gross was received in the period.
 - ii A refund of £393.98 was received from Premium Credit Services in relation to an insurance policy.

6 Investigation into the affairs of the company

- 6.1 I undertook an initial investigation into the company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved.
- 6.2 In particular, I recovered, listed and reviewed the company's accounting records; obtained and reviewed copy bank statements for the two years prior to the company ceasing to trade from the company's bankers; and compared the information in the company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and made enquiries about the reasons for the changes.
- 6.3 I have investigated the various transactions between the company and its associated companies. It appears the company continued to make inter-company payments even though it was not financially able to do so, it was also unlikely those companies had any ability to repay the funds.
- 6.4 I will therefore be instructing solicitors to provide advice on the possible recovery action that can be taken.
- 6.5 Within three months of my appointment as liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make them unfit to be concerned with the management of the company. I would confirm that my report has been submitted.

7 Liabilities

- 7.1 **Secured Creditors:** An examination of the company's mortgage register held by the Registrar of Companies showed that the company has granted the following charges:

Name of Chargeholder:	Lloyds Bank Plc
Date Charge Registered:	10 September 2020 and 19 October 2020
Type of Security	Fixed charge over any freehold or leasehold property of the company and floating charge
Claim on statement of affairs	£1,500,000
Claim received to date:	£0

- 7.2 **Preferential Creditors:** The statement of affairs anticipated £72,806 in preferential creditors. No claims have been received to date.
- 7.3 **Secondary Preferential Creditors:** HMRC are secondary preferential creditors for certain specified debts, such as VAT, PAYE, employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions. Secondary preferential debts are payable after all ordinary preferential debts have been paid in full, and before non-preferential

unsecured debts. The information provided to date shows that HMRC's claim as a secondary preferential creditor is estimated at £338,360.

7.4 **Non-preferential unsecured Creditors:** The statement of affairs included 68 non-preferential unsecured creditors with an estimated total liability of £1,960,703. I have received claims from 27 creditors at a total of £2,381,840. I have not received claims from 53 creditors with original estimated claims in the statement of affairs of £360,499.

7.5 At the time of writing, I have not investigated the reasons for the difference in the level of claims received.

8 Pre-Appointment Remuneration

8.1 The creditors previously authorised the payment of a fee of £10,000 for my assistance with preparing the statement of affairs and convening the decision procedure of the creditors.

8.2 The fee for preparing the statement of affairs and convening and holding the meeting of creditors is as yet unpaid as insufficient realisations have been made to date.

9 Liquidator's Remuneration

9.1 My remuneration was previously authorised on a mixture of a fixed fee, a scale rate on realisations and on a time cost basis.

9.2 **Fixed Fee:** I was authorised to draw a fixed fee of £17,000 for my work in respect of administration and creditors.

9.3 I have not been able to draw any remuneration in respect of work done for which my fees were approved as a fixed fee.

9.4 **Time Costs:** I was authorised to draw time costs for my work in respect of investigations, realisation of assets, distributions and case specific matters. This approval was based on my fees estimate of £34,325. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors.

9.5 My total time costs for such work to 24 August 2022 amount to £58,059, at an average charge out rate of £245.91 per hour.

9.6 The actual average charge out rate incurred compares with the estimated average charge out rate of £292.13 in my fees estimate.

9.7 I have not been able to draw any remuneration in respect of work done for which my fees were approved on a time cost basis.

9.8 A detailed schedule of my time costs incurred to date on the above categories compared with my original fees estimate is attached.

9.9 As you can see from the information provided in this report, the total time costs I have incurred in this matter, in respect of the categories of work for which I am being remunerated on a time cost basis, have exceeded the total estimated remuneration I set out in my fees estimate when my remuneration was authorised. This is because I have spent a considerable amount of time investigating the intercompany transactions. Currently I do not intend to draw remuneration in excess of the fees estimate and so will not be seeking a decision to increase my fees estimate.

10 Liquidator's Expenses

10.1 Creditors authorised that I could draw category 2 expenses on 11 October 2021. Category 1 expenses do not require authority from creditors before they are paid from the estate.

