

LIQ03

Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



A93073CY

A08

15/04/2020

#121

COMPANIES HOUSE

1 Company details

Company number 0 9 6 6 4 5 8 2

Company name in full Jupiter Diagnostics Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Lloyd

Surname Biscoe

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) Dominik Thiel

Surname Czerwinke

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

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

② Other liquidator

Use this section to tell us about
another liquidator.

2004000016070_G1_11

The Registrar of Companies
Companies House
Crown Way
Maindy
Cardiff
CF14 3UZ



JU137CVL/LCB/DTC/
DCF/RXT/XCVL1214P

Rosie Thurwood
01702 467255

Dear Sirs

Jupiter Diagnostics Ltd (In Creditors' Voluntary Liquidation) ("the Company")
Company Number: 09664582

I enclose our progress report attached to Form LIQ03.

Yours faithfully
For Jupiter Diagnostics Ltd



Lloyd Biscoe
pp Joint Liquidator

Enc

- Form LIQ03
- Joint liquidators' progress report

The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG
T: 01702 467255 F: 01702 467201 E: southend@btguk.com W: www.begbies-traynor.com

Begbies Traynor is a trading name of Begbies Traynor (Central) LLP, a limited liability partnership, registered in England No. OC306540 registered office 340 Deansgate Manchester, M3 4LY

Lloyd Biscoe and Dominik Thiel Czerwinke are licensed in the United Kingdom to act as Insolvency Practitioners by the Insolvency Practitioners Association

Any reference to a partner is to a member of the limited liability partnership. A list of partners is available for inspection at the registered office. A member of the Begbies Traynor Group Specialist Professional Services www.begbies-traynorgroup.com

Partners, Directors, and Consultants acting as administrators or administrative receivers contract as agents and without personal liability



LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

From date	^d 2	^d 7	^m 0	^m 2	^y 2	^y 0	^y 1	^y 9
To date	^d 2	^d 6	^m 0	^m 2	^y 2	^y 0	^y 1	^y 2

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X 

X

Signature date

^d 3	^d 0	^m 0	^m 3	^y 2	^y 0	^y 2	^y 0
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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 **Rosie Thurwood**

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

Jupiter Diagnostics Ltd
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 27/02/2019 To 26/02/2020 £	From 27/02/2019 To 26/02/2020 £
	ASSET REALISATIONS		
	Bank Interest Gross	1.10	1.10
6,300.00	Cash at Bank	7,726.88	7,726.88
20,000.00	Equipment	NIL	NIL
NIL	R & D tax credits	NIL	NIL
		<u>7,727.98</u>	<u>7,727.98</u>
	PREFERENTIAL CREDITORS		
(16,033.45)	RPO re Arrears/Holiday Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(2,191,621.00)	Associated company loan	NIL	NIL
(28,431.12)	HMRC (non VAT)	NIL	NIL
(52,491.29)	RPO/Employees	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(2,262,276.86)		<u>7,727.98</u>	<u>7,727.98</u>
	REPRESENTED BY		
	Bank 1 Current		7,727.98
			<u>7,727.98</u>



Dominik Thiel Czerwinke
Joint Liquidator





Jupiter Diagnostics Ltd (In Creditors' Voluntary Liquidation)

Progress report

Period: 27 February 2019 to 26 February 2020

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
- ❑ Company information
- ❑ Details of appointment of liquidators
- ❑ Progress during the period
- ❑ Estimated outcome for creditors
- ❑ Remuneration and disbursements
- ❑ Liquidators' expenses
- ❑ Assets that remain to be realised and work that remains to be done
- ❑ Other relevant information
- ❑ Creditors' rights
- ❑ Conclusion
- ❑ Appendices
 - 1. Liquidators' account of receipts and payments
 - 2. Liquidators' time costs and disbursements
 - 3. Statement of Liquidators' expenses



1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Jupiter Diagnostics Ltd (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 27 February 2019.
"the liquidators", "we", "our" and "us"	Lloyd Biscoe of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG and Dominik Thiel Czerwinke of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG
"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):	Jupiter Diagnostics
Company registered number:	09664582
Company registered office:	The Old Exchange, 234 Southchurch Road, Southend on Sea, Essex, SS1 2EG
Former trading address:	5 Technology Park, Colindeep Lane, London, NW9 6BX

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	27 February 2019
Date of liquidators' appointment:	27 February 2019

Changes in liquidator (if any):

None

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 27 February 2019 to 26 February 2020.

Receipts

Cash at bank of £7,726.88 has been realised.

£1.10 has been received in bank interest.

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.

