

# LIQ03

## Notice of progress report in voluntary winding up



Companies House



<b>1</b>	<b>Company details</b>		<b>→ Filling in this form</b> Please complete in typescript or in bold black capitals.
Company number	0 2 2 7 7 6 3 7		
Company name in full	Worrall Lees Associates Limited		
<b>2</b>	<b>Liquidator's name</b>		
Full forename(s)	C H I		
Surname	Moore		
<b>3</b>	<b>Liquidator's address</b>		
Building name/number	Emerald House		
Street	20-22 Anchor Road		
Post town	Aldridge		
County/Region	Walsall		
Postcode	W S 9 8 P H		
Country			
<b>4</b>	<b>Liquidator's name ①</b>		
Full forename(s)			<b>① Other liquidator</b> Use this section to tell us about another liquidator.
Surname			
<b>5</b>	<b>Liquidator's address ②</b>		
Building name/number			<b>② Other liquidator</b> Use this section to tell us about another liquidator.
Street			
Post town			
County/Region			
Postcode			
Country			

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**6** Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 6	<sup>m</sup> 0	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
To date	<sup>d</sup> 2	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1

**7** Progress report

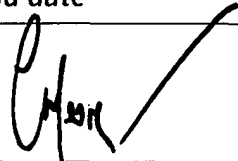
☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X



X

Signature date

<sup>d</sup> 1	<sup>d</sup> 6	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1
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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 **Natasha Tapper**

Company name **K J Watkin & Co.**

Address **Emerald House**

**20-22 Anchor Road**

Post town **Aldridge**

County/Region **Walsall**

Postcode **W S 9 8 P H**

Country

DX

Telephone **01922 452881**



**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

**Worrall Lees Associates Limited**  
(In Liquidation)  
**Liquidator's Summary of Receipts & Payments**

Declaration of Solvency £	From 26/02/2020 To 25/02/2021 £	From 26/02/2020 To 25/02/2021 £
	<b>SECURED ASSETS</b>	
	Freehold Land & Property	300.00
		<u>300.00</u>
	<b>ASSET REALISATIONS</b>	
	Bank Interest Gross	5.27
3,572.80	Book Debts	2,500.00
4,440,634.15	Cash at Bank	4,465,117.35
40,646.00	Corporation Tax Refund	NIL
294,125.00	Directors' Current Account	294,125.00
		<u>4,761,747.62</u>
	<b>COST OF REALISATIONS</b>	
	Agents/Valuers Fees (1)	750.00
	Bank Charges	30.00
	Office Holders Expenses	1,208.60
	Office Holders Fees	2,000.00
	VAT Payment - pre appointment	537.42
		<u>(4,526.02)</u>
	<b>UNSECURED CREDITORS</b>	
	Trade & Expense Creditors	5,528.00
		<u>(5,528.00)</u>
	<b>DISTRIBUTIONS</b>	
(101.00)	Ordinary Shareholders	4,749,376.00
		<u>(4,749,376.00)</u>
<u>4,778,876.95</u>		<u>2,617.60</u>
	<b>REPRESENTED BY</b>	
	ISA Interest Bearing	300.00
	Nat West Bank plc - Int Bearing	930.88
	VAT Receivable	1,386.72
		<u>2,617.60</u>

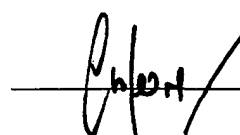
Note:

The following distributions were made to the Members holding 100 ordinary £1 shares:

Date	Amount of distribution	Rate of distribution per share
9 March 2020	£2,750,000	£27,500.00
9 March 2020	£1,937,500	£19,375.00
9 March 2020	£ 46,875	£ 468.75
18 November 2020	£ 15,000	£ 150.00

In addition the following distribution was paid to Horizon Venture Capital Limited who holds 1 ordinary A £1 share:

Date	Amount of distribution	Rate of distribution per share
13 July 2020	£1	£1.00





## K J Watkin & Co.

Insolvency Practitioners

**Private and Confidential**

Our ref CHIM\KJF\W106\210416a.Sta

**TO ALL KNOWN MEMBERS**

Date 16 April 2021

### **Worrall Lees Associates Limited ("the Company") – In Members' Voluntary Liquidation**

This is my report to Members following the first anniversary of my appointment as Liquidator.

Please be aware K J Watkin & Co. uses personal information in order to fulfil the legal obligations of our Insolvency Practitioner under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings.

