

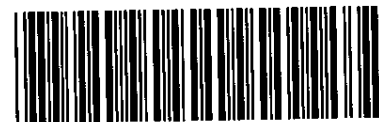
AM10

Notice of administrator's progress report



Companies House

TUESDAY



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19/12/2017

#199

COMPANIES HOUSE

1 Company details

Company number 0 3 5 5 3 6 9 9

Company name in full Tube Supply International Limited

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

2 Administrator's name

Full forename(s) Gordon Smythe

Surname Goldie

3 Administrator's address

Building name/number Bulman House

Street Regent Centre, Gosforth

Post town Newcastle upon Tyne

County/Region

Postcode N E 3 3 L S

Country

4 Administrator's name ①

Full forename(s) Andrew David

Surname Haslam

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

5 Administrator's address ②

Building name/number Bulman House

Street Regent Centre, Gosforth

Post town Newcastle upon Tyne

County/Region

Postcode N E 3 3 L S

Country

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

AM10

Notice of administrator's progress report

6 Period of progress report

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

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

[Handwritten Signature]

X

Signature date

^d 2	^d 9	^m 1	^m 1	^y 2	^y 0	^y 1	^y 7
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AM10

Notice of administrator's progress report



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 **Tonya Allison**

Company name **Tait Walker**

Address **Bulman House**

Regent Centre, Gosforth

Post town **Newcastle upon Tyne**

County/Region

Postcode **N E 3 3 L S**

Country

DX

Telephone **0191 285 0321**



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

JOINT ADMINISTRATORS' FINAL PROGRESS REPORT

For the period from 7 June 2017 to 29 November 2017

Tube Supply International Limited ("the Company") – In Administration

Issued on 29 November 2017

Tait Walker Turnaround and Insolvency
Bulman House, Regent Centre, Gosforth, Newcastle upon Tyne NE3 3LS
Tel: +44 (0) 191 285 0321 Fax: +44 (0) 191 284 9117
recovery@taitwalker.co.uk



TAIT WALKER
TURNAROUND & INSOLVENCY

Tube Supply International Limited - In Administration ("The Company")

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1. INTRODUCTION

Andrew David Haslam and I are the Joint Administrators of the Company and this is our final progress report for the period from 7 June 2017 to 29 November 2017.

Gordon Smythe Goldie is a consultant and Andrew David Haslam is a partner in Tait Walker Turnaround and Insolvency (a division of Tait Walker LLP) and both are licensed to act as insolvency practitioners in the United Kingdom by The Institute of Chartered Accountants in England & Wales.

I confirm that I do not consider that any material conflict or relationship existed or exists which would have prejudiced Andrew David Haslam or I in taking this appointment and no subsequent ethical issues have arisen to date which would impact on our duties as office holders.

This report has been prepared for the purposes of complying with the Joint Administrators statutory duties. It should not be relied upon by any person for any other purpose and in any other context, and any person doing so does at their own risk.

Any estimated outcomes or dividend prospects for creditors incorporated within this report are illustrative and subject to change depending on the ultimate proceeds of realisation, costs of the administration, and levels of creditor claims. As such, such estimates or dividend prospects cannot be relied upon and should only be used as guidance as to the actual outcome.

The Joint Administrators act as agents of the Company and without any personal liability whatsoever.

2. STATUTORY INFORMATION

Company name:	Tube Supply International Limited
Court name and reference	Newcastle upon Tyne High Court of Justice Chancery Division, Court Number: 0446 of 2016
Company number:	03553699
Trading address:	Unit 2, Blackhall Colliery Ind. Est, Hackworth Road, Blackhall Colliery, Hartlepool, TS27 4EL
Registered office:	c/o Tait Walker LLP, Bulman House, Regent Centre, Gosforth, Newcastle upon Tyne, NE3 3LS
Former registered office:	Unit 2, Blackhall Colliery Ind. Est, Hackworth Road, Blackhall Colliery, Hartlepool, TS27 4EL
Principal trading activity:	Manufacture of Tubes & Pipes
Joint Administrators' names:	Gordon Smythe Goldie and Andrew David Haslam
Joint Administrators' address:	Bulman House, Regent Centre, Gosforth, Newcastle upon Tyne, NE3 3LS
Date of appointment	7 December 2016
Appointment made by:	The Director - Paul Wigham. 5 Berwick Chase, Peterlee, County Durham, SR8 1NQ
Actions of Administrators	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

3. SUMMARY OF THE ADMINISTRATORS' PROPOSALS

The following proposals were approved by the creditors by way of a Decision Procedure on 13 February 2017.

