

LIQ03

Notice of progress report in voluntary winding up



Companies House

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

1 Company details

Company number 0 7 6 9 8 9 8 5

Company name in full Pro Audio Visual Uk Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Alan J

Surname Clark

3 Liquidator's address

Building name/number Recovery House

Street 15-17 Roebuck Road

Post town Hainault Business Park

County/Region Ilford, Essex

Postcode I G 6 3 T U

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode


Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report																
From date	^d	1	^d	0	^m	0	^m	6	^y	2	^y	0	^y	2	^y	1	
To date	^d	0	^d	9	^m	0	^m	6	^y	2	^y	0	^y	2	^y	2	
7	Progress report																
	<input checked="" type="checkbox"/> The progress report is attached																
8	Sign and date																
Liquidator's signature	<div>Signature</div> <div>  </div>																
Signature date	^d	2	^d	1	^m	0	^m	6	^y	2	^y	0	^y	2	^y	2	

**Presenter information**

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

Contact name **Lisa Portway**

Company name **Carter Clark**

Address **Recovery House**

15-17 Roebuck Road

Post town **Hainault Business Park**

County/Region **Ilford, Essex**

Postcode **I G 6 3 T U**

Country

DX **recovery@carterclark.co.uk**

Telephone **020 8524 1447**

**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

Pro Audio Visual Uk Ltd Trading As: Bang & Olufsen
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 10/06/2021 To 09/06/2022 £	From 10/06/2021 To 09/06/2022 £
	ASSET REALISATIONS		
14,000.00	Consumeable stock	10,000.00	10,000.00
16,500.00	Display stock	11,000.00	11,000.00
12,500.00	Furniture & Equipment	6,000.00	6,000.00
NIL	Improvements to premises	NIL	NIL
NIL	Motor Vehicles	NIL	NIL
	Post Appt Credits - Cash at bank	12,488.53	12,488.53
		<u>39,488.53</u>	<u>39,488.53</u>
	COST OF REALISATIONS		
	Agents Fees and Disbursements	3,643.00	3,643.00
	Bank Charges	20.55	20.55
	Monies Received In Error	12,493.20	12,493.20
	Office Holders Expenses	458.00	458.00
	Office Holders Fees	14,750.00	14,750.00
		<u>(31,364.75)</u>	<u>(31,364.75)</u>
	PREFERENTIAL CREDITORS		
(6,250.00)	Disputed preferential creditor	NIL	NIL
(18,589.30)	HMRC - PAYE/NI	NIL	NIL
(53,589.90)	HMRC - VAT	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(1.00)	HMRC - Corp Tax	NIL	NIL
(70,589.76)	Trade & Expense Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(106,119.96)		8,123.78	8,123.78
	REPRESENTED BY		
	Fixed Current A/c		8,123.78
			<u>8,123.78</u>

ANNUAL PROGRESS REPORT

Pro Audio Visual Uk Ltd Bang & Olufsen - IN CREDITORS' VOLUNTARY LIQUIDATION

ANNUAL PROGRESS REPORT OF PRO AUDIO VISUAL UK LIMITED
IN CREDITORS' VOLUNTARY LIQUIDATION

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- Executive Summary
- Administration and Planning
- Enquiries and Investigations
- Realisation of Assets
- Creditors
- Ethics
- Fees and Expenses
- Creditors' Rights
- Conclusion

Appendices

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- Appendix II – Receipts and Payments account for the period 10 June 2021 to 9 June 2022
- Appendix III - Detailed list of work undertaken in the period

ANNUAL PROGRESS REPORT OF PRO AUDIO VISUAL UK LIMITED
IN CREDITORS' VOLUNTARY LIQUIDATION

EXECUTIVE SUMMARY

A summary of key information in this report is detailed below.