If you have any queries regarding this report or the conduct of the liquidation in general, you should contact Natasha Tapper by email at [natasha@kjwatkin.co.uk](mailto:natasha@kjwatkin.co.uk), or by telephone on 01922 452881.

Yours sincerely

C H I Moore  
Liquidator

Encs.

**Worrall Lees Associates Limited ("the Company") – In Members' Voluntary Liquidation**

**Liquidator's Progress Report to Members**

**For the year ending 25 February 2021**

**STATUTORY INFORMATION**

Company name: Worrall Lees Associates Limited

Registered office: Emerald House  
20-22 Anchor Road  
Aldridge  
Walsall  
WS9 8PH

Former registered office: Top Yard Barn  
85a Main Street  
Great Bowden  
Market Harborough  
Leicestershire  
LE16 7HD

Registered number: 02277637

Liquidator's name: C H I Moore

Liquidator's address: Emerald House  
20-22 Anchor Road  
Aldridge  
Walsall  
WS9 8PH

Liquidator's date of appointment: 26 February 2020

**LIQUIDATOR'S ACTIONS SINCE APPOINTMENT**

I have fulfilled all statutory duties required of me.

I have realised company assets.

I have liaised with HMRC with regards to the tax refunds due.

I have made distributions to shareholders.

There is certain work that I am required by the insolvency legislation to undertake work in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my appointment as Liquidator is contained in Appendix 1.

## RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 26 February 2020 to 25 February 2021 is attached at Appendix 2.

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

## ASSETS

	<b>Declaration of Solvency Estimated to Realise</b>	<b>Realised to date</b>
	<b>£</b>	<b>£</b>
Book Debts	3,572.80	2,500.00
Corporation Tax Refund	40,646.00	-
Cash at Bank	4,440,634.15	4,465,117.35
Bank Interest Gross	-	5.27
Directors' Current Account	294,125.00	294,125.00

I have been chasing the payment of the Corporation Tax refund for almost twelve months. HMRC were contacted on numerous occasions and different answers were given for what was causing the delay in payment.

At the time of writing I have received £41,584.25 relating to the 2019 Corporation Tax refund. In addition a re-payment of £1,168.50 is due for the tax year 2020. At the time of writing this has not been received.

Due to the unreasonable delays in receiving this money I intend to claim compensation.

At the date of this report £1,443.78 was being held on the pre-appointment bank account.

At the time of writing this money has been received into the Liquidation account and the pre-appointment bank account has been closed.

## LIABILITIES

### Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no current charges over its assets.

### Preferential Creditors

There were no preferential creditors.

### Crown Creditors

There were no preferential creditors.

### Non-preferential Unsecured Creditors

A claim has been received from the Company's former solicitors, Harrison Clarke Rickerbys for £500. The Directors have strongly asserted that they believe that no monies are owed and that the invoice in question should not have been raised.

### Share Capital

The following distributions were made to the Members holding 100 ordinary £1 shares:

<b>Date</b>	<b>Amount of distribution</b>	<b>Rate of distribution per share</b>
9 March 2020	£2,750,000	£27,500.00
9 March 2020	£1,937,500	£19,375.00
9 March 2020	£ 46,875	£ 468.75
18 November 2020	£ 15,000	£ 150.00

In addition the following distribution was paid to Horizon Venture Capital Limited who holds 1 ordinary A £1 share:

<b>Date</b>	<b>Amount of distribution</b>	<b>Rate of distribution per share</b>
13 July 2020	£1	£1.00

### **LIQUIDATOR'S REMUNERATION**

My remuneration was previously authorised by Members at a meeting held on 26 February 2020 on a fixed fee basis of £7,500 plus VAT.

I have drawn £2,000.00 to 25 February 2021.

A copy of 'A Members' Guide to Liquidators' Fees', together with an explanatory note which shows K J Watkin & Co's fee policy are attached and available at the link [www.ips-docs.com](http://www.ips-docs.com). Please note that there are different versions of the Guidance Notes, and in this case you should refer to the April 2017 version.



## **LIQUIDATOR'S EXPENSES**

I have incurred expenses to 25 February 2021 of £1,208.60.

I have drawn £10.00 for the swear fee, £264.00 for statutory advertising, £913.00 for the specific bond and £21.60 for travel.

## **FURTHER INFORMATION**

A Member may, with the permission of the court or with at least 5% of the total voting rights of all the Members having the right to vote at general meetings of the company request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report.

