

LIQ03

Notice of progress report in voluntary winding up



Companies House

FRIDAY



A06 *A963XJ6Z* 29/05/2020 #270
COMPANIES HOUSE

ise
ie

1 Company details

Company number 0 2 6 9 9 8 4 2

Company name in full Oculus Design & Communications Limited

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

2 Liquidator's name

Full forename(s) Michael

Surname Durkan

3 Liquidator's address

Building name/number G2 Montpellier House

Street

Post town Montpellier Drive

County/Region Cheltenham

Postcode G L 5 0 1 T Y

Country

4 Liquidator's name ①

Full forename(s)

Surname

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

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

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 0	^d 7	^m 0	^m 3	^y 2	^y 0	^y 1	^y 9
To date	^d 0	^d 6	^m 0	^m 3	^y 2	^y 0	^y 2	^y 0

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature	Signature X  X
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Signature date	^d 2	^d 0	^m 0	^m 4	^y 2	^y 0	^y 2	^y 0
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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 **Karolina Kocon**

Company name **Durkan Cahill**

Address **Suite G2**

Montpellier House

Post town **Montpellier Drive**

County/Region **Cheltenham**

Postcode **G L 5 0 1 T Y**

Country

DX

Telephone **01242 250 811**



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

Oculus Design & Communications Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 07/03/2019 To 06/03/2020 £	From 07/03/2019 To 06/03/2020 £
	ASSET REALISATIONS		
	Book Debts	900.00	900.00
NIL	Furniture & Equipment	NIL	NIL
		900.00	900.00
	PREFERENTIAL CREDITORS		
(10,792.61)	Employee Arrears/Hol Pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(38,905.82)	Employees	NIL	NIL
(46,569.00)	HM Revenue & Customs - PAYE	NIL	NIL
(16,006.67)	HM Revenue & Customs - VAT	NIL	NIL
(52,535.00)	Landlord	NIL	NIL
(10,036.00)	NatWest Bank	NIL	NIL
(40,908.99)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(1,500.00)	Capital Redemption Reserve	NIL	NIL
(8,500.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(225,754.09)		900.00	900.00
	REPRESENTED BY		
	Bank 1 Current		900.00
			900.00



Michael Durkan
Liquidator

Oculus Design & Communications Limited in Creditors' Voluntary Liquidation

1st Annual Progress Report

17 April 2020

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1. Liquidator's receipts and payments account
2. Practice Fee Recovery Policy

Liquidator's Name and Address:
Michael Durkan
Durkan Cahill, Suite G2 Montpellier House
Montpellier Drive
Cheltenham
GL50 1TY

Telephone: 01242 250811
Fax: 01242 227191
Web: www.durkancahill.com
Email: mpd@durkancahill.com

1. INTRODUCTION

- 1.1 I write further to the creditors' meeting held on 7 March 2019.
- 1.2 The purpose of this report is to detail my acts and dealings together with the conduct of the liquidation since that meeting.

2. BACKGROUND

- 2.1 The members' and creditors' meetings were held on 7 March 2019 when I was appointed liquidator of the company.
- 2.2 The company's registered office is Suite G2 Montpellier House, Montpellier Drive, Cheltenham, GL50 1TY. The company registration number is 02699842.
- 2.3 The company's former registered office was previously at Addington House, 73 London Street, Reading, RG1 4QA. This was also the former trading address.
- 2.4 The company's principal activity was the provision of marketing services.
- 2.5 According to Desmond Le Roy, the current director, the company's business was in decline for several years prior to the company going into liquidation. In 2017 a number of staff were made redundant, as wages were being cut and/or paid late. In January 2018 the former directors decided to put the company into liquidation.
- 2.6 At that point Matt Allen, an employee of the company, approached Desmond Le Roy to discuss taking on the business and their projections were that they could turn the business around in 10 months and make it profitable.
- 2.7 Although progress was made by the new management, one very significant contract with a long standing Chinese client did not materialise due to that client's problems caused by the trade issues between China and USA. This had a negative impact on the company's ability to deal with its historic liabilities.
- 2.8 As new business was not coming in at the expected levels, it became apparent that the company would not be able to trade out of its financial difficulties and the decision was made to liquidate the company voluntarily.