Assets

Asset	Estimated to realise per Statement of Affairs £	Realisations to date £	Anticipated future realisations £	Total anticipated realisations £
Furniture & Equipment	12,500.00	6,000.00	-	6,000.00
Display Stock	16,500.00	11,000.00	-	11,000.00
Consumable Stock	14,000.00	10,000.00	-	10,000.00
Post-App't Credits – Cash at Bank	-	12,488.53	-	12,488.53
Total	43,000.00	39,488.53	-	39,488.53

Expenses

Expense	Amount per fees and expenses estimates £	Expense incurred to date £	Anticipated further expense to closure £	Total anticipated expense £
Liquidator's Fees	14,750.00	14,750.00	-	14,750.00
Liquidator's Expenses	-	458.00	-	458.00
Agents' fees	-	3,643.00	-	3,643.00
Bank Charges	-	20.55	-	20.55
Monies Received in Error	-	12,493.20	-	12,493.20
Total	14,750.00	31,364.75	-	31,364.75

Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend, based upon the above
Secured creditor	N/A	N/A
Preferential creditors	Nil	Awaiting final claim from HMRC to establish dividend amount.
Secondary Preferential creditors	Nil	Nil
Unsecured creditors	Nil	Nil

Summary of key issues outstanding:

- Dividend to HMRC in respect of their 2nd preferential claim.
- Requesting clearance.

Closure

Based on current information, it is anticipated that the liquidation will be concluded within the next 6 months.

ADMINISTRATION AND PLANNING

Statutory information

Statutory information may be found at Appendix I.

The Liquidator is to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration of the case, which ensures that work is carried out to high professional standards. A detailed list of these tasks may be found in Appendix III.

The Liquidator has met his statutory and regulatory duties to report to creditors, as listed below. In consideration of the need for transparency and engagement with creditors, care has been taken to ensure that reports and other communications with creditors have provided useful details of the strategies pursued and the outcomes anticipated.

During the Review Period, the following key documents have been issued:

- The report presented on the creditors' S100 decision;
- A fee report; and
- This progress report.

During the Review Period, the following material tasks in this category were carried out:

- Consulting with and instructing staff as regards practical, technical and legal aspects of the case to ensure efficient progress;
- Maintaining electronic case files, which must include records to show and explain the Liquidation and any decisions made by the Liquidator that materially affect the Liquidation;
- Monitoring and maintaining an adequate statutory bond;
- Conducting periodic case reviews to ensure that the Liquidation is progressing efficiently, effectively and in line with the statutory requirements;
- Maintaining and updating the estate cash book and bank accounts; and
- Completing periodic tax returns.

ENQUIRIES AND INVESTIGATIONS

During the Review Period, the Liquidator carried out an initial review of the Company's affairs in the period prior to appointment. This included seeking information and explanations from the directors by means of questionnaires, making enquiries of the Company's accountants, and collecting and examining the Company's bank statements, accounts and other records.

The directors provided the books and records and a completed questionnaire as well as a Statement of Affairs.

The information gleaned from this process enabled the Liquidator to meet their statutory duty to submit a confidential report on the conduct of the directors (past and present) to the Insolvency Service.

This work was also carried out with the objective of making an initial assessment of whether there were any matters that may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have past dealings with the Company.

ANNUAL PROGRESS REPORT OF PRO AUDIO VISUAL UK LIMITED
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This initial assessment has been completed and the Liquidator did not identify any further assets or actions which might lead to a recovery for creditors.

Although this work did not generate any financial benefit to creditors, it was necessary to meet the statutory duties as well as conduct appropriate enquiries and investigations into potential rights of actions to enhance realisations.

REALISATION OF ASSETS

Detailed below is key information about asset realisation and strategy, however, more details about the work undertaken may be found at Appendix III.

Sale of Assets

The following assets were sold on 16 June 2021 for the sum of £27,000 plus VAT:

Consumable Stock – This had an estimated to realise value of £14,000, the sum of £10,000 plus VAT was received.

Display Stock – This had an estimated to realise value of £16,500, the sum of £11,000 plus VAT was received.

