

TO ALL KNOWN CREDITORS AND MEMBERS

5 January 2022

Our Ref 00293099/MC/DF/C1

Please ask for  
David Forster  
0151 237 4530  
Email [BRCMTLondonandSouthEast@bdo.co.uk](mailto:BRCMTLondonandSouthEast@bdo.co.uk)

Dear Madams/Sirs

**ARM Asset Backed Securities SA**  
**In Compulsory Liquidation and formerly subject to a Company Voluntary Arrangement**  
**(‘ARM’)**

**High Court of Justice, Chancery Division No 006914 of 2013**

On 4 October 2013, ARM, a *société anonyme* incorporated under the laws of the Grand Duchy of Luxembourg, presented a petition to the English court that it be wound up (i.e. that it be placed into liquidation). That petition was adjourned and Mark Shaw and Malcolm Cohen were appointed as Provisional Liquidators of ARM by an Order of the English court dated 9 October 2013.

Following an application made during the Provisional Liquidation (‘PL’) of ARM, Mark Shaw, Malcolm Cohen and I were appointed Joint Liquidators of ARM on 10 March 2017 by the Secretary of State.

The Joint Liquidators proposed a Company Voluntary Arrangement (‘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 was completed on its terms on 4 November 2021 and the final CVA report is available at <https://www.bdo.co.uk/en-gb/arm-asset-backed-securities-sa>.

It should be noted that actions regarding payments of dividends to bondholders/creditors have been undertaken by the Joint Supervisors as part of the CVA, and as such this report only contains a brief summary of the parallel CVA process.

I am now in a position to conclude this Liquidation and therefore set out below my final progress report in accordance with Section 106(1) of the Insolvency Act 1986 and Rule 18.14 of the Insolvency (England and Wales) Rules 2016 (‘the Rules’).

This report covers the period from 10 March 2021 to 5 January 2022 (‘the Final Period’) and should be read in conjunction with previous reports issued in this matter and with previous bondholder/creditor updates issued during the PL and CVA, available at <https://www.bdo.co.uk/en-gb/arm-asset-backed-securities-sa>.

The Company’s affairs are fully wound up and, unless any substantive issues are raised by creditors, no further report will be issued and this report will be presented as the final report.

The Joint Liquidators 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 Liquidation of ARM Asset Backed Securities SA. Please see the privacy statement at <https://www.bdo.co.uk/en-gb/privacy-notice/insolvencies>

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.

## **Professional information regarding the Joint Liquidators**

The Joint Liquidators are Sarah Rayment (officeholder No: 9162), Mark Shaw (officeholder No: 8893) and Malcolm Cohen (officeholder No: 6825) all of BDO LLP, 55 Baker Street, London, W1U 7EU who were appointed on 10 March 2017, following a winding up order made on the same day.

The Joint Liquidators carry out their functions jointly and severally, meaning any action can be done by one or more of the Liquidators. The Joint Liquidators may be contacted via David Forster at [BRCMTLondonandSouthEast@bdo.co.uk](mailto:BRCMTLondonandSouthEast@bdo.co.uk).

## **Receipts and Payments**

I enclose 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 Liquidators.

## **Progress of the Liquidation**

As previously reported, the purpose of the Liquidation was to allow the Joint Liquidators to propose a CVA, through which the terms of a settlement agreement could be put into effect and the assets of ARM could be distributed to creditors. A full explanation of this settlement agreement is set out in the earlier PL and CVA reports referenced above.

The Joint Liquidators, as Joint Supervisors of the CVA, have declared the following dividends totalling 24.3p in the £:

- On 20 November 2017, a first interim dividend of 11p in the £.
- On 12 July 2018, a second interim dividend of 5.1p in the £.
- On 31 January 2020, a third interim dividend of 5p in the £.
- On 28 May 2020, a fourth and final dividend of 3.2p in the £.

As all outstanding matters have now been dealt with, the Joint Liquidators are now taking the necessary steps to close the Liquidation.

As previously reported, pursuant to a ruling of the Luxembourg court, it is intended that ARM will be handed back to the authorities in Luxembourg for dissolution at the end of the Liquidation.

## **Prescribed Part**

Under Section 176A of the Insolvency Act 1986 where, after 15 September 2003, a company has granted to a floating charge to a secured creditor, a proportion of the net property of that company must be made available purely for the unsecured creditors.

ARM has not granted a floating charge to any creditor after 15 September 2003 and consequently there will be no prescribed part in this Liquidation.

