

LIQ03

Notice of progress report in voluntary winding up



Companies House

SATURDAY



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25/01/2020

#174

COMPANIES HOUSE

1 Company details

Company number 0 8 5 0 0 8 4 2

Company name in full GB Energy Supply Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Francis Graham

Surname Newton

3 Liquidator's address

Building name/number Central Square

Street 29 Wellington Street

Post town Leeds

County/Region

Postcode L S 1 4 D L

Country

4 Liquidator's name ①

Full forename(s) Antony

Surname Nygate

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ①

Building name/number 55 Baker Street

Street London

Post town W1U 7EU

County/Region

Postcode


Country

① 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	1	^d	2	^m	1	^m	2	^y	2	^y	0	^y	1	^y	8	
To date	^d	1	^d	1	^m	1	^m	2	^y	2	^y	0	^y	1	^y	9	
7	Progress report																
	<input checked="" type="checkbox"/> The progress report is attached																
8	Sign and date																
Liquidator's signature	Signature X  X																
Signature date	^d	2	^d	3	^m	0	^m	1	^y	2	^y	0	^y	2	^y	0	

LIQ03

Notice of progress report in voluntary winding up



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 **Francis Graham Newton**

Company name **BDO LLP**

Address
5 Temple Square
Temple Street

Post town
Liverpool

County/Region

Postcode
L 2 5 R H

Country

DX

Telephone
01512 374 500



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

GB Energy Supply Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 12/12/2018 To 11/12/2019 £	From 12/12/2017 To 11/12/2019 £
ASSET REALISATIONS		
Bank Interest Gross	9,450.91	44,082.45
Bank Refund	141.34	141.34
Book Debts	229.55	2,516.80
Preference Payment	NIL	150,000.00
Supplier Levy	NIL	0.02
Surplus from Administration	NIL	7,448,542.35
	<u>9,821.80</u>	<u>7,645,282.96</u>
COST OF REALISATIONS		
Agents Disbursements	NIL	275.00
Agents Fees	NIL	300.00
Joint Administrators' Fees	50,000.00	80,000.00
Legal Disbursements	6,081.29	6,081.29
Legal Fees	40,533.00	68,473.50
Stationery & Postage	397.59	397.59
Statutory Advertising	NIL	79.00
Storage Costs	65.60	192.10
	<u>(97,077.48)</u>	<u>(155,798.48)</u>
	(87,255.68)	7,489,484.48
REPRESENTED BY		
Debtor Realisations Account		273,231.06
Floating Current Account		703,727.80
Treasury 1 month 22.08.19 to 22.11.19		6,500,000.00
Vat Control Account		(0.63)
Vat Input		12,532.90
Vat Output		(6.65)
		<u>7,489,484.48</u>



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Fax: +44 (0)151 237 4545
www.bdo.co.uk

5 Temple Square
Temple Street
Liverpool
L2 5RH

TO ALL KNOWN CREDITORS AND MEMBERS

23 January 2020

Our Ref 00278097/C1/FGN/DF

Please ask for David Forster
Tel: 0151 237 4530
Email: BRCMT@bdo.co.uk

Dear Madams/Sirs

GB Energy Supply Limited - In Creditors' Voluntary Liquidation ('the Company')
Registered number: 08500842

In accordance with Section 104A of the Insolvency Act 1986 and Rule 18.4 of the Insolvency (England and Wales) Rules 2016 ('the Rules'), we write to provide creditors with a copy of our annual progress report for the period 12 December 2018 to 11 December 2019 ('the Reporting Period').

Please note that we do not intend to report in detail on matters previously disclosed to creditors. This report should therefore be read in conjunction with our previous progress reports issued in the Administration and subsequent Liquidation.

Professional information regarding the Joint Liquidators

The Joint Liquidators are Francis Graham Newton (officeholder No: 9310) of BDO LLP, 6th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL and Antony David Nygate (officeholder No: 9237) of BDO LLP, 55 Baker Street, London, W1U 7EU.

