

In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986.

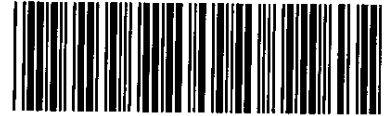
LIQ03

Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



A18 *A87FY3XK* #102
12/06/2019
COMPANIES HOUSE

1 Company details

Company number 0 4 2 0 0 9 3 3

Company name in full Partners for Improvement In Camden Limited

→ Filing in this form
Please complete in typescript or in bold black capitals.

2 Liquidator's name

Full forename(s) Jeremy

Surname Karr

3 Liquidator's address

Building name/number 24 Conduit Place

Street

Post town London

County/Region

Postcode W 2 1 E P

Country

4 Liquidator's name

Full forename(s) Simon John

Surname Killick

① Other liquidator
Use this section to tell us about another liquidator.

5 Liquidator's address

Building name/number 24 Conduit Place

Street

Post town London

County/Region

Postcode W 2 1 E P

Country

② Other liquidator
Use this section to tell us about another liquidator.

LIQ03

Notice of progress report in voluntary winding up


6 Period of progress report

From date	^d 1	^d 6	^m 0	^m 5	^y 2	^y 0	^y 1	^y 8	
To date	^d 1	^d 5	^m 0	^m 5	^y 2	^y 0	^y 1	^y 9	

7 Progress report

The progress report is attached

8 Sign and date

Liquidator's signature	Signature								
	X		X						
Signature date	^d 1	^d 0	^m 0	^m 6	^y 2	^y 0	^y 1	^y 9	

LIQ03

Notice of progress report in voluntary winding up

 **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 **Simon John Killick**

Company name **Begbies Traynor (Central) LLP**

Address **24 Conduit Place**

London

Post town **W2 1EP**

County/Region

Postcode

Country

DX **London.Paddington@begbies-traynor.com**

Telephone **020 7262 1199**

 **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

Partners for Improvement In Camden Limited

(In Creditors' Voluntary Liquidation)

Progress report

Period: 16 May 2018 to 15 May 2019

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

Contents

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Partners for Improvement In Camden Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 16 May 2018.
"the liquidators", "we", "our" and "us"	Jeremy Karr and Simon Killick of Begbies Traynor (Central) LLP, 24 Conduit Place, London, W2 1EP (see note below at the foot of this page)
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s):	PFI Camden/PFIC
Company registered number:	04200933
Company registered office:	24 Conduit Place, London, W2 1EP
Former trading address:	8 White Oak Square, London Road, Swanley BR8 7AG

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	16 May 2018
Date of liquidators' appointment:	16 May 2018
Changes in liquidator (if any).	Ian Franes was replaced as Joint Liquidator by Simon Killick of Begbies Traynor (Central) LLP, 24 Conduit Place, London, W2 1EP pursuant to a block transfer order of the High Court of Justice made on 22 May 2019.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 16 May 2018 to 15 May 2019.

For full details of the Company's trading history and the project agreement ("**the Project Agreement**") entered into with The London Borough of Camden ("**LBC**") that underpinned all of the Company's operations, together with the background to the Company entering liquidation, please refer to the report that was issued to creditors in accordance with Statement of Insolvency Practice (SIP) 6 on 14 May 2018 via the Begbies Traynor online platform.

RECEIPTS

Bank Interest Gross

£79.20 has been received in bank interest in the period.

Cash at Bank

£630.39 has been received from the Company's bank in relation to the balance held.

VAT Bad Debt Relief

£557,502.54 has been received from HM Revenue & Customs ("**HMRC**") in respect of a claim submitted by the liquidators for the repayment of VAT that had been paid to HMRC in the period prior to the liquidation on unpaid sales invoices for unitary charges due from LBC under the Project Agreement.

In such circumstances, the VAT paid to HMRC is recoverable.

PAYMENTS

Insurance of Assets

£14,096.38 has been paid to Aon UK Limited ("**Aon**") in respect of an insurance premium for the period 1 March 2018 to 15 May 2018. The liquidators were put on notice that the Company's insurers would cancel the Company's insurance policies *ab initio* from 1 March 2018, this being the date that the policies were due for renewal.

