

LIQ03

Notice of progress report in voluntary winding up



Companies House

SATURDAY



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24/11/2018

#177

COMPANIES HOUSE

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use

1 Company details

Company number 04018312

Company name in full Y.C.M.S. Ltd

t/a Young Construction Management Services

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Andreas

Surname Arakapiotis

3 Liquidator's address

Building name/number Mountview Court

Street 1148 High Road

Post town Whetstone

County/Region London

Postcode N20 0RA

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

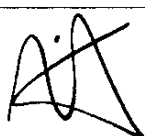
Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6		Period of progress report											
From date	d 2 3		m 0 9		y 2 0		y 1 7						
To date	d 2 2		m 0 9		y 2 0		y 1 8		✓				
7		Progress report											
		<input checked="" type="checkbox"/> The progress report is attached											
8		Sign and date											
Liquidator's signature	Signature 											X	
Signature date	d 2 3		m 1 1		y 2 0		y 1 8						

LIQ03

Notice of progress report in voluntary winding up



Presenter information

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

Contact name **Andreas Arakapiotis**

Company name **Kallis & Company**

Address **Mountview Court**
1148 High Road

Post town **Whetstone**

County/Region **London**

Postcode **N 2 0 0 R A**

Country

DX

Telephone **020 8446 6699**



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.



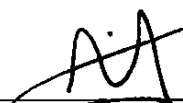
Further information

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

**Y.C.M.S. Ltd t/a Young Construction Management Services
(In Liquidation)
Liquidator's Summary of Receipts & Payments**

Statement of Affairs £		From 23/09/2017 To 22/09/2018 £	From 23/09/2016 To 22/09/2018 £
	ASSET REALISATIONS		
Uncertain	VAT Refund	NIL	NIL
	Insurance Deposit	5,000.00	5,000.00
	Bank Interest Gross	3.50	3.50
	Third Party Funds	NIL	3,600.00
	Preference Payment Recovery	1,020.00	1,020.00
		<u>6,023.50</u>	<u>9,623.50</u>
	COST OF REALISATIONS		
	Specific Bond	74.40	74.40
	Preparation of S. of A.	NIL	3,000.00
	Office Holders Fees	4,500.00	4,500.00
		<u>(4,574.40)</u>	<u>(7,574.40)</u>
	UNSECURED CREDITORS		
(119,700.70)	Trade & Expense Creditors	NIL	NIL
(63,000.00)	Directors	NIL	NIL
(62,014.45)	HM Revenue & Customs (VAT)	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(244,717.15)		<u>1,449.10</u>	<u>2,049.10</u>
	REPRESENTED BY		
	Bank 1 Current Interest Bearing		2,049.10
			<u>2,049.10</u>



Andreas Arakapiotis
Liquidator

**Y.C.M.S. Ltd t/a Young Construction Management Services
IN CREDITORS' VOLUNTARY LIQUIDATION**

*LIQUIDATOR'S SECOND PROGRESS REPORT IN ACCORDANCE WITH RULE 18.3 OF THE
INSOLVENCY RULES 2016 FOR THE YEAR ENDING 22 SEPTEMBER 2018.*

Contents:

- 1. Block Transfer Order*
- 2. Statutory Information*
- 3. Introduction*
- 4. Liquidator's Actions Since Appointment*
- 5. Receipts And Payments*
- 6. Assets*
- 7. Liabilities*
- 8. Dividend Prospects*
- 9. Investigation Into The Affairs Of The Company*
- 10. Pre-Appointment Remuneration*
- 11. Liquidator's Remuneration*
- 12. Liquidator's Expenses*
- 13. Further Information*
- 14. Summary*

Appendices:

- 1. Receipts & Payments Account for the period from 23 September 2017 to 22 September 2018 and for the period 23 September 2016 to 22 September 2018.*
- 2. A schedule of actions undertaken under each category in the reporting period*
- 3. A schedule of Liquidator's time costs incurred to date and for the period from 23 September 2017 to 22 September 2018.*
- 4. An explanatory note which shows Kallis & Company's fee policy*
- 5. Proof of debt form*

Y.C.M.S. Ltd t/a Young Construction Management Services – In Liquidation

LIQUIDATOR'S PROGRESS REPORT TO CREDITORS AND MEMBERS

For the year ending 22 September 2018

1. BLOCK TRANSFER ORDER

An application was made to court to transfer the appointments of Elizabeth Arakapiotis to me, Andreas Arakapiotis. This Order was made on 4 May 2018.