We were appointed on 12 December 2017 following the Company moving from Administration to Creditors' Voluntary Liquidation ('CVL'). We carry out our functions jointly and severally meaning any action can be done by one or both of us.

The Company's registered office is c/o BDO LLP, 6th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL. The Company previously traded from The Energy Centre, Garstang Road, Preston, Lancashire, PR3 5DL.

Joint Liquidators' receipts & payments account

We enclose a summary of our receipts and payments account analysed to show activity in the Reporting Period and the cumulative position of the Liquidation up to 11 December 2019.

Although the receipts and payments account are largely self-explanatory, a summary of the salient receipts and payments are summarised as follows:

Receipts

Bank interest totalling £9,451 has been received in the Reporting Period.

The Joint Liquidators are Data Controllers as defined by the General Data Protection Regulations. BDO LLP will act as Data Processor on the instruction of the Data Controllers. Personal data will be kept secure and processed only for matters relating to the Liquidation of GB Energy Supply Limited. Please see the privacy statement at <https://www.bdo.co.uk/en-gb/legal-privacy/privacy-notice>

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business



Payments

Costs	Amount (£)	Comments
Joint Administrators' fees	50,000	As advised in our previous reports, the Joint Administrators' fees were agreed by the creditors in the Administration at £382,280. Joint Administrators' fees totalling £60,000 were paid in the Administration resulting in a balance of £323,280 being payable as an expense of the subsequent CVL. In the CVL, Joint Administrators' fees totalling £80,000 (including £50,000 in the Reporting Period) have been paid leaving an outstanding balance of £242,280. These will be paid in due course.
Addleshaw Goddard LLP - Legal Disbursements	6,081	Legal disbursements paid in the Reporting Period in respect of counsel's fees and expenses for reviewing and providing advice in connection with the unsecured claim from Co-Operative Energy ('Co-Op').
Addleshaw Goddard LLP - Legal Fees	40,533	Legal fees paid in the Reporting Period for reviewing and determining the validity of Co-Op's unsecured claim, correspondence with Co-Op and counsel and specific advice to us in respect of the above. The legal fees are in line with the fees estimate approved by the Company's creditors on 23 July 2018.

Progress of the Liquidation

As reported previously, we engaged counsel to opine on the validity of the unsecured claim submitted by Co-Op of c£15.5m, and in particular whether the basis of Co-Op's claim was valid.

Based on the advice from counsel, it was determined that the basis Co-Op's claim was flawed and additional information would need to be provided so that the validity of the claim could be considered further.

In March 2019, we wrote to Co-Op and requested further information to re-consider the merits of their claim. A response from Co-Op was not received and in order to ensure that matters progressed, a further letter was sent to Co-Op in July 2019 advising that their claim would be rejected if they did not respond by 7 August 2019.

We subsequently received a letter from solicitors acting for Co-Op requesting an extension to 21 November 2019 so that a substantive response could be provided to us. Following a review of the request, and in light of the complexities of this case, we agreed to the extension request.

Despite the agreed extension, Co-Op failed to deliver any information prior to the expiration of the deadline. As such, on 4 December 2019 we issued a notice to Co-op formally rejecting their claim against the Company.



Although outside of the Reporting Period, on 23 December 2019 solicitors acting for Co-Op filed an application to court objecting to the rejection and seeking an extension to the deadline required for information to be submitted to us. A court hearing has been scheduled for 12 February 2020.

Notwithstanding the above, the Joint Liquidators have issued a notice of intended dividend to creditors which will be paid shortly. Further information is provided later in this report.

Outstanding assets

Security deposit

As advised previously, National Grid Transmissions ('NGT') are holding funds in the region of £1.6m on behalf of the Company which are subject to set-off against monies owed to NGT by the Company.

In order to determine whether the Company is due a refund, NGT have advised that they would need to complete a full account reconciliation. However, despite repeated requests, NGT have not provided the reconciliation.

We have recently instructed solicitors to pursue this matter and are hopeful that this will be resolved in due course.