3. ASSET REALISATIONS

Furniture and Equipment

- 3.1 The company owned items of furniture and equipment. The director estimated their value at between £200.00 and £300.00, and an average of £250.00 was therefore used for the purposes of the Statement of Affairs. The assets were stated to be located at the company's former premises, which were vacated prior to my involvement.
- 3.2 Due to the nature and value of the assets, the decision was made not to instruct professional agents to provide a formal valuation as the costs were likely to be prohibitive. With no interested parties, the estimated to realise value was estimated at £nil.
- 3.3 Following my appointment no offers have been received and the items were disposed of by the company's landlord. As such no funds will be realised in this respect.

Book Debts

- 3.4 Following a review of the company records I located sales invoices made out to two customers that appeared not to have been paid, although I was informed by the director that there were no outstanding book debts.
- 3.5 *I have duly written to both of the customers and received confirmation from one that their debt of £1,800.00 was paid in full by January 2019 to Cooney Bains Limited ('CBL') on advice that the company is now trading under the CBL banner. Matt Allen is one of the directors of CBL. I queried this with him, and was advised that the invoices were paid by the debtor during the period of the company going into liquidation and CBL commencing trading with the debtor. He confirmed that the mistake has been highlighted to the company's accountant and that the funds would be repaid in full, albeit in instalments, as CBL were unable to make the payment in full straight away.*
- 3.6 It was agreed that payments of £300.00 would be made on a weekly basis, with the final payment being made on 27 March 2020. However only £1,500.00 of the £1,800.00 has been received to date, £900.00 of which was received in the 12 month period to 6 March 2020. I am currently waiting to hear from Matt Allen as to when the balance of £300.00 will be paid.
- 3.7 The other debt was for the sum of £864.00, however the debtor advised that the invoice was credited and was not due for payment as it related to fees for a website which was not launched in the timeframe set out and, as such, was never used for their live site. I will be seeking confirmation from the same from Matt Allen, however on present information it appears unlikely that funds will be realisable in respect of this invoice.

Deposit for Costs / Personal Guarantee

- 3.8 Matt Allen signed a Personal Guarantee to cover any shortfall in realisations up to the sum of £6,000.00 (£5,000.00 plus VAT) in order to cover the costs of the liquidation. The only future realisations expected to be made relate to the balance of £300.00 due from CBL. As such, when the funds are received the total realisations in the liquidation will amount to £1,800.00, leaving a balance of £4,200.00 payable under the Personal Guarantee. Mr Allen has been asked to provide his proposals to pay this balance and I have yet to receive a response.

Miscellaneous

- 3.9 The balance of funds is held in a non-interest bearing estate bank account. As the funds held amount to less than £10,000.00 I made the decision not open a separate interest bearing account, as the costs of processing monthly interest payments would outweigh the interest generated.
- 3.10 My Receipts & Payments Account is attached at Appendix 1.

4. INVESTIGATIONS

- 4.1 In accordance with Statement of Insolvency Practice 2 I have undertaken an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.
- 4.2 Tasks undertaken in respect of my initial investigations included:
- Recovering, listing and reviewing the Company's accounting records
 - Obtaining and reviewing copy bank statements for the six months prior to the Company ceasing to trade to identify any antecedent transactions
 - Comparing the information in the Company's last set of accounts with that contained in the statement of affairs, and making enquiries about the reasons for any changes.

- Receiving enquiries from and dealing with matters brought to my attention by creditors or other third parties
- Making enquiries of and obtaining information from officers of the company
- Examining the validity of security granted by the company

- 4.3 No matters of concern have been raised by any creditors in this case.
- 4.4 I have concluded that there are no matters that justify further investigation in the circumstances of this appointment.
- 4.5 Within three months of my appointment as Liquidator I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work that may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I confirm that my report was submitted on 28 May 2019.

5. CREDITORS' CLAIMS

Secured Creditors

- According to information on the Companies House website the company had a number of
- 5.1 outstanding charges at the date of liquidation. Following my appointment it transpired that the three rent deposit deeds created on 1 July 1992, 13 July 1994 and 8 August 1996 related to a rent deposit which was returned to the company when a lease to its premises expired, however the charges were never removed from Companies House records.
- 5.2 A Legal Mortgage and a Mortgage Debenture were both created and registered at Companies House in favour of NatWest Bank plc ('NatWest') in January 2001 in respect of the property at 73 London Street, Reading, RG1 4QA, however the director was of the understanding that these charges were fully satisfied when the company's property was sold in 2004. The funds due to NatWest at the date of liquidation relate to a debt that has accrued after the sale, in respect of the company's overdraft, and as such the liability is understood to be unsecured.

