

LIQ14

Notice of final account prior to dissolution in CVL



Companies House

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

1 Company details

Company number 09811877

Company name in full Brum Tours Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Mark Jonathan

Surname Botwood

3 Liquidator's address

Building name/number Regent House

Street Bath Avenue

Post town Wolverhampton

County/Region

Postcode WV14EG

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ14

Notice of final account prior to dissolution in CVL

6 Liquidator's release

☐ Tick if one or more creditors objected to liquidator's release.

:

7 Final account

☒ I attach a copy of the final account.

8 Sign and date

Liquidator's signature

Signature

X

M. J. Butler

X

Signature date

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m 1 m 1

y 2 y 0 y 2 y 3

**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 **Mark Jonathan Botwood**

Company name **Muras Baker Jones Ltd**

Address
Regent House
Bath Avenue

Post town
Wolverhampton

County/Region

Postcode
W V 1 4 E G

Country

DX

Telephone
01902 393000

**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

Brum Tours Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments
From 29 September 2022 To 27 September 2023

Statement of Affairs		£	£
	ASSET REALISATIONS		
2.00	Cash at Bank - Natwest	NIL	
	Bank Interest Received	1.49	
	Interest on CT refund	8.44	
	CT Refund	642.58	
			652.51
	COST OF REALISATIONS		
	Insolvency Bond	44.00	
	Corporation Tax	1.71	
	Irrecoverable VAT	60.58	
	Postage	14.58	
	London Gazette Advertising	258.30	
			(379.17)
	UNSECURED CREDITORS		
(22,867.00)	Banks/Institutions	273.34	
			(273.34)
	DISTRIBUTIONS		
(204.00)	Ordinary Shareholders	NIL	
			NIL
			(0.00)
	REPRESENTED BY		
			NIL

Note:

VAT

The above figures are shown net of VAT

Dividends

A first and final unsecured dividend distribution of 0.011954573p/£ was declared and paid to one unsecured creditor totalling £273.34 on the 27 September 2023 during the period of the Liquidation.



Mark Jonathan Botwood
Liquidator



Muras Baker Jones Limited
Regent House
Bath Avenue
Wolverhampton
WV1 4EG

T: 01902 393000
F: 01902 393010
E: enquiries@muras.co.uk
W: www.muras.co.uk

Insolvency Services
T: 01902 393007

LIQUIDATOR'S FINAL ACCOUNT TO CREDITORS AND MEMBERS AS AT 27 SEPTEMBER 2023

Brum Tours Limited ("**the Company**") – In Creditors' Voluntary Liquidation

EXECUTIVE SUMMARY

I have now completed my administration of the Liquidation of Brum Tours Limited.

The company had ceased to trade on the 1 April 2022 prior to my appointment as Liquidator of the company.

The strategy on appointment was to review for any realisations and investigate transactions to any possible recovery claims.

A terminal loss claim was submitted by the companies former accountants resulting in funds of £642.58 received in the liquidation.

Due to a lack of realisations available I determined it not cost effective to seek creditor agreement to the basis of my remuneration. As such no post appointment Liquidator remuneration has been paid.

On the 27 September 2023 I declared a first and final unsecured dividend at the rate of 0.011954573 p/£ totalling £273.34. Remaining funds were used to meet the expenses of the liquidation.

STATUTORY INFORMATION

Company name:	Brum Tours Limited
Registration number:	09811877
Principal Trading Address:	The Old Crown, 188 High Street, Deritend, Birmingham, B12 0LD
Registered Office:	C/o Muras Baker Jones Ltd, Regent House, Bath Avenue, Wolverhampton, WV1 4EG
Former Registered Office:	C/O Fruition Accountancy Unit 4, Three Spires House, Station Road, Lichfield, WS13 6HX
Principal trading activity:	Walking Tours
Liquidator's names:	Mark Jonathan Botwood
Liquidator's address:	Muras Baker Jones Limited, Regent House, Bath Avenue, Wolverhampton, WV1 4EG
Liquidator's contact details:	Mark.botwood@muras.co.uk and 01902 393000.
Date of appointment:	29 September 2022

LIQUIDATOR'S ACTIONS SINCE APPOINTMENT

The company had ceased to trade on the 1 April 2022 prior to my appointment as Liquidator of the company.