Assets of a peculiar or special nature

We can confirm that there are no assets of a peculiar or special nature which cannot be sold. Consequently, there has been no distribution of unsold assets to creditors, as mentioned in Rules 14.13 and 18.10 of the Rules.

Future prospects for unsecured creditors

To date, unsecured creditor claims totalling £16,926,137 have been received and agreed (as reported above, the unsecured claim of Co-Op has been rejected and is therefore not included in this figure).

As stated earlier in this report, a notice of intended dividend has been issued. A first dividend payment to unsecured creditors of 8p in the £ will be paid shortly.

There will be sufficient funds available to pay a second and final dividend once the validity of Co-Op's unsecured claim has been resolved. At this stage, the timing and value of the second dividend is uncertain.

Joint Liquidators' time costs

We attach two schedules detailing the time costs incurred in the CVL. The first schedule covers the Reporting Period and records time costs of £36,858, which represents 160 hours spent at an average charge out rate of £230 per hour.

The second schedule covers the whole period of the CVL to 11 December 2019 and shows time costs of £138,338, which represents 602 hours spent at an average charge out rate of £230 per hour.



Joint Liquidators' remuneration

In accordance with the Rules, on 23 July 2018, creditors approved our remuneration on a time cost basis in line with our Fees Estimate. To date, no fees have been drawn in connection with the Liquidation.

We attach a copy of the Joint Liquidators' Fees Estimate annotated with a column showing time costs accrued in respect of each activity.

Joint Liquidators' disbursements

BDO LLP have not incurred any disbursements in the Reporting Period.

As such, pursuant to our previous progress report, disbursements totalling £426 have been incurred in the CVL in respect of public relation and media costs.

No disbursements have been repaid to BDO LLP in the CVL.

For guidance, we enclose a document that outlines the current policy of BDO LLP in respect of fees and disbursements.

Creditors' rights

We provide at the end of this report an extract from the Rules setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the CVL.

Creditors may access information setting out creditors' rights in respect of the approval of Liquidators' remuneration at <https://www.r3.org.uk/what-we-do/publications/professional/fees>.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency Practitioners. In the event that you make a complaint to us but are not satisfied with the response then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

We are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at: <http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d>.

If you require any further information, please contact David Forster at BRMNT@bdo.co.uk.

Yours faithfully
For and on behalf of
GB Energy Supply Limited

A handwritten signature in black ink, appearing to read 'F G Newton'.

F G Newton
Joint Liquidator
F G Newton is authorised by the Insolvency Practitioners Association in the UK



Enclosures

Receipts and Payments Account

SIP 9 Time Cost Report for the Reporting Period

SIP 9 Time Cost Report for the whole period of the CVL up to 11 December 2019

Fees Estimate to Accrued Time Comparison

BDO LLP Policy in Respect of Fees and Disbursements

Statement of Creditors' Rights in respect of Fees and Disbursements

GB Energy Supply Limited
(In Liquidation)
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COST OF REALISATIONS		
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Vat Control Account		(0.63)
Vat Input		12,532.90
Vat Output		(6.65)
		<u>7,489,484.48</u>

Detail of Time Charged and Rates Applicable for the Period From 12/12/2017 to 11/12/2019

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
B. Steps on Appointment														
02 Statutory Documentation			1.00	304.50	0.25	51.75	2.40	278.40	8.15	546.05			12.70	1,270.70
12 Setting up Internal Files			0.50	100.00	0.75	155.25							1.25	255.25
99 Other Matters			0.70	160.30									0.70	160.30
sub total -			3.10	654.80	1.00	207.00	2.40	278.40	8.15	546.05			14.65	1,686.25
C. Planning and Strategy														
02 Review Internal Position			0.70	164.70	2.00	419.00							2.70	583.70
03 Review Bus. Process Systems			28.40	6,610.20	6.80	1,438.90							35.20	8,049.10
07 Strategy Planning			3.15	1,015.75									3.15	1,015.75
sub total -			32.25	7,790.65	8.80	1,857.90							41.05	9,648.55
C. Planning and Strategy														
02 V&I			0.60	141.70	3.30	693.05	1.00	206.00	0.95	63.65			5.85	1,104.40
03 Taxation			8.55	3,377.35	3.30	684.85			10.30	2,116.35	2.50	300.50	24.65	6,569.05
04 Instruct Lease Solicitors			14.40	4,740.60	9.15	1,930.80							23.55	6,689.40
05 Investigations			10.10	3,248.90	5.55	1,148.85							15.65	4,397.75
06 Conduct Reports	0.75	300.00	15.90	5,576.10	1.20	248.40							20.85	6,214.50