## **Investigations**

As this is a winding up by the court, the duty to investigate the affairs of the Company and also the conduct of the directors, remains with the Official Receiver who carries out its own investigations.

If any creditor believes that they may have information that would assist the Official Receiver in their enquiries, they should write to the Official Receiver's office at 4 Abbey Orchard Street, London, SW1P 2HT.

#### **Joint Liquidators' Remuneration**

Pursuant to the Rules, the Joint Liquidators are obliged to fix their remuneration in accordance with Rule 18.16. This permits remuneration to be fixed either:

- (1) As a percentage of the assets realised and distributed; and/or
- (2) By reference to the time the Joint Liquidators and the staff have spent attending to matters in the Liquidation as set out in the fees estimate; and/or
- (3) As a set amount; and/or
- (4) As a combination of the above.

The creditors have already approved the Joint Liquidators' remuneration of £185,245 on a time cost basis in line with the Joint Liquidators' Revised Fee Estimate provided to creditors on 30 April 2020.

To date, the Joint Liquidators have drawn £185,103 in respect of remuneration, of which £14,819 has been drawn during the Final Period as shown on the enclosed receipts and payments account. All further outstanding time costs will be written off.

Please note that BDO LLP changed its time recording system with effect from 17 April 2021. I therefore attach three detailed reports of the time incurred by the Joint Liquidators for the periods:

1. 10 March 2021 to 16 April 2021
2. 10 March 2017 to 16 April 2021
3. 17 April 2021 to 5 January 2022

The first and third reports in conjunction cover the time incurred by the Joint Liquidators in the Final Period. The second and third reports read in conjunction cover the time incurred since appointment.

Time costs during the Final Period of £11,209 have been incurred which equates to 37 hours at an average rate of £302 per hour. During the whole period since appointment, time costs of £200,214 have been incurred which equates to 564 hours at an average rate of £355 per hour.

I also attach the Joint Liquidators' Fees Estimate annotated with a column showing the time costs accrued in respect of each activity, together with a detailed description of the work undertaken.

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

#### **Joint Liquidators' Expenses**

Where expenses are recovered in respect of precise sums expended to third parties 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 Liquidation. These are known as category 2 expenses.

Expenses include disbursements (costs incurred which have been paid by the Joint Liquidators and are recharged to the Liquidation).

The policy of BDO LLP in respect of this appointment is not to charge any category 2 expenses 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 £6,308 have been incurred and drawn in the Liquidation as detailed below.

	Cat. 1 (£)	Cat. 2 (£)	Total (£)
Statutory Bonding	200.01	-	200.01
Advertisement Costs	4,801.74	-	4,801.74
Travel Costs	1,255.59	-	1,255.59
Committee Expenses	51.05	-	51.05
<b>Total</b>	<b>6,308.39</b>	<b>-</b>	<b>6,308.39</b>

No further expenses will be drawn.

### 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 Liquidation. Creditors may access information setting out creditors' rights in respect of the approval of the Joint Liquidators' remuneration at

<https://www.r3.org.uk/technicallibrary/england-wales/technical-guidance/fees/more/29114/page/1/liquidation-a-guide-forcreditors-on-insolvency-practitioner-fees/>.

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/complain-about-insolvencypractitioner> where you will find further information on how you may pursue the complaint.

The Joint Liquidators 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>.

### Release of Joint Liquidators

The Joint Liquidators will be released from office under section 174(4)(d) of the Insolvency Act 1986 at the same time as vacating office, unless any creditor objects. A creditor who wishes to object to the release must deliver a notice in writing to the liquidators within eight weeks of this



report or, if creditors raise other matters under Rules 18.9 or 18.34 as mentioned above, when those matters are finally determined by the court.

If you require further information, please do not hesitate to contact me or my colleague David Forster 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 'S Rayment'.

Sarah Rayment  
Joint Liquidator  
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 whole of Liquidation  
Fee Estimate to Accrued Time Comparison  
Last Notice to Creditors about Dividend  
Notice of Final Account  
BDO LLP Policy in Respect of Fees and Expenses  
Statement of Creditors' Rights in respect of Fees and Expenses

**ARM Asset Backed Securities SA - in Compulsory Liquidation**  
**Summary of receipts and payments for the period 10 March 2017 to 5 January 2022**