It is open to any creditor to apply to court for an order that I provide an account of the administration of the estate, including, a summary of receipts and payments and a statement that I have reconciled the account.

In the event that I am required to provide the information referred to above, unless there are good reasons to the contrary, the costs of complying will be paid as an expense of the liquidation.

Creditors have a right under regulation 11(2) of the Insolvency Regulations 1994 to require the appointed officeholder to supply a statement of receipts and payments free of charge.

Elizabeth Arakapiotis has been released forthwith from all liabilities past, present or future in respect of any acts and or omissions in relation to her conduct as officeholder.

Each creditor who has an objection to the order is at liberty to apply to vary or discharge the Order. Creditors had 21 days from the date of advertisement to apply to court to set aside or vary terms of the Order. The advertisement was placed in the London Gazette. No objections have been received.

2. STATUTORY INFORMATION

Company name:	Y.C.M.S. Ltd t/a Young Construction Management Services
Company number:	04018312
Trading address:	39 Blackbird Hill London NW9 8RS
Registered office:	Mountview Court 1148 High Road Whetstone London N20 0RA
Former registered office:	39 Blackbird Hill London NW9 8RS
Principal trading activity:	Construction

Liquidators' names: Andreas Arakapiotis
Liquidators' address: Mountview Court
1148 High Road
Whetstone
London
N20 0RA
Date of appointment: 4 May 2018
Former Liquidator's Name: Elizabeth Arakapiotis
Former Liquidation appointment date: 23 September 2016
Former Liquidator Ceased to act: 3 May 2018
Court name and reference: In the High Court of Justice
002776 of 2017

3. INTRODUCTION

The Company traded as a construction company from premises at 39 Blackbird Hill, London, NW9 8RS.

According to the statement of affairs lodged in these proceedings, the assets of the Company had a book value of £32,959.99 and an uncertain estimated realisable value. No realisations have been made to date. Third Party funds of £3,600 were received from the director towards the payment of Kallis & Company's fee for assisting in the preparation of the statement of affairs and convening the meeting of members and creditors in order to obtain a decision in the winding up of the Company.

In the course of my administration, I have reviewed the Company's affairs to establish whether there were any potential undisclosed asset recoveries or conduct matters that justified further investigation. Subsequent to my appointment, asset realisations totalling £5,000 relating to an unexpected insurance deposit refund was achieved. Additionally, as detailed in the investigation section below, my review identified a payment to the Company's bank, to which the director had provided a personal guarantee, which may constitute a preference.

4. LIQUIDATOR'S ACTIONS SINCE LAST REPORT

Since the last report, a payment to the bank was identified which may constitute a preference was pursued. A meeting was held with the director to discuss repayment of the preference claim against him. My staff and I also reviewed his financial position before agreeing a settlement of the preference claim. This is detailed further in the asset section asset below.

My predecessor also sought a decision to revise the liquidation's remuneration, please see the liquidator's remuneration section below.

There is also 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 detailed list of the work undertaken since the last progress report is contained in Appendix 2.

5. RECEIPTS AND PAYMENTS

The Receipts & Payments Account for the period from 23 September 2016 to 22 September 2018 and for the reporting period from 23 September 2017 to 22 September 2018 is attached at Appendix 1.

6. ASSETS

Bank Interest

I would advise that all asset realisations within the liquidation are held within an interest bearing account. I can confirm that interest totalling £3.50 has been received on the account, all of which has been received in the reporting period.

Third party funds

The sum disclosed as being third party funds represents the monies paid by the directors prior to my appointment towards my fee for convening and organising the meeting of creditors and assisting with the preparation of the statement of affairs.

Preference Payment Recovery

Following a review of the Company's bank statements, a payment to Moorcroft, a debt recovery company, of £16,000 was identified. Moorcroft explained they were instructed by the Company's bank to pursue the director for repayment of his personal guarantee.

On this basis, we considered that the payment to HSBC reduced the director's liability to them under his personal guarantee. This transaction has therefore put the director in a better position than he would have been, had it not taken place. Therefore, we considered this to be a preference payment.