Detail of Time Charged and Rates, Applicable for the Period From 12/12/2017 to 11/12/2019

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	£	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	£
07 Receipts/Payments Accounts	0.75	390.00	6.65	1,650.30	3.50	587.50	5.25	555.75	27.35	2,320.95	2.60	199.40	46.10	5,703.90
08 Remuneration Issues	0.20	105.30	2.90	650.50	2.65	549.80			1.25	86.25			7.00	1,391.85
09 Statutory Matters			0.60	134.00	0.40	54.80	0.70	89.00					1.70	308.70
10 Contractual Matters					0.25	51.75							0.25	51.75
12 Press/PR Matters			0.20	45.80									0.20	45.80
14 General Discussions	1.65	922.05	0.30	70.50									1.95	992.55
15 Gen Admin Correspondence	19.70	10,423.65	10.00	2,724.00	8.60	1,807.00	1.95	239.00	23.15	1,661.25			63.70	16,855.50
16 Maintain Internal Files			12.00	2,793.70	0.40	49.60			1.25	58.75			13.65	2,932.05
99 Other Matters									0.55	37.95			0.55	37.95
sub total	23.08	12,231.00	85.20	25,162.45	36.30	7,845.40	8.90	1,091.55	65.10	6,375.15	5.10	589.90	225.68	53,295.45
D. General Administration														
F. Assets Realised on Dealing														
04 Asset Instructions Issued					0.20	41.40							0.20	41.40
06 Property Related Matters			0.10	34.60									0.10	34.60
07 Debt Collection	4.50	2,346.50	31.90	7,769.30	6.40	1,507.70							42.80	11,623.50
09 Dealing with other Assets	3.00	1,560.00	0.55	226.35	3.30	696.10							7.15	2,482.45

Detail of Time Charged and Rates Applicable for the Period From 12/12/2017 to 11/12/2019

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
00 Other Matters					0.65	134.55							0.65	134.55
sub total:	7.50	1,906.50	32.85	8,030.25	10.55	2,379.75							50.90	14,316.50
F. Assets Realisation Dealing														
G. Employee Matters														
04 Pension Issues									0.20	21.80			0.20	21.80
sub total:				0.00					0.20	21.80			0.20	21.80
G. Employee Matters														
H. Creditor Claims														
03 Preferential Creditors			0.20	45.80									0.20	45.80
04 Non-Preferential Creditors	10.25	5,416.75	30.45	8,405.15	77.35	16,386.50	0.10	11.60	28.15	1,943.55			146.30	32,163.75
06 Other Creditors	1.00	533.00			0.45	69.40							1.00	533.00
09 Other Matters													0.45	69.40
sub total:	11.25	5,949.75	30.65	8,451.15	77.80	16,455.90	0.10	11.60	28.15	1,943.55			147.95	32,811.95
H. Creditor Claims														
I. Reporting														
01 Statutory Reporting			0.30	61.50	31.45	6,580.15	2.60	330.20	16.20	1,103.30			50.55	8,075.15
04 Reporting to Creditors	6.25	3,276.00	27.15	7,347.75					0.20	13.80			33.60	10,637.55
sub total	6.25	3,276.00	27.45	7,409.25	31.45	6,580.15	2.60	330.20	16.40	1,117.10			84.15	18,712.70
I. Reporting														

Detail of Time Charged and Rates Applicable for the Period From 12/12/2017 to 11/12/2019