The Liquidators liaised with Aon to make arrangements to pay the pro rated premium for the period 1 March 2018 to 15 May 2018, the day prior to the commencement of the liquidation. This action was taken as a prudent step in circumstances where the Liquidators were unable to obtain clarity on the extent of insurance cover in place by LBC or the relevant subcontractors. Given the nature of the Company's operations and the residential dwellings that the project dealt with the liquidators felt that it was a necessary expense.

Legal Disbursements

£8,327.40 has been paid to Fladgate LLP ("**Fladgate**"), the lawyers acting on behalf of the liquidators, in respect of disbursements incurred by them in carrying out their duties. These disbursements relate to the costs of instructing counsel to give opinions on various matters relevant to the liquidation.

Legal Fees

£160,135.80 has been paid to Fladgate in respect of their fees for work carried out in advising the liquidators in relation to various matters relevant to the liquidation. Further details on Fladgate's fees are provided in section 7 of this report.

Liquidators' Expenses

£17.60 has been paid to Begbies Traynor (Central) LLP ("**Begbies**") in respect of the Liquidators' disbursements for travel during the period.

Liquidators' Fees

£60,250 has been paid to Begbies in relation to the fees of the liquidators. Further details regarding the Liquidators' remuneration is provided in section 6 below.

Professional Fees

£12,037.60 has been paid in respect of professional fees incurred by the Liquidators during the period. £3,537.60 of this amount was paid to HCP Management Services Limited ("**HCP**"), the Company's former corporate secretary and finance management provider. The Liquidators employed HCP to assist them with certain accounting matters and the submission of the VAT Bad Debt Relief claim. £8,500 was also paid to PWC LLP ("**PWC**") for work carried out in assisting the Liquidators with the submission of the Company's pre liquidation tax returns in which there is a sizable reclaim for terminal loss relief, further details of which are provided later in this report.

Specific Bond

£342 has been paid to AUA Insolvency Risk Services ("**AUA**") in respect of the bond premium payable for each office holder.

Statutory Advertising

£216 has been paid to EPE Reynell in respect of adverts that are required by statute to be published in the London Gazette.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2.

General case administration and planning

The Liquidators are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Compliance with the Insolvency Act, Rules and best practice

The Liquidators are required to comply with the provisions of the Act at all times. In the first year of the liquidation this has included sending notices to the registrar, filing certain statutory adverts and compiling this report to creditors together with its enclosures. Periodic compliance reviews are also carried out by the Liquidators in order to ensure that all statutory and procedural obligations are being met. These activities have no direct financial benefit for the creditors but are nonetheless a necessary part of administering the liquidation.

Investigations

The Liquidators are required to carry out an investigation into the affairs of the Company and the way in which it was managed in the period preceding the commencement of the liquidation. We have undertaken an assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect.

As previously reported to creditors, The Governor and Company of the Bank of Scotland acting as Security Trustee for senior lenders (hereafter referred to as "**the Bank**") holds fixed and floating charges over the Company's assets pursuant to the terms of a debenture created on 2 May 2006.

The various reserve bank accounts that were operated by the Company were subject to an Accounts Agreement which the Bank relied upon to sweep the reserve accounts of cash prior to the liquidation. The directors of the Company took advice as to the Bank's ability to carry out this sweep of funds prior to the liquidation. The Liquidators have also explored various options regarding a review of the above sweep of funds to satisfy themselves that the Bank did in fact have the ability to act in this way. This matter is ongoing.

Furthermore, as detailed in the SIP 6 report, prior to the liquidation the Company was seeking to pursue a course of adjudication (provided for under the terms of the Project Agreement) in relation to the disputes that had arisen between the Company and LBC and significant work had been undertaken in this regard by the Company and its legal advisers Dentons UKMEA LLP ("**Dentons**"). Please see the SIP 6 report for more comprehensive details on this point and the measures that the Company took to try to secure funding for the adjudication process. The lack of funds available to the Company in the pre liquidation period meant that the progress in this regard was halted.

Once it became apparent that there would be funds available to the Company in liquidation from the VAT Bad Debt relief claim, the Liquidators engaged lawyers to review whether adjudication would still be an option given the Company was in liquidation. This step was taken as the Liquidators have a duty to explore all avenues regarding potential recoveries for creditors.

Given the terms of the Project Agreement and the work that had already been undertaken by Dentons in preparing for an adjudication with LBC in the pre liquidation period, the Liquidators sought to explore the possibility of pursuing the Company's claims in liquidation against LBC by way of an adjudication. However, given the recent *Lonsdale V Brescoe* judgement, recently upheld on appeal, it seems adjudication is not an option for a Company in liquidation.

