

TO ALL MEMBERS AND CREDITORS

4 November 2021

Please ask for Catherine Werner  
[arm.abs.sa@bdo.co.uk](mailto:arm.abs.sa@bdo.co.uk)

Dear Madams/Sirs

**ARM Asset Backed Securities SA (“ARM”)  
In Compulsory Liquidation (‘Liquidation’) and Subject to a Company Voluntary Arrangement  
(‘CVA’)  
High Court of Justice, Chancery Division No. 006914 of 2017**

I set out below, my final report on the effectiveness and progress of the CVA in accordance with Rules 2.44 and 18.4 of the Insolvency (England and Wales) Rules 2016 (‘the Rules’).

As previously reported, following an application made during the Provisional Liquidation of ARM, Mark Shaw, Malcolm Cohen and I were appointed Joint Liquidators of ARM on 10 March 2017 by the Secretary of State.

As you will be aware, the Joint Liquidators proposed a CVA on 5 April 2017, which was approved at a meeting of creditors on 3 May 2017, and subsequently by the members of ARM on 4 May 2017. The CVA has now been fully implemented and this report is our final report to all creditors.

This report covers the period from 4 May 2021 to 4 November 2021 (‘the Final Period’), and should be read in conjunction with previous updates issued during this CVA, together with reports issued in the Liquidation and the Provisional Liquidation, available at <https://www.bdo.co.uk/en-gb/arm-asset-backed-securities-sa>.

## **1. Professional information regarding the Supervisors**

The Supervisors are Sarah Rayment (officeholder number: 9162), Mark Shaw (officeholder number: 8893) and Malcolm Cohen (officeholder number: 6825) all of BDO LLP, 55 Baker Street, London, W1U 7EU. The Supervisors carry out their functions jointly and severally, meaning any action can be done by one or more Supervisors.

## **2. Receipts and Payments**

I attach for your information a summary of our receipts and payments account for the Final Period and since the date of our appointment. The account shows no funds are held by the Supervisors.

The receipts and payments shown are largely self-explanatory, although I comment specifically on the dividend payments to creditors and the Supervisors’ remuneration in the sections below.

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

The Supervisors are Data Controllers as defined by the General Data Protection Regulations. BDO LLP will act as Data Processor on the instruction of the Data Controllers. Personal data will be kept secure and processed only for matters relating to the Company Voluntary Arrangement of ARM Asset Backed Securities S.A. Please see the privacy statement at <https://www.bdo.co.uk/en-gb/privacy-notice/insolvencies>

### 3. Distributions to Creditors

The purpose of the Liquidation was to allow the Joint Liquidators to propose a CVA, through which the terms of the settlement agreement could be put into effect and the assets of ARM could be distributed. All assets have now been realised and the funds distributed to creditors. A summary of the dividend payments is given in the table below:

Description	Date	Dividend Rate	Agreed Claims £	Amount Distributed £
1 <sup>st</sup> Interim Dividend	20 Nov 2017	11p in the £	182,856,773	20,114,245
Catch Up Dividend	5 Jun 2018			1,427,177
2 <sup>nd</sup> Interim Dividend	5 Jul 2018	5.1p in the £	195,849,000	9,988,299
Catch Up Dividend	31 Jan 2020			751,424
3 <sup>rd</sup> Interim Dividend	31 Jan 2020	5p in the £	209,078,809	10,453,940
Catch Up Dividend	28 May 2020			2,570,277
4 <sup>th</sup> and Final Dividend	28 May 2020	3.2p in the £	214,814,467	6,874,063

The Summary for Creditors dated 5 April 2017, detailed the proposed mechanism to distribute the assets to creditors which can be viewed at <https://www.bdo.co.uk/en-gb/arm-asset-backed-securities-sa>, estimated the total value of the investor pool to be £216,710,813. This was based on the gross claim calculation, comprising of each initial investment made plus unpaid and future interest due, and the information then available to us.

