

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number	0	4	5	6	8	9	0	4
Company name in full	C P Berry Groundworks Limited							

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

2 Liquidator's name

Full forename(s)	Ruth Elizabeth
Surname	Harris

3 Liquidator's address

Building name/number	Unit 6 Twelve O'Clock Court
Street	Attercliffe Road
Post town	Sheffield
County/Region	
Postcode	S 4 7 W W
Country	

4 Liquidator's name ①

Full forename(s)	Nicola Jane
Surname	Kirk

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


5 Liquidator's address ②

Building name/number	Unit 6 Twelve O'Clock Court
Street	Attercliffe Road
Post town	Sheffield
County/Region	
Postcode	S 4 7 W W
Country	

② **Other liquidator**
Use this section to tell us about
another liquidator.

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6	Period of progress report															
From date	^d	2	^d	2	^m	0	^m	8	^y	2	^y	0	^y	2	^y	0
To date	^d	2	^d	1	^m	0	^m	8	^y	2	^y	0	^y	2	^y	1
7	Progress report															
<input checked="" type="checkbox"/> The progress report is attached																
8	Sign and date															
Liquidator's signature	<div>Signature</div> <div>  </div>															
Signature date	^d	0	^d	4	^m	1	^m	0	^y	2	^y	0	^y	2	^y	1

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 **Matt Thompson**

Company name **Abbey Taylor Limited**

Address **Unit 6 12 O'clock Court**

Attercliffe Road

Post town **Sheffield**

County/Region

Postcode **S 4 7 W W**

Country

DX

Telephone **0114 331 0000**



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

**C P BERRY GROUNDWORKS LIMITED – IN CREDITORS’ VOLUNTARY LIQUIDATION
LIQUIDATORS’ PROGRESS REPORT TO CREDITORS AND MEMBERS
FOR THE YEAR ENDING 21 AUGUST 2021**

STATUTORY INFORMATION

Company name:	C P Berry Groundworks Limited
Registered office:	C/O Abbey Taylor Ltd, Unit 6, Twelve O’Clock Court, 21 Attercliffe Road, Sheffield S4 7WW
Former registered office:	Newstead House, Pelham Road, Sherwood Rise, Nottingham NG5 1AP
Registered number:	04568904
Joint Liquidators’ names:	Ruth Elizabeth Harris and Nicola Jane Kirk
Joint Liquidators’ address:	Abbey Taylor Limited, Unit 6, Twelve O’Clock Court, 21 Attercliffe Road, Sheffield S4 7WW
Joint Liquidators’ contact details:	0114 331 0000 info@abbeytaylor.co.uk
Joint Liquidators’ date of appointment:	22 August 2019
Actions of Joint Liquidators’	Any act required or authorised under any enactment to be done by a Liquidator may be done by either or both of the Liquidators acting jointly or alone.

LIQUIDATORS’ ACTIONS SINCE LAST REPORT

Our duties and functions as Liquidators are the realisation of the Company’s assets, the agreement of the claims of creditors, investigation of the Directors’ conduct and the Company’s affairs generally, and the eventual distribution of the Liquidation funds between the creditors in accordance with their legal entitlements, should sufficient realisations permit.

During the period under review we have monitored for the sale of assets under the settlement agreement reached with the party involved in the pre-pack asset sale completed in the company’s former administration. This has also involved liaising with the third party and their representatives, agents and solicitors regarding the methods of sale and offers received. Further details are provided below.

During the period under review we have also continued to monitor the director’s bankruptcy estate to ascertain whether any funds will be distributed to unsecured creditors. It is not currently envisaged that a distribution will be made from the bankruptcy estate.

During the period under review we have also continued to investigate various matters and transactions identified by the administrators, as detailed below.

In addition to the above we have received a VAT refund due from the Administration of £7,398.

Finally, we have been conducting investigations into whether a s455 tax refund claim can be submitted to HM Revenue & Customs in relation to the repayment of the director’s loan account in the company’s CVA. Investigations remain ongoing.