	Statement of Affairs	10 March 2021 to 5 January 2022	10 March 2017 to 5 January 2022
	£	£	£
<b>Receipts</b>			
Transfer from Provisional Liquidation	-	-	5,918,558.02
Transfer from CVA	-	1,587.67	8,587.67
Receipt of funds held by Jarvis	-	-	1,512,820.66
Bank Interest	-	-	10,705.46
Petitioners' Deposit	-	-	1,165.00
	-	1,587.67	7,451,836.81
<b>Payments</b>			
Transfers to CVA account for distribution	-	-	6,876,888.84
Joint Liquidators' Fees	-	14,819.30	185,103.15
CVA Nominee Fees	-	-	86,187.00
Secretary of State General Fees	-	-	80,000.00
Provisional Liquidators' Fees	-	-	68,812.06
Professional Fees	-	-	68,267.90
Irrecoverable VAT	-	2,963.86	61,468.01
Liquidators' Disbursements	-	-	6,308.39
Secretary of State Statutory Fees	-	-	2,520.00
Corporation Tax	-	1,344.44	15,107.97
Bank Charges	-	91.75	1,173.49
	-	19,219.35	7,451,836.81
Balance in hand			-
			7,451,836.81

BDO LLP  
55 Baker Street  
London  
W1U 7EU

Sarah Rayment  
Joint Liquidator  
05 January 2022

**Summary of Time Charged and Rates Applicable for the Period From 10/03/2021 to 16/04/2021**

	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
Description	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total
C. Planning and Strategy		£		£	0.25	£75.50		£		£		£	0.25	£75.50
D. General Administration			0.20	132.20	1.65	437.90			0.90	98.10			2.75	668.20
I. Reporting			1.25	826.25	4.25	1,170.25							5.50	1,996.50
J. Distribution and Closure			1.00	661.00	2.65	800.30							3.65	1,461.30
	0.00	0.00	2.45	1,619.45	8.80	2,483.95	0.00	0.00	0.90	98.10	0.00	0.00		
Grand Total													12.15	4,201.50

ARM Asset Backed Securities SA

Detailed Time Charged and Rates Applicable for the Joint Liquidators for the Period From 10 March 2017 to 16 April 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>Pre-Appointment Matters</b>														
Documentation Review	19.00	13,794.00	6.75	2,882.25									25.75	16,676.25
<b>Sub Total</b>	<b>19.00</b>	<b>13,794.00</b>	<b>6.75</b>	<b>2,882.25</b>									<b>25.75</b>	<b>16,676.25</b>
<b>Steps On Appointment</b>														
Statutory Documentation			20.25	8,646.75					1.00	157.00			21.25	8,803.75
<b>Sub Total</b>			<b>20.25</b>	<b>8,646.75</b>					<b>1.00</b>	<b>157.00</b>			<b>21.25</b>	<b>8,803.75</b>
<b>Planning &amp; Strategy</b>														
Review Financial Position							1.50	436.50					1.50	436.50
Progression Planning & Strategy	70.00	52,737.80	32.50	13,929.25	0.25	75.50			3.25	674.50			106.00	67,417.05
<b>Sub Total</b>	<b>70.00</b>	<b>52,737.80</b>	<b>32.50</b>	<b>13,929.25</b>	<b>0.25</b>	<b>75.50</b>	<b>1.50</b>	<b>436.50</b>	<b>3.25</b>	<b>674.50</b>			<b>107.50</b>	<b>67,853.55</b>
<b>General Administration</b>														
Taxation			1.20	673.95	3.40	1,026.80	1.65	470.65					6.25	2,171.40
Liaising with Solicitors			10.75	4,590.25	0.35	105.70							11.10	4,695.95
Receipts/Payments Accounts	0.95	621.45	5.95	1,325.80	2.55	317.25	9.85	1,552.65	86.70	9,630.90	2.55	181.55	108.55	13,629.60
Statutory Matters	1.00	726.00					0.10	11.90					1.10	737.90
Court Hearings	6.00	4,860.00											6.00	4,860.00
General Meetings & Correspondence	10.70	8,509.40	26.80	11,374.00	1.85	468.10	0.30	36.50	37.30	4,855.60	0.10	7.40	77.05	25,251.00
Maintain Internal Files					0.50	80.75	0.10	11.60	2.50	447.50			3.10	539.85
<b>Sub Total</b>	<b>18.65</b>	<b>14,716.85</b>	<b>44.70</b>	<b>17,964.00</b>	<b>8.65</b>	<b>1,998.60</b>	<b>12.00</b>	<b>2,083.30</b>	<b>126.50</b>	<b>14,934.00</b>	<b>2.65</b>	<b>188.95</b>	<b>213.15</b>	<b>51,885.70</b>
<b>Asset Realisation</b>														
Other Matters			1.00	427.00									1.00	427.00
<b>Sub Total</b>			<b>1.00</b>	<b>427.00</b>									<b>1.00</b>	<b>427.00</b>
<b>Creditor Claims</b>														
Dealing with creditor claims									15.00	2,025.00			15.00	2,025.00
<b>Sub Total</b>									<b>15.00</b>	<b>2,025.00</b>			<b>15.00</b>	<b>2,025.00</b>