The Liquidators are therefore exploring various options with regard to dealing with this issue.

Realisation of assets

Please refer to section 4 above for details relating to the assets realised to date.

Dealing with all creditors' claims (including employees), correspondence and distributions

Whilst the Liquidators have not formally adjudicated on any creditor claims in the liquidation a letter of claim was received from the lawyers acting on behalf of LBC on 13 March 2019 in accordance with the Pre-Action Protocol for Construction and Engineering Disputes. The claim amount is £162,848,200. LBC claim that these sums are due to them from the Company for various breaches under the Project Agreement.

The Liquidators, acting on behalf of the Company, have neither accepted nor rejected this claim and have instructed Fladgate to conduct a detailed review of the same (which comprised 118 pages by letter and several lever arch files of supporting documents)

A formal response to LBC's claim is likely to take some time and will require significant work from the Liquidators and their lawyers. This is an ongoing matter that is both complex and sensitive. As such, the Liquidators do not consider it appropriate to provide any further details at this point.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedures, tax, litigation, pensions and travel

The Liquidators have also instructed PWC to calculate and submit the Company's pre liquidation tax returns that include a claim for terminal loss relief in the sum of £796,402.55. This claim has not yet been settled by HMRC but the Liquidators are chasing payment of this sum.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the directors' statement of affairs.

Secured creditor

The Bank is owed £2,200,855 according to the directors' statement of affairs. This sum is calculated as being the residual amount due to the Bank after the sweep of funds prior to the liquidation as detailed earlier in this report.

We anticipate that there will be a return to the Bank, but the quantum is currently uncertain.

Preferential creditors

There are no known preferential creditors.

Unsecured creditors

Unsecured creditors were estimated at £10,336,378. Significant claims in the statement of affairs included:

- PFI Camden (Holdings) Limited in the sum of £8,748,000
- Rydon Maintenance Limited in the sum of £623,577
- Dentons in the sum of £247,114

As detailed above, we have since received a claim from LBC in the sum of £162,848,200 and this is subject to ongoing analysis with a view to providing a formal response.

It is likely that there will be a return to unsecured creditors in this liquidation but the quantum and timing are currently uncertain.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- 50% of the first £10,000 of net property;
- 20% of net property thereafter;
- Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if:

- the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or

- the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

As at the date of this report, we have estimated, to the best of our knowledge and belief, the Company's net property, as defined in Section 176A(6) of the Act, to be £302,789.35 and the prescribed part of the Company's net property to be £63,557.87. These figures are based upon the receipts and payments account as at 15 May 2019 and are subject to further movement as and when the floating charge realisations (and associated costs of realisation) increase.

On present information we do not intend to make an application to court under Section 176A(5) of the Act for an order not to distribute the prescribed part of net property to the unsecured creditors. However, we reserve our position generally in this regard should circumstances materially change.

6. REMUNERATION & DISBURSEMENTS

Remuneration

Our remuneration has been fixed by a decision of the creditors on 25 June 2018 obtained via a Decision Procedure by way of correspondence by reference to the time properly given by us (as Liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the winding up as set out in the fees estimate dated 5 June 2018 in the sum of £60,250 and we are authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, which is attached at Appendix 2 of this report.

Our time costs for the period from 16 May 2018 to 15 May 2019 amount to £73,796 which represents 273.9 hours at an average rate of £269.43 per hour.

The following further information in relation to our time costs and disbursements is set out at Appendix 2:

- Time Costs Analysis for the period 16 May 2018 to 15 May 2019
- Begbies Traynor (Central) LLP's charging policy

To 15 May 2019, we have drawn the total sum of £60,250 on account of our remuneration, against total time costs of £73,796 incurred since the date of our appointment.

Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

As can be seen from the information above, we have exceeded the limit of our fees estimate. For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved. The reasons why the estimate has been exceeded are as follows:

- Significant work has been carried out to assess whether the Company had a right to pursue the adjudication process as outlined earlier in this report and significant work carried out in assessing the strength of the Company's position with regard to the disputes that arose with LBC which preceded the liquidation.
- Work has been carried out reviewing the Company's VAT and tax records in order to submit the relevant returns to enable the claims for VAT Bad Debt Relief and terminal loss relief;

- Significant work has been carried out in relation to the letter of claim submitted by LBC on 13 March 2019 and the preparation to formulate a response in conjunction with our lawyers;
- The charge out rates of Begbies were increased across all levels of staff with effect from December 2018. Further details in this regard are provided in the charging policy at appendix 2.