The strategy on appointment was to review for any realisations and investigate transactions to any possible recovery claims.

All statutory notices were issued on appointment including the filing of the company statement of affairs and resolutions at companies house. In addition statutory adverts have been placed in the London Gazette and notification issued to HMRC.

The company did not have a pension scheme and I immediately sought VAT deregistration.

An immediate request for the transfer of funds and closure of the former company bank account was made on appointment. However no funds remained.

The books and records of the company consisted of digital records only. An investigation into the trading activities of the company has been completed. The return required to be submitted under the Company Directors Disqualification Act has been submitted to The Insolvency Service within 3 months of my appointment.

A terminal loss claim was submitted by the companies accounts resulting in funds of £642.58 received in the liquidation.

Due to a lack of available assets and realisations a request to creditors to agree the basis of my remuneration has not been made.

A notice of intended dividend was advertised in the London Gazette and issued to all known creditors who had yet to submit a claim in the Liquidation with a proving date set for the 26 September 2023.

On the 27 September 2023 I declared a first and final unsecured dividend at the rate of 0.011954573 p/£ totalling £273.34 to one creditor. Remaining funds were used to meet the expenses of the liquidation.

There is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since the appointment is contained in Appendix 1.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 29 September 2022 to 27 September 2023 is attached at Appendix 2. All amounts are shown net of VAT. I have reconciled the account against the financial records that I am required to maintain.

ASSET REALISATIONS

Cash at Bank

The statement of affairs anticipated a small residual £2 balance to be transferred into the liquidation upon account closure.

However further charges were added to the account with the small residual balance off-set against Natwest Bank Plc claim in the liquidation.

Corporation Tax terminal loss claim

The company's former accountants submitted a successful terminal loss claim for £642.58 with interest received of £8.44 resulting in total funds of £651.02 received into the liquidation.

Bank Interest

Bank Interest is received gross on funds held in the Liquidation and totals £1.49.

INVESTIGATION INTO THE AFFAIRS OF THE Company

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. I am required by the Statements of Insolvency Practice to undertake such an initial investigation and the work detailed below has been undertaken in connection with that initial investigation.

Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 11 months prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and made enquiries about the reasons for the changes.

There were no matters that justified further investigation in the circumstances of this appointment.

Finally, within three months of my appointment as Liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

PRE-APPOINTMENT FEES

The Board previously authorised the payment of a fee of £5,000 for my assistance with preparing the statement of affairs and arranging the deemed consent procedure for creditors to appoint a Liquidator

The fee for preparing the statement of affairs and arranging the deemed consent procedure for creditors to appoint a Liquidator was partially paid by the Company with £1,540 plus VAT received.

The balance was paid in equal proportion by the three directors of the company personally due to a lack of available realisations.

LIQUIDATOR'S REMUNERATION

Due to a lack of realisations available I have determined it not to be cost effective to seek creditor agreement to the basis of my remuneration. As such no post appointment Liquidator remuneration has been paid.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>.

Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/liquidation-a-guide-for-creditors-on-insolvency-practitioner-fees/>

There are different versions of these Guidance Notes, and in this case please refer to the most recent version. Please note that we have also provided further information about an office holder's remuneration and expenses in our practice fee recovery sheet, which is enclosed at Appendix 5.

LIQUIDATOR'S EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

Category 1 expenses

I have incurred the following category 1 expenses in the Liquidation:

Nature of category 1 expense	Amount incurred/ accrued in reporting period	Amount incurred/ accrued in total
Statutory Advertising – London Gazette	£258.30	£258.30
Bonding	£44.00	£44.00
Postage	£14.58	£14.58
Irrecoverable VAT	£60.58	£60.58
Corporation Tax	£1.71	£1.71
Total	£379.17	£379.17

I have paid category 1 expenses totalling £379.17 as indicated in the attached receipts and payments account.

