

LIQ03

Notice of progress report in voluntary winding up



Companies House

SATURDAY



A15 *A7904SRD* 07/07/2018 #84
COMPANIES HOUSE

1 Company details

Company number 0 9 6 9 9 5 9 6
Company name in full Apollo Entertainment Limited

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

2 Liquidator's name

Full forename(s) Gillian Margaret
Surname Sayburn

3 Liquidator's address

Building name/number 4th Floor
Street Cathedral Buildings
Post town Dean Street
County/Region Newcastle upon Tyne
Postcode N E 1 1 P G
Country

4 Liquidator's name ①

Full forename(s) Gerald Maurice
Surname Krasner

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

5 Liquidator's address ②

Building name/number 4th Floor
Street Cathedral Buildings
Post town Dean Street
County/Region Newcastle upon Tyne
Postcode N E 1 1 P G
Country

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

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6

Period of progress report

From date	d	0	d	9	m	0	m	5	y	2	y	0	y	1	y	7
To date	d	0	d	8	m	0	m	5	y	2	y	0	y	1	y	8

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X

W

X

Signature date

d	0	d	6	m	0	m	7	y	2	y	0	y	1	y	8
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

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 **Gillian Margaret Sayburn**

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

Address **4th Floor**

Cathedral Buildings

Post town **Dean Street**

County/Region **Newcastle upon Tyne**

Postcode **N E 1 1 P G**

Country

DX

Telephone **0191 2699820**



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

Gillian Margaret Sayburn and Gerald Maurice Krasner
were appointed Joint Liquidators on 9 May 2017

Apollo Entertainment Limited

(In Creditors' Voluntary Liquidation) ("the Company")

Joint Liquidators' Annual Progress Report and
Report for the purposes of approval of their
remuneration and disbursements

Period: 9 May 2017 to 8 May 2018

Contents

1. Interpretation
2. Company and Liquidators' details
3. Progress since appointment
4. Creditor claims and estimated outcome for creditors
5. Liquidators' remuneration and disbursements
6. Liquidators' expenses
7. Assets that remain to be realised and work that remains to be done
8. Other relevant information
9. Creditors' rights
10. Conclusion

Appendices

1. Liquidators' account of receipts and payments
2. Liquidators' time costs and expenses
3. Statement of Liquidators' expenses
4. Creditors' Information Pack

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.

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Apollo Entertainment Limited (In Creditors' Voluntary Liquidation)
"the Liquidation"	The appointment of Liquidators on 9 May 2017
"the Liquidators", "we", "our" and "us"	Gillian Margaret Sayburn and Gerald Maurice Krasner of Begbies Traynor (Central) LLP, 4th Floor, Cathedral Buildings, Dean Street, Newcastle upon Tyne, NE1 1PG
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England & 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 AND LIQUIDATORS' DETAILS

Company registered number:	09699596
Nature of business:	Organisation of Music Festivals
Former trading address:	c/o Baldwins, Wynyard Park House, Wynyard, TS22 5TB
Date winding up commenced:	9 May 2017
Names of Joint Liquidators:	Gillian Margaret Sayburn and Gerald Maurice Krasner

Gillian Margaret Sayburn and Gerald Maurice Krasner
were appointed Joint Liquidators on 9 May 2017

Apollo Entertainment Limited

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Names of Joint Liquidators:	Gillian Margaret Sayburn and Gerald Maurice Krasner

Date of Liquidators' appointment: 9 May 2017

Changes in office holder: None

Registered office address: Begbies Traynor (Central) LLP, Cathedral Buildings, Dean Street, Newcastle upon Tyne, NE1 1PG

3. PROGRESS SINCE APPOINTMENT

This report should be read in conjunction with the S98 Report to creditors dated 9 May 2017. Creditors will recall that the only asset of the Company, included within the Director's statement of affairs, was an estimated £5,000 cash at bank. During the period, the cash at bank has been realised. In addition matters were brought to the attention of the Liquidators regarding the way in which the business of the Company had been conducted prior to Liquidation. The Liquidators have undertaken investigations in this regard which are ongoing.

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 9 May 2017 to 8 May 2018.

RECEIPTS

Cash at Bank

The Director's statement of affairs showed cash at bank of £5,000.00. The Liquidators received the closing balance of £3,279.07.

Director's Contribution

The Director has contributed £1,000.00 towards the cost of the statement of affairs.