In light of the above, we are obliged to provide creditors with details of the additional work that we propose to undertake along with details of the time and cost of that additional work. This information appears at Appendix 2. We anticipate that we may need to seek approval of a further increase to our estimate following this proposed increase because we do not currently know with certainty how protracted the matter regarding LBC's claim will be.

We are seeking creditors' approval of our further estimate by way of a Decision Procedure via correspondence and a Notice providing further information about the decisions being sought by correspondence together with a Voting Form have been provided separately.

Work undertaken prior to appointment

In addition to the post appointment time costs detailed in the Time Costs Analysis, the costs relating to work undertaken prior to our appointment in assisting with the preparation of the statement of affairs and seeking the decisions of creditors on the nomination of liquidators were paid prior to the liquidation from funds deposited by Palio (No.8) Limited ("**Palio**") and Aberdeen Infrastructure (No.3) Limited ("**Aberdeen**"). Palio and Aberdeen are the shareholders of the parent Company, PFI Camden (Holdings) Limited ("**PFICH**") and met these costs on a 50:50 basis.

Disbursements

To 15 May 2019, we have also drawn disbursements in the sum of £17.60 and paid certain expenses direct from the liquidation estate.

Category 2 Disbursements

We have not drawn any category 2 disbursements.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2017' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the liquidation would total £18,538. Unfortunately, the expenses that we have incurred so far have exceeded that estimate and there will be further expenses to pay before the case concludes. The reasons why the estimate has been exceeded are as follows:

- Significant legal expenses have been incurred in the liquidation. The Liquidators have instructed Fladgate to consider various matters in the liquidation including, but not limited to:
 - Reviewing the termination provisions within the Project Agreement and what rights the Company had in this respect;
 - Reviewing the Liquidators' ability to disclaim various contracts;

- Comprehensively assessing the ability of the Liquidators to continue with adjudication proceedings;
- Reviewing the insurance provisions within the Project Agreement;
- Reviewing the possibility of joint instructions with LBC to counsel regarding the sweep of funds by the Bank;
- Instructing counsel to provide opinion on various matters relevant to the liquidation;
- Reviewing termination notices from LBC and drafting responses;
- Advising the Liquidators on all matters relevant to the Company's dispute with LBC and various strategies for dealing with the same;
- Reviewing LBC's letter of claim dated 13 March 2019 and all associated documents;
- Preparing to draft a response to LBC's letter of claim.

The Liquidators were not accurately able to predict the level of legal work that would be incurred at the outset of the liquidation because it was not known exactly how matters would develop with regard to the adjudication process (and whether any parties would fund such a process), or what level of funds would eventually be available to the liquidation estate as the exact values of VAT Bad Debt Relief and terminal loss relief claims were not known.

- Insurance costs (£14,096.38) are significantly more than anticipated (£500) due to the decision to meet the costs of the pre liquidation hiatus period as detailed earlier in this report;
- Professional fees (£12,037.60) are higher than expected (£7,500) due to additional work being required by PWC on the terminal loss relief claim and some further financial analysis being necessary from HCP.

8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

The case will be administered while it remains open and all banking, filing and administrative tasks will be carried out accordingly.

Compliance with the Insolvency Act, Rules and best practice

The Liquidators will ensure that the case is dealt with in such a way that complies with the Act and the Rules. Periodic compliance reviews will be carried out by the liquidators to ensure the same.

Investigations

The liquidators will conclude their investigations into the affairs of the Company and will seek to challenge any transactions that are worthy of being overturned for the benefit of the creditors of the Company.

If any creditors have any matters that they wish to bring to the attention of the Liquidators, then please do so in writing by sending details to the Liquidators' office.

Realisation of assets

The Liquidators await the remittance of the terminal loss relief claim from HMRC in the sum of £796,402.55.

There are no known further assets to realise with reference to the statement of affairs.

Dealing with all creditors' claims (including employees), correspondence and distributions

There is significant work that the Liquidators have to carry out in relation to providing a response to the letter of claim issued by LBC on 13 March 2019.