In order to achieve the objectives as stated in the agreed proposals, Andrew David Haslam and I formally proposed to creditors that:

- We would continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that we would:
 - collect in the Company's outstanding debtors;
 - facilitate a sale of the Company's freehold property;
 - complete any work in progress in order to enhance recoveries;
 - collect any pre-payments in respect of rates, utilities and insurances;
 - sell the Company's assets at such time(s) on such terms as we consider appropriate;
 - investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company; and
 - *do all such things and generally exercise any powers as Administrators as considered desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals.*
- It was agreed that the Administration would end by placing the Company into Creditors' Voluntary Liquidation, and that I, Gordon Smythe Goldie and Andrew David Haslam are appointed Joint Liquidators of the Company and that we be authorised to act either jointly or separately in undertaking our duties as Liquidator.
- Creditors were invited to nominate different persons as the proposed Liquidators but no nominations were received.
- Should the preferred exit route of Creditors' Voluntary Liquidation detailed above not be deemed appropriate, the Administrators were granted the option to exit the Administration of the Company by filing a notice of dissolution with the Registrar of companies. The Company would then automatically be dissolved by the registrar of companies three months after the notice is registered.
- We were authorised to be remunerated on different bases depending upon the work being undertaken. We will charge a fixed fee of £10,000, charge 20 percent of assets realised and 10 percent of monies distributed to preferential and unsecured creditors, together time costs for undertaking the tasks not being remunerated on the above basis. We estimated that our time costs for undertaking these tasks and undertaking the liquidation will be £20,008. Details of the current charge out rates for our staff are outlined in our practice fee recover policy is attached at Appendix 5, and a fees estimate summary providing more information is attached at Appendix 3.
- We were authorised to draw category 2 expenses as outlined in our practice fee recovery policy attached at Appendix 5.

4. STEPS TAKEN DURING THE ADMINISTRATION

As detailed in the Administrators' Proposals, it was decided that the objective of the Administration be best achieved by the Company ceasing to trade at close of business on 7 December 2016.

The majority of the contracts of employment were terminated on 12 December 2016 with staff members retained to bring accounts up to date and provide information until a strategy could be formed to deal with the Company's assets; the employee contracts were subsequently terminated on 13 December 2016.

In the previous reporting period, the plant and machinery, stock and office equipment were sold by our appointed agents and all outstanding finance has been settled. Purchasers were sought with the assistance of the Directors. Please refer to the previous progress report for further details.

Goodwill was sold during the previous reporting period to USL.

As detailed in the previous progress report, certain work in progress was purchased by Universal Supply Limited ("USL") for an agreed split of the profits in that 10% of profits would be payable to the Administrators with no risk associated, and USL would retain 90% of the profits but was required to make significant payments for the release of stock, transport costs and logistical support.

During the period of this report, I met with USL to discuss the status of work in progress and was advised that some contracts have been finalised but there were still contracts outstanding. The Administrators have requested a schedule of the status of work in progress in writing but this has not yet been received. The status of the work in progress will be followed up within the Liquidation.

The Company's book debts were factored through Barclays Bank plc ("Barclays") who had the benefit of a fixed and floating charge over the book debts. Barclays assisted with the collection exercise and have been repaid in full. The Directors have subsequently assisted me with the collection of the non-factored and re-assigned book debts. Work has continued during the period of this report and is still ongoing; this work will be finalised within the Liquidation.

As detailed in the previous progress report, a significant amount of time was spent dealing with the sale of the freehold property due to the many issues that arose during the process. The initial sale secured by the Agents fell through close to exchange and as such the Agents remarketed the property for sale and, shortly after, secured a new buyer. Please refer to the previous progress report for details of work done in the previous reporting period.

During this reporting period, work continued in respect of the property sale; the Administrators provided various information regarding the property in order to finalise the sale which completed on 30 June 2017 to Radecal Limited, an unconnected party, for an amount of £310,000.

During the period of this report, our appointed solicitors have concluded a sale of a small parcel of land which was attached to the site to Mr John James Robinson.

I have spent time liaising with various finance companies to obtain copies of the agreements and where necessary, arranged the return of the Company's motor vehicles and other financed equipment.

Following the sale of the chattel assets and the freehold property I cancelled all insurance and a refund has been received.

In order to recover the cash at bank I have liaised with the Company's bankers to request payment of the funds and closure of the various accounts.

It was anticipated that there could be corporation tax terminal loss relief due to the Company and as such, I have engaged the Company's former accountants to carry out a review. I prepared a deficiency account for the accountant and provided the relevant information for their review. The work is ongoing and will be finalised in the Liquidation.

As detailed in the previous progress report, some staff members were retained to finalise accounting information and were paid accordingly out of the estate. As such, during the period of this report, I was required to prepare PAYE returns and make a payment to HMRC for the PAYE and NIC deductions. The Company's former accountants were engaged to run the payroll in this respect. All returns have been submitted and the payroll closed.

In addition, I have undertaken routine statutory and compliance work, such as undertaking periodic reviews of the case specific bond levels, maintaining the case management system, maintaining the estate account, cashbook and receipts and payments account. Periodic case reviews have been carried out as necessary. I have dealt with pre appointment VAT returns and corporation tax returns which were outstanding at the date of my appointment. I have prepared progress reports for the previous reporting period and circulated this to the relevant parties. I have also dealt with correspondence and creditor queries throughout this reporting period.