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

RECEIPTS AND PAYMENTS

Our Receipts & Payments Account for the period from 22 August 2020 to 21 August 2021 together with the cumulative period of 22 August 2019 to 21 August 2021 is attached at Appendix 2. All amounts are shown net of VAT. We have reconciled the account against the financial records that we are required to maintain. The balance of funds are held in an interest bearing estate bank account.

ASSETS

Balance of Pre-Pack Asset Sale

As previously advised, during the Company's prior Administration, the assets of the Company (excluding land and buildings) were sold for £92,500 to CPB GW Limited, Company Number 11450017. The sale achieved in the Administration provided for consideration to be received over 42 weeks. The purchaser subsequently defaulted on the payment terms and a notice of default was issued on 22 November 2018.

Following protracted negotiations with the director of CPB GW Limited, Rory Berry, a settlement was agreed on 20 March 2020. The terms of the agreement allowed Mr Berry a period of 12 months to sell his two properties and for the net sale proceeds to be paid into the estate. In addition, his share of the net sale proceeds from a jointly owned property were also to be introduced.

Due to delays which arose as a result of the Covid-19 pandemic and in accordance with the terms of the agreement, the Liquidators allowed Mr Berry further time to comply with the agreement. To date £11,798.98 has been received in respect of the two solely owned properties, all of which was received during the period under review. We have been advised that the jointly owned property is being dealt with by LPA receivers and is currently on the market for sale. The agreement has yet to be fully settled and Liquidators are currently monitoring the position. A further update will be provided in a subsequent report.

Director's Loan Account

As per our previous report it was identified that that director, Carl Peter Berry, had an overdrawn director's loan account with the company from the commencement of the Administration in the sum of £52,786.12.

Following a petition issued by the Administrators, the director was made bankrupt on 11 November 2019 with Nicola Jane Kirk and Ruth Elizabeth Harris being appointed as Joint Trustees in Bankruptcy on 24 December 2019.

Based on realisations to date and estimated future realisations, it is not envisaged that a distribution will be available from the Bankruptcy estate to unsecured creditors. The position will continue to be monitored.

Other Investigations

Investigations into matters identified in the Administration have remained ongoing in the period under review.

A potential claim in respect of a property sale to a connected party prior to the approval of the CVA was identified, with agents being instructed to review the transaction. The Liquidators sought litigation funding in respect of the claim, however due to the significant risk involved, issues regarding limitation and the director's bankruptcy, this was not obtained. It has therefore been deemed by the liquidators that the costs of any action are likely to outweigh any realisations.

Following a review of the company bank statements a number of transactions were identified which required further review. Further information was sought from the Directors. Ultimately however, having considered the matter in detail, the anticipated costs, the funds available, and the potential for recovery being made, the decision was made to cease any further action.

In addition, during the Administration it was noted that the company previously owned and sold a property in Cyprus prior to the company entering Administration. Our investigations into this sale are ongoing.

Other Assets

The balance of funds in the Liquidation are held in an interest-bearing estate bank account. Bank interest gross of tax has been received in the reporting period totalling £4.02.

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, shows that the Company granted fixed and floating charges to TFG Capital Limited on 26 July 2018. We understand that this charge was satisfied on 18 February 2019 following the sale of the Company's property.

The Company granted fixed and floating charges to 4Syte Limited on 2 May 2018. It is understood that this charge has also been satisfied.

Preferential Creditors

The estimated financial position statement at the date of appointment of the Administrators did not anticipate that there would be any preferential creditors in this matter.

In accordance with employment legislation, monies owed to employees can be paid by the Redundancy Payments Service (RPS) out of the National Insurance fund. To the extent that claims are paid by the RPS, the employees' rights are taken over by them and they will make a claim in the Liquidation. We can confirm that several employee claims were made to the RPS although, to date, we have not been made aware of any preferential claims and no claims have come forward.