Despite our best efforts to ensure all known investors received notices of intended dividends, there is approximately 0.9% in value of investments for which we did not receive a claim as part of the CVA or via the FSCS. These creditors were excluded from taking part in the dividends declared in the CVA under its terms from 28 May 2020, the date of the declaration of the final dividend; however, the Supervisors understand that it remains possible to make a claim via the FSCS in respect of any loss, subject to its claim criteria.

In addition to the above, the following Enhanced Dividends were paid:

Description	Date	Number of Claims	Amount Distributed £
Enhanced Dividend	20 Nov 2017	12	496,574
Catch Up Enhanced Dividend	12 June 2018	2	85,634
Settlement Payments	During 2018	3	84,429

On finalisation of the enhanced dividend claims, the residual amount of £283,362 was released into the general pool of assets available for standard dividend payments (as contemplated by the CVA).

The Proposals did not detail how unclaimed dividends following the final distribution would be treated. As such, a resolution approved by creditors was passed on 19 July 2021 which modified paragraph 41.1 of the Proposals to reflect that any unclaimed dividends following the payment of the final dividend will become part of ARM's assets.

#### 4. CVA Progress

As detailed above, a fourth and final dividend has been paid to all creditors whose claims have been admitted in the CVA. The CVA remained open in order to allow the payments to clear and to deal with any creditor queries.

The CVA has been completed with all monies available under the arrangement having been received and distributed. The Supervisors are now in a position to close this matter.

Following the conclusion of the CVA, the Joint Liquidators will take steps to finalise the Liquidation. At the conclusion of the Liquidation, it is understood that steps will be taken by the Public Prosecutor in Luxembourg to dissolve ARM in accordance with the ruling of the Luxembourg District Court dated 26 June 2014.

#### 5. Supervisors' Remuneration

##### 5.1 Supervisors' Time Costs

Please note that BDO LLP has changed its time recording system. Attached is a schedule for the time spent in the Final Period since 4 May 2021 to 4 November 2021, showing the amount of £13,228, which represents 46 hours spent at an average charge out rate of £289 per hour.

The Supervisors' time during the Final Period has been predominantly spent paying the final distributions to investors, dealing with subsequent queries and taking the necessary steps to close the CVA. The Supervisors recognise the importance of clarifying the final position with investors and so time has been spent ensuring investors were, in line with the CVA's terms, aware of the dividends, re-issuing payments and confirming the final dividend position. As an individual sits behind each of the investments, we wanted to ensure all investors were comfortable with the final position before the case is closed, subject to the terms of the CVA.

##### 5.2 Supervisors' Fees

The Supervisors' remuneration has been approved on the basis of time properly spent in dealing with issues in the CVA. The CVA proposals ('the Proposals') included an estimate for the Supervisors' fees of £350,000, although it was stated that this was an estimate and not a cap.

The first and second schedule in conjunction cover the time incurred since appointment to 4 November 2021 and records time costs of £957,297.20 which represents 3,138 hours spent at an average charge out rate of £305 per hour.

The reasons for the increase in costs on the original estimate have been stated in our previous reports.

The Supervisors' remuneration has been approved on the basis of time properly spent in dealing with issues in the CVA. The position in respect of the Supervisors' fees is set out below:

	£
Total Time Costs to 4 November 2021	957,297.20
Total Time Costs Incurred from 4 May 2021 to 4 November 2021	13,228.15
Total Time Costs Approved to 3 May 2021	943,269.10
Total Time Costs Drawn to 4 November 2021	902,212.25

During the Final Period, the Supervisors have drawn £109,396 in fees following the receipt of creditor approval on 19 July 2021. The Supervisors have drawn less than their approved time costs. All further outstanding time costs will not be drawn and have been written off.

### 5.3 Supervisors' Expenses

Where expenses relating directly to the CVA are incurred by an independent third party, there is no necessity for these costs to be authorised. These are known as category 1 expenses.

Where expenses relating directly to the estate have been incurred by an associated party or have an element of shared costs, creditor approval is required to pay these expenses from the CVA. These are known as category 2 expenses.