Bank Interest

Bank interest of £0.83 has accrued during the period.

PAYMENTS

Insolvency Practitioners' Bond

As a requirement of the Liquidation, insurance brokers, Marsh Limited, have been engaged to provide the Insolvency Practitioners' bond. A cost of £20.00 has been incurred and discharged in this respect.

Statement of Affairs Fee

A statement of affairs fee of £5,000.00 was agreed to be paid to Begbies Traynor (Central) LLP. £2,500 has been paid to date.

Meeting Room Costs

The meetings of members and creditors were held at an external venue due to the possibility that a large number of creditors may attend. Costs of £66.67 have been paid to the Station Hotel, Newcastle for the hire of a meeting room.

Statutory Advertising

Costs of £253.80 have been incurred and discharged for statutory advertising in the London Gazette. This is for advertising the S98 meeting and the appointment of Liquidators.

What work has been done since appointment, 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

We have maintained records to demonstrate how the case has been administered and to document the reasons for any decisions that affect the case. We have also carried out reviews of the case. There was no financial benefit to creditors however this work is necessary to ensure the case is administrated in the correct manner.

Compliance with the Insolvency Act, Rules and best practice

We have filed the appointment documents at Companies House, advertised the Liquidation in the London Gazette and notified creditors. We have put the Insolvency Practitioners' bonds in place and have reviewed these. We have opened a bank account and carried out reconciliations. There was no financial benefit to creditors but the reports are a statutory requirement and the other work is good practice to ensure the case is administrated correctly.

Investigations

We have undertaken a review of the trading of the Company prior to Liquidation. We have also considered the conduct of the Company's Director and made an appropriate submission to the Department for Business, Energy and Industrial Strategy. As discussed above, certain matters have been brought to the Liquidators' attention which have required further investigation. This is ongoing. We have not included details in this report so not to prejudice any outcome.

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

We have prepared a Corporation Tax return and VAT return. This will not benefit creditors financially but we are required to continue to account to HM Revenue & Customs in respect of taxable income and expenditure whilst we are in office as Liquidators.

4. CREDITOR CLAIMS AND 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.

Secured creditors

There are no secured creditors.

Preferential creditors

There are no preferential creditors.

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

Section 176A of the Act provides that, where a 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 on or after 15 September 2003 and, consequently there is no net property and, therefore, no prescribed part available for distribution to the unsecured creditors.

Unsecured creditors

Unsecured creditors were estimated at £615,461.64 and we have received claims in the total sum of £2,031.00. At present there are insufficient funds to pay a dividend to unsecured creditors however this may change as the investigations progress.

5. LIQUIDATORS' REMUNERATION AND DISBURSEMENTS

We have not at this time drawn any funds on account of our remuneration, nor on account of certain expenses.

Accordingly, we are seeking approval that our remuneration be fixed by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the winding up as set out in the fees estimate which appears at Appendix 4.

We are also seeking approval to draw disbursements, including disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy.

Total time spent to date on this assignment amounts to 100.70 hours at an average composite rate of £214.04 per hour resulting in total time costs to date of £21,553.50. A more detailed breakdown of the time spent so far is included at Appendix 2. Please note that this time is included in the fees estimate which appears at Appendix 4.

To assist creditors in determining whether to approve this basis of remuneration as well as our expenses, the following further information is set out at Appendix 2:

- ☐ Time Costs Analysis for the period 9 May 2017 to 8 May 2018

Disbursements

To 8 May 2018, we have also drawn disbursements in the sum of £80.00 for the Insolvency Practitioners' bond. This is a disbursement that does not require approval by creditors, unlike those contained in the Charging Policy at Appendix 2.

Why have subcontractors been used?

Lawyers have been instructed to assist with the investigations as they have the required skills.

If you wish to know more about how creditors should determine the Liquidators' fees, 'A Creditors Guide to Liquidators' Fees (E&W) 2017' which provides guidance on creditors' rights can be obtained online at

www.begbies-traynor.com/creditorsguides Alternatively, if you require a hard copy of the Guide, please contact my office and we will arrange to send you a copy. In addition, the Association of Business Recovery Professionals (R3) has set up a website that contains a step-by-step guide designed to help creditors navigate their way through an insolvency process. You can access the website at the following address: <http://www.creditorinsolvencyguide.co.uk/>

6. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3.