Crown Creditors

The estimated financial position statement at the date of appointment of the Administrators included £709,460.96 owed to HM Revenue & Customs by way of VAT and PAYE/CIS. HM Revenue & Customs' final claim of £550,603.03 has been received as follows

PAYE/CIS	£436,628.73
VAT	£113,974.30

Non-preferential unsecured Creditors

The Estimated Financial Position of the Company at the date of the appointment of the Administrators included 98 non-preferential unsecured creditors with an estimated total liability of £861,874.67. We have received claims from 20 creditors at a total of £576,332.74. It should be noted that included in the claims received are 4 claims that were not included in the estimated financial position, together with a claim totalling £144,511.19 from the Redundancy Payments Service, which was also not previously anticipated. In addition, a nil claim has been received from one creditor. We have not received claims from 80 creditors with original estimated claims in financial position statement at the date of appointment of £495,901.58, of which the amounts due to 53 of these creditors were noted as being uncertain, as they were included within the company's voluntary arrangement.

It should be noted that a number of unsecured creditors were bound by the Company's Company Voluntary Arrangement (CVA) formerly with PKF Cooper Parry Group Limited and now being dealt with by FRP Advisory Trading Limited. The liquidators have been advised that a final distribution has been made to unsecured creditors, details of which had yet to be provided at the date of the anniversary.

DIVIDEND PROSPECTS

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 ringfenced for distribution to unsecured creditors. In this case, it is understood both Charges have been satisfied and there are no further creditors secured by a floating charge such that the prescribed part provisions do not apply.

On the basis of realisations to date, together with estimated future realisations, and after taking into account the costs of the Liquidation, a dividend shall be available to unsecured creditors. As a result of a number of unsecured creditors being included in the Company's CVA, the Liquidators were unable to adjudicate claims until the final dividend was paid by the Supervisors. The Supervisors have advised that they have issued a final dividend, however they are awaiting a number of cheques to be presented before their final administration can be concluded. The Liquidators are now able to commence the distribution process and an initial notice is enclosed with this report.

OFFICE HOLDERS' REMUNERATION

Administrators' Pre-Appointment Fees

Prior to the commencement of the Administration Abbey Taylor Limited advised the Board as a whole, acting on behalf of the Company, about its financial difficulties and provided advice about the options available to the Company to help determine an appropriate course of action to take. In addition, Abbey Taylor Limited collected information in respect of the Company's position, assisted with employee claims and, dealt with the negotiations in respect of the pre appointment sale. The Administrators' pre appointment fees were agreed by the secured creditors at £35,772.50. Fees

totalling £15,000 plus VAT were discharged from the Administration estate in this regard and the balance of £15,772.50 plus VAT has been discharged from the Liquidation estate during a previous reporting period.

Pre-administration costs incurred were £38,822.50 of which £32,772.50 has been discharged such that £6,050 remains outstanding and will be paid in due course from realisations made.

The Administrators incurred the following pre-appointment disbursements and expenses, net of VAT where appropriate;

Description	Incurred	Discharged	Outstanding
Walker Morris (Legal Fees)	7,092.00	Nil	7,092.00
Walker Morris (Legal Disbursements)	50.00	50.00	0.00
VDE Asset Management Ltd (Agents Fees)	3,000.00	2,000.00	1,000.00
Joint Administrators' pre-appointment fees	30,772.50	30,772.50	0.00
	<u>40,914.50</u>	<u>32,822.50</u>	<u>8,092.00</u>

Walker Morris LLP Solicitors (Walker Morris) were engaged to assist with the legal formalities of making the application to Court for the Administration Order and our appointment, to provide advice on the sale of the business and assets, and to draft the sale agreement. This work was necessary to effect the Administrators appointment and sale of the business and assets of the company. Their remuneration was agreed on a time cost basis. Their pre-appointment unbilled fees are £7,092 plus VAT together with disbursements of £50 for the Court filing fees. This amount is higher than the amount originally disclosed in previous reports from creditors following a breakdown of costs being provided by Walker Morris. No fee has been discharged to date.

