



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

1 Company details

Company number 0 2 6 2 4 8 5 2

Company name in full Richard Slade And Company Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) William Antony

Surname Batty

3 Administrator's address

Building name/number 3 Field Court

Street Gray's Inn

Post town London

County/Region

Postcode W C 1 R 5 E F

Country

4 Administrator's name ①

Full forename(s) Hugh

Surname Jesseman

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 3 Field Court

Street Gray's Inn

Post town London

County/Region

Postcode W C 1 R 5 E F

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 1	^d 2	^m 0	^m 3	^y 2	^y 0	^y 2	^y 4
To date	^d 1	^d 1	^m 0	^m 9	^y 2	^y 0	^y 2	^y 4

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	^d 1	^d 0	^m 1	^m 0	^y 2	^y 0	^y 2	^y 4
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**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 **Neil Barry**

Company name **Antony Batty & Company LLP**

Address **3 Field Court
Gray's Inn**

Post town **London**

County/Region

Postcode **W C 1 R 5 E F**

Country

DX

Telephone **020 7831 1234**

**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

Richard Slade And Company Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 12/03/2024 To 11/09/2024 £	From 12/03/2024 To 11/09/2024 £
	SECURED ASSETS		
NIL	Leasehold Land & Property	NIL	NIL
199,995.00	Goodwill	160,000.00	160,000.00
1.00	Intellectual Property	NIL	NIL
		160,000.00	160,000.00
	COSTS OF REALISATION		
	Legal Fees	18,720.00	18,720.00
	Valuer's Fees	5,000.00	5,000.00
	Legal Disbursements	50.00	50.00
		(23,770.00)	(23,770.00)
	SECURED CREDITORS		
(118,000.00)	PITCH4 Limited	118,000.00	118,000.00
		(118,000.00)	(118,000.00)
	ASSET REALISATIONS		
	Bank Interest Gross	142.29	142.29
1,112,076.00	Book Debts	NIL	NIL
1.00	Client Contracts & Files	NIL	NIL
576,000.00	Client T Debt/WIP	NIL	NIL
	Debtor Receipts	15,690.64	15,690.64
3,136,948.00	Directors Loan Account	NIL	NIL
1,000.00	Fixtures,Fittings, Office & IT Equipment	NIL	NIL
100,000.00	Other Debtors - Trade related	NIL	NIL
1.00	Stock	NIL	NIL
1.00	Supplier Contracts	NIL	NIL
70,000.00	WIP	NIL	NIL
		15,832.93	15,832.93
	COST OF REALISATIONS		
	Legal Fees	780.00	780.00
		(780.00)	(780.00)
	SECONDARY PREFERENTIAL CREDITORS		
(508,079.00)	HMRC - VAT and PAYE/ NIC	NIL	NIL
		NIL	NIL
	PREFERENTIAL CREDITORS		
(150,000.00)	Employee Arrears/Hol Pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(709,971.00)	HMRC- Corporation Tax, Other	NIL	NIL
(5,524,549.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(80,945.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,895,521.00)		33,282.93	33,282.93
	REPRESENTED BY		
	Bank 1 Current - Interest bearing		28,382.93
	Vat Receivable		4,900.00
			33,282.93



William Antony Batty
Joint Administrator
10 October 2024 11:48

RICHARD SLADE AND COMPANY LIMITED - IN ADMINISTRATION

JOINT ADMINISTRATORS' SIX MONTHLY PROGRESS REPORT

**ANTONY BATTY & COMPANY LLP
3 FIELD COURT
GRAY'S INN
LONDON
WC1R 5EF**

RICHARD SLADE AND COMPANY LIMITED - IN ADMINISTRATION

JOINT ADMINISTRATORS' SIX MONTHLY PROGRESS REPORT

This report is prepared in accordance to the provisions of the Insolvency Act 1986, which require the Joint Administrators to provide creditors with a report on the progress of the Administration. The report has been prepared for the purpose of advising creditors and should be read in conjunction with our proposals. The report is private and confidential and may not be relied upon, referred to, copied or quoted from, in whole or in part, by creditors for any purpose other than advising them, or by any other person for any purpose whatsoever.

William Antony Batty and Hugh Jesseman were appointed as Joint Administrators of Richard Slade And Company Limited on 12 March 2024.

The affairs business and property of the Company are being managed by the Joint Administrators, who act as the Company's agent and contract without personal liability.

In preparing this report the Joint Administrators have had to rely on some information provided by the Directors, management and others. It has not been possible to verify all such information. Therefore, the Joint Administrators take no responsibility for the completeness or accuracy of such information.

WA Batty, HF Jesseman, CE Howell and JW Stares are licensed as Insolvency Practitioners in the UK by The Institute of Chartered Accountants in England & Wales under S. 390 (2) of the Insolvency Act 1986. JM Brenner is licensed to act as an Insolvency Practitioner in the United Kingdom by The Insolvency Practitioners Association under S. 390 (2) of the Insolvency Act 1986.