This work will be carried out in conjunction with Fladgate and so there are likely to be significant additional legal costs incurred in addition to the time spent by the Liquidators.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedure, tax, litigation, pensions and travel)

The Liquidators will be taking advice from their lawyers and counsel with regard to any other matters to consider concerning the disputed position with LBC and the various ways in which that matter could proceed

How much will this further work cost?

Please refer to the revised fee estimate at Appendix 2 for details of how much the further work is anticipated to cost.

The reasons for the additional work are set out above but revolve around the need for the liquidators to provide a full and comprehensive response to the letter of claim issued by LBC on 13 March 2019 and to consider the best approach to take for the creditors of the Company with regard to the disputed position with LBC.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the revised estimate of anticipated expenses attached at Appendix 4.

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Energy and Industrial Strategy. We can confirm that we have discharged our duties in these respects.

Investigations carried out to date

We have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties.

Use of personal information

Please note that in the course of discharging our statutory duties as liquidators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies->

traynorgroup.com/privacy-notice If you require a hard copy of the information, please do not hesitate to contact us.

10. CREDITORS' RIGHTS

Right to request further information

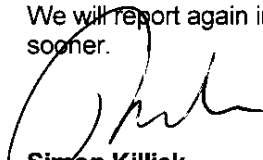
Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate

11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner.



Simon Killick
Joint Liquidator

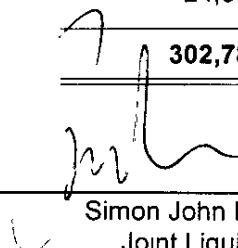
Dated: 10 June 2019

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 16 May 2018 to 15 May 2019

**Partners for Improvement In Camden Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £	From 16/05/2018 To 15/05/2019 £	From 16/05/2018 To 15/05/2019 £
	SECURED ASSETS	
Uncertain	Book Debts: Unitary Charge	NIL
76,852.54	Cash Held: Reserve Accounts	NIL
NIL	Projected PFI Unitary Charge net	NIL
		NIL
	SECURED CREDITORS	
(2,200,855.00)	Bank of Scotland	NIL
		NIL
	ASSET REALISATIONS	
NIL	Accrued Income	NIL
	Bank Interest Gross	79.20
	Cash at Bank	630.39
NIL	Prepayments	NIL
	VAT Bad Debt Rebate	557,502.54
		558,212.13
	COST OF REALISATIONS	
	Insurance of Assets	14,096.38
	Legal Disbursements	8,327.40
	Legal Fees (1)	160,135.80
	Liquidators' Expenses	17.60
	Liquidators' Fees	60,250.00
	Professional Fees	12,037.60
	Specific Bond	342.00
	Statutory Advertising	216.00
		(255,422.78)
	UNSECURED CREDITORS	
(17,000.00)	Directors	NIL
(121,000.00)	HMRC (Corporation Tax)	NIL
(257,000.00)	HMRC (VAT)	NIL
(8,748,000.00)	PFI Camden (Holdings) Limited	NIL
(1,193,378.03)	Trade Creditors	NIL
		NIL
	DISTRIBUTIONS	
(1.00)	Ordinary Shareholders	NIL
		NIL
(12,460,381.49)		302,789.35
	REPRESENTED BY	
	Bank 1 Current	277,873.71
	Vat Receivable	24,915.64
		302,789.35


Simon John Killick
Joint Liquidator

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 16 May 2018 to 15 May 2019;
- c. Estimated increase to our approved fees estimate

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors *regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis*. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by an entity within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The forecasted cost of insurance for the 3 month period immediately following appointment is £250-£500 inclusive of Insurance Premium Tax. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the London West office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour) 1 December 2018 – until further notice
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

Prior to 1 December 2018, the following rates applied:

Grade of staff	Charge-out rate (£ per hour)
Partner	395
Director	345
Senior Manager	310
Manager	265

Assistant Manager	205
Senior Administrator	175
Administrator	135
Junior Administrator	110
Support	60 - 110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

SIP9 Partners for Improvement in Ca - Creditors Voluntary Liquidation - 01PA592.CVL : Time Costs Analysis From 16/05/2018 To 15/05/2019