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no current charges over its assets.

Preferential Creditors

The company had no preferential creditors.

Crown Creditors

The company had no crown liabilities.

Non-preferential unsecured Creditors

The statement of affairs included 1 non-preferential unsecured creditors with an estimated total liability of £24,253. I received a claim from the creditor totalling £22,864.89. I have not received claims from any further creditors.

DIVIDEND OUTCOME

Non-preferential unsecured Creditors

On the 27 September 2023 I declared a first and final unsecured dividend at the rate of 0.011954573 p/£ totalling £273.34 to one creditor. Remaining funds were used to meet the expenses of the liquidation.

FURTHER INFORMATION

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

An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Liquidators as being excessive, and/or the basis of the Liquidator's remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Muras Baker Jones Ltd can be found at <https://muras.co.uk/wp-content/uploads/2023/01/information-requirement-of-the-provision-of-services-regulations-2009-2-1.pdf>.

SUMMARY

The winding up of the Company is now for all practical purposes complete and I am seeking the release of myself and Liquidator of the Company. Creditors and members should note that provided no objections to our release are received we shall obtain our release as Liquidator following the delivery of the final notice to the Registrar of Companies, following which our case files will be placed in storage.

If creditors have any queries regarding the conduct of the liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Ade Simcox by email at , or by phone on 01902 393000 before our release.



Mark Jonathan Botwood
LIQUIDATOR

Mark Botwood is licenced to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England & Wales.

Appendix 1 Details of Work undertaken to date

Administration

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder (and their managers). It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that an office holder must follow.

Case planning - devising an appropriate strategy for dealing with the case and giving instructions to staff to undertake the work on the case.

Setting up physical case files.

Setting up the case on the practice's electronic case management system and entering data.

Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.

Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder must obtain for each insolvency appointment).

Dealing with all routine correspondence and emails relating to the case.

Opening, maintaining and managing the estate bank account.

Creating, maintaining and managing a cashbook.

Undertaking regular bank reconciliations of the estate bank account.

Reviewing the adequacy of the specific penalty bond on a quarterly basis.

Undertaking periodic reviews of the progress of the case.

Overseeing and controlling the work done on the case by case administrators.

Preparing, reviewing and issuing annual progress reports to creditors and members.

Filing returns at Companies House.

Preparing and filing Corporation Tax returns.

Preparing, reviewing and issuing a final account of the liquidation to creditors and members.

Filing a final return at Companies House.

Realisation of assets:

This represents the work involved in the protection and realisation of assets, which is undertaken directly for the benefit of creditors.

Liaising with the bank regarding the closure of the account.

Making enquiries to verify accuracy of corporation tax terminal loss claim.

Creditors

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of their statutory functions

Dividends - the office holder has to undertake certain statutory formalities in order to enable them to pay a dividend to creditors. This includes writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors. This work is primarily undertaken for the benefit of creditors, but it also includes work that the office holder is required to undertake as part of their statutory functions.)

Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
Maintaining up to date creditor information on the case management system.
Issuing a notice of intended dividend and placing an appropriate gazette notice.
Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.
Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.
Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.

Investigations:

The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure, and also in respect of matters such as misfeasance and wrongful trading. The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors.

Recovering the books and records for the case.
Listing the books and records recovered.
Submitting an online return on the conduct of the directors as required by the Company Directors Disqualification Act.
Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.
Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors

Brum Tours Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 29/09/2022 To 27/09/2023 £	From 29/09/2022 To 27/09/2023 £
	ASSET REALISATIONS		
	Bank Interest Received	1.49	1.49
2.00	Cash at Bank - Natwest	NIL	NIL
	CT Refund	642.58	642.58
	Interest on CT refund	8.44	8.44
		<u>652.51</u>	<u>652.51</u>
	COST OF REALISATIONS		
	Corporation Tax	1.71	1.71
	Insolvency Bond	44.00	44.00
	Irrecoverable VAT	60.58	60.58
	London Gazette Advertising	258.30	258.30
	Postage	14.58	14.58
		<u>(379.17)</u>	<u>(379.17)</u>
	UNSECURED CREDITORS		
(22,867.00)	Banks/Institutions	273.34	273.34
		<u>(273.34)</u>	<u>(273.34)</u>
	DISTRIBUTIONS		
(204.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(23,069.00)</u>		<u>0.00</u>	<u>0.00</u>
	REPRESENTED BY		
			<u>NIL</u>