General case administration and planning

- Inputting/Updating the electronically held information at this office;
- General filing and printing of incoming communications;
- Setting up and maintaining physical case files;
- Review of background and identifying areas requiring action and formulating a case strategy plan.
- Updating case strategy plan.
- Creation, review and update of case compliance checklists.
- 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 effect of instruction.
- Overseeing and controlling the work undertaken on this engagement by junior staff;
- Creation of file notes where necessary;
- Completion of one month case compliance and progression checklist;
- Completion of three month case compliance and progression checklist;
- Completion of six monthly compliance and progression checklists;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9;
- Establishing the location of and subsequent collection (if applicable) of some of the Company's statutory and financial books and records from both the director of the Company and the Company's former accountants.
- Communication with the insolvent's bank to obtain copy bank statements;

On this engagement, the work identified above does not hold direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards

expected and also 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

- Preparing documentation and dealing with formalities of appointment (both statutory and best practice)
- Preparing, reviewing and issuing initial report to creditors following appointment;
- Submission of forms to Companies House and the London Gazette advertising;
- Obtaining specific penalty bond;
- 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;
- Submission of forms to Companies House;

Banking:

- Opening, maintaining and managing the insolvent estate bank account.
- Creating, 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;
- Accounting for accruing interest on the cash book;
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices;
- Preparing and processing remittance advises for incoming funds;
- Processing of BACS/electronic payments where applicable;

On this engagement, the work identified above does not hold 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

- Corresponded with relevant directors of the insolvent entity to advise of the effect on them of insolvency and issue directors' questionnaires.
- Written to accountant for delivery up of company's files to include accounts and tax returns.
- Written to bank to obtain copy statements and their subsequent review if received;
- Review of books and records held.
- Reporting to relevant authorities;
- Completion of internal Company Directors Disqualification Act ("CDDA") investigations and form.
- Reviewing available records to determine any pre-appointment antecedent transactions;
- The office holders have made an appropriate submission to the Department for Business Innovation and Skills.

The office holders are obliged under the CDDA to conduct certain investigations into the affairs and conduct of the Company and its directors. A report is subsequently submitted. This work does not directly commercially benefit creditors and is a statutory requirement. However, sometimes this work overlaps with investigations on antecedent transaction which the office holders may pursue.

On this assignment, there will not be a direct commercial benefit to creditors in relation to the above matters as the office holders have not identified any commercially viable actions to bring which would lead to recovery/contributions to estate assets.

Realisation of assets

- Review of the available information and formulating an asset realisation strategy;

- Corresponding with bank to close the Company's account and forward any credit balance held;
- Review of sale of office equipment.

The statement of affairs estimated that the equipment would realise £20,000. The equipment was sold at auction. This is included in the cash at bank figure as the proceeds of sale were paid in to the Company's old bank account.

This work has had no direct commercial benefit to creditors as the amount realised for assets was not sufficient.

Trading

- None

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

Creditors:

- Creating and updating schedules of preferential and unsecured creditor claims;
- Preparing all necessary notices and forms and subsequently sending initial circular to creditors;
- Receipt of creditor claims and input on internal case management software;
- Review of creditor claim supporting information;
- Taking and dealing with phone calls from creditors;
- Acknowledgment of creditor claims correspondence and/or dealing with further queries on claims;
- Receipt of, consideration of and response to creditor correspondence.

On this engagement, the work detailed above has not had any direct financial benefit to creditors from the insolvent estate and has been undertaken to comply with the Insolvency Act and Rules together with best practice and enabling creditors to have evidence of their loss for tax and VAT purposes.

Employees:

- Sending initial circular to employees;
- Liaising with the Redundancy Payments Office ("RPO") in relation to the claims of the employees;
- Review of payroll information and input of same into the electronic software for submission online;;
- Completion of RP14 and RP14A information after verification procedures with books and records;
- Review of RP1 claims and comparing them to payroll information and assisting with any discrepancies.
- Liaison with the RPO and dealing with their queries.
- Taking phone calls from employees in relation to the progress of the case and their claims.
- Dealing with any discrepancies or queries from the RPO or employees;
- Attending to any employee pension scheme related matters;

On this engagement, the work detailed above has had a direct financial benefit to the preferential creditors. The work has been required to be done in order for the claims lodged by former employees of the business to be met by the redundancy payments office in the first instance, irrespective of the value of assets in the insolvent estate. The work is required to be done under Employment legislation and claim agreement in accordance with the Insolvency Act and Rules.

Other matters which includes meetings, tax, litigation, pensions and travel

Tax / VAT

- Submitting relevant initial notification to HM Revenue & Customs;

- Consideration of possible terminal loss relief claim;
- Post appointment tax compliance – submission of corporation tax return(s).
- Post appointment VAT compliance – submission of VAT returns.

On this assignment, this work has not resulted in a direct commercial benefit to creditors but has been necessary in order to comply with legislation.

Pensions

- Establishing if a pension exists, to include online checks;
- Notification of pension protection fund and others of insolvency;
- Engagement of pension trustee services to assist the office holders;

There is no direct financial benefit to creditors of this work on this assignment. It is required by statute for the office holders to identify any possible pension schemes in place and deal with their closure or otherwise. Where schemes exist, we engage pension trustee services to deal with this on our behalf.

5. ESTIMATED OUTCOME FOR CREDITORS

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

On the basis of realisations to date and estimated future realisations it is unlikely that any class of creditor will receive a dividend.