Abbreviations used in this report:

- Richard Slade And Company Limited - ("the Company")
- William Antony Batty and Hugh Jesseman - ("the Joint Administrators")
- HM Revenue & Customs - ("HMRC")
- Redundancy Payments Service - ("RPS")

RICHARD SLADE AND COMPANY LIMITED ("THE COMPANY") – IN ADMINISTRATION

ADMINISTRATORS' PROGRESS REPORT TO CREDITORS

For the six months ending 11 September 2024

STATUTORY INFORMATION

Company name:	Richard Slade And Company Limited
Formerly known as:	
Court name and reference:	High Court of Justice CR-2024-001496
Registered office:	3 Field Court, Gray's Inn, London, WC1R 5EF
Former registered office:	13 Gray's Inn Square, London, WC1R 5JD
Registered number:	02624852
Joint Administrators' names;	William Antony Batty and Hugh Jesseman
Joint Administrators' address:	3 Field Court Gray's Inn, London WC1R 5EF
Joint Administrators' date of appointment:	12 March 2024
Actions of Administrators	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

JOINT ADMINISTRATORS' ACTIONS SINCE APPOINTMENT

The statutory objective of the Administration was to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration). This was to be achieved by making a prompt sale of the business and assets so as to maximise the value available to creditors.

I have previously provided a detailed description of my actions in my proposals issued on 22 February 2024.

Background

Richard Slade & Co was formed as a sole practitioner in 2008/9. The firm offered legal services, principally civil litigation. In 2016 the sole practitioner business was transferred to an incorporated entity into an existing limited company and retained the name, employees, and clients of the existing practice. Since 2016 the company has continued with civil litigation. The number of fee earners has varied, although settled at 8-10 over the past 3-4 years.

The Company had historically been profitable with a stable turnover of £3-£4m per annum and profits before tax of £1-£1.5m per annum. The pandemic created challenges operationally although the firm entered the pandemic with plenty of work. However, the closure of courts led to a slowdown in trade towards the end of the pandemic and a difficulty in gaining new clients.

In late 2023 the Company was appointed by a client facing a major 22 week trial, which the Director believed would enable the company to trade out of cash flow issues that it was then experiencing. This was the objective of the Director.

Efforts were made by RSCO to seek to enter a time to pay arrangement with HMRC, but this was unsuccessful, with HMRC confirming that it intended to issue a winding up petition.

On 28 November 2023 Mr Slade sought advice from this firm. The Director proposed a Moratorium be put in place to give the Company time to collect several large historic debts with a view to paying the arrears due to HMRC and to reach either an informal payment plan with other creditors or a Company Voluntary Arrangement ("CVA") to enable the Company to survive as a going concern. Antony Batty of ABCo agreed to act as Monitor of a Moratorium under the Insolvency Act 1986.

The Moratorium was extended initially by the Director and a further extension was agreed by creditors. During the Moratorium the Company was able to make a substantial payment to HMRC but a significant debt remained and the Company was unable to pay PAYE/NI due on 18 February 2024. Accordingly the Moratorium could not be extended beyond 21 February 2024 as the Company was unable to settle all of its post moratorium debts.

Immediately prior to the Moratorium HMRC were able to issue a Winding Up Petition, although the Company claimed that this had been issued during the period of the final Notice of intention to appoint administrators.

With increasing pressure from creditors, Mr Slade invited PITCH4 Limited, who hold a fixed and floating charge debenture over RSCO's assets to appoint Administrators so that the assets can be sold via a pre-pack through an administration.

Actions Since Appointment

On 12 March 2024, Hugh Jesseman and I were appointed by PITCH4 Ltd as Joint Administrators of the Company and took over from the Board responsibility for the management of the affairs, business and property of the Company. The appointment permitted the Joint Administrators to take any actions required either jointly or alone, and I have been the Administrator primarily involved in dealing with the Company's affairs.

Since we were appointed as Administrators, we have negotiated and completed a sale of the business and certain assets, the details of which are summarised in my proposals. I have issued formal notification of our appointment to the Company, Companies House, and advertised the appointment in the London Gazette.

The sale of the business and certain assets to A H Christie Legal LLP ("AHCL") was completed on 12 March 2024.

Much of our time has been spent dealing with the proposed "pre-packaged sale", completion matters and meeting the statutory requirements in respect of pre-pack transactions.

Following the completion of the sale, I have been dealing with the formalities of legally transferring assets, issues relating to various contracts entered into by the Company, and numerous enquiries by creditors. All Employees have transferred to the Purchaser under the Transfer of Undertakings (protection of employment) Regulations 1981.

Consideration payable under the sale agreement was due from the purchaser, AHCL (now Richard Slade & Partners LLP) and I have, with the assistance of my solicitors, Judge Sykes Frixou ("JSF"), been dealing with collection of the sums due. The consideration is composed of an Initial Consideration of £210,000, with £150,000 to be paid upon completion, and the remainder to be paid over 5 months in 6 instalments of £10,000 per month, secured by way of a debenture over RSPL's assets.

Our solicitors, Judge Sykes Frixou ("JSF"), confirmed payment of the first £150,000 due. From the proceeds initially received, £118,000 has been paid to PITCH4 Limited under their fixed charge and the charge has been satisfied.

JSF have also confirmed receipt of a subsequent six payments due of £10,000 each, bringing the total sale consideration received to £210,000.