Furniture & Equipment – This had an estimated to realise value of £12,500, the sum of £6,000 plus VAT was received.

The sale of the assets was made to Approved Used Bang & Olufsen Limited a company which has common shareholders

Post-Appt Credits – Cash at Bank

There were several post appointment credits totalling £12,488.53 which were received into the Company's old bank account. The bank returned these to the Liquidation. However, these funds were due to Approved Used Bang & Olufsen Limited and were therefore repaid to them in the sum of £12,493.20 following receipt of invoices proving these were not due to the Liquidation

The difference between what was received and what was paid being £4.67 was bank charges and as they were so minimal these were not deducted from the funds paid to Approved Used Bang & Olufsen Limited.

CREDITORS

Irrespective of whether sufficient realisations are achieved to pay a dividend to creditors, the Liquidator has had to carry out key tasks which are detailed in the list at Appendix III. The following sections explain the anticipated outcomes to creditors and any distributions paid.

Secured creditors

The Company has no outstanding charges as all were satisfied prior to the Liquidation.

Preferential creditors

The preferential creditors are employee claims for unpaid wages limited to £800 per employee. There were no employee claims in this matter as all employees were transferred prior to the Liquidation and the new company has continued with their entitlements.

Secondary Preferential Creditors

In any insolvency process started from 1 December 2020, HMRC is a secondary preferential creditor for the following liabilities:

- VAT
- PAYE Income Tax
- Employees' NIC
- CIS deductions
- student loan deductions

This will mean that, if there are sufficient funds available, any of the above amounts owed by the Company will be paid after the preferential creditors (if any) have been paid in full.

HMRC are a secondary preferential creditor for £72,179.

I have written to HMRC to provide their final claim in this matter as I am in a position to pay a dividend to them in respect of their secondary preferential claim.

Prescribed Part

The prescribed part only applies where the Company has granted a floating charge to a creditor after 15 September 2003. Where a floating charge over the company's assets has been given a prescribed amount of the company's net property after paying the preferential creditors must be made available to the unsecured creditors and the basis of this calculation is detailed below:-

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property,
- up to a maximum amount to be made available of £800,000 (only for liquidations commencing on or after 6 April 2020 but not in relation to floating charges created before this date unless priority has been given to one created after this date. For all other cases, the cap is £600,000).

As detailed under secured creditors, there are no outstanding charges against the Company and therefore the prescribed part does not apply.

Unsecured creditors

The unsecured claims total £70,591 in accordance with the Statement of Affairs. Claims received to date total £42,469.63.

Dividend prospects

As mentioned above, there are sufficient funds to enable a dividend to the secondary preferential creditors but not to.

ETHICS

Please also be advised that Liquidator is bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

General ethical considerations

Prior to the Liquidator's appointment, a review of ethical issues was undertaken and no ethical threats were identified. A further review has been carried out and no threats have been identified in respect of the management of the insolvency appointment over the Review Period.

Specialist Advice and Services

When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Liquidator is obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.

FEES AND EXPENSES

Pre-Appointment Costs

I was engaged by the director to help place the Company into Liquidation and my engagement letter advised that I would be requesting a fixed fee of £6,000 plus VAT and expenses in respect of convening the procedure to seek a decision from creditors on the nomination of a Liquidator and helping with the preparation of the statement of affairs. The basis of the fee is to provide certainty for the director and creditors and is a fair and reasonable reflection of the work undertaken. When instructed it was unclear what amount of work would be required and this limited the fee sought where my time-costs would most likely be in excess of the fixed fee sought. The fees set out above include the direct costs of sending documents to creditors and others, exclude any costs incurred by agents instructed to provide valuations for the statement of affairs, and exclude any other direct costs.