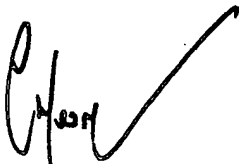
A Member may, with the permission of the court or with at least 10% of the total voting rights of all the Members having the right to vote at general meetings of the company, apply to Court to challenge the amount of remuneration charged by the Liquidator as being excessive, and/or the basis of the Liquidator's remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report.

To comply with the Provision of Services Regulations, some general information about K J Watkin & Co can be found in the attached summary sheet and at [www.ips-docs.com](http://www.ips-docs.com).

## **SUMMARY**

The Liquidation will remain open until the tax refunds have been received. I estimate that this will take approximately 1 month and once resolved the Liquidation will be finalised and our files will be closed.

If members have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Natasha Tapper on 01922 452881, or by email at [natasha@kjwatkin.co.uk](mailto:natasha@kjwatkin.co.uk).



C H I Moore  
Liquidator

## Appendix No. 1

### 1. Administration

This represents the work involved in the routine administrative functions of the case by the office holder and his staff, together with the control and supervision of the work done on the case by the office holder and his managers. It does not give direct financial benefit to the members, but has to be undertaken by the office holder to meet his 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 physical and electronic case files.

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 a general meeting of 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 annual progress reports to Members.

Filing returns at Companies House.

Preparing and filing VAT returns.

Preparing and filing Corporation Tax returns.

**Worrall Lees Associates Limited**  
**(In Liquidation)**  
**Liquidator's Summary of Receipts and Payments**  
**To 25 February 2021**

<b>RECEIPTS</b>	<b>Declaration of Solvency (£)</b>	<b>Total (£)</b>
Freehold Land & Property		300.00
Book Debts	3,572.80	2,500.00
Corporation Tax Refund	40,646.00	0.00
Cash at Bank	4,440,634.15	4,465,117.35
Bank Interest Gross		5.27
Directors' Current Account	294,125.00	294,125.00
		<hr/>
		4,762,047.62
		<hr/>
<b>PAYMENTS</b>		
Office Holders Fees		2,000.00
Office Holders Expenses		1,208.60
VAT Payment - pre appointment		537.42
Agents/Valuers Fees (1)		750.00
Bank Charges		30.00
Trade & Expense Creditors		5,528.00
Ordinary Shareholders	(101.00)	4,749,376.00
		<hr/>
		4,759,430.02
		<hr/>
Net Receipts/(Payments)		2,617.60
		<hr/>

**MADE UP AS FOLLOWS**

Nat West Bank plc - Int Bearing	930.88
ISA Interest Bearing	300.00
VAT Receivable / (Payable)	1,386.72
	<hr/>
	2,617.60
	<hr/>

Note:

The following distributions were made to the Members holding 100 ordinary £1 shares:

<b>Date</b>	<b>Amount of distribution</b>	<b>Rate of distribution per share</b>
9 March 2020	£2,750,000	£27,500.00
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<b>Date</b>	<b>Amount of distribution</b>	<b>Rate of distribution per share</b>
13 July 2020	£1	£1.00

## **LIQUIDATION - A MEMBERS' GUIDE TO FEES IN ENGLAND AND WALES**

### **1 Introduction**

- 1.1 When a Company goes into Members' Voluntary Liquidation, the costs of the proceedings are paid out of its assets. A declaration of solvency is sworn by the directors indicating that the creditors will be paid in full with statutory interest from the Company's assets, with the remaining assets being distributed to the members. As a result, it is the members who have a direct interest in the level of costs, and in particular the remuneration of the Insolvency Practitioner appointed to act as Liquidator. The insolvency legislation recognises this interest by providing a mechanism for members to fix the basis of the Liquidator's fees. This guide is intended to help members be aware of their rights to approve and monitor fees, explains the basis on which fees are fixed and how members can seek information about expenses incurred by the Liquidator and challenge those they consider to be excessive.

### **2 Liquidation procedure**

- 2.1 Liquidation (or 'winding up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding up of a Company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Liquidation may be either voluntary, when it is instituted by resolution of the shareholders, or compulsory, when it is instituted by order of the Court.
- 2.2 Voluntary Liquidation is the more common of the two. A solvent voluntary liquidation is called a Members' Voluntary Liquidation (often abbreviated to 'MVL'). In this type of liquidation an Insolvency Practitioner acts as Liquidator throughout and the members appoint the Liquidator at a general meeting of the Company.
- 2.3 In an MVL all creditors must be paid in full with statutory interest within the period stated in the declaration of solvency otherwise the Liquidator will have to convene a meeting of creditors and convert it to a Creditors' Voluntary Liquidation, i.e. an insolvent liquidation.