Debtors were collectable by RSP on our behalf, as set out in the sale agreement, and, together with JSF, we have undertaken work liaising with RSP in relation to collections and amounts payable under the agreement. Further details are provided below.

Proceeds deriving from Work in Progress ("WIP") recoverable by RSP is also to be split with RSCO under the sale agreement. Again, together with JSF, we have undertaken work liaising with RSP in relation to collections and amounts payable under the agreement. Further details are provided below.

The Statement of Affairs as at 12 March 2024 showed an amount realisable of £576,000 in relation to an item described as the "Client T Debt/WIP". Further details in relation to this amount receivable are given below, but considerable

work has been involved in identifying the amount receivable by RSCO and taking steps to ensure that this amount can be recovered.

I have dealt with a significant volume of detailed correspondence from creditors and other stakeholders, relating both to queries and as regards information being brought to our attention and for further analysis.

I have also been dealing with various issues in relation to third party assets and arrangements being taken over by the buyer.

On 20 May 2024, creditors approved the proposals of the Joint Administrators and voted to form a creditors' committee.

This was established on 6 June 2024 and a first meeting was held on 25 June 2024. The committee voted to approve the various resolutions proposed, as set out in my report to creditors of 24 June 2024, including the following:-

- That the pre-administration costs of £35,000 be approved.
- That the Administrators' fees will be charged by reference to the time properly spent by them and their staff in dealing with the matters relating to the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken and subject to the fees estimate set out in the report prepared in connection with fee approval and issued with notice of the meeting of the Creditors' Committee.

A significant amount of time has been spent:

- Realising assets and managing the sale of the business & assets, including negotiations, draft of agreements with purchaser, dealing with release of security and associated requirements, including liaising with the Solicitors Regulation Authority
- Dealing with creditor queries/correspondence
- Fulfilling Statutory reporting requirements to creditors/Companies House/the Court
- Undertaking Investigations, including review/analysis of information/documentation

Please note that there is certain work that I am required by the insolvency legislation to undertake work in connection with the Administration that provides no financial benefit for the creditors. A description of the routine work undertaken since my appointment as Joint Administrator is contained in the Appendices.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 12 March 2024 to 11 September 2024 is attached at Appendix 1, which I have reconciled to the financial records that I am required to maintain. Please note that receipts and payments in the account are shown net of VAT.

The balance of funds is held in an interest bearing estate bank account.

ASSETS

On 12 March 2024, I sold certain of the business and assets of RSCO to A H Christie Legal LLP ("AHCL")(now Richard Slade & Partners LLP ("RSP") . AHCL/RSP is considered a Connected Party by virtue of having common controlling director/designated member.

On 8 March 2024, a valuation of the assets of the Company was prepared by ITC Valuers Ltd, a member of the National Association of Valuers & Auctioneers, an independent firm of valuers who have confirmed that they hold Professional Indemnity Insurance.

The Sale included the assets listed below and was completed by means of a sale and purchase agreement. The consideration is composed of an Initial Consideration of £210,000 and required £150,00 to be paid on completion and the remainder to be paid over 5 months in 6 instalments of £10,000 per month secured by way of a debenture over AHCL's assets.

The consideration in respect of WIP will be paid by AHCL as this is billed and collected.

An outline of the different types of asset sold and the amount for which they were sold, together with a comparison against the valuation realised, is given below.

The valuation of assets was provided on both a willing buyer basis ("WBV") and a forced sale basis ("FSV"), being the most likely outcomes of the administration. Given this was a pre-pack sale, the WBV is the most relevant valuation.

Willing Buyer (WBV) basis is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.

Forced Sale (FSV) basis is where the assets are disposed of individually by either public auction, private treaty sale, or tender, and the assets are sold 'Ex-Situ' within a restricted period.

Asset category	Valuation basis & amount (£)		Sale Consideration (£)
	Willing Buyer	Forced Sale	
<u>Fixed charge assets</u>			
Intellectual Property & Goodwill	200,000	Nil	1 199,995
Lease	Nil	Nil	N/a (excluded)
<u>Floating charge assets</u>			
Stock			1
Work in progress (1)	70,000	Nil	1
Client T Debt/WIP (2)	576,000	Nil	N/a (excluded)
IT Equipment	5,000	1,000) 10,000
Office Furniture	3,000	1,000)
Fixtures & Fittings	1,000	Nil)
Client Contracts & Files			1
Supplier Contracts			1
Total	855,000	2,000	210,000

Note: (1) The Sale Agreement provides that proceeds from WIP recovered will be split in accordance with pre- and post-sale time records between RSCO and the Buyer. It is estimated that RSCO will receive approximately £70,000 from future billings and payments on WIP

(2) This debt relates to a particular client and reflects 40% of the value invoiced – the case is in progress and the value split takes in to account the work required by any acquirer for proper conduct of the case for the remaining 5 months

(3) As stated below, debtors were expressly excluded from the sale. However, the agreement makes provision for the Buyer to collect debtors on RSCO's behalf, for a fee equivalent to 20% of funds collected

The Goodwill valuation is based on the historical value reflected in the accounts, the trading history of the Company, and its reputation and that of its director and management.

I am not aware that of any of the Company's assets have been acquired from an insolvency process within the previous 24 months.