Following a meeting with the director and a review of his finances, an amount of £2,000 was agreed in full and final settlement to be paid in six monthly instalments. To the anniversary date, £1,020 has been received.

Insurance Deposit

Although not detailed on the Statement of Affairs, an insurance deposit refund was received totalling £5,000. The Company previously entered into a cash deposit arrangement with NHBC and provided a security payment in the form of a cash deposit totalling £5,000, which was payable into the liquidation.

7. LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies showed that the Company had granted a debenture and legal charge to The Royal Bank of Scotland PLC on 17 February 2010 and 28 June 2007, respectively.

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 charges were satisfied prior to my appointment and as such the prescribed part provisions do not apply.

Preferential Creditors

The statement of affairs showed an uncertain amount owed to preferential creditors. Claims totaling £1,779.60 have been received.

Non-preferential unsecured Creditors

The statement of affairs included nine unsecured creditors with an estimated total liability of £244,715.15, of which £62,014.45 is owed to HMRC. I have received claims from nine creditors at a total of £245,997.40, including HMRC's final claim of £6,991.38. To date, I have not received claims from three creditors with original estimated claims in the statement of affairs of £22,818.91.

8. DIVIDEND PROSPECTS

On the basis of current information it is anticipated a small dividend will be available for preferential creditors.

9. 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.

Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 12 months 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 liquidation and made enquiries about the reasons for any changes.

I took the following action where I considered that further investigation was justified:

Preferential Payment

Following a review of the Company's records, we discovered a payment of £16,000 being made to Moorcroft Debt Recovery Ltd on 1 June 2015, two years after the Company ceased to trade. Having made various enquiries with the bank, we have finally received confirmation that this payment was made in respect of the Company's indebtedness to HSBC. The balance in this account at the time was £22,595.32 overdrawn. We are aware that the overdraft facility was personally guaranteed by the director.

On this basis, we considered that the payment to HSBC reduced the director's liability to them under his personal guarantee. This transaction has therefore put the director in a better position than he would have been, had it not taken place.

We believed the Court would consider this transaction to constitute a preference payment in accordance with Section 239 IA86 and the position should be restored to what it was prior to the transaction having been entered into.

Following a meeting with the director, an offer of £2,000 to be paid in 6 monthly instalments in full and final settlement was put forward. From a review of the director's finances this offer was accepted. In the reporting period £1,020 has been received. I can advise a further £300 has been received outside of the reporting period.

Within three months of my appointment as Liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work 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 has been submitted.

10. PRE-APPOINTMENT REMUNERATION

The Board previously authorised the payment of a fee of £3,000 plus VAT for assistance with preparing 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 23 September 2016.

The fee for preparing the statement of affairs and arranging the decision procedure for creditors to appoint a liquidator was paid by the director.

11. LIQUIDATOR'S REMUNERATION

As mentioned in my predecessor's fee report, the liquidator's remuneration was previously authorised to draw 30% of realisations. However, no realisations were achieved to this regard, and therefore, no remuneration was withdrawn.

A revised fee resolution was obtained from creditors as follows:

"That the Liquidators' fees for undertaking work in respect of dealing with all aspects of the liquidation process be charged at 100% percent of realisations up to £5,000, to be drawn when assets are realised, and 25% percent of any further realisation, capped at £9,000."

The decision was duly approved on 15 March 2018, the decision date.

To date, £5,500 has been drawn, all of which was drawn in the reporting period.

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, together with an explanatory note which shows Kallis & Company's fee policy are available at the link <http://www.kallis.co.uk/downloads>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the October 2015 version.

12. LIQUIDATOR'S EXPENSES

As per my receipts and payments account various expenses have been incurred and paid which are detailed below, together with expenses which have yet to be paid. Unpaid expenses will be written off due to lack of funds.

The disbursements listed are all Category 1 disbursements, with the exception of storage which is a Category 2 disbursement. My firm's disbursements recovery policy is attached as Appendix 3.

<u>Disbursement</u>	<u>Period from 23 September 2017 to 24 September 2018</u>		<u>To date</u>	
	<u>Paid £</u>	<u>To be paid £</u>	<u>Paid £</u>	<u>To be paid £</u>
Specific Bond	-	-	-	74.40
Statutory Advertising	-	-	-	174.75
Postage	-	14.25	-	20.25
Storage	-	30.00	-	60.00

13. 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 their 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 of remuneration charged by the Liquidator as being excessive, and/or the basis of the Liquidator's remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. 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 Kallis & Company can be found in the attached summary sheet at <http://www.kallis.co.uk/legal>.