I have detailed below the work undertaken:-

- Meeting and liaising with directors to obtain the relevant information
- Processing of creditor information to be able to send notices
- Processing of company and shareholder information
- Liaising with directors on convening the decision process
- Sending notices to creditors together with all supporting documentation required
- Liaising with the director to assess the assets of the Company
- Instructing agents where appropriate to provide current valuation of assets
- Reviewing filed and management accounts
- Reviewing the liabilities of the Company
- Finalising the statement of affairs with the director
- Preparation of the documents for the decision process

This was paid in full prior to my appointment by the company.

The Liquidator's Fees

It is the firm's practice to ensure that work is conducted by the appropriate staff member at the appropriate level of experience. Junior members of staff deal with the day-to-day administration on cases and a manager and partner then oversees the work undertaken. Where the issues are complex and litigious, the work will be closely supervised or undertaken by a partner.

The basis of the Liquidator's fees were approved by creditors on 16 July 2021 in accordance with the following decision:

"That the Liquidator's fees be fixed in the sum of £14,750 plus VAT."

I have drawn my fixed fee in full.

Expenses

An amended Statement of Insolvency Practice (SIP), SIP 9, was issued on 1 April 2021. The amended SIP 9 has changed some of the terminology and introduced additional disclosure requirements. The information below may therefore not reflect the information previously provided.

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 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: These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. Category 1 expenses can be paid without prior approval.

Category 2 expenses: These 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 2 expenses require approval whether paid directly from the estate or as a disbursement.

During the Review Period the following category 1 expenses have been incurred:

Company search £8.00
Statutory advertising £174.00
Insolvency bond insurance £276.00

Total £458.00

These have been paid in full.

No category 2 expenses have been incurred or drawn.

Information about this insolvency process may be found on the R3 website at www.creditorinsolvencyguide.co.uk.

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A copy of 'A Creditors' Guide to Fees' may be found at [https://www.carterclark.co.uk/wp-content/uploads/2022/03/Liquidation. A Guide for Creditors on Insolvency Practitioners Fees. Version 1 April 2021.pdf](https://www.carterclark.co.uk/wp-content/uploads/2022/03/Liquidation_A_Guide_for_Creditors_on_Insolvency_Practitioners_Fees_Version_1_April_2021.pdf). The firm's policy on fees and the firm's charge-out rate and disbursement policy is attached.

Agent Fees

As detailed above, MP Valuation Services were instructed to provide a valuation of the assets and market them for sale. Their costs totalled £3,643 and have been paid in full.

CREDITORS' RIGHTS

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

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

During the course of an insolvency assignment it is inevitable that we will potentially utilise your personal data in complying with our contractual and legal obligations. The processing of personal data is regulated in the UK by the General Data Protection Regulation EU 2016/679, as supplemented by the Data Protection Act 2018, together with other laws which relate to privacy and electronic communications. In this clause, we refer to these laws as "Data Protection Law". In providing our services, we act as an independent controller and are, therefore, responsible for complying with Data Protection Law in respect of any personal data we process in providing our services to the Company. Our privacy statement, can be accessed at www.carterclark.co.uk, explains how we process personal data. Terms used in this clause bear the same meanings as are ascribed to them in Data Protection Law. Our data protection policy is available at <https://www.carterclark.co.uk/privacy-cookie-policy/>.

To comply with the Provision of Services Regulations, some general information about Carter Clark can be found at <https://www.carterclark.co.uk/corporate-information/>.

CONCLUSION

The administration of the case will be continuing to finalise the following outstanding matters that are preventing this case from being closed:

- Dividend to secondary preferential creditors.
- Requesting clearance.

If you require any further information, please contact this office.