These are tasks that are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

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

5. OUTCOME OF ADMINISTRATION

The purpose of the Administration has been partially achieved. The commercial property and parcel of land have been sold. The book debts subject to an invoice finance agreement with Barclays Bank have been collected and Barclays Bank plc has been repaid in full; the balance of the debtor ledger which remains outstanding has been reassigned to the Company. All secured assets and remaining unsecured assets have been sold.

Personal undertakings in respect of utilities have been removed and all Agents and Legal fees have been paid in full.

All that remains outstanding is several non-factored book debts, payment in respect of the work in progress by USL and to finalise any claim for corporation tax terminal loss relief where necessary. In respect of the outstanding book debts, we anticipate that with the help of the Directors and possibly some legal assistance the Liquidators can successfully collect in the remaining debtors.

The Liquidators will also be required to finalise the payment to the electricity provider following receipt of their final invoice.

The preferential creditors have not yet been paid a dividend however it is anticipated that a dividend will be declared in the early stages of the Liquidation of 100 pence in the pound.

We anticipate that a dividend of around 30 pence in the pound will be available to the unsecured creditors and will be declared within the Liquidation.

We now propose to move the company into Creditors Voluntary Liquidation in order for us finalise the realisations and declare a dividend to the preferential and unsecured creditors.

6. RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 7 June 2017 to 29 November 2017 and for the whole period of the Administration is attached at Appendix 2.

The Receipts and Payments account shows that the balance of £280,565.07 has been transferred to the Liquidator.

SIP 13 DISCLOSURE

There have been no connected party transactions in this case which require disclosure under SIP13 however, creditors should note that goodwill and certain office furniture and equipment was sold to Universal Supply Limited, a company which subsequently employed the two directors, Paul Wigham and David Wigham following their redundancy from the Company.

RECEIPTS

SECURED ASSETS

Commercial Property

The company owned freehold property at Unit 1A, 1B, 2A and 2B, Blackhall Colliery Industrial Estate, Hackworth Road, Blackhall Colliery, Hartlepool, TS27 4EL ("the Property").

The sale of the commercial property was completed during the period of this report. Funds of £310,000.00 were received on 12 July 2017 via our solicitors, Eversheds Sutherland LLP.

Parcel of Land

Our appointed solicitors concluded a sale of a small parcel of land which was attached to the site to Mr John James Robinson, an unconnected third party, for £3,500.00.

Goodwill

No realisations have been made during the period of this report.

In the previous period, the goodwill of the Company was sold to Universal Supply Limited for £1,000. Please refer to the previous progress report for further details.

Book Debts - *subject to an invoice finance agreement with Barclays Bank plc ("Barclays")*

Barclays have completed their collection and settled their indebtedness in full. To date, a balance of £164,051.85 has been collected. From that balance Barclays have been repaid £85,876.51, this included a termination fee of £2,318.50.

ASSETS SUBJECT TO HIRE PURCHASE AGREEMENTS

Plant and Machinery

All of the plant and machinery was dealt with in the previous reporting period and as such no realisations have been made during the period of this report. For further information please refer to the previous progress report.

Aldermore

Aldermore were paid in full during the previous reporting period. No realisations or payments have been made during this reporting period. Please refer to the previous progress report for further information.

ASSET REALISATION

Plant and Machinery (Free from Finance/Hire Purchase)

All of the plant and machinery was realised in the previous reporting period and as such there have been no realisations have been made during the period of this report. For further information please refer to the previous progress report.

Office Furniture and Equipment

All office furniture and equipment was realised during the previous reporting period. No realisations

have been made during the period of this report. For further information please refer to the previous progress report.

Stock

All stock was realised in the previous reporting period. No realisations have been made during the period of this report. For further information please refer to the previous progress report.

Book Debts (not subject to the invoice finance agreement with Barclays)

Certain book debts were free from invoice finance; these debts were to be collected by the Administrators following their appointment with the assistance of Paul Wigham and David Wigham, the former Directors. A collection fee of 10% has been agreed.

Rates refund

A refund was received from Durham City Council in respect of overpayment of rates, this was not anticipated so had not been included in my previous reports. During the period of this report, a total of £1,066.43 has been received.

Cash at bank – Barclays Bank

A credit balance of £7,053.58 was received upon closure of the Company's bank account.

Bank Interest Gross

Bank interest of £9.47 has accrued during the period of this report. Since the Administration commenced, a total of £10.20 has been received in respect of bank interest and will be subject to Corporation Tax.

ASSETS WHICH REMAIN TO BE REALISED

The only assets which remain outstanding are the work in progress which is to be completed by USL with a percentage of the profits coming into the estate and the remainder of the non-factored book debts totalling £21,709.41. Due to the complex nature of these outstanding debtors we may need to seek legal assistance. I shall report on this in my first report to creditors as Liquidator.