Note:

VAT

The above figures are shown net of VAT

Dividends

A first and final unsecured dividend distribution of 0.011954573p/£ was declared and paid to one unsecured creditor totalling £273.34 on the 27 September 2023 during the period of the Liquidation.



Mark Jonathan Botwood
Liquidator

Notice of Final Account

Brum Tours Limited ("**the Company**") – In Creditors' Voluntary Liquidation

NOTICE IS GIVEN by Mark Jonathan Botwood to the creditors of the Company under rule 6.28 of The Insolvency (England and Wales) Rules 2016 and section 106 of The Insolvency Act 1986, that the company's affairs have been fully wound up.

1. Creditors have the right under rule 18.9 of The Insolvency (England and Wales) Rules 2016 to request further details of the Liquidator's remuneration and expenses. That request must be made to the Liquidator within 21 days of receipt of the final account, and with either the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question). Secured creditors may also request further details.
2. Creditors have the right under rule 18.34 of The Insolvency (England and Wales) Rules 2016 to apply to Court to challenge the amount and/or basis of the Liquidator's fees, and/or the amount of any expenses incurred. That application must be made within 8 weeks of receipt of the final account, and with either the permission of the Court, or with the concurrence of 10% in value of the creditors (including the creditor in question). Secured creditors may also make an application.
3. Creditors may object to the release of the Liquidator by giving notice in writing to the Liquidator at the address given below before the end of the prescribed period. The prescribed period will end at the later of: 8 weeks after delivery of this notice; or, if any request for information regarding the Liquidator's remuneration and/or expenses is made under rule 18.9, or if any application is made to Court to challenge the Liquidator's fees and/or expenses under rules 18.34 or 18.35, when that request or application is finally determined.
4. The Liquidator will vacate office under section 171 of the Insolvency Act 1986 when, upon expiry of the prescribed period that creditors have to object to their release, they deliver to the Registrar of Companies the final account and a notice saying whether any creditor has objected to their release.
5. The Liquidator will be released under section 173 of the Insolvency Act 1986 at the same time as vacating office, unless any creditors objected to their release.

Creditors requiring further information regarding the above, should either contact me at Muras Baker Jones Limited, Regent House, Bath Avenue, Wolverhampton, WV1 4EG, or contact Adrian Simcox by telephone on 01902 393000, or by email at Adrian.simcox@muras.co.uk.

DATED THIS 27TH DAY OF SEPTEMBER 2023



Mark Jonathan Botwood
Liquidator

Notice about final dividend position

Brum Tours Limited ("**the Company**") – In Creditors' Voluntary Liquidation

Company Registration Number: 09811877

NOTICE IS GIVEN under Rule 14.36 of The Insolvency (England and Wales) Rules 2016 by Mark Jonathan Botwood to the creditors of the Company that a notice declaring a first dividend to the non-preferential unsecured creditors of the Company is enclosed.

There will not be any further dividend declared to non-preferential unsecured creditors as the funds realised have been used to pay prior dividends to non-preferential unsecured creditors, and to meet the expenses of the liquidation.

Creditors requiring further information regarding the above, should either contact me at Muras Baker Jones Limited, Regent House, Bath Avenue, Wolverhampton, WV1 4EG, or contact Adrian Simcox by telephone on 01902 393000, or by email at adrian.simcox@muras.co.uk .

DATED THIS 27TH DAY OF SEPTEMBER 2023

A handwritten signature in black ink, appearing to read 'MJBW', with a small horizontal line at the end.