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

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

6. REMUNERATION & DISBURSEMENTS

Remuneration

You will recall that creditors were asked to vote upon the fee in relation to assisting with the preparation of the statement of affairs and seeking the decisions of creditors on the nomination of liquidators. No votes were received and I am reconvening the decision procedure for this purpose. The necessary documents have been sent to creditors separately.

We are not seeking approval for post appointment fees.

Disbursements

To 26 February 2020, we have incurred disbursements of £242.50 as set out in the table of expenses at Appendix 3.

Why have subcontractors been used?

No subcontractors have been used in the period.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2017' 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

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

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

- The preparation, drafting and issue of this report to creditors and members to include all necessary information;
- Updating case strategy plan;
- Update of case compliance checklists;
- 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;
- Periodic reviews of the case generally;
- Overseeing and controlling the work undertaken on this engagement by junior staff;

- Completion of six monthly compliance and progression checklists;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9;

On this engagement, the work identified above does not hold direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also 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;
- Submission of forms to Companies House;
- Maintain accurate account of receipts and payments;
- Issuing annual progress reports for submission at Companies House and copies sent to all known creditors.

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;
- Accounting for accruing interest on the cash book;
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices;
- Preparing and processing remittance advises for incoming funds;
- Processing of BACS/electronic payments where applicable;

Closure

- Preparing, reviewing and issuing final report to members and creditors;
- Preparation and issue of advert convening final meetings of members and creditors to London Gazette;
- Convening and holding the final meeting of members and creditors;
- Completion of minutes of final meeting;
- Filing of final return at Companies House;
- Update physical and electronic case records following closure;

On this engagement, the work identified above does not hold 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.

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

Creditors:

- The issue of this report and associated required documents;
- Updating schedules of preferential and unsecured creditor claims;
- Receipt of creditor claims and input on internal case management software;
- Review of creditor claim supporting information;
- Taking and dealing with phone calls from creditors;
- Acknowledgment of creditor claims correspondence and/or dealing with further queries on claims;
- Receipt of, consideration of and response to creditor correspondence;

- Where necessary, consideration of issues to reject claims and issue of appropriate letter to creditor(s) affected in accordance with statutory requirements concerning rejection of all or part claims;

On this engagement, the work detailed above will not have any direct financial benefit to creditors from the insolvent estate and will be undertaken to comply with the Insolvency Act and Rules together with best practice and enabling creditors to have evidence of their loss for tax and VAT purposes.

Other matters which includes meetings, tax, litigation, pensions and travel

- The completion of VAT forms in order to reclaim outstanding VAT;
- The Completion of Corporation Tax returns;
- Seeking decision of creditors regarding pre-appointment costs;
- Filing of final Corporation Tax return;
- Seeking closure clearance from HMRC;

Some of the above have no direct financial benefit to creditors but have to be done in order to comply with the Insolvency Rules such as creditors and members meetings, as well as a legal requirement, such as completion of corporation tax returns. Others do have a direct financial benefit to creditors. These include the provision of VAT returns after the liquidation as the majority of VAT will be recoverable and therefore an asset of the insolvent estate.

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Energy and Industrial Strategy. We can confirm that we have discharged our duties in these respects.

Connected party transactions

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

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.



Lloyd Biscoe
Joint Liquidator

Dated: 18 March 2020

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 27 February 2019 to 26 February 2020

Jupiter Diagnostics Ltd
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments
To 26/02/2020

S of A £		£	£
	ASSET REALISATIONS		
20,000.00	Equipment	NIL	
6,300.00	Cash at Bank	7,726.88	
NIL	R & D tax credits	NIL	
	Bank Interest Gross	1.10	
			<u>7,727.98</u>
	PREFERENTIAL CREDITORS		
(16,033.45)	RPO re Arrears/Holiday Pay	NIL	
			<u>NIL</u>
	UNSECURED CREDITORS		
(52,491.29)	RPO/Employees	NIL	
(28,431.12)	HMRC (non VAT)	NIL	
(2,191,621.00)	Associated company loan	NIL	
			<u>NIL</u>
(2,262,276.86)			<u>7,727.98</u>
	REPRESENTED BY		
	Bank 1 Current		<u>7,727.98</u>
			<u>7,727.98</u>



Dominik Thiel Czerwinke
Joint Liquidator

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;

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 disbursements (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 disbursements (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 charged at 20p per sheet.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- Telephone and facsimile
- Printing and sundry photocopying

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

² Ibid 1

- Stationery

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:

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

Prior to 18 March 2019, the following rates applied:

Grade of staff	Charge-out rate (£ per hour)
Partner	395-550
Director	395
Senior Manager	365
Manager	315
Assistant Manager	285
Senior Administrator	250
Administrator	220
Junior Administrator	160
Cashier	160
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.



STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Statutory Bond	Insolvency Risk Services	67.50	0.00	67.50
Statutory advertising	The Stationery Office	175.00	0.00	175.00
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
None				