Signed Alan J Clark
Alan J Clark
Liquidator
21 June 2022

ANNUAL PROGRESS REPORT OF PRO AUDIO VISUAL UK LIMITED
IN CREDITORS' VOLUNTARY LIQUIDATION

Appendix I

Statutory Information

Company Name	Pro Audio Visual Uk Ltd
Former Trading Name	Bang & Olufsen
Company Number	07698985
Registered Office	Recovery House, Hainault Business Park, 15-17 Roebuck Road, Ilford, Essex, IG6 3TU
Former Registered Office	56 Church Road, Hove, BN3 2FP
Office holder	Alan J Clark
Office holder's address	Carter Clark, Recovery House, 15-17 Roebuck Road, Hainault Business Park, Ilford, Essex, IG6 3TU
Date of appointment	10 June 2021

ANNUAL PROGRESS REPORT OF PRO AUDIO VISUAL UK LIMITED
IN CREDITORS' VOLUNTARY LIQUIDATION

Appendix II

Receipts and Payments account

Pro Audio Visual Uk Ltd Trading As: Bang & Olufsen
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 10/06/2021 To 09/06/2022 £	From 10/06/2021 To 09/06/2022 £
	ASSET REALISATIONS		
14,000.00	Consumeable stock	10,000.00	10,000.00
16,500.00	Display stock	11,000.00	11,000.00
12,500.00	Furniture & Equipment	6,000.00	6,000.00
NIL	Improvements to premises	NIL	NIL
NIL	Motor Vehicles	NIL	NIL
	Post Appt Credits - Cash at bank	12,488.53	12,488.53
		39,488.53	39,488.53
	COST OF REALISATIONS		
	Agents Fees and Disbursements	3,643.00	3,643.00
	Bank Charges	20.55	20.55
	Monies Received In Error	12,493.20	12,493.20
	Office Holders Expenses	458.00	458.00
	Office Holders Fees	14,750.00	14,750.00
		(31,364.75)	(31,364.75)
	PREFERENTIAL CREDITORS		
(6,250.00)	Disputed preferential creditor	NIL	NIL
(18,589.30)	HMRC - PAYE/NI	NIL	NIL
(53,589.90)	HMRC - VAT	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(1.00)	HMRC - Corp Tax	NIL	NIL
(70,589.76)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(106,119.96)		8,123.78	8,123.78
	REPRESENTED BY		
	Fixed Current A/c		8,123.78
			8,123.78

ANNUAL PROGRESS REPORT OF PRO AUDIO VISUAL UK LIMITED
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Appendix III

Detailed list of work undertaken for Pro Audio Visual Uk Ltd Trading As: Bang & Olufsen in Creditors' Voluntary Liquidation for the review period

Below is detailed information about the tasks undertaken by the Liquidator

General Description	Includes
Statutory and General Administration	
Statutory/advertising	Filing of documents to meet statutory requirements including annual receipts and payments accounts Annual corporation tax returns Quarterly VAT returns Advertising in accordance with statutory requirements Bonding the case for the value of the assets
Document maintenance/file review/checklist	Filing of documents Periodic file reviews documenting strategy Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Books and records / storage	Dealing with records in storage Sending job files to storage
Pension scheme	Identifying whether there is a pension scheme Submitting the relevant notices if a pension scheme is identified Instructing agents to wind up any pension scheme Liaising and providing information to be able to finalise winding up the pension scheme
Reports	Circulating initial report to creditors upon appointment Preparing annual progress report, investigation and general reports to creditors Disclosure of sales to connected parties
Creditors' decisions	Preparation of decision procedure notices, proxies/voting forms and advertisements Notice of decision procedure to all known creditors Collate and examine proofs and proxies/votes to conclude decisions
Investigations	
SIP 2 Review	Collection and making an inventory of company books and records Correspondence to request information on the company's dealings, making further enquiries of third parties

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General Description	Includes
	Reviewing questionnaires submitted by creditors and directors Reconstruction of financial affairs of the company Reviewing company's books and records Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with the committee/creditors or major creditors about further action to be taken
Statutory reporting on conduct of director(s)	Preparing statutory investigation reports Liaising with Insolvency Service Submission of report with the Insolvency Service Preparation and submission of supplementary information if required Assisting the Insolvency Service with its investigations
Realisation of Assets	
Plant and Equipment / Fixture and Fittings/ Motor Vehicles/ Stock	Liaising with agents and potential purchasers Negotiating sales Collecting sales consideration
Debtors	Collecting supporting documentation Correspondence with debtors Reviewing and assessing debtors' ledgers Receiving updates from factoring companies and liaising reassignment of ledger Agreeing debt collection agreement with director
Creditors and Distributions	
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Assisting employees to pursue claims via the RPO Corresponding with the PPF and the Pensions Regulator
Dealing with proofs of debt ("POD")	Receipting and filing POD when not related to a dividend Corresponding with RPO regarding POD when not related to a dividend
Processing proofs of debt	Preparation of correspondence to potential creditors inviting submission of POD

Current Charge-out Rates for the firm

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the 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.