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Cost	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total
J. Distribution and Closure														
02. Distributions	1.25	686.25	7.10	1,727.00	24.70	5,141.65			4.15	289.45			37.20	7,844.35
sub total -	1.25	686.25	7.10	1,727.00	24.70	5,141.65			4.15	289.45			37.20	7,844.35
J. Distribution and Closure														
Net Total														138,337.55
Secretarial Expense														0.00
Other Disbursements														0.00
Billed														0.00
Grand Total														138,337.55



**GB Energy Supply Limited - In Creditors' Voluntary Liquidation
Fees Estimate to Accrued Time Comparison**

Below is the Joint Liquidators' Fees Estimate annotated with a column showing the time costs accrued in respect of each activity.

**Fees Estimate as at 1 June 2018
compared to accrued time as at 11
December 2019**

	Total Hours	Blended Rate £	Estimated Fee £	Accrued Time Costs £
Summary Activity				
A. Pre Appointment Matters	0.00	0.00	0.00	0.00
B. Steps on Appointment	14.65	216.42	3,170.50	1,686.25
C. Planning and Strategy	41.05	304.41	17,656.00	9,648.55
D. General Administration	225.68	271.48	46,830.00	53,295.45
E. Assets Realisation/Dealing	50.90	293.15	19,055.00	14,316.50
F. Trading Related Matters	0.00	0.00	0.00	0.00
G. Employee Matters	0.20	176.00	35.20	21.80
H. Creditor Claims	147.95	297.12	77,250.00	32,811.95
I. Reporting	84.15	226.97	16,115.00	18,712.70
J. Distribution & Closure	37.20	224.85	22,485.00	7,844.35
TOTAL	601.78	273.28	202,596.70	138,337.55

Expenses Estimate

Officeholder CAT 1 Disbursements	500.00	425.73
Officeholder CAT 2 Disbursements	0.00	0.00
Other Expenses		
Agents Costs	0.00	575.00
Valuers' Costs	0.00	0.00
Solicitors costs	280,000 - 355,000	27,940.50

The table above is the Joint Liquidators' estimate of their fees on a time cost basis for this appointment and the anticipated expenses. The estimate and the expenses are prepared on the basis of the information available to us at the date of this estimate.



Detail of work undertaken in the Reporting Period

D General Administration

General administration covers time costs incurred by us and our staff for dealing with various matters arising in the CVL. This includes, but is not limited to, the following matters:

- Compiling and filing VAT returns in the CVL;
- Preparing Company tax returns in the CVL;
- Liaising with solicitors (specifically in respect of Co-Op's subrogated claim);
- Statutory investigations and correspondence with the Insolvency Service following the Company moving from Administration to CVL;
- Cashiering (processing receipts and payments, bank reconciliations, correspondence with the bank, updating the receipts and payments account);
- Dealing with remuneration matters;
- Dealing with statutory matters required by the Rules;
- Managing Public Relations and media matters following the Company converting to CVL to minimise potential confusion/queries from current/former customers; and
- General case filing and maintaining internal files in line with BDO requirements.

The majority of this work requires a range of insolvency knowledge and experience, balanced with good accounting and administrative skills. The majority of time has been incurred at administrator level with support from the assistant managers and managers.

The majority of the points referred above are requirements placed upon us pursuant to the Rules, BDO internal policies and accounting requirements (such as VAT returns, Corporation Tax returns etc). Although there is no specific benefit to creditors, we are required to deal with these matters as part of our day to day responsibilities in managing the case.

H Creditor Claims

Creditor claims relate to time costs incurred by us and our staff in receiving and recording unsecured creditor claims, identifying whether additional supporting evidence is necessary, considering whether any creditor claims might be categorised as deferred claims and general correspondence with creditors and reviewing/adjudicating the creditor claims for dividend purposes.

We have incurred significant time reviewing the subrogated claim from Co-Op and agreeing unsecured creditor claims for dividend purposes.

Due to the complexities of this case, the majority of the work under this heading has been completed by assistant managers with support from the managers and Liquidators.