14. SUMMARY

The Liquidation will remain open until repayment of the preferential settlement has been fully referenced and a dividend to preferential creditors is paid. I estimate that this will take approximately 6 months and once resolved the Liquidation will be finalised and our files will be closed.

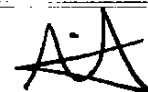
If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Kevin Donnelly on 020 8446 6699, or by email at Kevin@kallis.co.uk.



Andreas Arakapiotis
LIQUIDATOR

**Y.C.M.S. Ltd t/a Young Construction Management Services
(In Liquidation)
Liquidator's Summary of Receipts & Payments**

Statement of Affairs £		From 23/09/2017 To 22/09/2018 £	From 23/09/2016 To 22/09/2018 £
	ASSET REALISATIONS		
Uncertain	VAT Refund	NIL	NIL
	Insurance Deposit	5,000.00	5,000.00
	Bank Interest Gross	3.50	3.50
	Third Party Funds	NIL	3,600.00
	Preference Payment Recovery	1,020.00	1,020.00
		<u>6,023.50</u>	<u>9,623.50</u>
	COST OF REALISATIONS		
	Specific Bond	74.40	74.40
	Preparation of S. of A.	NIL	3,000.00
	Office Holders Fees	4,500.00	4,500.00
		<u>(4,574.40)</u>	<u>(7,574.40)</u>
	UNSECURED CREDITORS		
(119,700.70)	Trade & Expense Creditors	NIL	NIL
(63,000.00)	Directors	NIL	NIL
(62,014.45)	HM Revenue & Customs (VAT)	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(244,717.15)		1,449.10	2,049.10
	REPRESENTED BY		
	Bank 1 Current Interest Bearing		2,049.10
			2,049.10



Andreas Arakapiotis
Liquidator

Appendix 2

1. Administration

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Dealing with all routine correspondence and emails relating to the case.
- 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 VAT returns.
- Preparing and filing Corporation Tax returns.

2. Realisation of assets:

- Corresponding with the insurance deposit company to issue the refund.
- Liaising with the director for repayment of the preference payment.
- Holding a meeting with the director.
- Reviewing the offer which the director made in full and final settlement.

3. Creditors

- Obtaining information from the case records about employee claims.
- Completing documentation for submission to the Redundancy Payments Office.
- 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.
- Issuing a notice of intended dividend and placing an appropriate gazette notice.
- Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.
- Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.
- Paying tax deducted from the dividends paid to employees.

4. Investigations

- Reviewing the payment made to Moorcroft
- Making enquires with the bank, the director and Moorcroft as to what this payment related to.
- Pursuing the director for repayment of this payment.

Analysis of Office Holder's time costs for the period 23/09/2016 To 22/09/2018

Classification of Work Content

	Partner Hours	Senior Manager Hours	Manager Hours	Senior Hours	Support Hours	Total Hours	Total Cost (GBP)	Average Hourly Rate (GBP)
Administration & Planning								
AD1.1 - Case planning and review	2.70	1.50	4.50	8.30	25.50	42.50	5,959.50	140.22
AD1.2 - Ongoing administration matters	1.40	1.50	1.00	3.60	11.80	19.30	2,783.50	144.22
AD1.3 - Statutory notices & reporting	0.00	0.00	2.70	2.00	9.40	14.10	1,845.00	130.85
Financials								
AD2.1 - Completion and agreement of tax returns	1.30	0.00	0.80	2.70	4.30	9.10	1,331.00	146.26
AD2.2 - Banking and reconciliations	0.20	0.00	0.00	0.00	8.60	8.80	928.00	105.45
AD2.3 - Expense reviews and payments	0.20	0.00	0.00	0.00	1.10	1.30	178.00	136.92
Realisation of Assets								
AD3.1 - Dealing with agents, asset and business sales	0.00	0.00	0.00	0.00	2.70	2.70	270.00	100.00
AD3.2 - Book debt collection	0.00	0.00	0.00	0.00	4.80	4.80	480.00	100.00
AD3.3 - Identifying assets and recovery	1.50	0.00	2.30	1.00	2.00	6.80	1,325.00	194.85
Investigations								
AD4.1 - SIP 2 review & CDDA reports	0.50	0.00	0.00	0.00	0.00	0.50	147.50	295.00
AD4.2 - Inventory and record review	0.50	0.00	0.00	0.00	0.00	0.50	147.50	295.00
AD4.3 - Investigations - antecedent transactions/misconduct	0.40	0.00	1.10	0.00	2.70	4.20	653.50	155.60
Creditors								
AD5.1 - Communication with creditors	0.00	0.40	0.00	0.00	3.20	3.60	434.00	120.56
AD5.2 - Creditors' claims (including Employees' and other preferential creditors')	0.20	0.00	1.30	0.00	4.00	5.50	751.50	136.64
Total Hours	5.00	1.90	9.20	9.30	53.00	78.40		137.14
Total Fees (GBP)	1,556.00	541.50	2,070.00	1,287.50	5,296.50		10,751.50	