ARM Asset Backed Securities SA

Detailed Time Charged and Rates Applicable for the Joint Liquidators for the Period From 10 March 2017 to 16 April 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	2.50	1,892.50	9.30	4,177.50	5.35	1,314.35	2.65	320.45	40.00	5,425.40			59.80	13,130.20
Reporting to Committee			12.50	5,337.50									12.50	5,337.50
Reporting to Court			27.75	12,045.75	1.25	377.50	12.75	3,710.25	4.00	732.00			45.75	16,865.50
<b>Sub Total</b>	<b>2.50</b>	<b>1,892.50</b>	<b>49.55</b>	<b>21,560.75</b>	<b>6.60</b>	<b>1,691.85</b>	<b>15.40</b>	<b>4,030.70</b>	<b>44.00</b>	<b>6,157.40</b>			<b>118.05</b>	<b>35,333.20</b>
<b>Distribution and Closure</b>														
Closure Planning			2.00	1,282.25	9.20	2,778.40	4.20	1,180.20					15.40	5,240.85
Distributions	0.20	102.20	1.00	436.00			5.00	1,455.00	10.50	2,295.75			16.70	4,288.95
Closure Documentation									3.75	453.75			3.75	453.75
Closing Statutory Duties					1.45	218.95							1.45	218.95
<b>Sub Total</b>	<b>0.20</b>	<b>102.20</b>	<b>3.00</b>	<b>1,718.25</b>	<b>10.65</b>	<b>2,997.35</b>	<b>9.20</b>	<b>2,635.20</b>	<b>14.25</b>	<b>2,749.50</b>			<b>37.30</b>	<b>10,202.50</b>
	<b>110.35</b>	<b>83,243.35</b>	<b>156.75</b>	<b>66,701.25</b>	<b>26.15</b>	<b>6,763.30</b>	<b>38.10</b>	<b>9,185.70</b>	<b>204.00</b>	<b>26,697.40</b>	<b>2.65</b>	<b>188.95</b>		

Total 539.00 193,206.95

## ARM Asset Backed Securities SA

### Summary of Time Charged and Rates Applicable for the Period From 17/04/2021 to 05/01/2022

Activity	Partner	Director	Senior Manager	Manager	Senior Executive	Executive	Total hours	Time Costs £	Av. Rate £/h
Planning and Strategy				2.30			2.30	701.80	305.13
General Administration		1.30		7.80	3.30	3.45	15.85	3,853.75	243.14
Creditor Claims					0.15		0.15	37.35	249.00
Reporting	0.50	0.30		5.40			6.20	2,258.65	364.30
Distribution and Closure				0.50			0.50	155.50	311.00
<b>Total</b>	<b>0.50</b>	<b>1.60</b>		<b>16.00</b>	<b>3.45</b>	<b>3.45</b>	<b>25.00</b>	<b>7,007.05</b>	<b>280.28</b>

## ARM Asset Backed Securities SA - In Compulsory Liquidation

### Fees Estimate to Accrued Time Comparison

Fees accrued and approved to the end of the end of the Liquidation				
Joint Liquidators' Fees	Fees Previously Approved	Total	Blended	Accrued Time
	Time	Hours	Rate	Time
	£		£	£
<b>Summary Activity</b>				
A. Pre Appointment Matters	16,676.25	25.75	647.62	16,676.25
<b>TOTAL</b>	<b>16,676.25</b>			<b>16,676.25</b>
B. Steps on Appointment	8,803.75	21.25	414.29	8,803.75
C. Planning and Strategy	67,850.80	109.80	624.37	68,555.35
D. General Administration	49,217.00	229.00	243.40	55,739.45
E. Assets Realisation/Dealing	427.00	1.00	427.00	427.00
F. Trading Related Matters	0.00	0.00	0.00	0.00
G. Employee Matters	0.00	0.00	0.00	0.00
H. Creditor Claims	2,025.00	15.15	136.13	2,062.35
I. Reporting	34,185.20	124.25	302.55	37,591.85
J. Distribution and Closure	5,918.25	37.80	274.02	10,358.00
<b>TOTAL</b>	<b>168,568.50</b>	<b>564.00</b>		<b>183,537.75</b>
<b>Pre and Post Appointment Total</b>	<b>185,103.25</b>			<b>200,214.00</b>

As set out in this report, the Joint Liquidators' remuneration has been approved by creditors on the basis of time properly spent in dealing with the affairs of the Liquidation.