Expenses include disbursements (costs incurred which have been paid by the Supervisors and are recharged to the CVA).

The policy of BDO LLP in respect of this appointment is not to charge any category 2 disbursements with the exception of mileage on the basis of the mileage scale approved by HMRC, being 45p per mile unless otherwise disclosed to the creditors.

No expenses have accrued during the Final Period.

Total expenses of £2,356 have been incurred as detailed below.

	Cat. 1 (£)	Cat. 2 (£)	Total (£)
Bonding	200.01	-	200.01
Travel Costs & Sundry Expenses	1,526.92	-	1,526.92
Printing	-	629.00	629.00
<b>Total</b>	<b>1,726.93</b>	<b>629.00</b>	<b>2,355.93</b>

The Supervisors have withdrawn a total of £1,727 in respect of their expenses, no expenses have been drawn within the Final Period, as shown on the enclosed receipts and payments account.

No further expenses will be drawn.

For guidance, I enclose a document that outlines the policy of BDO LLP in respect of fees and expenses.

## 6 Creditors' Rights

I provide at the end of this report an extract from the Rules setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the CVA. Creditors may access information setting out creditors' rights in respect of the approval of Supervisors' remuneration at <https://www.bdo.co.uk/en-gb/insights/advisory/business-restructuring/creditors-guides>.

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



The Supervisors are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at: <https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics>.

For the avoidance of doubt, investors are creditors for the purposes of this paragraph.

If you require any further information please contact me at [BRCMTLondonandSouthEast@bdo.co.uk](mailto:BRCMTLondonandSouthEast@bdo.co.uk).

Yours faithfully  
For and on behalf of  
ARM Asset Backed Securities SA

A handwritten signature in blue ink, appearing to read 'SRayment'.

Sarah Rayment  
Supervisor  
Authorised by the Insolvency Practitioners Association in the UK

Enclosures:  
Receipts and Payments Account  
SIP 9 Time Cost Report for the Final Period  
SIP 9 Time Cost Report for the Final Period of CVA  
BDO LLP Policy in Respect of Fees and Disbursements  
Statement of Creditors' Rights in respect of Fees and Disbursements



**ARM Asset Backed Securities SA - Subject to a Company Voluntary Arrangement**  
**Summary of receipts and payments 4 May 2017 to 4 November 2021**

	4 May 2017 to 3 May 2021 (£)	4 May 2021 to 4 November 2021 (£)	Total (£)
<b>Receipts</b>			
Transfer from SLC Registrar Accounts	11,238,457.76	-	11,238,457.76
Transfer from SquareMile Capital Accounts	5,926,298.24	-	5,926,298.24
Transfer from Liquidation Accounts	4,465,087.66	(1,587.67)	4,463,499.99
Transfer from CVA USD (Receipt from FCIL)	25,260,914.83	-	25,260,914.83
Transfer from Jarvis Asset Management	1,080,756.93	-	1,080,756.93
Bank Interest	43,245.68	-	43,245.68
Transfer from Insolvency Service Account	5,796,131.91	-	5,796,131.91
Luxembourg Tax Refund	-	2,723.40	2,723.40
	<u>53,810,893.01</u>	<u>1,135.73</u>	<u>53,812,028.74</u>
<b>Payments</b>			
Professional Fees	29,763.67	-	29,763.67
Supervisors' Fees	792,816.10	109,396.15	902,212.25
Supervisors' Disbursements	1,726.93	-	1,726.93
Legal Fees	105,844.16	1,220.44	107,064.60
Storage Costs	30.00	-	30.00
Bank charges	996.20	45.00	1,041.20
Luxembourg Tax	1,278.88	-	1,278.88
VAT	20,229.72	-	20,229.72
	<u>952,685.66</u>	<u>110,661.59</u>	<u>1,063,347.25</u>
<b>Dividends</b>			
First Interim Dividend of 11p in the £ declared on 20 November 2017	20,114,244.68	-	20,114,244.68
Enhanced Dividend declared 28 November 2017	496,574.40	-	496,574.40
Catch Up First Interim Dividend of 11p in the £ declared on 5 June 2018	1,427,176.68	-	1,427,176.68
Catch Up Enhanced Dividend declared 12 June 2018	85,634.33	-	85,634.33
Second Interim Dividend of 5.1p in the £ declared on 5 July 2018	9,988,298.59	-	9,988,298.59
Enhanced Dividend Settlement Payments	84,429.06	-	84,429.06
2020	751,424.46	-	751,424.46
Third Interim Dividend of 5p in the £ declared on 31 January 2020	10,453,940.44	-	10,453,940.44
dividend	(24,437.50)	-	(24,437.50)
Fourth and Final Dividend of 3.2p in the £ declared on 28 May 2020	6,874,062.95	-	6,874,062.95
Catch Up First, Second & Third Interim Dividend - 28 May 2020	2,570,277.00	-	2,570,277.00
Dividend refunded as funds cannot be allocated by agent	(65,877.40)	(7,066.20)	(72,943.60)
<b>Balance in hand</b>			<u>0.00</u>
			<u><u>53,812,028.74</u></u>
BDO LLP 55 Baker Street London W1U 7EU			Sarah Rayment Joint Supervisor 04 November 2021