The total sale consideration apportioned to intangible assets is very considerably in excess of the valuation of the relevant assets. The amount apportioned to floating charge assets (excluding Client T Debt/WIP and WIP) is within the range provided in ITC's valuation.

Debtors and cash at bank were expressly excluded from the sale.

No independent valuation was obtained for RSCO's debtors. As referred to previously in this report, the ability for a purchaser to become the successor practice carries significant risk and, in this instance, cost, given some of RSCO legacy issues. These risks and costs are therefore reflected within the overall price under the Sale.

Leasehold Land & Property £Nil

The valuation agents ITC had not been in possession of complete information relating to the Company's lease as at the date of valuation, but their inspection identified that the premises had been subject to continuous use and would require considerable work to be brought up to modern standards. The lease has no value shown in the most recent accounts filed. The premises were excluded from the sale agreement, and for purposes of the Statement of Affairs have been shown as having no realisable value on a commercial basis. We have since established that the lease came to an end in November 2022.

Goodwill and Intellectual Property £199,996

This represents the trading name of the Company, the contact details, intellectual property, website and associated information.

Office & IT Equipment, Stock £10,000 (also including Fixtures & Fittings as above)

This consisted of several desktop computers and printers as well as desks, chairs, shelving units and miscellaneous office furniture.

Stock would comprise consumables held on the office premises.

Work in Progress £646,000

This represents the value of work carried out or contracted for but not yet billed.

As noted in my proposals, the sale agreement provides that proceeds from WIP recovered will be split in accordance with pre- and post-sale time records between RSCo and RSPL. The Statement of Affairs showed WIP with Book Value of £336,475. It was estimated that RSCo will receive approximately £70,000 from future billings and payment on WIP.

As at 31 August 2024, WIP of £26,500 has been billed (by RSPL), and £21,234.58 has been settled. Nothing has been received from RSP as yet in relation to this.

A further balance collectable of £576,000 relates to a debtor described as "Client T", of which 40% of the value invoiced is due to be paid to RSCo under the sale agreement. The case is in progress and the value split takes in to account the work required by any acquirer for proper conduct of the case for the remaining 5 months.

We believe that RSP have collected a proportion of the sum due from this client but RSP have not accounted to RSCo for any of the amount due. RSP advise that other sums are collectible from this client which should be sufficient to settle the sum due to RSCo.

Book debts £1,112,076

As previously stated, debtors were expressly excluded from the sale. However, the agreement makes provision for the Buyer to collect debtors on RSCO's behalf, for a fee equivalent to 20% of funds collected.

The realisable value given to book debts is based on the Directors estimate of the debts which will be recoverable by the Company.

The total book value of debtors shown in the Director's Statement of Affairs as at 12 March 2024 is £3,080,707, comprising "fee" debtors of £1,390,096.20 and "disbursement" debtors of £1,690,610.88.

The Director's estimate of the value of fee debtors realisable (by RSCo) per the Statement of Affairs is £1,112,076 (which necessarily only relates to fee debtors).

RSPL has reported that to 31 July 2024, fee debtor receipts total £182,506.13.

To date, JSF has received £128,308.50 from RSP in this connection. Debtor receipts of £15,690.64 have been received by the Administrators directly from RSP.

"Disbursement" debtors represent debtor amounts owed specifically in relation to professional disbursements on cases. These debts will be collected by RSP and on receipt they are to be paid directly to the relevant supplier of the service. This takes into account the principles set out in Bar Council information note "Barristers fees when a solicitor or firm becomes insolvent", and other applicable requirements as regards other professions/suppliers of services.

Accordingly, any payments made to creditors will serve to reduce RSCo's liability to that creditor and will reduce unsecured creditors overall.

Directors Loan Account £3,136,948

This represents the balance repayable by the Director Mr Slade in the Company's records.

We have asked Mr Slade to provide a statement of his personal assets and liabilities. He has indicated that he does not have sufficient assets to repay this sum in full. We are liaising with Mr Slade in this regard with the assistance of JSF.

Other Loans £100,000

The accounts show an amount due from Slade Antiques & Fine Arts Limited, a related Company in the sum of £1,727,487. The latest accounts for that Company at Companies House show that this Company had net liabilities at 31 August 2021 of £346,564. Mr Slade has indicated that £100,000 is recoverable.

The Joint Administrators have demanded repayment of this loan, the Director of the Company, who is connected to Mr Slade, has stated that the Loan is subject to 18 months' notice to repay. We are taking advice on this.

Client Contracts & Files

These were sold for £1 and represent any value in agreements and working papers relating to existing/historical clients, in addition to Work in Progress and Debtors.

Supplier Contracts

These were sold for £1 and represent any value in existing and historical information/agreements with suppliers.

Cash at Bank

The bank has confirmed a nil balance after closing charges.

LIABILITIES

Secured Creditors £ 118,000

The Company granted a Debenture containing fixed and floating charges dated 13 June 2023 to PITCH4 Limited ("PITCH4") registered on 13 June 2023. As at the date of appointment, PITCH4 was owed £118,000. In accordance with the terms of their security, PITCH4's liabilities were settled from fixed charge proceeds at the date of sale on that date, and the charge has been satisfied.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case The money due to PITCH4 has been fully repaid from the fixed charge held. As a result, I will not have to pay them any money under their floating charge, and the prescribed part provisions will not apply.