10.2 I have incurred expenses to 24 August 2022 of £784.85.

10.3 A schedule of the expenses is included with the analysis of time costs.

10.4 I have not been able to draw any expenses in this matter.

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

Professional Advisor	Nature of Work	Basis of Fees
SIA Group	Valuer/Auctioneer	Percentage of realisations
ERA Solutions	Employment Claim Advisors	Fixed fee
Clumber Consultancy Ltd	Pension Scheme	Fixed fee

10.6 Messrs SIA Group are experienced insolvency valuers and auctioneers and work with a number of different insolvency practitioners in respect of insolvency assignments.

10.7 Messrs ERA Solutions is a specialist employment agency and work with a number of different insolvency practitioners in respect of insolvency assignments.

10.8 Messrs Clumber Consultancy Ltd is a specialist pension agency and work with a number of different insolvency practitioners in respect of insolvency assignments.

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

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

10.11 As at the date of reporting, I do not anticipate that the total expenses I will incur in this matter will exceed the total expenses I estimated I would incur when my remuneration was authorised.

11 Estimated Outcome

- 11.1 Creditors will note that the total fees I am entitled to charge is £51,325. However, on present information, I do not expect to recover this balance. This will be dependent on the outcome of my investigations.
- 11.2 **Secured creditors:** As indicated above, the company granted a charge to Lloyds Bank Plc.
- 11.3 There will be no return to secured creditors.
- 11.4 **Preferential creditors:** As indicated above, the statement of affairs anticipated preferential claims of £72,806.
- 11.5 There will be no return to preferential creditors.
- 11.6 **Secondary preferential creditors:** As indicated above, I have received secondary preferential claims of £338,360.
- 11.7 There will be no return to secondary preferential creditors.
- 11.8 **Non-preferential unsecured creditors:** As indicated above, I have received non-preferential unsecured claims of £2,381,840.
- 11.9 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.
- 11.10 As previously advised, the company gave a floating charge to Lloyds Bank Plc on 10 September 2020 and 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 liquidation to date, the net property of the company is nil.
- 11.11 Since the company's net property is less than £10,000, the insolvency legislation does not require me to distribute the prescribed part of the net property to creditors if I think that the costs of distributing the prescribed part would be disproportionate to the benefits to creditors. I am 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 non-preferential unsecured creditors.
- 11.12 There will be no return to non-preferential unsecured creditors.

12 Creditors' Rights

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

- 12.2 An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the liquidator's fees and the amount of any proposed expenses or expenses already incurred within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.
- 12.3 Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guidance notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/> and <https://www.r3.org.uk/technical-library/england-wales/sips/more/29125/page/1/sip-9-payments-to-insolvency-office-holders-and-their-associates/>. There are different versions of these guidance notes, and in this case please refer to the latest versions the links guide you to. Please note that I have also provided further details in the practice fee recovery sheet.

13 Provision of Services Regulations

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

14 Summary

- 14.1 The liquidation will remain open until the following matters have been fully resolved:
- My investigations into the company's affairs are complete.
 - Realisations are complete.
- 14.2 I estimate that this will take approximately two years and once resolved the liquidation will be finalised and our files will be closed.
- 14.3 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 Natasha Pink by email at natashapink@pbcbusinessrecovery.co.uk.



GARY S PETTIT

Liquidator

Personal Track Safety Ltd T/A PTS Training Academy - In Creditors Voluntary Liquidation
Liquidator's Abstract of Receipts & Payments

From 25 August 2021 To 24 August 2022

S of A £		From 25/08/21	From 25/08/21
		To 24/08/22	To 24/08/22
ASSET REALISATIONS			
NIL	Plant & Machinery	NIL	NIL
4,350.00	Fixtures, Fittings, Office Furniture & Equipment	4,050.00	4,050.00
NIL	Motor Vehicles	NIL	NIL
23,250.00	Book Debts	NIL	NIL
NIL	Investments	NIL	NIL
	Insurance Refund	393.98	393.98
NIL	Rent Deposit	NIL	NIL
	Bank Interest Gross	0.04	0.04
NIL	Inter Company Debts	NIL	NIL
6,000.00	Directors Loans	400.00	400.00
33,600.00		4,844.02	4,844.02
COST OF REALISATIONS			
	Agents/Valuers Fees (1)	(4,110.00)	(4,110.00)
	Statutory Advertising	(249.00)	(249.00)
NIL		(4,359.00)	(4,359.00)
UNSECURED CREDITORS			
(2,750.00)	Directors loan	NIL	NIL
	Employee	NIL	NIL
(155,059.94)	HM Revenue & Customs	NIL	NIL
(23,274.14)	Landlord	NIL	NIL
(429,129.25)	Loan	NIL	NIL
(1,350,489.60)	Trade Creditor	NIL	NIL
(1,960,702.93)		NIL	NIL
(1,927,102.93)		485.02	485.02
REPRESENTED BY			
	Current A/C		485.02
			485.02