Please note, our final fees totalling £185,103 have been drawn and all fees exceeding this approved fee value have been written off.

### Detail of Work Undertaken

During the Period, work was carried out on the following matters:

- Preparing the statutory final report and associated matters.
- Liaising with our Luxembourg tax team to ensure the Company is compliant with the Luxembourg tax authorities and that all tax matters are concluded.
- Reviewing and submitting the annual tax return.
- Liaising with our Luxembourg lawyers to identify any requirements in Luxembourg in relation to the conclusion of the Liquidation and the dissolution of the Company.
- Planning the steps to close the Liquidation.
- Ad hoc administrative steps to ensure the case is kept in good order.



As stated above, the Joint Liquidators do not intend to seek any increase in their Liquidation fees above the approved fee estimate.



**Last Notice to Creditors about Dividend (Rule 14.36 of the Insolvency (England and Wales) Rules 2016 ('the Rules'))**

**ARM Asset Backed Securities SA - In Compulsory Liquidation  
High Court of Justice, Chancery Division No 2013-006914 of 2013**

**In the Matter of the Insolvency Act 1986**

All funds have been used to pay previous dividends through the CVA to creditors in this matter and discharge the costs of the insolvency proceedings.

There will be no further dividend declared to creditors.

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

.....  
Sarah Rayment  
Joint Liquidator  
Authorised by the Insolvency Practitioners Association in the UK



**NOTICE OF FINAL ACCOUNT UNDER SECTION 146 OF THE INSOLVENCY ACT 1986 & RULE 7.71 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016 ('the Rules')**

**ARM Asset Backed Securities SA - In Compulsory Liquidation  
High Court of Justice, Chancery Division No 2013-006914 of 2013**

**NOTICE THAT:**

The Company's affairs are fully wound up.

Creditors, with the concurrence of at least 5% in value of the unsecured creditors, may within 21 days of this notice request in writing further information regarding the remuneration and expenses set out in the attached report (Rule 18.9).

Creditors may apply to the court under Rule 18.34 if they consider that the remuneration of the liquidators, or the basis fixed for the remuneration of the Joint Liquidators or expenses charged by the Joint Liquidators are excessive.

A creditor may object to the release of the Joint Liquidators within eight weeks of this notice or, if creditors raise other matters under Rules 18.9 or 18.34, such time as those matters are finally determined by the court.

The Joint Liquidators will vacate office under Section 174(4)(d)(i) of the Insolvency Act 1986 when they deliver the attached account and report to the Registrar of Companies, stating whether any creditor has objected to release.

The Joint Liquidators will be released under Section 174 of the Insolvency Act 1986 at the same time as vacating office, unless any of the Company's creditors objected to the Joint Liquidators' release.

The Joint Liquidators are Sarah Rayment (officeholder No: 9162), Mark Shaw (officeholder No: 8893) and Malcolm Cohen (officeholder No: 6825) all of BDO LLP, 55 Baker Street, London, W1U 7EU. The Joint Liquidators were appointed on 10 March 2017.

The Joint Liquidators may also be contacted via David Forster at [BRCMTLondonandSouthEast@bdo.co.uk](mailto:BRCMTLondonandSouthEast@bdo.co.uk).

Dated: 5 January 2022

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

Sarah Rayment  
Joint Liquidator  
of BDO LLP, 55 Baker Street, London, W1U 7EU



**ARM Asset Backed Securities SA - In Compulsory Liquidation and formerly subject to a Company Voluntary Arrangement ('ARM')**

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:

GRADE	£
Partner	836
Director	351-702
Senior Manager	292-585
Manager	160-427
Senior Executive	128-298
Executive	78-157

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 using a computerised time recording system 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  
Other Issues.

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 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.



### **1) Other Costs**

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.

### **2) Category 1**

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.

### **3) Category 2**

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

BDO LLP  
5 January 2022



## **Statement from the Insolvency (England and Wales) Rules 2016 regarding the rights of creditors in respect of the Joint Liquidators' fees and expenses:**

### **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.