VDE Asset Management Limited (VDE) independent RICS insolvency valuers, were engaged to provide a valuation of the Company's assets and to assist in marketing the business and assets for sale prior to our appointment. VDE were engaged by Abbey Taylor Limited based on a fixed fee of £3,000 plus VAT and disbursements for their valuation of the Company's assets and preparation of the sales pack. This work was necessary to ensure the best available consideration for the sale of the business and assets was achieved. £2,000 plus VAT was discharged from the administration.

Administrators' Post-Appointment Remuneration

The Administrators' Remuneration was approved by secured creditors on a time cost basis based on a fee estimate for the Administration and Liquidation of £80,320. The fees estimate acts as a cap and we cannot draw remuneration in excess of that estimate without first seeking approval from the creditors. The fee estimated was provided at an early stage in the Administration and was intended to also included work that would be undertaken by the Liquidators. As such, the fee cap of £80,320 represents remuneration cap for both the Administrators and Liquidators.

Enclosed at Appendix 3 is a schedule of the Administrators time costs amounting to £92,068.50 representing 365.40 of hours work at a blended charge out rate of £251.97 per hour. We would advise that on 1 April 2019, the Liquidators changed their time recording software. As such, enclosed as appendices 3A and 3B are schedules of the Administrators' time costs to 31 March 2019 and from 1 April 2019 to 21 August 2019. We can confirm that during a previous reporting period, £14,500 plus VAT of the administrators' fees were discharged from the liquidation estate.

ADMINISTRATORS' EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

The Administrators incurred the following disbursements and expenses, net of VAT where appropriate, which have yet to be discharged from the estate as indicated below:

Category 1 Expenses

	Estimated in Proposals £	Incurred from 20/08/18 to 19/08/19 £	Discharged £	Unpaid to 21/08/19 £
Specific Bonding	640.00	640.00	-	640.00
Postage	250.00	494.12	-	494.12
Statutory Insurance	Nil	373.49	373.49	-
Statutory Advertising	150.00	80.25	80.25	-
EPC Certificate	Nil	370.00	370.00	-
Legal Fees	15,000.00	79,178.50	-	79,178.50
Legal disbursements	Nil	5,029.40	4,245.00	784.40
Agents Fees – book debts	1,500.00	7,980.02	7,980.02	-
Agents Fees – sale of business	9,250.00	3,400.00	3,400.00	-
Agent's disbursements – sale of business	Nil	675.00	675.00	-
Agents Fees – sale of property	6,500.00	10,662.50	10,662.50	-
Agent's disbursements – sale of property	Nil	615.00	615.00	-
	34,790.00	109,498.28	28,401.26	81,097.02

Category 2 Expenses

	Estimated in Proposals £	Incurred from 20/08/18 to 19/02/19 £	Discharged £	Unpaid to 21/08/19 £
Travel	100.00	104.04	-	104.04
Photocopying	Nil	155.10	-	155.10
Storage (58 boxes)	150.00	435.00	-	435.00
	250.00	694.14	Nil	694.14

Information about category 2 expenses is set out in our enclosed practice fee recovery policy.

Expenses incurred in the administration were £113,490.92 of which £28,401.26 has been discharged such that £85,089.66 remains outstanding and will be paid in due course from realisations made. It was noted that additional legal disbursements, which were incurred in the administration period and had not previously been disclosed to creditors, have been brought to the liquidators' attention since the previous report was issued to creditors.