### **3 Fixing the Liquidator's remuneration**

#### **3.1 Basis**

The basis for fixing the Liquidator's remuneration is set out in Rule 18.16 of The Insolvency (England and Wales) Rules 2016. The Rule states that the remuneration shall be fixed:

- as a percentage of the value of the assets which are realised or distributed or both,

- by reference to the time properly given by the Liquidator and his staff in attending to matters arising in the liquidation, or
- as a set amount.

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the Liquidator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the Liquidator.

### **3.2 Who fixes the remuneration?**

Rule 18.19 indicates that it is for the members at a general meeting of the Company to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the members to determine the percentage or percentages to be applied and Rule 18.16(9) says that in arriving at their decision the members shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the Liquidator in connection with the winding up;
- the effectiveness with which the Liquidator appears to be carrying out, or to have carried out, his or her duties; and
- the value and nature of the assets with which the Liquidator has to deal.

3.3 A resolution specifying the terms on which the Liquidator is to be remunerated may be taken at the general meeting of the Company which appoints the Liquidator.

3.4 If the remuneration is not fixed as above, it will be fixed by the Court on application by the Liquidator, but the Liquidator may not make such an application unless he has first tried to get his or her remuneration fixed by the members as described above, and in any case not later than 18 months after his or her appointment.

## **4 Review of remuneration**

Where there has been a material and substantial change in circumstances since the basis of the liquidator's fees were fixed, the liquidator may request that it be changed. The request must be made to the same body as initially approved the fees, and the same rules apply as to the original approval.

## **5 What information should be provided by the Liquidator?**

### **5.1 General principles**

5.1.1 The Liquidator should provide those responsible for approving his or her remuneration with sufficient information to them to make an informed

judgement about the reasonableness of the Liquidator's request. The information should be presented in a manner which is transparent, consistent throughout the life of the case and useful to members, while being proportionate to the circumstances of the case.

#### 5.1.2 The Liquidator should disclose:

- payments, remuneration and expenses arising from the administration paid to the Liquidator or his or her associates;
- any business or personal relationships with parties responsible for approving the Liquidator's remuneration or who provide services to the Liquidator in respect of the insolvency appointment where the relationship could give rise to a conflict of interest.

The Liquidator should inform members of their rights under insolvency legislation, and should advise them how they may access suitable information setting out their rights within the first communication with them and in each subsequent report.

#### 5.1.3 Where the Liquidator sub-contracts out work that could otherwise be carried out by the Liquidator or his or her staff, this should be drawn to the attention of members with an explanation of why it is being done.

## 5.2 Key issues

#### 5.2.1 The key issues of concern to those with a financial interest in the level of payments from the insolvency estate will commonly be:

- the work the Liquidator anticipates will be done, and why that work is necessary;
- the anticipated cost of that work, including any expenses expected to be incurred in connection with it;
- whether it is anticipated that the work will provide a financial benefit to members, and if so what benefit (or if the work provided no direct financial benefit, but was required by statute);
- the work actually done and why that work was necessary;
- the actual costs of the work, including any expenses incurred in connection with it, as against any estimate provided;
- whether the work has provided a financial benefit to members, and if so what benefit (or if the work provided no direct financial benefit, but was required by statute).

When providing information about payments, fees and expenses, the Liquidator should do so in a way which facilitates clarity of understanding of these key issues. Narrative explanations should be provided to support any numerical information supplied.

#### 5.2.2 When approval for a fixed amount or a percentage basis is sought, the Liquidator should explain why the basis requested is expected to produce a fair and

reasonable reflection of the work that the Liquidator anticipates will be undertaken.

### **5.3 Disbursements**

5.3.1 Costs met by and reimbursed to the Liquidator in connection with the liquidation will fall into two categories:

- Category 1 disbursements: These are payments to independent third parties where there is specific expenditure directly referable to the liquidation. Category 1 disbursements can be drawn without prior approval, although the Liquidator should be prepared to disclose information about them in the same way as any other expenses.
- Category 2 disbursements: These are costs that are directly referable to the liquidation but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the Liquidator or their firm, and that can be allocated to the liquidation on a proper and reasonable basis.