Analysis of Office Holder's time costs for the period 23/09/2017 To 22/09/2018

Classification of Work Content	Partner Hours	Senior Manager Hours	Manager Hours	Senior Hours	Support Hours	Total Hours	Total Cost (GBP)	Average Hourly Rate (GBP)
Administration & Planning								
AD1.1 - Case planning and review	1.50	0.70	0.00	8.30	4.00	14.50	2,167.00	149.45
AD1.2 - Ongoing administration matters	0.20	0.70	0.00	3.60	0.50	5.00	798.50	159.70
AD1.3 - Statutory notices & reporting	0.00	0.00	0.00	2.00	3.00	5.00	597.50	119.50
Financials								
AD2.1 - Completion and agreement of tax returns	1.30	0.00	0.00	2.70	0.50	4.50	771.00	171.33
AD2.2 - Banking and reconciliations	0.00	0.00	0.00	0.00	4.90	4.90	490.00	100.00
AD2.3 - Expense reviews and payments	0.00	0.00	0.00	0.00	0.50	0.50	50.00	100.00
Realisation of Assets								
AD3.1 - Dealing with agents, asset and business sales	0.50	0.00	0.00	0.00	0.00	0.50	147.50	295.00
AD3.3 - Book debt collection	0.50	0.00	0.00	0.00	0.00	0.50	147.50	295.00
AD3.4 - Identifying assets and recovery	0.50	0.00	0.00	1.00	0.00	1.50	312.50	208.33
Investigations								
AD4.3 - Investigations - antecedent transactions/misconduct	0.00	0.00	0.00	0.00	1.50	1.50	150.00	100.00
Creditors								
AD5.1 - Communication with creditors	0.20	0.00	0.00	0.00	1.80	2.00	239.00	119.50
AD5.2 - Creditors' claims (including Employees' and other preferential creditors')	0.00	0.00	0.00	0.00	0.70	0.70	70.00	100.00
Total Hours	3.20	0.70	0.00	9.30	12.20	25.40		143.84
Total Fees (GBP)	944.00	199.50	0.00	1,287.50	1,222.50		3,653.50	

PRACTICE FEE RECOVERY POLICY FOR KALLIS & COMPANY

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 www.kallis.co.uk. Alternatively a hard copy may be requested from Kallis & Company, Mountview Court, 1148 High Road, London N20 0RA. Please note, that we have provided further details in this policy document.

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

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

Time cost basis

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

Chargeout Rates

Grade of staff	Current charge-out rate per hour, effective from 01/10/2017	Current charge-out rate per hour, effective from 01/10/2015	Previous charge-out rate per hour, effective from 01/10/2012 £	Previous charge-out rate per hour, effective from 01/10/2010 £
Partner – appointment taker	£295-375	£340-375	£275-£335	£275-£320
Senior Manager	£285	£285	£275	£275
Manager	£225	£225	£170-£275	£170-£275
Senior/Case Administrator	£125-175	£150-175	£90-£175	£90-£175
Support Staff	£85-100	£85-100	£60-£85	£60-£85

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 periodic 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; Financials; 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 continue to seek time costs for the majority of our cases.

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 Kallis & Company; 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:

Room Hire	£50 per hour
Mileage	www.gov.uk/government/publications/rates-and-allowances-travel-mileage-and-fuel-allowances
Storage	£15 per box per annum
Destruction Costs	£5.50 per box