Qualifying Pre-Moratorium and Moratorium Liabilities £ 35,453

The legislation provides that certain liabilities falling due before, during, or accruing during the previous moratorium attract so-called "super-priority" status, and are reflected accordingly on the Statement of Affairs. These amounts mainly related to PAYE/NI and VAT accrued during the Moratorium period.

Preferential creditors £ Nil/Secondary Preferential creditors £ 519,865

The only known ordinary preferential creditors, as reflected on the Statement of Affairs, are former employees of the Company for unpaid holiday pay. Their claims are subject to a maximum limit set by the insolvency legislation. However, as previously described, these liabilities have been transferred to the Purchaser under TUPE legislation.

Crown Creditors

HMRC are secondary preferential creditors for certain specified debts, such as VAT, PAYE, employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions. Secondary preferential debts are payable after all ordinary preferential debts have been paid in full, and before non-preferential unsecured debts. The statement of affairs included £508,079 owed to HMRC in respect of their secondary preferential claim. A claim has been received from HMRC, reflecting a secondary preferential liability of £519,865.

The statement of affairs included £709,971 owed to HMRC in respect of their non-preferential claim. HMRC's non-preferential claim of £709,970.65 has been received.

Non-preferential unsecured Creditors (excluding HMRC)

The statement of affairs included 84 non-preferential unsecured creditors (excluding HMRC) with an estimated total liability of £5,524,549. I have received claims from 26 creditors (excluding HMRC) at a total of £3,854,573.09. I have not received claims from 67 creditors with original estimated claims in the statement of affairs of £2,719,632.

DIVIDEND PROSPECTS

Based on current known information about the Company's financial position, and after taking into account the anticipated office holders' fees and expenses, I anticipate that a dividend will be paid to super-priority creditors, secondary preferential creditors, and to unsecured creditors

As previously advised, the Company gave a floating charge to PITCH4 Limited on 13 June 2023 and the prescribed part provisions will apply. In this case The money due to PITCH4 has been fully repaid from the fixed charge held. As a result, I will not have to pay them any money under their floating charge, and the prescribed part provisions will not apply.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. In particular, I considered the following matters of concern raised by creditors:-

- Finance obtained on assets not currently available/identified

Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 36 months prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the Administration and made enquiries about the reasons for the changes.

I took the following action where I considered that further investigation was justified:

- Review of the available documentation as relates to the items in question, analysis and enquiries are ongoing

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

PRE-ADMINISTRATION COSTS

On 25 June 2024, the following pre-administration costs were approved by the Creditors' Committee

Pre-administration fees charged by Antony Batty & Company LLP: £20,000.

Pre-administration expenses incurred: £15,000.

£15,000 has been to date in respect of these costs, as detailed in the attached receipts and payments account, such that £20,000 remains outstanding and will be paid in due course from realisations made.

ADMINISTRATORS' REMUNERATION

My remuneration was approved on a time cost basis based on a fees estimate of £180,230. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the Creditors' Committee. My total time costs to 11 September 2024 amount to £111,832.50, representing 272.50 hours of work at a blended charge out rate of £410.39 per hour. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £356.54 in my fees estimate. There is a difference in the blended rate charged, compared with the estimated blended rate because a greater proportion of higher charge out rate staff time was required.

I have not yet drawn any remuneration in this matter.

A detailed schedule of my time costs incurred to date compared with my original fees estimate is attached as Appendix 2.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <http://www.antonybatty.com/insolvency-resources>. There are different versions of these Guidance Notes, and you should refer to the most recent version. Please note that we have also provided further information about an office holder's remuneration and expenses in our practice fee recovery sheet, which is enclosed at Appendix 4.

ADMINISTRATORS' EXPENSES

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

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

I have incurred total expenses of £21,245.06. I have paid £9,280 net to 11 September 2024.

The following professional advisors have undertaken work on this case to date:

Professional Advisor	Nature of Work	Fee Arrangement
ITC Valuers Ltd	Valuing and realising assets	Fixed Fee
Judge Sykes Frixou	Legal advice	Time cost
Courts Advertising	Statutory Advertising	Standard premium
Marsh UK Limited	Specific bonding	Standard premium

ITC provided the valuation information, and assisted with the negotiations of the terms of the sale agreement. They have also assisted in finalising the sale agreement, provided further valuation and asset related information to the appointed Joint Administrators. Their fee is a fixed fee agreed.

Judge Sykes Frixou assisted with the drafting of the sale agreement, liaised/negotiated with the purchaser, provided legal advice in relation to the charge(s) and assisted with final work on the sale agreement, and oversaw the sale itself. They also assisted in relation to the charge holder. They have and continue to assist with recovery of funds due in respect of debtors and WIP.

Courts Advertising Limited ("Courts") are being utilised to issue statutory advertising notices. Courts provides services to publish statutory notices with the London Gazette. The premium is based on their standard charges.