Remuneration Schedule for: **Personal Track Safety Ltd**

Between **25-Aug-21** and **24-Aug-22**

TIME COSTS

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate	Time costs as detailed in Fee Estimate
Investigations	25.10	107.10	4.50	26.70	163.40	39,339.00	240.75	12,800.00
Realisations	5.90	34.00	-	2.20	42.10	10,992.00	261.09	6,350.00
Case Specific Matters	1.00	28.80	0.50	0.30	30.60	7,728.00	252.55	7,550.00
Distributions	-	-	-	-	-	-	-	7,625.00
Total hours	32.00	169.90	5.00	29.20	236.10			
Time costs	12,800.00	42,475.00	785.00	1,999.00		58,059.00		34,325.00
Average hourly rate	400.00	250.00	-	-			245.91	

Total Time Cost Fees charged to **24/08/2022** £0.00

EXPENSES

Description	Total Incurred £	Total Recovered £
Postage/Stamps/Copying/Stationery	261.51	-
Land Registry	60.00	-
Bordereau	230.00	-
Insolv Case Administration Fee	233.34	-
Totals	784.85	-

PRACTICE FEE RECOVERY POLICY FOR PBC BUSINESS RECOVERY & INSOLVENCY LIMITED

Introduction

This sheet explains the alternative fee bases allowed by the insolvency legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court. The report accompanying the request to fix the basis of remuneration will indicate the basis, or bases, being requested in that particular case and will make it clear what work is to be undertaken in respect of each basis.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) "Payments to Insolvency Office Holders and their Associates from an Estate" and can be accessed at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/page/1> and <https://www.r3.org.uk/technical-library/england-wales/sips/more/29125/page/1/sip-9-payments-to-insolvency-office-holders-and-their-associates/>. Alternatively, a hard copy may be requested from PBC Business Recovery & Insolvency Ltd, 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP. Please note that we have provided further details in this policy document.

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

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

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

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

Time cost basis

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

Charge out Rates

Grade of staff	Current charge-out rate per hour, effective from 31 March 2021 (£)	Previous charge-out rate per hour, effective from 31 March 2019 (£)
Partner (Appointment takers)	400	400
Manager	320	290
Associate/Insolvency Manager		
Case/Operations Manager	250	240
Other Senior Professionals	220	190
Senior Case Administrator		
Case Administrator	150	125
Assistants & Support Staff	60	45

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

When we seek time costs approval, we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate, and by reference to each separate category of work. The blended rate is calculated as the prospective average cost per hour, based upon the estimated time to be expended by each grade of staff at their

specific charge out rate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary. A report accompanying the request to fix the basis of remuneration will include the fees estimate, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will summarise that information in an average or “blended” rate for all of the work being carried out within the estimate, and by reference to each separate category of work, and will also say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. A report accompanying the request to fix the basis of remuneration will set out the potential assets in the case, the remuneration percentage proposed in respect of any realisations and the work covered by that remuneration, which may solely relate to work undertaken in connection with the realisation of the assets, but might also include other categories of work as listed above. The report will also include details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

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

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has

carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 it will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. A report accompanying the request to fix the basis of remuneration will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 we will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

Direct Costs

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

Mixed basis

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

Members' voluntary liquidations and Voluntary Arrangements

The legislation is different for members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) and Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee, and SIP 9 does not apply unless the members specifically request it. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All fee bases

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

Expenses

As already indicated, a report will accompany the request to fix the basis of remuneration and that will include details of expenses to be incurred, or likely to be incurred. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

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

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

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

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

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

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

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

Reporting and rights to challenge

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

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

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

Under rule 18.9 of the Insolvency (England and Wales) Rules 2006, an unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the office holder's remuneration and expenses, within 21 days of receipt of any report for the period. Any secured creditor may request the same details in the same time limit.

Under rule 18.34, an unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the office holder's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of any report for the period. Any secured creditor may make a similar application to court within the same time limit.

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