

LIQ03

Notice of progress report in voluntary winding up



Companies House

TUESDAY



A6AGBXE9
A16 11/07/2017 #43
COMPANIES HOUSE

1 Company details

Company number 03173835

Company name in full ARA MANAGEMENT LIMITED

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

2 Liquidator's name

Full forename(s) NEDIM PATRICK

Surname ALLYAN

3 Liquidator's address

Building name/number 142-148

Street MAIN ROAD

Post town SIDCUP

County/Region KENT

Postcode DA14 6NZ

Country

4 Liquidator's name

Full forename(s)

Surname

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

5 Liquidator's address

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	1	d	4
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m	0	m	5
---	---	---	---

y	2	y	0	y	1	y	6
---	---	---	---	---	---	---	---

To date

d	1	d	3
---	---	---	---

m	0	m	5
---	---	---	---

y	2	y	0	y	1	y	7
---	---	---	---	---	---	---	---

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X

X

Signature date

d	2	d	6
---	---	---	---

m	0	m	6
---	---	---	---

y	2	y	0	y	1	y	7
---	---	---	---	---	---	---	---

LIQ03

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**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	TAMARA WARNER
Company name	GRIFFINS
Address	142-148 MAIN ROAD
Post town	SIDCUP
County/Region	KENT
Postcode	DA1 4BNZ
Country	UK
DX	
Telephone	0208 302 4344

**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

142/148 Main Road
Sidcup
Kent
DA14 6NZ

Tel: 020 8302 4344
Fax: 020 8309 9178

www.griffins.net

TO ALL KNOWN MEMBERS AND CREDITORS

When telephoning please ask for: Carol Hooper

6 July 2017

Our Ref: npa/chm/ch.aram001.cvl.12
Your Ref:

Dear Sirs

ARA MANAGEMENT LIMITED - IN LIQUIDATION

I refer to my appointment as Liquidator on 14 May 2015. This is my report on the progress made in the liquidation for the period 14 May 2016 to 13 May 2017. It should be read in conjunction with my previous annual progress reports.

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.

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.

Please note that from 1 June 2016 the trading name of Abbott Fielding Limited changed to Griffins.

Should you have any queries regarding this matter please do not hesitate to contact Carol Hooper who is dealing with this matter on my behalf.

Yours faithfully



Nedim Ailyan
Liquidator

ARA MANAGEMENT LIMITED- IN LIQUIDATION

LIQUIDATOR'S PROGRESS REPORT TO MEMBERS AND CREDITORS FOR THE YEAR ENDED 13 MAY 2017

I enclose for your information:

1. A receipts and payments account for the period from 14 May 2015 to 13 May 2017 and for the period from 14 May 2016 to 13 May 2017,
2. A summary of my firm's time costs from 14 May 2015 to 13 May 2017. A summary of my firm's time costs for the period from 14 May 2016 and 13 May 2017 is also shown,
3. Details of my firm's practice fee recovery policy.

STATUTORY INFORMATION

Company Name: ARA Management Limited

Company Number: 03173835

Current Registered Office: 142/148 Main Road, Sidcup, Kent, DA14 6NZ,

Former Registered Office: Griffin House, West Street, Woking, Surrey, GU21 6BS

Trading Address: Griffin House, West Street, Woking, Surrey, GU21 6BS

Office Holder(s) / Numbers: Nedim Ailyan (9072)

Liquidator's Date of Appointment: 14 May 2015

Please note that from 1 June 2016 the trading name of Abbott Fielding Limited changed to Griffins.

LIQUIDATOR'S ACTIONS SINCE LAST REPORT

Within the period covered by this report I have ensured that all my statutory requirements have been adhered to and all other duties in relation to the management of the case have been completed.

I have also continued to take steps to recover the Company's assets, as detailed under assets below.

There is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my last progress report is as follows:

1. Administration
 - 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 creditors and members.
- Filing returns at Companies House.
- Preparing and filing Corporation Tax returns.

2. Creditors

- Corresponding with employees regarding their claims.
- Liaising with the Redundancy Payments Office regarding employee claims.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.

RECEIPTS AND PAYMENTS ACCOUNT

My receipts and payments account for the period from 14 May 2016 to 13 May 2017 is attached.

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

ASSETS

Rent Deposit

As previously reported, there was a rent deposit of £15,654 including VAT due to the Company from Runcycle Limited which was subject to a deed of rental deposit registered at Companies House. Wadham & Isherwood Management Limited ("W&I"), acting as agents for the landlord, gave notice under the terms of the deposit deed that the landlord intended to deduct the arrears of rent of £5,003.42 from the deposit held. It was also understood that the lease provides for a claim to be made in respect of dilapidations, and W&I have confirmed that the landlord has expanded costs in this regard indicating that the claim would be in the region of £17,000. They confirmed that no monies are being held in regard to the deposit and as such no funds are recoverable.