Staff Grade	Consultant/Partner	Director	Srnt Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average Hourly Rate £
General Case Administration and Planning												
Administration		59.1	7.3		63.6		0.7	3.1	1.6	135.4	39,555.00	292.13
Total for General Case Administration and Planning:		59.1	7.3		63.6		0.7	3.1	1.6	135.4	39,555.00	292.13
Compliance with the Insolvency Act, Rules and best practice					11.0			0.8		11.6	2,343.00	199.56
Appointment								2.2	4.9	7.1	928.00	130.70
Banking and Bonding												
Case Closure												
Statutory reporting and statement of affairs		0.6						3.4		4.2	665.00	159.05
Total for Compliance with the Insolvency Act, Rules and best practice:		0.6			11.0			0.4	4.9	23.1	3,938.00	170.52
Investigations		18.0			4.2					22.2	7,071.00	318.51
Total for Investigations:		18.0			4.2					22.2	7,071.00	318.51
Realisation of assets												
Debt collection												
Property, business and asset sales		4.0			36.4			0.6		43.0	10,204.50	237.31
Retention of Title/Third party assets												
Total for Realisation of assets:		4.0			36.4			0.6		43.0	10,204.50	237.31
Trading												
Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions												
Secured												
Others		3.2			6.5					9.7	2,596.50	267.68
Creditors committee												
Total for Dealing with all creditors claims (including employees), correspondence and distributions:		3.2			6.5					9.7	2,596.50	267.68
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel												
Seeking decisions of creditors												
Meetings												
Other												
Tax					23.7			0.2		23.9	5,168.50	216.26
Litigation		5.7			10.9					16.6	5,261.50	316.95
Total for Other matters:		5.7			34.6			0.2		46.5	10,430.00	224.53
Total hours by staff grade		90.8	7.3		158.3		0.7	10.3	6.5	273.9		
Total time cost by staff grade		34,786.00	2,263.00		34,953.50		122.50	1,151.00	660.00	73,796.00		
Average hourly rate £:	0.00	383.11	310.00	0.00	218.53	0.00	175.00	111.75	135.38			269.43
Total fees drawn to date £											80,250.00	

THE LIQUIDATORS' ESTIMATE OF THE INCREASED FEES THAT THEY WILL INCUR

Further to the information set out in the report, the Liquidators anticipate that in addition to their fees estimate dated 5 June 2018 in the sum of £60,250 the following further fees will be incurred to conclusion of the liquidation. Please note that blended hourly rates have been used (as they were for the original estimate) which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column. Details of the hourly rates that will be charged for each level of staff working on the case form part of this appendix.

Details of the work that the liquidators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	38.00	14,060.00	370.00
Compliance with the Insolvency Act, Rules and best practice	26.00	11,420.00	439.23
Investigations	0.00	0.00	
Realisation of assets	11.00	5,095.00	463.18
Trading	0.00	0.00	
Dealing with all creditors' claims (including employees), correspondence and distributions	65.00	30,425.00	468.08
Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure or via Decision Procedures), tax, litigation, pensions and travel	90.00	42,300.00	470.00
Total hours	230.00		
Total time costs		103,300.00	
Overall average hourly rate £			449.13

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>.

Dated: 10 June 2019

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Legal fees	Fladgate	201,263.80	160,135.80	41,128
Legal disbursements	Fladgate	8,327.40	8,327.40	-
Statutory advertising	EPE Reynell	216.00	216.00	-
Storage	Archive Solutions	0.72	-	0.72
Bond	AUA Insolvency Risk Solutions	342.00	342.00	-
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
Insurance premium paid to Eddisons	Eddisons Insurance Services Limited	500	-	500

REVISED ESTIMATE OF EXPENSES

	Type of expense	Description	Estimate £
1.	Advertisements	Cost of advertising the resignation of Ian Franses and the appointment of Simon Killick as Joint Liquidator	100
2.	Bond	Cost of transferring the bond from Ian Franses to Simon Killick as Joint Liquidator	252
3.	Insurance	An Insolvency Practitioner is required to ensure that there is sufficient insurance cover over the assets of the insolvent entity. Please refer to the charging policy for details of Eddisons Insurance Services Limited and their costs.	250-1,000
4.	Storage costs	An Insolvency Practitioner is required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	50
5.	Bank charges	An Insolvency Practitioner is required to operate a separate bank account in relation to the insolvent entity's estate	20
6.	Professional Fees	For assistance with any financial management information that may be needed in assessing any potential claims that the Company may have	5,000-7,500
7.	Legal Fees	The Liquidators expect to require the continued services of Fladgate to assist with all aspects of the liquidation	50,000 – 100,000