As detailed earlier, there is a possibility that there could be corporation tax terminal loss relief due to the Company and I await confirmation from the Company's former accountants.

PAYMENTS

COST OF REALISATIONS – SECURED ASSETS

Legal Fees

Eversheds LLP ("Eversheds") was engaged by the Administrators to carry out the conveyancing in respect of the sale of the freehold property.

Legal fees totalling £11,872.00 were incurred and have been paid to Eversheds LLP in this respect.

Agents/Valuers Fees

Lambert Smith Hampton ("LSH") was engaged by the Company in the pre appointment period to carry out a valuation, take inventory and provide initial advice to the proposed Administrators. Further details of the work undertaken and the fees involved are provided in the previous progress report.

Since my appointment, LSH have marketed the sale of the Company's freehold property and other chattel assets, collated and reviewed offers, provided advice on acceptable offers and facilitated the sale of these assets.

LSH assisted with clearing the property, managing the site and access as well as dealing with the return of third party assets and retention of title goods.

The Administrators agreed a fee of 10% of disposals of the chattel assets and 2% of the sale price of the commercial property with LSH. Since the commencement of the Administration, a total fee of £6,801.70 has been paid to LSH of which £4,842.03 was paid during the period of this report.

Bank Account Charges

A total of £63.16 has been incurred in respect of bank charges.

Finance Company – Aldermore

No payments have been made to Aldermore during the period of this report. Please refer to the previous progress report for details of previous payments.

PAYMENTS AND EXPENSES - GENERAL

Ocrex Bank Statement Analysis

A total of £47.75 was incurred for using a facility which exports the Company bank statements in to an excel format to enable a full analysis of transactions; this has assisted significantly with the statutory investigation.

Utilities

Telephone Lines

It was necessary to keep the telephone line operational to allow the Directors to collect the outstanding book debts. Since the completion of the sale of the freehold property my undertaking has been removed. No payments have been made during the period of this report however, a total cost of £301.58 has been incurred and paid since the commencement of the Administration.

Alarm Monitoring

The Alarm Monitoring service was necessary for insurance purposes and therefore had to be retained. However, since the completion of the property sale my undertaking has been removed.

During the period of this report, an amount of £230.40 was paid. Since commencement of the Administration, a total of £465.98 has been paid. These costs have accrued on a monthly basis since commencement of the Administration.

Electricity

Electricity was retained in order to power the alarm system. It was an insurance requirement that the alarm remained active whilst the property was vacant. These costs have accrued over the period of the Administration but an invoice has not yet been received from the Electricity provider. The amount due to the electricity provider will be paid in the Liquidation in priority to the Liquidators fees.

Court Fess

No court fees have been incurred or paid during the period of this report.

Further details regarding the court fees incurred in the pre appointment period and in the previous reporting period are provided in the previous progress report.

Case Specific Bond

The Liquidators are required by law to obtain a specific penalty bond, essentially an insurance policy for the Administration estate.

The initial cost of £560 was discharged in the previous reporting period.

During the period of this report, an additional cost of £112 has been incurred and paid in respect of an increase in the specific bond level.

Mileage (Category 2 disbursements)

Mileage totalling £134.55 was incurred in the previous reporting period but has been paid during the

period of this report. Further mileage costs of £23.40 have been incurred during the period of this report but have not yet been paid. The mileage incurred is in respect of travelling to and from the Company's premises. This is a category 2 disbursement for which approval was received on 13 February 2017.

Details of the mileage costs incurred and paid in the pre appointment period and in the previous reporting period are provided in the previous progress report.

Pre Appointment Remuneration

Pre appointment remuneration was paid in the previous reporting period. Further details of this can be found in the previous progress report.

Administrators Fees

Please refer to section 10 for information on the Administrators' Fees.

Toll Charges

No toll charges have been incurred and paid during the period of this report. Details of toll charges incurred in the pre appointment period were provided in the previous progress report.

Corporate Finance Fees

Corporate Finance fees which were incurred in the pre appointment period were paid during the previous reporting period. Details of which can be found in the previous progress report.

Agents Fees

During the period of this report, a payment of £306.00 was paid to VPS (UK) Ltd for vacant property management services until the sale of the commercial property could be completed.

In addition, a final payment of £652.67 has been paid to LSH in respect of handling the collection and sale all of the non-factored assets.

Removal Costs

No removal costs have been incurred or paid during this reporting period.

Costs were incurred in the previous reporting period and details of which can be found in the previous progress report.

Legal Fees and Disbursements

During the period of this report a final payment of £356.68 has been made to Eversheds in respect of the conveyancing work carried out.

Further details regarding legal fees and disbursements incurred in the previous period can be found in the previous progress report.