**Notes**

No further significant transactions are anticipated.



Name of Assignment - ARM Asset Backed Securities SA

Summary of Time Charged and Rates Applicable for the Period From 04/05/2021 to 04/11/2021

Activity	Partner	Director	Senior Manager	Manager	Senior Executive	Executive	Total hours	Time Costs (£)	Av. Rate £/h
Strategy Planning				3.30			3.30	1,006.05	304.86
<b>PLANNING AND STRATEGY</b>				<b>3.30</b>			<b>3.30</b>	<b>1,006.05</b>	<b>304.86</b>
Taxation				0.55			0.55	171.05	311.00
Conduct Reports						0.25	0.25	18.50	74.00
Receipts/Payments Accounts	0.30	0.10		7.10	2.20	4.40	14.10	3,060.20	217.04
Remuneration Issues		0.45					0.45	306.45	681.00
General Discussions		0.50					0.50	340.50	681.00
Gen. Admin/Correspondence			0.20		1.80	1.05	3.05	351.15	115.13
<b>GENERAL ADMINISTRATION</b>	<b>0.30</b>	<b>1.05</b>	<b>0.20</b>	<b>7.65</b>	<b>4.00</b>	<b>5.70</b>	<b>18.90</b>	<b>4,247.85</b>	<b>224.75</b>
Reporting to Creditors	0.50	1.60		11.50			13.60	4,941.25	363.33
<b>REPORTING</b>	<b>0.50</b>	<b>1.60</b>		<b>11.50</b>			<b>13.60</b>	<b>4,941.25</b>	<b>363.33</b>
Closure Planning				2.00			2.00	622.00	311.00
Distributions				7.90			7.90	2,411.00	305.19
<b>DISTRIBUTION AND CLOSURE</b>				<b>9.90</b>			<b>9.90</b>	<b>3,033.00</b>	<b>306.36</b>
<b>Total Time Costs (£)</b>	<b>617.30</b>	<b>1,738.55</b>	<b>55.20</b>	<b>9,878.15</b>	<b>492.10</b>	<b>446.85</b>	<b>45.70</b>	<b>13,228.15</b>	<b>289.46</b>