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

As detailed above, there may be further asset recoveries following the investigation work.

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

We will continue to maintain records to demonstrate how the case has been administered and to document the reasons for any decisions that affect the case. We will carry out further reviews of the case. There will be no financial benefit to creditors however this work is necessary to ensure the case is administered in the correct manner.

Compliance with the Insolvency Act, Rules and best practice

We have prepared a progress and remuneration report and will continue to review the Insolvency Practitioners' bonds. We will continue to carry out regular bank reconciliations. We will carry out a closure review and prepare a closure report. There are no financial benefit to creditors but the reports are a statutory requirement and the other work is good practice to ensure the case is administered correctly.

Investigations

We will continue with the investigations into the activities of the Company prior to Liquidation.

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

We will continue to deal with creditor queries and should funds become available to pay a dividend we will agree creditor claims and make a dividend payment.

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

We will prepare a final Corporation Tax return and VAT return. This will not benefit creditors financially but we are required to continue to account to HM Revenue & Customs in respect of taxable income and expenditure whilst we are in office as Liquidators.

How much will this further work cost?

We anticipate this further work will cost £19,691.50.

Expenses

The anticipated future expenses are included in Appendix 4.

8. OTHER RELEVANT INFORMATION

Investigations and reporting on Director's 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 Director 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.

Investigations carried out to date

We have undertaken an initial assessment of the manner in which the business was conducted prior to the Liquidation of the Company and potential recoveries for the estate in this respect. These matters are ongoing. We have not disclosed any details at this stage so not to prejudice any outcome.

Connected party transactions

We are not aware of any connected party transactions.

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.

9. 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.

10. CONCLUSION

Accompanying this report is a notice providing further information about the decisions being sought by correspondence together with a Voting Form. Please complete and return this form to our office by no later than **25 July 2018 the decision date** together with proof of your debt (unless a proof has already been submitted) or your vote will be disregarded as will any Voting Forms returned after this date.

Should any creditor require further explanation of matters contained within the report, they should contact our office and speak in the first instance to the case manager who will be pleased to assist.

Our next report will follow the second anniversary of the Liquidation or at the conclusion of the winding up, whichever is the sooner.

As detailed in our letter to creditors dated 9 May 2017 in order to minimise costs all future documents will be made available for viewing and downloading at <https://nexttranet.begbies-traynor.com> without further notice to creditors.

A handwritten signature in black ink, appearing to be 'GMS' or similar, written in a cursive style.

Gillian M Sayburn
Joint Liquidator

Dated: 6 July 2018

LIQUIDATORS' ACCOUNT OF RECEIPTS AND PAYMENTS

Apollo Entertainment Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments
To 08/05/2018

S of A £		£	£
	ASSET REALISATIONS		
5,000.00	Cash at Bank	3,279.07	
	Director Contributions	1,000.00	
	Bank Interest Gross	0.83	
			4,279.90
	COST OF REALISATIONS		
	Specific Bond	20.00	
	Statement of Affairs Fee	2,500.00	
	Meeting Room Costs	66.67	
	Statutory Advertising	253.80	
			(2,840.47)
	UNSECURED CREDITORS		
(390,000.00)	Loans and Investments	NIL	
(86,061.64)	Trade Creditors	NIL	
(40,000.00)	Director Loans	NIL	
(99,400.00)	Other Loans	NIL	
			NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	
			NIL
(610,561.64)			1,439.43
	REPRESENTED BY		
	Bank 2 Current		1,439.43
			1,439.43

Gillian Margaret Sayburn
Joint Liquidator

LIQUIDATORS' TIME COSTS AND DISBURSEMENTS

- a. Time Costs Analysis for the period from 9 May 2017 to 8 May 2018.