Accountants Fees and Disbursements

Stokoe Rodger is currently carrying out a review as to whether there is a claim in respect of Corporation Tax Terminal Loss relief to pursue. A fee of £1,000 was agreed in this respect but has not yet been invoiced or paid.

Further information regarding the work undertaken by Stokoe Rodger in the previous reporting period was provided in the previous progress report.

Diesel for the fork lift truck

No amounts in respect of diesel costs have been incurred or paid during the period of this report.

Debt Collection / Sales Commission

The Directors were aware of competitors who may have been interested in purchasing the stock and work in progress. It was therefore agreed that if the Directors were able to secure a sale, the Administrators would pay a fee of 10% of realisations. This was also agreed in respect of the book debt collection exercise; the Directors had a good working relationship with many of their customers

and as such it was believed that the assistance of the Directors would maximise the debtor recoveries.

Since the commencement of the Administration, a total amount of £12,152.74 has been paid to the Directors of which £9,335.84 was paid during the period of this report.

Postage/Creditor Gateway

During the period of this report, a total of £80.82 has been paid in respect of postage and Creditor Gateway fees; of which £14.00 has been paid in respect of uploading documents and reports for creditors onto the creditor gateway and £66.82 has been incurred in respect of circulating letters to the members and creditors regarding the Administrators Proposals and the outcome of the meeting of creditors as well as the last progress report.

Statutory Advertising

No costs in respect of statutory advertising have been incurred or paid during the period of this report.

Car Parking

No parking costs have been incurred during the period of this report.

Insurance of Assets

Marsh Limited was initially engaged to provide open cover in respect of the assets until a review could be undertaken. Specific insurance to cover assets, buildings and public liability was later put in place and a premium of £2,100.15 was paid during the previous reporting period.

Since the last report, a final payment in respect of the insurance of the assets of £311.89 was paid.

Following the cancellation of the insurance over the property, a refund of £804.95 has been received.

Wages and Salaries

During the period of this report, no payments have been made to any employees in respect of wages and salaries. For details regarding payments made in the previous period, please refer to the previous progress report.

PAYE / NIC

In respect of the employees that were retained during the previous reporting period, Pay As You Earn ("PAYE") of £111.80 and National Insurance Contributions ("NIC") of £87.73 was incurred. During the period of this report a payment of £199.53 has been made in full to HM Revenues & Customs.

LIABILITIES

Secured Liabilities

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

Barclays Bank plc ("Barclays")

Barclays Commercial Finance had the benefit of a legal charge over the freehold property registered 2 March 2012.

Barclays also had the benefit of a Fixed and Floating Charge registered on 25 June 2011 and a debenture registered on 6 February 2006. As detailed above, the indebtedness due to Barclays collectively was estimated to be £223,118.

As at the date of appointment, the Company had cash at bank of around £131,740 which has been offset by Barclays under the terms of their security against the property loan provided by Barclays Commercial Bank plc.

The book debts were secured under the fixed charge in respect of an invoice discounting facility; the collection exercise has now been completed by Barclays and they have been repaid in full.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case the floating charge creditor has been repaid in full under their fixed charge and as such the prescribed part provisions do not apply.

Preferential Creditors

The only known preferential creditors are former employees of the Company for arrears of pay and holiday pay. Their claims are subject to a maximum limit set by the insolvency legislation.

The statement of affairs anticipated £26,382.67 in preferential creditors. Preferential claims totaling £7,543.10 have been received from The Redundancy Payments Service. The employees in their own right are also preferential creditors in the amount of £18,839.57.

Crown Creditors

At the time the Statement of Affairs was prepared the amount owed to HM Revenue & Customs was uncertain. However HM Revenue & Customs have since submitted an initial claim of £149,102.03.

Non-preferential Unsecured Creditors

The statement of affairs included 64 non-preferential unsecured creditors with an estimated total liability of £519,192.00. I have received claims from 28 creditors at a total of £437,394.97. I have not received claims from 36 creditors with original estimated claims in the statement of affairs of £105,319.08.

7. DIVIDENDS

It appears likely that a dividend will be declared to non-preferential unsecured creditors and accordingly the Company has been placed into Creditors' Voluntary Liquidation to facilitate the distribution.

Secured Creditors

As detailed above, the Company gave a debenture consisting of a fixed and floating charge to Barclays on 6 February 2007 and a further fixed and floating charge was granted to Barclays on 25 June 2011.

Barclays Commercial Finance also had the benefit of a legal charge over the freehold property.

Barclays has been fully repaid from the fixed charge they hold over freehold property and book debts. As a result, I will not have to pay them any money under their floating charge, and the prescribed part provisions will not apply.

Preferential Creditors

The preferential creditors will be repaid in full.

Non-preferential Unsecured Creditors

On the basis of current information, it is likely that realisations will be sufficient to pay the unsecured creditors a dividend of around 30 pence in the pound. This will be paid during the Liquidation of the Company.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. As previously advised, the Company gave a floating charge to Barclays on 29 February 2012. Barclays have been repaid in full and therefore the prescribed part provision will not apply.

8. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

During the previous reporting period, 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.

Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 2 years prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the Administration and made enquiries about the reasons for the changes.

Within 3 months of my appointment as Administrator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I would confirm that my report was submitted in the previous reporting period.

9. PRE-ADMINISTRATION COSTS

Details of the pre-appointment fees and expenses were provided in the previous progress report.

10. ADMINISTRATORS' REMUNERATION

My remuneration was authorised on a mixture of a time cost basis, as a fixed fee and percentage of realisations.

I was authorised to draw time costs for my work in respect of Investigations / Case Specific Matters / Liquidation of Company. This approval was based on my fees estimate of £20,008.00. The fee estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors. My total time costs for such work to 29 November 2017 amount to £9,157.50 representing 46.80 of hours work at a blended charge out rate of £195.67 per hour, of which £1,169.00, representing 7.55 of hours work, was charged in the period since 7 June 2017, at a blended charge out rate of £154.83 per hour. There is a small difference in the blended rate as certain tasks were undertaken by the Partners and Assistant Manager in this case due to their complexity.

I have drawn £7,988.50 to 29 November 2017 of which £nil was drawn in the period since 7 June 2017 in respect of work done for which my fees were approved on a time cost basis.

I was also authorised to draw a fixed fee of £10,000.00 for my work in respect of Administration & Planning and Creditors (generally).

During the previous reporting period, £10,000 was drawn in respect of my fees which were approved on a fixed fee basis. No remuneration which has been agreed fixed fee basis has been drawn during the period of this report.

Finally, I was also authorised to draw 20% of realisations for my work in respect of the realisation of assets. Based on realisations I have achieved to date I am entitled to remuneration of £93,086.02.

I have drawn £85,279.93 to 29 November 2017 of which £34,511.50 was drawn in the period since 7 June 2017 in respect of work done for which my fees were approved as a 20% of realisations.

Finally, I was also authorised to draw 10% of distributions made for my work agreeing creditors' claims and making the distribution to creditors. I have not yet made any distributions therefore I am not entitled to any remuneration in this respect as at the date of this report.

I have not been able to draw any remuneration in respect of work done for which my fees were approved as a % of distributions.

A detailed schedule of my time costs incurred to date and since 7 June 2017 compared with my original fees estimate is attached as Appendix 2.

As you are aware, when my remuneration was authorised by the creditors my estimate of total time costs took into account the work that I will undertake as Liquidator. I can confirm that at present I do not expect that the total time costs I anticipate incurring in the liquidation will mean that I will exceed the total estimated remuneration as set out in my fees estimate but I reserve the right to seek approval to seek approval for an increase in fees where necessary.

I have sub-contracted some of the work I am required to undertake as Administrator, namely review into whether a claim for corporation tax terminal loss relief can be made and prepare the payroll for the staff which were retained. This work was sub-contracted to an unconnected third party organisation who has charged £1,750 for undertaking that work, of which £1,000 has not yet been invoice nor paid as the work has not yet been finalised. The outstanding amount will be paid in the Liquidation, and in priority to the costs and expenses of the Liquidation. If a terminal loss relief claim is to be made, the organisation will prepare the claim accordingly and a fee of 10% of realisations has been agreed.

In addition, assistance was provided by the Directors in respect of the debt collection exercise and securing a purchaser of the assets for which a fee of 10% has been agreed and paid. This is not necessarily work that has been sub-contracted out but it is work where assistance has been provided to the Administrators.

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 Administrators' Fees' also published by R3, together with an explanatory note which shows Tait Walker's fee policy are available at the link <http://www.taitwalker.co.uk/sip-9-fee-guidance/>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the October 2015 version.

11. ADMINISTRATORS' EXPENSES

I have incurred expenses of £28,606.52 in the period since 7 June 2017.

Since the commencement of the Administration I have incurred total expenses of £48,115.33 compared to my estimated expenses of £33,023 in my proposals. My expenses exceeded my estimate because as at the time of my proposals a sale of the commercial property had been agreed but later fell through which has resulted in an increase from the initial estimate. Further costs were incurred in respect of Agents fees and disbursements as additional marketing was undertaken to secure a sale of the property and in order to secure the site.

I have drawn £648.67 to 29 November 2017, of which £434.75 was drawn in the period since 7 June 2017.

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

Type of expense	Amount incurred/ accrued in the reporting period
Legal Fees (Sale of Freehold Property)	£12,228.68
Agents Fees (Freehold Property)	£4,842.03
Bank Account Charges	£63.16
Ocrex	£47.75
Utilities	£230.40
Case Specific Bond increase	£112.00
Agents Fees including VPS UK Ltd	£958.67
Accountants Fees	£1,000.00
Debt Collection Fees / sales Commission	£9,335.84

Postage	£80.82
Insurance of Assets (CREDIT)	(£493.06)
PAYE and NI	£199.53
Parking	£0.70

Expenses of £1,000.70 remain unpaid, and these will be paid out of the assets of the Company in the Liquidation, and in priority to the costs and expenses of the Liquidation.