5.3 Preferential Creditors

- The preferential claims of employees as recorded on the Statement of Affairs amounted to
- 5.4 £10,792.61.

A claim is yet to be received from the Insolvency Service in respect of preferential elements of claims paid to employees by the Redundancy Payments Service.

Non-preferential Creditors

- 5.5 Unsecured creditors, as per the statement of affairs totalled £204,961.48.
- 5.6 A total of 11 creditors have submitted claims to date with an aggregate value of £208,179.86.
- 5.7 Please be advised that no work has been undertaken in respect of agreeing non-preferential creditors' claims to date as there is currently no prospect of a dividend becoming payable.

6. DIVIDEND PROSPECTS

- 6.1 There is currently no prospect of a dividend payment to any class of creditor in this matter and the funds realised will be used to meet a proportion of the costs and expenses of the liquidation.

7. COSTS AND EXPENSES

- 7.1 Details of payments are shown on the receipts and payments account at Appendix 1.
- 7.2 A schedule of my firm's Practice Fee Recovery Policy and list of typical charge out rates for each level of staff employed in the administration of this matter is attached at Appendix 2.
- 7.3 Creditors will note two types of expenses (disbursements) are referred to. Category 1 disbursements are directly referable to an invoice from a third party and do not require prior approval from creditors. Category 2 disbursements are incurred by Durkan Cahill and recharged to the estate; they are not attributed to the estate by a third party invoice, and they may include a profit element. These therefore require approval before they are paid from the estate.

Pre-appointment costs and expenses

- 7.4 The agreed fee payable to Durkan Cahill in the sum of £5,000.00 plus VAT for preparing the Statement of Affairs and for arranging the decision procedure for creditors to appoint a liquidator is yet to be paid as insufficient realisations have been made to date.
- 7.5 My approved pre-appointment expenses included the following, which are yet to be paid:

	Incurred, £	Paid, £	Not yet paid, £
Category 1			
Postage & Copying (3 rd Party)	67.67	0.00	67.67
Statutory Advertising	71.00	0.00	71.00
UK Individual identity check	5.06	0.00	5.06
Land Registry Search Fees	6.00	0.00	6.00
Category 2			
Room Hire	<u>70.00</u>	<u>0.00</u>	<u>70.00</u>
	<u>219.73</u>	<u>0.00</u>	<u>219.73</u>

Post-appointment costs and expenses

- 7.6 Following my appointment, creditors were invited to form a committee however there were insufficient nominations and none was formed.
- 7.7 My remuneration was therefore authorised by the creditors on 28 March 2019 via a decision by correspondence on a combination of a fixed fee and a percentage of asset realisations basis. I was also authorised to re-charge category 2 disbursements.
- 7.8 I am authorised to draw a fixed fee of £5,000.00 plus VAT for undertaking work in respect of all statutory and regulatory obligations as described in my first report to creditors.
- 7.9 I am also authorised to draw an element of my remuneration on a percentage basis for undertaking work in respect of asset realisations. I am authorised to charge 100% of the first £5,000.00 of assets recovered, 50% of the next £10,000.00 and 20% of any amount recovered over £15,000.00. Based on the realisations made to 6 March 2020 I am entitled to remuneration of £900.00 plus VAT in addition to my fixed fee of £5,000.00 plus VAT.
- 7.10 I have not drawn any remuneration to date.

- 7.11 Expenses incurred in the 12 month period since the date of my appointment total £245.00. No liquidation expenses have been paid to date. Details of the expenses incurred are as follows;

	Estimated, £	Incurred, £	Paid, £	Not yet paid, £
Category 1				
Postage & Copying (3 rd Party)	23.00	23.00	0.00	23.00
Specific Penalty Bond	60.00	60.00	0.00	60.00
Statutory Advertising	142.00	142.00	0.00	142.00
Category 2				
Records storage	7.00	0.00	0.00	0.00
Annual Bank Account Service Fee (£20 per year)	<u>20.00</u>	<u>20.00</u>	<u>0.00</u>	<u>20.00</u>
	<u>252.00</u>	<u>245.00</u>	<u>0.00</u>	<u>245.00</u>

- 7.12 Included in this table are the expenses that I estimated would arise in addition to that which had been incurred at the time of my first report to creditors.
- 7.13 I anticipate that the total expenses I will incur in this matter will exceed the total expenses I estimated I would incur when my remuneration was authorised by creditors. This is because, as stated at the time of my first report, the estimates did not take into account the administration of the liquidation taking longer than 12 months. There will therefore be an additional annual bank account service fee.
- 7.14 I have not used any agents or professional advisors in this liquidation.