Staff Grade	Case planning	Director	Srnt Mgr	Mgr	Asst Mgr	Srnt Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Administration	4.2		6.3	1.5		0.4			12.4	3,480.00	280.65
	Total for General Case Administration and Planning	4.2		6.3	1.5		1.6	0.1	2.7	4.5	444.50	98.78
Compliance with the Insolvency Act, Rules and best practice	Appointment	0.5					1.9	0.1	2.7	16.9	3,924.50	232.22
	Banking and Bonding	1.7		0.5	4.0					4.5	892.50	220.59
	Case Closure								10.8	12.8	1,355.00	105.86
	Statutory reporting and statement of affairs											0.00
	Total for Compliance with the Insolvency Act, Rules and best practice	2.2		0.5	4.0				10.8	17.3	2,347.50	135.89
Investigations	GDIA and investigations	6.2		26.4	10.0			14.6		57.2	12,791.00	223.62
	Total for Investigations	6.2		26.4	10.0			14.6		57.2	12,791.00	223.62
Realisation of assets	Debt collection											0.00
	Property, business and asset sales											0.00
	Retention of Title/Third party assets											0.00
	Total for Realisation of assets											0.00
Trading	Trading											0.00
	Total for Trading											0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured											0.00
	Others	0.5								0.5	172.50	345.00
	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions	0.5								0.5	172.50	345.00
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel	Seeking decisions of creditors											0.00
	Meetings											0.00
	Other											0.00
	Tax	0.2		5.3	0.5					6.0	1,576.00	262.67
	Litigation			2.8						2.8	742.00	265.00
	Total for Other matters	0.2		8.1	0.5					8.8	2,318.00	263.41
	Total hours by staff grade	13.5		41.3	16.0		1.9	14.7	13.3	100.7		
	Total time cost by staff grade	4,657.50		10,944.50	3,280.00		258.50	1,817.00	788.00			
	Average hourly rate £:	345.00	0.00	265.00	205.00	0.00	135.00	110.00	60.00			214.04
	Total fees drawn to date £:										0.00	

STATEMENT OF LIQUIDATORS' 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				
Specific Bond	Marsh Limited	£20.00	£20.00	0
Meeting Room Costs	The Station Hotels	£66.67	£66.67	0
Statutory Advertising	Courts Advertising	£253.80	£253.80	0
Expenses incurred with entities within the Begbies Traynor Group <i>(for further details see Begbies Traynor Charging Policy)</i>				
Statement of Affairs Fee	Begbies Traynor (Central) LLP	£5,000.00	£2,500.00	£2,500.00

APOLLO ENTERTAINMENT LIMITED

THE LIQUIDATORS' FEES ESTIMATE

Further to our appointment as Liquidators, we are seeking to be remunerated on a time costs basis. Details of our firm's hourly charge-out rates are set out in the charging policy which accompanies this estimate. Prior to creditors determining the basis upon which we are to be remunerated, we are obliged to produce a fees estimate and to provide it to each creditor of whose details we are aware so that it can be approved at the same time as the basis of our remuneration.

Our fees estimate for the Liquidation is set out below. Please note that blended hourly rates have been used which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column.

Details of the work that the Liquidators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	24.00	5,220.00	217.50
Compliance with the Insolvency Act, Rules and best practice	54.00	10,915.00	202.13
Investigations	72.00	15,520.00	215.56
Realisation of assets	1.00	345.00	345.00
Trading	0.00	0.00	
Dealing with all creditors' claims (including employees), correspondence and distributions	14.00	3,460.00	247.14
Other matters which include seeking decisions from creditors via Deemed Consent Procedures or Decision Procedures, tax, litigation, pensions and travel	24.00	5,785.00	241.04
Total hours	189.00		
Total time costs		41,245.00	
Overall average hourly rate £			218.23

Although the fees estimate indicates that the total time costs for this matter will be £41,245.00 this may be more or less depending upon how the investigation progresses. At present there are no funds available to take any fees. We are requesting this fee resolution so that we can take fees should funds become available.

Should creditors require further information on how this estimate has been produced this can be obtained from our website at <http://www.begbies-traynorgroup.com/fee-estimates>.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>.

Dated: 6 July 2018

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):

- Car mileage is charged at the rate of 45 pence per mile.

Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

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

² Ibid 1

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

It may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The costs of insurance cover will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

(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 photocopying
- 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 Newcastle upon Tyne office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour) 1 May 2011 – until further notice
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	60 - 110

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.

APOLLO ENTERTAINMENT LIMITED

**DETAILS OF THE EXPENSES THAT THE LIQUIDATORS CONSIDER WILL BE, OR ARE LIKELY TO
BE INCURRED**

No.	Type of expense	Description	Estimate £
1.	Advertisements	Notice of appointment of Liquidators	£338.40
2.	Insolvency Practitioners' Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds.	£120.00
3.	Storage	Storage of the Liquidators files and the Company's books and records.	£100.00
4.	Legal Fees and expenses	Assistance with investigations	£5,000.00