This area does not provide a direct benefit to creditors but is a requirement placed upon the Liquidators pursuant to the Insolvency Rules.

J Distribution and Closure

Time costs incurred under this heading relate to us calculating the distributable funds in the estate, calculating the proposed interim dividend to creditors, ensuring there are sufficient funds to meet ongoing costs and preparing relevant notices to creditors.



This work is primarily conducted by the assistant managers with suitable knowledge and experience with additional support from the managers and Liquidators.

Although this work does not provide a direct benefit to creditors, the dividend calculation and review process ensures that any spurious/inaccurate claims are removed for dividend purposes.



GB Energy Supply Limited - In Creditors' Voluntary Liquidation

In accordance with best practice, we provide below details of the current policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency, are as follows:

GRADE	£
Partner	549
Manager	242-380
Assistant Manager	218
Senior Administrator	206
Administrator	119-185
Other Staff	73-77

This in no way implies that staff at all such grades will work on the case. The rates charged by BDO LLP are reviewed on a regular basis 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. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories:

- Pre Appointment
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring Insolvency Practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

1) Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.



2) Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case, the recharge will be reimbursement of a specific expense incurred.

3) Category 2

We propose to recover from the estate the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases, a charge of 45p per mile is raised which is in line with the HM Revenue & Customs Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency (England and Wales) Rules 2016 to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

BDO LLP



Statement from the Insolvency (England and Wales) Rules 2016 regarding the rights of creditors in respect of the Joint Liquidators' fees and expenses:

Creditors' and members' requests for further information in administration, winding up and bankruptcy

18.9.—(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—

- (a) a secured creditor;
 - (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
 - (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
 - (d) any unsecured creditor with the permission of the court; or
 - (e) any member of the company in a members' voluntary winding up with the permission of the court.
- (2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.
- (3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—
- (a) providing all of the information requested;
 - (b) providing some of the information requested; or
 - (c) declining to provide the information requested.
- (4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—
- (a) the time or cost of preparation of the information would be excessive; or
 - (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
 - (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
 - (d) the office-holder is subject to an obligation of confidentiality in relation to the information.
- (5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.
- (6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—
- (a) the office-holder giving reasons for not providing all of the information requested; or
 - (b) the expiry of the 14 days within which an office-holder must respond to a request.
- (7) The court may make such order as it thinks just on an application under paragraph (6).

Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive

18.34.—(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
 - (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
 - (c) the expenses incurred by the office-holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—
- (a) a secured creditor,
 - (b) an unsecured creditor with either—
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
 - (c) in a members' voluntary winding up—
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court.
- (3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ('the relevant report').

Applications under rules 18.34 and 18.35 where the court has given permission for the application

18.36.—(1) This rule applies to applications made with permission under rules 18.34 and 18.35.



- (2) Where the court has given permission, it must fix a venue for the application to be heard.
- (3) The applicant must, at least 14 days before the hearing, deliver to the office-holder a notice stating the venue and accompanied by a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
 - (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
 - (b) an order reducing any fixed rate or amount;
 - (c) an order changing the basis of remuneration;
 - (d) an order that some or all of the remuneration or expenses in question is not to be treated as expenses of the administration, winding up or bankruptcy;
 - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i) the administrator or Liquidator or the administrator's or Liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
 - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration, winding up or bankruptcy.

Applications under rule 18.34 where the court's permission is not required for the application

18.37.—(1) On receipt of an application under rule 18.34 for which the court's permission is not required, the court may, if it is satisfied that no sufficient cause is shown for the application, dismiss it without giving notice to any party other than the applicant.

- (2) Unless the application is dismissed, the court must fix a venue for it to be heard.
- (3) The applicant must, at least 14 days before any hearing, deliver to the office-holder a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
 - (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
 - (b) an order reducing any fixed rate or amount;
 - (c) an order changing the basis of remuneration;
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration or winding up or bankruptcy;
 - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i) the administrator or Liquidator or the administrator's or Liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
 - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration or as winding up or bankruptcy.