# ARM Asset Backed Securities SA

## Detailed Time Charged and Rates Applicable for the Joint Supervisors for the Period From 4 May 2017 to 3 May 2021

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR EXECUTIVE		EXECUTIVE		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
<b>Planning and Strategy</b>														
Review Business Process/Systems					1.00	302.00	0.75	218.25					1.75	520.25
<b>Sub Total</b>					<b>1.00</b>	<b>302.00</b>	<b>0.75</b>	<b>218.25</b>					<b>1.75</b>	<b>520.25</b>
<b>General Administration</b>														
Taxation					0.50	151.00	1.00	291.00	7.55	1,493.00			9.05	1,935.00
Instruct/Liaise Solicitors	3.00	2,303.00	1.00	475.00									4.00	2,778.00
Investigations									0.20	34.00			0.20	34.00
Receipts/Payments Accounts	1.30	664.30	30.20	5,954.90	23.15	6,591.25	122.20	29,759.55	143.55	17,399.85	1.70	142.15	322.10	60,512.00
Remuneration Issues			1.25	627.50					6.00	1,338.00			7.25	1,965.50
Statutory Matters					0.35	52.85							0.35	52.85
General Meetings	1.00	783.00											1.00	783.00
General Discussions			1.55	810.10					7.05	1,372.25			8.60	2,182.35
Gen. Admin/Correspondence	23.90	17,655.10	33.30	16,288.40	0.85	209.40	11.85	3,202.60	220.45	40,346.75	2.05	103.70	292.40	77,805.95
Maintain Internal Files					0.25	31.75	0.10	11.60	0.50	84.50			0.85	127.85
<b>Sub Total</b>	<b>29.20</b>	<b>21,405.40</b>	<b>67.30</b>	<b>24,155.90</b>	<b>25.10</b>	<b>7,036.25</b>	<b>135.15</b>	<b>33,264.75</b>	<b>385.30</b>	<b>62,068.35</b>	<b>3.75</b>	<b>245.85</b>	<b>645.80</b>	<b>148,176.50</b>
<b>Assets Realisation/Dealing</b>														
Evaluation/Reconciliation									16.55	3,941.70			16.55	3,941.70
Asset Tracing			1.00	487.00					12.95	3,097.55			13.95	3,584.55
Debt Collection	13.20	10,174.60											13.20	10,174.60
Dealing with other Assets			1.25	608.75					11.50	3,280.50			12.75	3,889.25
Sale of Business/Assets	1.00	760.00	15.50	7,781.00									16.50	8,541.00
Other Matters	5.00	4,365.00	23.60	11,551.70			0.50	145.50					29.10	16,062.20
<b>Sub Total</b>	<b>19.20</b>	<b>15,299.60</b>	<b>41.35</b>	<b>20,428.45</b>			<b>0.50</b>	<b>145.50</b>	<b>41.00</b>	<b>10,319.75</b>			<b>102.05</b>	<b>46,193.30</b>
<b>Creditor Claims</b>														
Secured Creditors			17.00	7,259.00									17.00	7,259.00
Preferential Creditors	0.50	363.00											0.50	363.00
Non-Preferential Creditors	4.50	3,395.50	107.75	52,515.50			531.35	154,622.85	215.70	33,812.35			859.30	244,346.20
Other Creditors			10.65	5,069.55					3.10	510.40			13.75	5,579.95
Other Matters			50.40	24,254.55					2.15	365.50			52.55	24,620.05
<b>Sub Total</b>	<b>5.00</b>	<b>3,758.50</b>	<b>185.80</b>	<b>89,098.60</b>			<b>531.35</b>	<b>154,622.85</b>	<b>220.95</b>	<b>34,688.25</b>			<b>943.10</b>	<b>282,168.20</b>





ARM Asset Backed Securities SA

Detailed Time Charged and Rates Applicable for the Joint Supervisors for the Period From 4 May 2017 to 3 May 2021