When seeking approval, the Liquidator should explain, for each category of cost, the basis on which the charge is being made. If the Liquidator has obtained approval for the basis of Category 2 disbursements, that basis may continue to be used in a sequential appointment where further approval of the basis of remuneration is not required, or where the Liquidator is replaced.

5.3.2 The following are not permissible as disbursements:

- a charge calculated as a percentage of remuneration;
- an administration fee or charge additional to the Liquidator's remuneration;
- recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges.

## **6. Progress reports and requests for further information**

6.1 The Liquidator is required to send annual progress reports to members. In addition to the items described above and especially those in paragraph 5.2.1, the reports must include:

- details of the basis fixed for the fee of the liquidator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it);
- if the basis has been fixed, the fee charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report);
- if the report is the first to be made after the basis has been fixed, the fee charged during the periods covered by the previous reports, together with a

description of the things done during those periods, irrespective of whether payment was actually made during the period of the report;

- a statement of the expenses incurred by the liquidator during the period of the report, irrespective of whether payment was actually made during that period;
- details of progress during the period of the report, including a summary of the receipts and payments during the period;
- details of what remains to be done;
- where appropriate, a statement setting out whether, at the date of the report:
  - the expenses incurred or expected to be incurred are likely to exceed, or have exceeded, the details given to the creditors prior to the determination of the basis of fees; and
  - the reason for that excess.
- a statement of the members' rights to request further information, as explained in paragraph 6.2, and their right to challenge the Liquidator's fees and expenses.

6.2 Within 21 days of receipt of a progress report, a member may request the Liquidator to provide further information about the remuneration and expenses set out in the report. A request must be in writing, and may be made by a member or members representing at least 5% in value of the total voting rights of members (including himself), or any member with the permission of the Court.

6.3 The Liquidator must provide the requested information within 14 days, unless he or she considers that:

- the time and cost involved in preparing the information would be excessive; or
- disclosure would be prejudicial to the conduct of the liquidation or might be expected to lead to violence against any person; or
- the Liquidator is subject to an obligation of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information.

6.4 Any member may apply to the Court within 21 days of the Liquidator's refusal to provide the requested information, or the expiry of the 14 days' time limit for the provision of the information.



## **7. Provision of information – additional requirements**

- 7.1 The Liquidator must provide certain information about the time spent on the case, free of charge, upon request by any creditor, director or member of the Company. The information which must be provided is –
- the total number of hours spent on the case by the Liquidator or staff assigned to the case;
  - for each grade of staff, the average hourly rate at which they are charged out;
  - the number of hours spent by each grade of staff in the relevant period.
- 7.2 The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the Liquidator's appointment, or where he has vacated office, the date that he vacated office.
- 7.3 The information must be provided within 28 days of receipt of the request by the Liquidator, and requests must be made within two years from vacation of office.

## **8 What if a member is dissatisfied?**

- 8.1 If a member believes that the basis of the Liquidator's remuneration is inappropriate, or the remuneration charged or expenses incurred by the Liquidator are in all the circumstances excessive he may, provided certain conditions are met, apply to the Court.
- 8.2 Application may be made to the Court by any member or members representing at least 10 per cent in value of voting rights (including himself), or by any member with the permission of the Court. Any such application must be made within 8 weeks of the applicant receiving the Liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 6.1 above). If the Court does not dismiss the application (which it may if it considers that insufficient cause is shown), the applicant must give the Liquidator a copy of the application and supporting evidence at least 14 days before the hearing.
- 8.3 If the Court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the Court orders otherwise, the costs of the application must be paid by the applicant and not out of the assets of the Company being wound up.

**9. What if the Liquidator is dissatisfied?**

- 9.1 If the Liquidator considers that the remuneration fixed by the members is insufficient or that the basis used to fix it is inappropriate, he or she may apply to the Court for the amount or rate to be increased or the basis changed.
- 9.2 If he or she decides to apply to the Court he must give at least 14 days' notice to the members, or such one or more of the members as the Court may direct, to appear or be represented at the Court hearing. The Court may order the costs of the application or of any member appearing at the Court hearing to be paid out of the assets.