Marsh Limited ("Marsh") are being instructed to place specific bonding cover, which is required for each insolvency appointment. Marsh Limited provides specialist insolvency insurance and bonding service. The premium is based on their standard charges.

My choice of professional advisors was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also confirmed that they hold appropriate regulatory authorisations. I consider that the basis on which they will charge their fees represents value for money.

I have incurred the following expenses in the period since my appointment as Administrator:-

Type of expense	Amount incurred / accrued in the reporting period	Amount incurred \ accrued in total	Amount unpaid
Legal fees	£28,990	£28,990	£20,270
Statutory advertising	£221.60	£221.60	£221.60
Insolvency bond	£580.00	£580.00	£580.00
Postage	£123.46	£123.46	£123.46
Swearing fee	£50.00	£50.00	£50.00

Details of the category 1 expenses that I have paid to date are included in the receipts and payments account attached.

No approval has been sought for category 2 expenses.

Nature of expense	Estimated expenses	Expenses incurred to date
Legal fees	£30,000	£28,990
Statutory advertising	£110.00	£221.60
Insolvency bond	£580.00	£580.00
Postage	£120.00	£123.46
Swearing fee	£50.00	£50
ITC valuers	£5,000	£Nil

As you can see above, while the total expenses I incurred were in line with the total expenses I estimated I would incur when my remuneration was approved, some expenses were higher than I estimated and some were lower than I estimated. The reasons for this are that additional statutory advertising was required, and that ITC valuers did not charge any additional fees.

ALLOCATION OF COSTS

Fixed charge creditors

The following costs are those incurred to date that are directly attributable to the realisation of the company's assets subject to a fixed charge. As such they have either been paid from, or have been allocated for future payment against, fixed charge realisations as follows:

Details of Expenditure	Amount paid £	Amount allocated, yet to be paid £
Joint Administrators' fees	Nil	£20,000
Legal fees	£5,000	£Nil

The following costs are general costs of the Administration incurred to date that are not directly attributable to either the realisation of the fixed charge assets or the company's other assets, or apportioned costs based on the % value of assets realised.

Details of Expenditure	Amount paid £	Amount allocated, yet to be paid £
Joint Administrators' Fees	Nil	80,928.50
Legal Fees	3,720	20,270
Bonding	Nil	580
Statutory Advertising	Nil	221.60
Postage	Nil	120.00
Swearing Fee	Nil	50.00

In accordance with the terms of their security, PITCH4's liabilities of £118,000 were settled from fixed charge proceeds at the date of sale on that date, and the charge has been satisfied.

Qualifying Pre-Moratorium and Moratorium Liabilities £ 35,453

The legislation provides that certain liabilities falling due before, during, or accruing during the previous moratorium attract so-called "super-priority" status, and are reflected accordingly on the Statement of Affairs. These amounts mainly related to PAYE/Ni and VAT accrued during the Moratorium period.

On present indications, Super-Priority creditors will be paid in full.

Preferential creditors

The only known ordinary preferential creditors, as reflected on the Statement of Affairs, are former employees of the Company for unpaid holiday pay. Their claims are subject to a maximum limit set by the insolvency legislation. However, as previously described, these liabilities have been transferred to the Purchaser under TUPE legislation.

HMRC are secondary preferential creditors for certain specified debts, such as VAT, PAYE, employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions. Secondary preferential debts are payable after all ordinary preferential debts have been paid in full, and before non-preferential unsecured debts. The statement of affairs included £508,079 owed to HMRC in respect of their secondary preferential claim. A claim has been received from HMRC, reflecting a secondary preferential liability of £519,865.

On present indications, secondary preferential creditors will be paid in full.

Unsecured creditors

On present indications, there will be a significant return to unsecured creditors, but this is dependent on debtor realisations. Additionally, certain "disbursement" creditors are paid directly by RSP, in accordance with the principles set out in Bar Council information note "Barristers fees when a solicitor or firm becomes insolvent", and other applicable requirements as regards other professions/suppliers of services.

FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Administrator'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 unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrator'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.

To comply with the Provision of Services Regulations, some general information about Antony Batty & Company LLP can be found at <http://www.antonybatty.com/insolvency-resources>.

SUMMARY

The Administration will remain open until the following matters have been finalised:-

- Recovery of debtor monies due
- Recovery of "WIP" monies due
- Recovery of loans repayable
- Distributions as appropriate

I estimate that this will take approximately 12 months or longer, and once these matters have been finalised the Administration will cease and my files will be closed.

If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available on-line, they should contact Neil Barry by email at Neil@antonybatty.com, or by phone on 020 7831 1234.

A handwritten signature in black ink, appearing to be 'WAB', enclosed within a circular scribble.

William Antony Batty

Joint Administrator

Date: 10 October 2024

The affairs, business and property of the Company are being managed by the Joint Administrators, William Antony Batty and Hugh Jesseman. The Joint Administrators act as agents of the Company and contract without personal liability.