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR EXECUTIVE		EXECUTIVE		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
<b>Reporting</b>														
Statutory Reporting	3.50	2,722.50	11.95	5,809.60	0.15	22.65	2.95	370.60	60.60	11,176.55			79.15	20,101.90
Reporting to Appointer	1.00	741.00					1.00	291.00					2.00	1,032.00
Reporting to Creditors	10.00	7,494.50	7.30	4,508.80	14.95	4,514.90	5.50	1,600.50	5.25	1,172.75			43.00	19,291.45
Reporting to other bodies									0.70	119.00			0.70	119.00
Other Matters			3.80	2,000.30									3.80	2,000.30
<b>Sub Total</b>	<b>14.50</b>	<b>10,958.00</b>	<b>23.05</b>	<b>12,318.70</b>	<b>15.10</b>	<b>4,537.55</b>	<b>9.45</b>	<b>2,262.10</b>	<b>66.55</b>	<b>12,468.30</b>			<b>128.65</b>	<b>42,544.65</b>
<b>Distribution and Closure</b>														
Closure Planning	1.00	783.00	6.60	3,771.95	7.40	2,234.80			12.35	2,797.40			27.35	9,587.15
Distributions	11.00	8,253.30	485.95	223,358.00	25.65	7,746.30	268.60	77,953.60	445.65	95,655.70			1,236.85	412,966.90
Closure Documentation							0.50	145.50					0.50	145.50
Closure Meetings									0.90	201.60			0.90	201.60
Closing Statutory Duties					2.50	377.50							2.50	377.50
Other Matters			2.50	1,187.50									2.50	1,187.50
<b>Sub Total</b>	<b>12.00</b>	<b>9,036.30</b>	<b>495.05</b>	<b>228,317.45</b>	<b>35.55</b>	<b>10,358.60</b>	<b>269.10</b>	<b>78,099.10</b>	<b>458.90</b>	<b>98,654.70</b>			<b>1,270.60</b>	<b>424,466.15</b>
	<b>79.90</b>	<b>60,457.80</b>	<b>812.55</b>	<b>374,319.10</b>	<b>76.75</b>	<b>22,234.40</b>	<b>946.30</b>	<b>268,612.55</b>	<b>1,172.70</b>	<b>218,199.35</b>	<b>3.75</b>	<b>245.85</b>		

Net Total 3,091.95 944,069.05



**NOTICE OF FULL IMPLEMENTATION OF A COMPANY VOLUNTARY ARRANGEMENT  
UNDER RULE 2.44 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016**

**ARM Asset Backed Securities SA (“ARM”)  
In Compulsory Liquidation (“CL”) and Subject to a Company Voluntary Arrangement (“CVA”)  
High Court of Justice, Chancery Division No. 006914 of 2017**

I, Sarah Rayment of BDO LLP, BDO LLP, 55 Baker Street, London, W1U 7EU, Joint Supervisor of ARM’s voluntary arrangement, hereby give notice that ARM has complied with the terms of the company voluntary arrangement approved on 3 May 2017.

Date: 4 November 2021

A handwritten signature in blue ink, appearing to read 'SRayment'.

Sarah Rayment  
Supervisor



## **ARM Asset Backed Securities SA - In Company Voluntary Arrangement**

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

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

<b>GRADE</b>	<b>£</b>
Partner	812
Manager to Principal	207-681
Assistant Manager	156-311
Senior Executive	144-290
Executive	76-249
Other Staff	76-151

This in no way implies that staff at all such grades will work on the case. The rates charged by BDO LLP are reviewed on a regular basis and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories:-

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

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 10 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

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

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

## **Expenses**

Expenses including disbursements (costs incurred in the case which have been paid by the firm and are recharged to the estate) can be divided into two categories.



**1) Category 1 expenses**

These are expenses relating directly to the estate incurred by an independent third party. In addition to professional fees and expenses, such expenses may include items such as bonding, advertising, insurance, external printing costs, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents and storage of the Company's records.

Creditor approval is not required to pay category 1 expenses.

**2) Category 2 expenses**

These are expenses relating directly to the estate which have been incurred by an associated party or which have an element of shared costs.

We propose to recover from the estate the cost of travel where staff use either their own vehicles or company cars in travelling connected with the Company. In these cases a charge of 45p per mile is raised which is in line with the HM Revenue & Customs Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff.

Creditor approval is required to pay category 2 expenses from the estate.

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

**Statement from the Insolvency (England and Wales) Rules 2016 regarding the rights of creditors in respect of the Supervisors' fees and expenses (the Supervisors have imported the liquidation Rules into this CVA):**

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

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

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

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

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

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

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

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

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

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

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

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