I have incurred the following category 2 disbursements in the period since my last progress report:

Type of category 2 disbursement	Amount incurred/accrued in the reporting period	Paid in the reporting Period
Mileage	£157.95	£134.55

Category 2 disbursements of £23.40 remain unpaid, and these will be paid out of the assets of the Company in the Liquidation, and in priority to the costs and expenses of the Liquidation.

I have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Lambert Smith Hampton	Valuer/Auctioneer (Chattel Assets)	10% of disposals
Lambert Smith Hampton	Valuer/Auctioneer (Freehold Property)	2% of realisations
VPS (UK) Ltd	Vacant Property Agents	Time Costs
Stokoe Rodger	Accountants – Terminal Loss Relief Review	Fixed fee

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case.

Lambert Smith Hampton

LSH were initially engaged by the Company in the pre appointment period to carry out a valuation, take inventory and provide initial advice to the proposed Administrators. LSH has since been engaged by the Administrators to market the sale of the Company's freehold property and other chattel assets, collate and review offers, provide advice on acceptable offers and facilitate a sale. LSH has also assisted with clearing the property, managing the site and access as well as dealing with the return of third party assets and retention of title goods.

VPS (UK) Ltd

VPS (UK) Ltd was engaged to carry out vacant property management services until the sale of the commercial property was completed.

Stokoe Rodger – Accountants

As detailed above, Stokoe Rodger is carrying out a review of whether a claim can be made in respect of corporation tax terminal loss relief.

12. 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 Administrators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

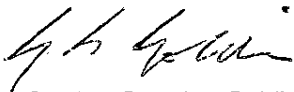
An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount

and/or basis of the Administrators' 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 Tait Walker can be found at <https://www.taitwalker.co.uk/provision-services-regulations/>

13. SUMMARY

The Administration as approved in the proposals is now complete and our files will be closed. If creditors have any queries regarding the conduct of the Administration, or this report, or if they want hard copies of any of the documents made available on-line, they should contact Tonya Allison on 0191 285 0321, or by email at tonya.allison@taitwalker.co.uk



Gordon Smythe Goldie
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Gordon Smythe Goldie and Andrew David Haslam. The Joint Administrators act as agents of the Company and contract without personal liability.

APPENDIX 1

A description of the routine work undertaken since my last progress report

1. Administration

- Dealing with all routine correspondence and emails relating to the case.
- *Maintaining and managing the office holder's estate bank account.*
- Maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing progress reports to creditors and members.
- Filing returns at Companies House.
- *Preparing and filing VAT returns.*
- Preparing and filing Corporation Tax returns.
- Seeking closure clearance from HMRC and other relevant parties.
- Preparing, reviewing and issuing a final report to creditors.
- Seeking discharge as Administrator.
- Filing final returns at Companies House and in Court.

2. Creditors

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

APPENDIX 2

Tube Supply International Limited
(In Administration)
Joint Liquidators' Summary of Receipts & Payments

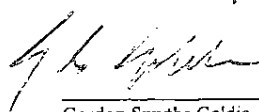
Statement of Affairs £		From 07/06/2017 To 29/11/2017 £	From 07/12/2016 To 29/11/2017 £
	SECURED ASSETS		
350,000.00	Commercial Property	310,000.00	310,000.00
	Parcel of Land	3,500.00	3,500.00
1,000.00	Goodwill	NIL	1,000.00
164,572.00	Book Debts	<u>163,841.98</u>	<u>164,051.85</u>
		477,341.98	478,551.85
	COSTS OF REALISATION		
	Legal Fees	12,228.68	12,228.68
	Agents/Valuers Fees	4,842.03	6,801.70
	Telephone Telex & Fax	NIL	NIL
	Bank Account Charges	<u>63.16</u>	<u>63.16</u>
		17,133.87	19,093.54
	SECURED CREDITORS		
-223,118.00	Barclays Bank Commercial	<u>85,876.51</u>	<u>85,876.51</u>
		-85,876.51	-85,876.51
	HIRE PURCHASE		
16,331.00	Plant and Machinery	NIL	16,330.56
-16,331.00	Finance Company - Aldermore	<u>NIL</u>	<u>-16,330.56</u>
		NIL	NIL
	ASSET REALISATIONS		
28,169.00	Plant & Machinery	NIL	28,169.44
220.00	Office Furniture & Equipment	NIL	520.00
35,000.00	Stock	NIL	35,000.00
	Book Debts	935.09	935.09
	Rates Refund	1,066.43	1,066.43
	Cash at Bank	7,053.58	7,053.58
	Interest Gross	<u>9.47</u>	<u>10.20</u>
		9,064.57	72,754.74
	COST OF REALISATIONS		
	Ocrex	47.75	47.75
	Utilities	230.40	948.59
	Court Fees	NIL	250.00
	Case Specific Bond	112.00	672.00
	Mileage	134.55	366.57
	Pre Appointment Remuneration	NIL	14,213.50
	Administrators' Fees	89,052.76	103,268.43
	Toll Charges	NIL	1.50
	Corporate Finance Fees	NIL	15,000.00
	Agents Fees	958.67	10,837.92
	Removal Costs	NIL	100.00
	Legal Fees & Disbursements	0.00	1,833.00
	Accountants Fees & Disbursements	NIL	2,250.00
	Diesel	NIL	8.34
	Debt Collection Fee / Sales Commissions	9,335.84	12,152.74
	Postage	80.82	108.82
	Statutory Advertising	NIL	156.50
	Parking	NIL	8.90
	Insurance of Assets	-493.06	2,100.15
	Wages & Salaries	NIL	1,247.23
	PAYE & NI	199.53	199.53
	Transfer of surplus funds to the Liquidators	<u>280,565.07</u>	<u>280,565.07</u>
		380,224.33	446,336.54
355,843.00		3,171.84	0.00