BT Refund

I have received a refund of £36.57 from British Telecom for overpaid telephone charges.

Cash at Bank

As advised previously the Company held a current account with HSBC Bank Plc which the directors advised had a credit balance of £18,327.48 at the time of liquidation. I can advise that I received a remittance of £7,062.13 from HSBC which is lower than the amount stated in the directors Estimated Statement of Affairs ("EsoA"). Following a review of the bank statements it appears that due to an administrative error the figure provided represented the overdrawn balance at the previous month end. No further monies are therefore anticipated.

Alexander Ramage Associates LLP – In Liquidation

As advised previously it was estimated that the Company was due £26,603.11 from the LLP. A reconciliation of the bank funds has established that the amount outstanding was £21,488.58. As advised a dividend under the prescribed part is anticipated which based on current information is expected to be between 4.4p and 8.7p resulting in a dividend of between £945.50 and £1,869.51.



LIABILITIES & DIVIDEND PROSPECTS

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has granted the following charges:

HSBC Bank Plc holds a fixed and floating charge, registered at Companies House, over all of the Company's assets dated 12 June 1996 however no monies were shown as outstanding to the bank. As noted above the bank has remitted a cheque for the closing balance on the account and as such they do not have a secured claim.

Runcycle Limited has a deed of rental deposit, registered at Companies House, over the Company's interest in the interest earning deposit account in which the landlord placed the initial deposit of £13,612.50 dated 13 May 2009. It was understood that the amount held was £15,654 at the date of liquidation. As detailed above the deposit has been realised to pay the rent arrears and dilapidations costs. A claim of £17,000 has been received of which the excess over the rent deposit will be an unsecured claim.

Prescribed Part

The provisions of section 176A of the Insolvency Act 1986 require a liquidator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company gave a 'qualifying floating charge' over its assets to a lender on or after 15 September 2003. This is known as the 'prescribed part of the net property'. A company's net property is that left after paying any preferential creditors, but before paying the lender who holds a floating charge. A liquidator is required to set aside:

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property, up to a maximum of £600,000.

The floating charge was created prior to 15 September 2003 and therefore the prescribed part does not apply in this case.

Preferential Creditors

Preferential creditors' claims in the directors' ESoA totalled £12,002.13 and to date I have received preferential claims to the value of £9,834.69. Based on current information I anticipate that it is unlikely that there will be a dividend to preferential creditors.

Unsecured Creditors

Unsecured creditors' claims in the directors' ESoA totalled £123,237.69, of which £18,108.64 was attributable to HM Revenue & Customs. To date, I have received unsecured claims totalling £136,422.56, which includes a final claim of £36,445.17 from HM Revenue & Customs. To date I have not received claims from creditors with original estimated claims in the statement of affairs of £19,119.39. Based on current information it is unlikely that there will be a dividend to unsecured creditors.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

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

There were no matters that justified further investigation in the circumstances of this appointment.



Within six 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 which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of the company. I would confirm that my report has been submitted.

PRE-APPOINTMENT REMUNERATION

The creditors authorised the payment of a fee of £5,000, plus VAT, plus disbursements, for assistance with the statement of affairs, producing and circulating the notices for the meetings of members and creditors prior to my appointment at a meeting held on 14 May 2015.

The fee for preparing the statement of affairs and convening and holding the meeting of creditors was paid from first realisations on appointment and is shown in the attached receipts and payments account.

LIQUIDATOR'S REMUNERATION

My remuneration was previously authorised by the creditors at a meeting held on 14 May 2015 to be drawn on a time cost basis. My total costs to 13 May 2017, amount to £7,899.50 representing 35.30 hours at an average charge out rate of £223.78 per hour, of which £1,747, representing 6.70 hours work has been incurred in the period since 14 May 2016 at an average charge rate of £260.75 per hour.

I have drawn £1,000 to 13 May 2017.

Schedules of my time costs incurred to date are attached.

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' also published by R3 can be obtained from our website at <http://www.griffins.net/technical/>. Please note that there are different versions of the guidance notes, and in this case you should refer to the pre October 2015 version. Alternatively a hard copy is available on request. A copy of my firm's practice fee recovery policy is enclosed.

LIQUIDATOR'S EXPENSES

I have incurred expenses to 13 May 2017, of £379.99, of which £22.91 was incurred in the period since 14 May 2017.

I have drawn £379.00 to date.