**10. Other matters relating to remuneration**

- 10.1 Where two (or more) joint Liquidators are appointed, it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the Court or a meeting of members.
- 10.2 If the appointed Liquidator is a solicitor and employs his or her own firm to act in the winding up, profit costs may not be paid unless authorised by the members or the Court.
- 10.3 If a new Liquidator is appointed in place of another, any determination or Court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new Liquidator until a further determination by the members, or Court order, is made.
- 10.4 Where the basis of the remuneration is a set amount, and the Liquidator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing Liquidator. The application must be made to the same body as approved the remuneration, i.e. either to the members or the Court. Where the outgoing Liquidator and the incoming Liquidator are from the same firm, they will usually agree the apportionment between themselves.
- 10.5 There may also be occasions when members will agree to make funds available themselves to pay for the Liquidator to carry out tasks which cannot be paid for out of the assets, either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to members. Arrangements of this kind are sometimes made to fund litigation. Any arrangements of this nature will be a matter for agreement between the Liquidator and the members concerned and will not be subject to the statutory rules relating to remuneration.

## **11. Effective date**

This guide applies where a Liquidator is appointed on or after 1 October 2015, or where information is provided by the Liquidator about fees, expenses or other payments after 6 April 2017.

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## **Appendix**

### **Suggested format for the provision of information**

Professional guidance issued to insolvency practitioners sets out the following suggested format for the provision of information when seeking approval of remuneration. However, the level of disclosure suggested below may not be appropriate in all cases, and will be subject to considerations of proportionality. In larger or more complex cases the circumstances of each case may dictate the information provided and its format.

#### **Narrative overview of the case**

In all cases, reports on remuneration should provide a narrative overview of the case. Matters relevant to an overview are:

- the complexity of the case;
- any exceptional responsibility falling on the Liquidator;
- the Liquidator's effectiveness;
- the value and nature of the property in question.

The information provided will depend upon the basis or bases being sought or reported upon, and the stage at which it is being provided. An overview might include:

- an explanation of the nature, and the Liquidator's own initial assessment, of the assignment (including the anticipated return to members) and the outcome (if known);
- initial views on how the assignment was to be handled, including decisions on staffing or subcontracting and the appointment of advisers;
- any significant aspects of the case, particularly those that affect the remuneration and cost expended;
- the reasons for subsequent changes in strategy;
- the steps taken to establish the views of members, particularly in relation to agreeing the strategy for the assignment, budgeting, and fee drawing;
- any existing agreement about remuneration;
- details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees;
- in a larger case, particularly if it involved trading, considerations about staffing and managing the assignment and how strategy was set and reviewed;
- details of work undertaken during the period;
- any additional value brought to the estate during the period, for which the Liquidator wishes to claim increased remuneration.

## Time cost basis

Where any part of the remuneration is or is proposed to be calculated on a time costs basis, requests for and reports on remuneration should provide:

- An explanation of the Liquidator's time charging policy, clearly stating the units of time that have been used, the grades of staff and rates that have been charged to the assignment, and the policy for recovering the cost of support staff. There is an expectation that time will be recorded in units of not greater than 6 minutes.
- A description of work carried out, which might include:
  - details of work undertaken during the period, related to the table of time spent for the period;
  - an explanation of the grades of staff used to undertake the different tasks carried out and the reasons why it was appropriate for those grades to be used;
  - any comments on any figures in the summary of time spent accompanying the request the Liquidator wishes to make.
- Time spent and charge-out summaries, in an appropriate format.

It is useful to provide time spent and charge-out value information in a tabular form for each of the time periods reported upon, with work classified (and sub-divided) in a way relevant to the circumstances of the case.

The following areas of activity are suggested as a basis for the analysis of time spent:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The level of disclosure suggested above will not be appropriate in all cases, and considerations of proportionality will apply:

- where cumulative time costs are, and are expected to be, less than £10,000 the Liquidator should, as a minimum, state the number of hours and average rate per hour and explain any unusual features of the case;

- where cumulative time costs are, or are expected to be, between £10,000 and £50,000, a time and charge-out summary similar to that shown above will usually provide the appropriate level of detail (subject to the explanation of any unusual features);
- where cumulative time costs exceed, or are expected to exceed, £50,000, further and more detailed analysis or explanation will be warranted.

## PRACTICE FEE RECOVERY POLICY FOR K J WATKIN & CO.

### 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 <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <https://www.icaew.com/en/technical/insolvency/insolvency-regulations-and-standards/statements-of-insolvency-practice-sips-england>. Alternatively a hard copy may be requested from C H I Moore of K J Watkin & Co. Please note that we have provided further details in this policy document.