REPRESENTED BY

Current Account
Vat Control Account

-15,633.19

15,633.19

NIL


Gordon Smythe Goldie
Joint Administrator

APPENDIX 3

Schedule of time costs incurred to date and since 7 June 2017 compared with my original fee estimate

APPENDIX 4

**SIP 9 table of time costs incurred
from 7 June 2017 to 29 November 2017 and for the whole period of the Administration**

Tube Supply International Limited
In Administration

Appendix 4

Table of time spent and charge out value from 7 December 2016 to 29 November 2017

Work Function	Partner	Associate Partner	Associate	Manager	Assistant Manager	Senior Case Administrator	Case Administrator	Support Staff	Total Hours	Total Cost (£)	Average Hourly Rate (£)
Books + Records	2.20	0.00	0.00	0.00	4.75	0.00	1.00	7.90	15.85	2,723.50	171.83
Investigation	9.40	0.00	0.00	0.00	1.85	13.90	5.80	0.00	30.95	6,434.00	207.88
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	11.60	0.00	0.00	0.00	6.60	13.90	6.80	7.90	46.80	9,157.50	195.67

Table of time spent and charge out value from 7 June 2017 to 29 November 2017

Work Function	Partner	Associate Partner	Associate	Manager	Assistant Manager	Senior Case Administrator	Case Administrator	Support Staff	Total Hours	Total Cost (£)	Average Hourly Rate (£)
Books + Records	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	1.00	150.00	150.00
Investigation	0.00	0.00	0.00	0.00	0.35	0.40	5.80	0.00	6.55	1,019.00	155.57
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00	0.00	0.35	0.40	6.80	0.00	7.55	1,169.00	154.83

A copy of Statement of Insolvency Practice 9 - A Guide to Administrators Fees can be downloaded from <http://www.taitwalker.co.uk/sip-9-fee-guidance> or provided upon written request from this office. A copy of Tait Walker - Fee Policy in Insolvency Proceedings which details the charging and expenses recovery policy of Tait Walker is attached.

TAIT WALKER TURNAROUND AND INSOLVENCY – FEE RECOVERY POLICY

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.taitwalker.co.uk/sip-9-fee-guidance/>. Alternatively a hard copy may be requested from Tait Walker Turnaround and Insolvency (A division of Tait Walker LLP), Bulman House, Regent Centre, Gosforth, Newcastle upon Tyne, NE3 3LS or recovery@taitwalker.co.uk. 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

<u>Grade of staff</u>	<u>Current charge-out rate per hour, effective from 1st June 2017</u>
	£
Partner	315
Associate Partner	300
Associate	285
Manager	275
Assistant Manager	220
Senior Case Administrator	180
Case Administrator	150
Case Support Staff	110

Up to November 2014 we referred to "maximum" rates, without specifying a minimum rate. We felt that this could be confusing and lower rates were rarely used, so we now just use the above rates.

<u>Grade of staff</u>	<u>Rate (£) per hour (Previous maximum rate (£) from 1st November 2014)</u>	<u>Rate (£) per hour (Previous maximum rate (£) from 1st June 2014)</u>	<u>Rate (£) per hour (Previous maximum rate (£) from 1st October 2013)</u>
Partner/Consultant	300	300	300
Associate Partner	275	275	275
Associate	270	-	-
Manager	260	260	250
Assistant Manager	200	-	-
Senior Case Administrator	170	170	160
Case Handler/Administrator	140	-	-
Case support staff	102	102	100

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 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 may seek time costs on any of the above categories.

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 Tait Walker Turnaround & Insolvency or Tait Walker LLP; 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.

Tait Walker LLP do not typically recharge expenses disbursements which include an element of shared or allocated costs of internal facilities such as stationery, room hire, communication facilities, printing, internal document storage etc.