Richard Slade And Company Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 12/03/2024 To 11/09/2024 £	From 12/03/2024 To 11/09/2024 £
	SECURED ASSETS		
NIL	Leasehold Land & Property	NIL	NIL
199,995.00	Goodwill	160,000.00	160,000.00
1.00	Intellectual Property	NIL	NIL
		160,000.00	160,000.00
	COSTS OF REALISATION		
	Legal Fees	18,720.00	18,720.00
	Valuer's Fees	5,000.00	5,000.00
	Legal Disbursements	50.00	50.00
		(23,770.00)	(23,770.00)
	SECURED CREDITORS		
(118,000.00)	PITCH4 Limited	118,000.00	118,000.00
		(118,000.00)	(118,000.00)
	ASSET REALISATIONS		
	Bank Interest Gross	142.29	142.29
1,112,076.00	Book Debts	NIL	NIL
1.00	Client Contracts & Files	NIL	NIL
576,000.00	Client T Debt/WIP	NIL	NIL
	Debtor Receipts	15,690.64	15,690.64
3,136,948.00	Directors Loan Account	NIL	NIL
1,000.00	Fixtures,Fittings, Office & IT Equipment	NIL	NIL
100,000.00	Other Debtors - Trade related	NIL	NIL
1.00	Stock	NIL	NIL
1.00	Supplier Contracts	NIL	NIL
70,000.00	WIP	NIL	NIL
		15,832.93	15,832.93
	COST OF REALISATIONS		
	Legal Fees	780.00	780.00
		(780.00)	(780.00)
	SECONDARY PREFERENTIAL CREDITORS		
(508,079.00)	HMRC - VAT and PAYE/ NIC	NIL	NIL
		NIL	NIL
	PREFERENTIAL CREDITORS		
(150,000.00)	Employee Arrears/Hol Pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(709,971.00)	HMRC- Corporation Tax, Other	NIL	NIL
(5,524,549.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(80,945.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,895,521.00)		33,282.93	33,282.93
	REPRESENTED BY		
	Bank 1 Current - Interest bearing		28,382.93
	Vat Receivable		4,900.00
			33,282.93

Appendix 2

1. Administration

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

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Convening and holding general meetings of creditors and members (as applicable).
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

1. Creditors

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

Dividends - the office holder has to undertake certain statutory formalities in order to enable him to pay a dividend to creditors. This include writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.)

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.

2. Investigations

- Submit an online return on the conduct of the directors as required by the Company Directors Disqualification Act.

Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

RICH002 - Richard Slade And Company Limited
 To: 11/09/2024
 All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg Hourly Rate (£)	Hours Cum (POST Only)	Time Costs Cum (POST Only)
100 : Administration & Planning	13.20	27.10	0.80	8.30	49.40	19,782.50	400.46	49.40	19,782.50
103 : Appointment notification	0.60	0.00	0.00	1.20	1.80	516.00	286.67	1.80	516.00
104 : Maintenance of records	0.00	0.00	0.00	7.10	7.10	994.00	140.00	7.10	994.00
105 : Statutory reporting	27.00	14.80	0.00	5.80	47.60	22,318.00	468.87	47.60	22,318.00
110 : Members correspondence	0.00	1.00	0.00	0.00	1.00	395.00	395.00	1.00	395.00
Administration & Planning	40.80	42.90	0.80	22.40	106.90	44,005.50	411.65	106.90	44,005.50
500 : Creditors	6.00	38.40	0.00	5.60	50.00	19,432.00	388.64	50.00	19,432.00
501 : Creditor Communication	7.70	0.00	0.00	12.50	20.20	6,216.00	307.72	20.20	6,216.00
504 : Committee Reporting	3.80	0.00	0.00	0.00	3.80	2,204.00	580.00	3.80	2,204.00
505 : Progress Report	0.00	15.50	0.00	0.40	15.90	6,178.50	388.58	15.90	6,178.50
Creditors	17.50	53.90	0.00	18.50	89.90	34,030.50	378.54	89.90	34,030.50
200 : Investigations	3.10	11.50	0.00	6.00	20.60	7,180.50	348.57	20.60	7,180.50
201 : SIP 2 review	0.00	0.00	0.00	2.00	2.00	280.00	140.00	2.00	280.00
202 : CDDA reports	0.00	0.00	0.00	1.30	1.30	182.00	140.00	1.30	182.00
Investigations	3.10	11.50	0.00	9.30	23.90	7,642.50	319.77	23.90	7,642.50
300 : Realization of assets	6.10	19.60	0.00	0.40	26.10	11,336.00	434.33	26.10	11,336.00
303 : Debt Collection	7.70	0.00	0.00	0.00	7.70	4,466.00	580.00	7.70	4,466.00
304 : Sale of prop, bus and ass	17.40	0.00	0.00	0.20	17.60	10,120.00	575.00	17.60	10,120.00
305 : Legal matters	0.40	0.00	0.00	0.00	0.40	232.00	580.00	0.40	232.00
Realisations of Assets	31.60	19.60	0.00	0.60	51.80	26,154.00	504.90	51.80	26,154.00
Total Hours	93.00	127.90	0.80	50.80	272.50	111,832.50	410.39	272.50	111,832.50
Total Fees Claimed	0.00								

** - Denotes codes included in cumulative data that are not present in the period.

ANTONY BATTY & COMPANY LLP**TIME COSTS – CHARGE OUT RATES PER HOUR AND EXPENSES POLICY.****1 JULY 2024 TO 30 JUNE 2025**

Office Holder (e.g., Administrator)	£595
Director	£470
Senior Manager	£395
Case Manager	£380
Senior Administrator 1	£305
Administrator	£265
Junior Administrator	£175