Mark Jonathan Botwood
Liquidator

MURAS BAKER JONES LIMITED

PRACTICE FEE RECOVERY POLICY

Introduction

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

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) "Payments to Insolvency Office Holders and their Associates from an Estate" and can be accessed at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/>

Alternatively, a hard copy may be requested from Muras Baker Jones Limited, Regent House, Bath Avenue, Wolverhampton, WV1 4EG. Please note that we have provided further details in this policy document.

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

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

- Case Administration (including statutory reporting).
- Realisation of Assets.
- Investigations.
- Creditors (claims and distributions).
- Trading
- Case specific matters.

Time cost basis

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

Charge out Rates

Grade of staff	Current charge-out rate per hour, effective from 1 July 2023	Previous charge-out rate per hour, effective from 1 July 2022 to 30 June 2023
	£	£
Director – appointment taker	382	357
Manager	268	250
Case Administrator	214	200
Junior Case Administrator	107	100
Support Staff	54	50

Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rates for undertaking such work, as follows:-

Grade of staff	Current charge-out rate per hour, effective from 1 July 2023	Previous charge-out rate per hour, effective from 1 July 2022 to 30 June 2023
	£	£
Tax Director	352	329
Assistant tax manager	150	140
Corporate Services Manager	149	139
Payroll assistant	66	62

In cases where these staff undertake work, specific approval will be sought for the payment of the fees incurred.

These charge-out rates charged are reviewed on 1 July each year and are adjusted to take account of inflation and the firm's overheads.

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

A report accompanying the request to fix the basis of remuneration will include the fees estimate, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

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

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate, and by reference to

each separate category of work, and will also say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

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

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

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

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

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

Fixed fee

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

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

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

Direct Costs

Where we seek approval on a percentage and/or fixed fee basis, in order to meet the requirements of SIP 9 we also have to disclose the direct costs that are included within the remuneration that will be charged on those bases in respect of the work undertaken. The direct costs that will be included in respect of work undertaken in respect of each of the standard categories of work listed below where the office holder is to be remunerated for such work on either a percentage or fixed fee basis are all costs incurred in administering the estate apart from those expenses charged to the estate as Category 1 expenses and category 2 expenses.

- Case Administration (including statutory reporting)
- Realisation of Assets
- Investigations
- Creditors (claims and distributions)

Mixed basis

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

Members' voluntary liquidations and Voluntary Arrangements

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

All fee bases

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

Expenses

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

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

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

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

The practice intends to seek approval to recover the following Category 2 expenses that include an element of shared costs:-

Mileage	45p per mile
Photocopying	7.5p per sheet

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

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

Where FBC Manby Bowdler Solicitors LLP are instructed by the office holder as a professional advisor to assist in administering a case they will be regarded as an associate. The firm and some of its partners are clients of the office holders practice for accountancy and taxation services, and have a long term professional relationship with the office holder and the office holders practice in providing legal advice on insolvency matters, and legal advice to clients of the practice. The firm is independent of the office holders practice. Their fees will be on a time costs basis with reference to their normal charge out rates.

Their current charge out rates are as follows:-

Grade of staff	Current charge-out rate per hour, effective from 1 April 2023	Previous charge-out rate per hour, effective from 1 April 2022 to 31 March 2023
	£	£
Partners	325	295
Senior Associate	300	270
Associate/Team leader	290	260
Senior Solicitor	275	250
Senior Solicitor & Legal Exec	270	245
Solicitor/Legal Exec band 2	240	220
Solicitor/Legal Exec band1	230	210
Paralegal/Trainee	175	160
Cost Drafting	175	160
Support staff	140	115

Reporting and rights to challenge

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration charged by the office holder in the period covered by the report, i.e., the amount that the office holder is entitled to draw, together with the amount of remuneration actually drawn. If approval has been obtained for remuneration on a time costs basis, the time costs incurred will also be

disclosed, whether drawn or not, together with the “blended” rates of such costs. The report will also compare the actual time costs incurred with those included in the fees estimate prepared when fixing the basis of the remuneration, and indicate whether the fees estimate is likely to be exceeded. If the fees estimate has been exceeded, or is likely to be exceeded, the report will explain why that is the case.

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

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

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

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

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