8. FURTHER INFORMATION

- 8.1 An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.
- 8.2 An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.
- 8.3 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/> A copy of 'A Creditors Guide to Liquidators' Fees' published by the R3, together with an explanatory note which shows Durkan Cahill's fee policy are available at the link <http://durkancahill.com/helpful-information-faqs/>. Please note that there are different versions of the Guidance Notes, and in this case you should refer to the April 2017 version. A hard copy of both documents can be obtained on request from this office.
- 8.4 To comply with the Provision of Services Regulations, some general information about Durkan Cahill, including about our complaints policy and Professional Indemnity Insurance, can be accessed at <http://durkancahill.com/helpful-information-faqs/>.
- 8.5 At Durkan Cahill 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. If you should have cause to complain about the way that we are acting, you should, in the first instance, put details of your complaint in writing to Michael Durkan. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint expediently.

- 8.6 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; or you can email insolvency.enquiryline@insolvency.gov.uk; or you may phone 0300 678 0015 - calls are charged at up to 12p per minute from a land line, or for mobiles, between 3p and 45p per minute if you're calling from the UK.
- 8.7 Durkan Cahill uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation. You can find more information on how Durkan Cahill uses your personal information on our website at <http://durkancahill.com/privacy-policy/>.

9. CONCLUSION

- 9.1 I shall be continuing my administration of the liquidation in order to recover the balances due from CBL and Matt Allen. I am hopeful that this matter will be concluded within the next 6 months, however this will depend on the cooperation of third parties. Once concluded the Liquidation will be finalised and our files will be closed.
- 9.2 If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available online, they should contact Karolina Kocoń on 01242 250811 or by email at Karolina@durkancahill.com.



Michael Durkan
Liquidator

APPENDIX 1

Liquidator's receipts and payments account

Oculus Design & Communications Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 07/03/2019 To 06/03/2020 £	From 07/03/2019 To 06/03/2020 £
	ASSET REALISATIONS		
	Book Debts	900.00	900.00
NIL	Furniture & Equipment	NIL	NIL
		900.00	900.00
	PREFERENTIAL CREDITORS		
(10,792.61)	Employee Arrears/Hol Pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(38,905.82)	Employees	NIL	NIL
(46,569.00)	HM Revenue & Customs - PAYE	NIL	NIL
(16,006.67)	HM Revenue & Customs - VAT	NIL	NIL
(52,535.00)	Landlord	NIL	NIL
(10,036.00)	NatWest Bank	NIL	NIL
(40,908.99)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(1,500.00)	Capital Redemption Reserve	NIL	NIL
(8,500.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(225,754.09)		900.00	900.00
	REPRESENTED BY		
	Bank 1 Current		900.00
			900.00



Michael Durkan
Liquidator

APPENDIX 2

Practice Fee Recovery Policy

PRACTICE FEE RECOVERY POLICY FOR DURKAN CAHILL

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 via a decision procedure, 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 <http://durkancahill.com/helpful-information-faqs/>. Alternatively, a hard copy may be requested from Michael Durkan of Durkan Cahill. 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.

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 1 April 2017	Previous charge-out rate per hour, effective from 1 April 2008
Partner – Insolvency Practitioner	£300-350	£300
Senior Manager	£270	£240
Manager	£210	£180
Supervisor/Senior Administrator	£180	£150
Case Administrator	£150	£120
Cashier	£180	£180
Support Staff	£80	£60

Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rate for undertaking such work.)

These charge-out rates charged are reviewed on 1 April 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. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often. 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. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. 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 Durkan Cahill; 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 copying and posting agencies, 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 photocopying, internal room hire, internal storage and mileage.

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

Room Hire	£70
Mileage	45p per mile
Storage	£7 per box per annum
Photocopying	18p per sheet
Bank Account Service Fee	£20 per annum