Further information about creditors' rights can be obtained by visiting the creditZone section of our website www.carterclark.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) and can be accessed at www.carterclark.co.uk. Alternatively a hard copy may be requested from Carter Clark at Recovery House, 15-17 Roebuck Road, Hainault Business Park, Ilford, Essex, IG6 3TU. Please note that we have provided further details in this policy document.

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 drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

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.

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.

Chargeout rates

Period	From 01/01/22	01/05/20 to 31/12/21	01/11/14 to 30/04/20	01/05/10 to 31/10/14
	£	£	£	£
Partners (or equivalent)	425 - 495	385 - 425	310 - 385	300 - 375
Managers	380 - 420	310 - 350	270 - 325	250 - 300
Senior administrators	250 - 310	240 - 285	200 - 250	200
Administrators	190 - 230	170 - 200	150 - 190	120 - 175

* Rates vary between individuals, reflecting experience. For certain more complex tasks, Carter Clark may seek to apply a higher rate in respect of work to be undertaken, but subject to prior authorisation in accordance with the Act. For further information on the manner in which an office holder's fees may be fixed, please refer to the applicable Creditors' guide to fees. Support staff will also occasionally charge their time when performing a substantial administrative task within a case. Support staff charge their time at £150 per hour.

These charge-out rates charged are reviewed annually and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning.
- Investigations.
- Realisation of Assets.
- Creditors.
- Trading.
- Case specific matters.

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015.

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. 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.

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. For example, 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 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. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on fixed or a percentage basis more often. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

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.

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. For example, 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 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. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

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. For example, 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 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.

Members' voluntary liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. 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 bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are currently VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's costs

These are charged at cost based upon the charge made by the Agent instructed. The term Agent includes:

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. 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. Agent's costs in a Voluntary Arrangement will be subject to VAT.

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 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: These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. Category 1 expenses can be paid without prior approval.

Category 2 expenses: These 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 2 expenses require approval whether paid directly from the estate or as a disbursement.

When seeking approval of category 2 expenses, an office holder should explain for each expense the basis on which the expense is being charged to the estate.

Any shared or allocated payments incurred by the office holder or their firm are to be treated as category 2 expenses and approval sought before payment. This is irrespective of whether the payment is being made to an associate, because the office holder will be deciding how the expenses are being shared or allocated between insolvency appointments. Requiring approval of these payments enables those who are approving the expenses to confirm that the approach being taken by the office holder is reasonable.

As a general rule Category 2 expenses are not recovered. Where approval from Creditors is sought for the recovery of Category 2 expenses, details of any cost allocation to the insolvency estate will be supplied at the time approval is sought. This will include the basis for that allocation together with the proposed charges.

Provision of Information

Each statutory report made by the office holder containing an account of receipts & payments relevant to that appointment will generally be accompanied by a Summary of the office holders fees and expenses in the form suggested by SIP9. Where further information is requested, reports will be provided on receipt of a written request to Carter Clark. Carter Clark reserves the right to either refuse to comply with such request or to insist upon payment of costs by the recipient wherever, in their professional opinion, the request is manifestly frivolous or out of proportion to the circumstances.

Authorising Body

Alan Clark is licensed to act as an Insolvency Practitioner in the UK under the authority of the Institute of Chartered Accountants in England & Wales and holds an enabling bond for the purpose of receiving appointments under his licence.