I have incurred the following expenses in the period since my last report

Type of expense	Amount incurred/ accrued in reporting period
Postage	22.91



Agent's Fees

I have used the following agents or professional advisors:

Professional Advisor	Nature of Work	Fee Arrangement
20-20 Trustees Limited	Independent Trustees & Advisors	Fixed fee

In order to assist in fulfilling my statutory duties in regard to the Company pension scheme I instructed 20-20 Trustees Limited to carry out a review and prepare a pension brief report. They charged a fixed fee of £300 in respect of this report.

The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.

FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the 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.

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.

To comply with the Provision of Services Regulations, some general information about Abbott Fielding Limited trading as Griffins can be found at <http://www.griffins.net/regulatory-information/>

SUMMARY

I am required to provide a further report on the progress of the liquidation within two months of the next anniversary unless I have concluded matters prior to this, in which case I will provide all creditors with my final account ahead of closing the liquidation.

The liquidation will remain open until I have received a dividend from the associated partnership liquidation. I estimate that this will take approximately 12 months and once resolved the Liquidation will be finalised and my files closed.

Should you have any queries regarding this matter please do not hesitate to contact Carol Hooper who is dealing with this matter on my behalf.

Yours faithfully


Nedim Ailyan
Liquidator

Nedim Ailyan is licensed in the United Kingdom to act as an insolvency practitioner by The Insolvency Practitioners Association



ARA Management Limited
(In Liquidation)

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 14/05/2016 To 13/05/2017 £	From 14/05/2015 To 13/05/2017 £
RECEIPTS			
Rent Deposit	Uncertain	0.00	0.00
BT Refund		0.00	36.57
Cash at Bank	18,327.48	0.00	7,062.13
Alexander Ramage Associates LLP - In liq	Uncertain	0.00	0.00
Bank Interest Gross		0.66	1.20
		<u>0.66</u>	<u>7,099.90</u>
PAYMENTS			
Runcycle Limited	(5,003.43)	0.00	0.00
Preparation of S. of A.		0.00	5,000.00
Office Holders Fees		1,000.00	1,000.00
Office Holders Expenses		379.99	379.99
Agents Fees		0.00	300.00
Employee Arrears/Hol Pay	(12,002.13)	0.00	0.00
Trade & Expense Creditors	(13,561.10)	0.00	0.00
Employees	(91,467.95)	0.00	0.00
HM Revenue and Customs - PAYE and NI	(7,827.11)	0.00	0.00
HM Revenue and Customs - VAT	(10,381.53)	0.00	0.00
Ordinary Shareholders	(100.00)	0.00	0.00
		<u>1,379.99</u>	<u>6,679.99</u>
Net Receipts/(Payments)		<u>(1,379.33)</u>	<u>419.91</u>
MADE UP AS FOLLOWS			
Interest Bearing Estate Account		(1,641.97)	97.27
VAT Receivable / (Payable)		262.64	322.64
		<u>(1,379.33)</u>	<u>419.91</u>

SIP 9 - Time & Cost Summary

Period: 14/05/15..13/05/17

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	1.10	3.40	0.00	16.10	20.60	4,724.50	229.34
Investigations	0.00	2.50	0.00	6.40	8.90	1,762.00	197.98
Realisations of assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	2.50	0.00	3.30	5.80	1,413.00	243.62
Case specific matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	1.10	8.40	0.00	25.80	35.30	7,899.50	223.78
Total Fees Claimed						1,000.00	

SIP 9 - Time & Cost Summary

Period: 14/05/16..13/05/17

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	0.00	2.10	0.00	4.30	6.40	1,663.00	259.84
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisations of assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.30	0.00	0.00	0.30	84.00	280.00
Case specific matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	0.00	2.40	0.00	4.30	6.70	1,747.00	260.75
Total Fees Claimed						1,000.00	

PRACTICE FEE RECOVERY POLICY FOR GRIFFINS the trading name of ABBOTT FIELDING LIMITED

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 <http://www.griffins.net/technical/>. Alternatively a hard copy is available on request. Please note, however, that the guides have not yet been updated for the revised legislation, so we have provided further details in this policy document.

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 1 February 2016 £	Previous charge-out rate per hour, effective from 1 February 2015 £
Partner – appointment taker	365-520	345-500
Managers	280-370	260-350
Administrators	250-280	230-260
Support Staff	190-220	170-200

These charge-out rates charged are reviewed on an annual basis and are adjusted to take account of inflation and the firm's overheads.

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

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



In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and on new appointments we now only seek time costs for the following categories:

- Investigations
- Trading

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 Abbott Fielding Limited or Griffins 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 photocopying, internal room hire, internal storage and mileage.

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

Mileage	50p per mile
Photocopying	10p per sheet