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

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

### Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

### Chargeout Rates

Grade of staff	Current charge-out rate per hour, effective from 2021 £	Previous charge-out rate per hour, effective from 2020 £
Partner	460	460
Senior Manager	375	375
Manager	315	315
Assistant Manager	275	275
Cashier	230	230
Senior Administrator	230	230
Administrator	160	160
Support Staff	115	115

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

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

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

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each

part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

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

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

## Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

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

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

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

## Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. A report accompanying any fee request will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

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

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

## Members' voluntary liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

## All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are 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.

## Disbursements

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or K.J Watkin & Co.; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered:

Room Hire	£210
Mileage	45p per mile
Storage	£15 per box per quarter

## **PROVISION OF SERVICES REGULATIONS SUMMARY SHEET FOR K J WATKIN & CO.**

The following information is designed to draw the attention of interested parties to the information required to be disclosed by the Provision of Services Regulations 2009.

### **The Practice**

K J Watkin & Co. is a sole proprietorship with the trading style of C H I Moore t/a K J Watkin & Co and trading from Emerald House, 20-22 Anchor Road, Aldridge, Walsall WS9 8PH.

### **Licensing Body**

Mr C H I Moore is licensed to act as an Insolvency Practitioner in the United Kingdom by the Institute of Chartered Accountants in England and Wales (ICAEW).

### **Rules Governing Actions**

All IPs are bound by the rules of their professional body, including any that relate specifically to insolvency. The rules of the professional body that licences K J Watkin & Co.'s IP can be found at <http://www.icaew.com/en/members/regulations-standards-and-guidance/insolvency/insolvency-regulations-and-guidance>. In addition, IPs are bound by the Statements of Insolvency Practice (SIPs), details of which can be found at <https://www.r3.org.uk/technical-library/england-wales/sips/>.

### **Ethics**

All IPs are required to comply with the Insolvency Code of Ethics and a copy of the Code can be found at <http://www.icaew.com/en/technical/insolvency/insolvency-regulations-and-standards>.

### **Complaints**

At K J Watkin & Co. we always strive to provide a professional and efficient service. However, we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of a particular case then in the first instance you should contact the IP acting as office holder.

If you consider that the IP has not dealt with your comments or complaint appropriately you should then put details of your concerns in writing to our complaints officer Mr C H I Moore, K J Watkin & Co., Emerald House, 20-22 Anchor Road, Aldridge, Walsall WS9 8PH. This will then formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at [www.gov.uk/complain-about-insolvency-practitioner](http://www.gov.uk/complain-about-insolvency-practitioner); or you can email [insolvency.enquiryline@insolvency.gov.uk](mailto:insolvency.enquiryline@insolvency.gov.uk); or you may telephone 0300 678 0015. Information on the call charges that apply is available at <https://www.gov.uk/call-charges>.

### **Professional Indemnity Insurance**

K J Watkin & Co.'s Professional Indemnity Insurance is provided by Liberty Mutual Insurance Europe SE, 20 Fenchurch Street, London, EC3M 3AW. This professional indemnity insurance provides worldwide coverage.

## **VAT**

K J Watkin & Co. is registered for VAT under registration no. 559 3875 84.

## **Bribery Act 2010**

K J Watkin & Co. is committed to applying the highest standards of ethical conduct and integrity in its business activities. Every employee and individual acting on K J Watkin & Co.'s behalf is responsible for maintaining our reputation and for conducting company business honestly and professionally.

K J Watkin & Co. take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate.

K J Watkin & Co. requires all those who are associated with it to observe the highest standards of impartiality, integrity and objectivity.

K J Watkin & Co. prohibits anyone acting on its behalf from:

- bribing another person. A bribe includes the offering, promising or giving of any financial or other type of advantage;
- accepting a bribe. This includes requesting, agreeing to receive or accepting any financial, or another kind of advantage;
- bribing a foreign public official; and
- condoning the offering or acceptance of bribes.

K J Watkin & Co. will:

- avoid doing business with others who do not accept our values and who may harm our reputation;
- maintain processes, procedures and records that limit the risk of direct or indirect bribery;
- promote awareness of this policy amongst its staff, those acting on its behalf and entities with which it has any commercial dealings;
- investigate all instances of alleged bribery, and will assist the police, and other authorities when appropriate, in any resultant prosecutions. In addition, disciplinary action will be considered against individual members of staff;
- review this policy regularly and update it when necessary.