Historic hourly charge out rates	13/17	17/18	18/21	21/23	23/24	24/25
Office Holder (e.g., Administrator)	£399	£429	£435	£455	£580	£595
Director	£-	£-	£-	£-	£460	£470
Senior Manager	£235	£375	£380	£395	£395	£395
Case Manager	£295	£335	£340	£375	£375	£380
Senior Administrator 2	£-	£-	£295	£325	£-	£-
Senior Administrator 1	£235	£255	£260	£285	£295	£305
Administrator	£145	£160	£175	£195	£210	£265
Junior Administrator	£80	£90	£95	£110	£140	£175

Time is charged in unit of six minutes; the minimum unit of time is therefore six minutes.

Please note that these rates may be increased from time to time. Creditors will be notified of changes in the annual report.

Expenses Policy

Please note that the office holder's disbursements are charged out at the following rates:

Category 1 - represent recovery of necessarily incurred expenses at the cost incurred.

Sundry expenses, such as advertising, where incurred appropriately, are recharged at 100% of the cost incurred.

There is a statutory requirement to advertise the following notices in the London Gazette: first meeting of creditors, resolutions for winding-up, appointment of Liquidators, final meetings, and notices to creditors to submit claims. Statutory advertising costs are at a fixed rate of £110.80 plus VAT per advert.

Insurance and bonding are recharged at 100% of the relevant charge to the office holder.

There is a statutory requirement for the Liquidator to apply for specific bond cover based on the expected realisations in each appointment. The bond premiums may be found on our website: <http://antonybatty.com/insolvency-resources>.

Travel costs with the exception of mileage costs are recharged at 100% of the cost incurred.

VAT is charged as appropriate.

Postage: Franked mail rates, or Royal Mail postage rates (as appropriate).

Category 2

Travel: where Antony Batty & Company LLP staff use their own vehicles in the course of their duties in this matter, the mileage is recharged at 45p per mile.

VAT is charged as appropriate.

PRACTICE FEE RECOVERY POLICY FOR ANTONY BATTY & COMPANY LLP

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 creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) "Payments to Insolvency Office Holders and their Associates from an Estate" and can be accessed at <http://www.antonybatty.com/insolvency-resources>. Alternatively, a hard copy may be requested from Antony Batty & Company LLP, 3 Field Court, Gray's Inn, London, WC1R 5EF or office@antonybatty.com. Please note, however, that the guides have not yet been updated for the revised legislation, so we have provided further details in this policy document.

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

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

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

Time cost basis

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

Charge-Out Rates

Grade of staff	Hourly Charge-Out Rate
	1 July 2024 to 30 June 2025
	£
Office Holder	595
Senior Manager	470
Manager	395
Senior Administrator 2	380
Senior Administrator 1	305
Case Administrator	265
Junior case administrator	175

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

Members of staff with the appropriate level of experience and authority will be used for the various aspects of work necessary in this assignment.

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 on new appointments we now only seek time costs on certain cases:

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

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

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

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

Percentage basis

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

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

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

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility

of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 it will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

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

Fixed fee

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

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

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

Direct Costs

Where we seek approval on a percentage and / or fixed fee basis, in order to meet the requirements of SIP 9 we also have to disclose the direct costs that are included within the remuneration that will be charged on those bases in respect of the work undertaken. The following are direct costs that will be included in respect of work undertaken in respect of each of the standard categories of work where the office holder is to be remunerated for such work on either a percentage or fixed fee basis:

- Case Administration (including statutory reporting) –costs of case management system.
- Realisation of Assets costs of case management system.
- Investigations - costs of case management system.
- Creditors (claims and distributions) - costs of case management system.
- Trading - costs of case management system.

Mixed basis

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

Members' voluntary liquidations and Voluntary Arrangements

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

All bases

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

Agent's Costs

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.

Expenses

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

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

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

Statutory advertising costs are at a fixed rate of £110.80 plus VAT per advert. The Marsh Limited specific bond premiums may be found on our website: <http://antonybatty.com/insolvency-resources>.

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

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

Travel: where Antony Batty & Company LLP staff use their own vehicles in the course of their duties in this matter, the mileage is recharged at 45p per mile.

VAT is charged as appropriate.

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

- Solicitors/Legal Advisors;

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

* Note: where such professional advisors are instructed on a case, the office holder will not charge any remuneration to the case in respect of such work, other than in respect of supervising and monitoring their work.

Reporting and rights to challenge

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration charged by the office holder in the period covered by the report, i.e., the amount that the office holder is entitled to draw, together with the amount of remuneration actually drawn. If approval has been obtained for remuneration on a time costs basis, the time costs incurred will also be disclosed, whether drawn or not, together with the "blended" rates of such costs. The report will also compare the actual time costs incurred with those included in the fees estimate prepared when fixing the basis of the remuneration, and indicate whether the fees estimate is likely to be exceeded. If the fees estimate has been exceeded, or is likely to be exceeded, the report will explain why that is the case.

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

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

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

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

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