During the administration, as you can see from the information provided in this report that the expenses we have incurred in this matter have exceeded the total expenses we estimated would be incurred when our remuneration was authorised by the creditors. This is as a result of the following:

- Postage was originally estimated at £250. Following our appointment, additional creditors came to light and increased postage was incurred.
- It was expected that the company's property would be sold immediately in the administration however this was delayed and as a result statutory insurance was incurred to protect this asset.
- In addition to the insurance incurred it was necessary to obtain an EPC Certificate to enable the sale of the property which was not previously envisaged.
- Legal costs were higher than originally anticipated as a result of the failed sale agreement, default by the tenants of the property, negotiation of the settlement agreement, assistance with investigations, court action taken against the Director in respect of the overdrawn loan account and protracted negotiations and court action in respect of the failed sale agreement. In addition, further time was incurred in the negotiation and for drafting a sale agreement for the company property following the default of the initial purchaser. Legal costs in the administration have reduced following a breakdown provided by Walker Morris.
- Legal disbursements were incurred in respect of the court action against the Director and purchaser of the business following the failed sale agreement, which included court fees, barrister fees, searches and service costs. These costs were not anticipated at the outset of the administration. It was noted that additional legal disbursements, which were incurred in the administration period and had not previously been disclosed to creditors, have been brought to the liquidators' attention since the previous report was issued to creditors.

- Agents Fees were higher than originally anticipated in respect of the sale of the property, as the property realised a higher value than originally anticipated. Agents dealing with the sale of the property also incurred additional disbursements including site clearance, changing the locks following the tenants default, VAT election advise and advertising costs which enabled the sale of the property to be completed at the higher valuation.
- Agent's fees in respect of the collection of the book debts were higher than originally anticipated due to the none co-operation of the Director.
- Storage costs were higher than originally anticipated as additional boxes were received by the administrators when the company premises was cleared to enable the marketing of the property.

LIQUIDATORS' REMUNERATION

The Liquidators' total time costs to 21 August 2021 amount to £19,567.50, representing 64.20 of hours work at a blended charge out rate of £304.79 per hour, of which £11,320, representing 35.90 of hours work, was charged in the period since 22 August 2020, at a blended charge out rate of £315.32 per hour. Attached at appendix 4 is a schedule of the Liquidators' time costs.

In total, the Administrators' and Liquidators' time costs amount to £111,636 representing 429.60 hours of work at a "blended" charge out rate of £259.86. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £227.86 in the Administrators' fees estimate. There is a difference in the blended rate charged in the Administration and Liquidation, compared with the estimated blended rate due to increased senior time spent on the case during the Administration and Liquidation with regards to the sale of the company's business and property in the Administration and settlement agreement in the Liquidation.

Fees have exceeded the original estimate due to the following matters which were not anticipated at the outset when fee approval was sought:

- Non-cooperation of the company's director.
- Issuing a statutory demand and bankruptcy petition against the director. The bankruptcy hearing being adjourned on multiple occasions.
- The failure of the sale agreement and protracted negotiations with the purchaser.
- Realisation of the settlement agreement and implementation
- Investigations raising matters for further investigation
- Delay in the final dividend being paid and the closure of the CVA

During the period of the Administration, no remuneration for post appointment work was discharged from estate funds. During a previous reporting period, Administrators' remuneration of £14,500 plus VAT was drawn to offset the outstanding time costs. The balance of Administrators' & Liquidators' remuneration of £65,820 has yet to be drawn from the estate.

Currently we do not intend to draw remuneration in excess of the fees estimate and so will not be seeking a decision to increase our fees estimate at this time.

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 Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/>. There are different versions of these Guidance Notes, and in this case please refer to the most recent version. Please note that we have also provided further information about an office holder's remuneration and expenses in our practice fee recovery sheet, which is enclosed at Appendix 5.

LIQUIDATORS' EXPENSES

We have incurred total expenses in the liquidation of £31,565.45, of which we incurred £3,003.05 in the period since 22 August 2020. We have drawn £350.00 to 21 August 2021, all of which was drawn during a previous reporting period.

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

Professional Advisor	Nature of Work	Basis of Fees
Walker Morris LLP	Solicitors	Time Costs
Lambert Smith Hampton	Agents	Fixed Fee

Walker Morris LLP Solicitors (Walker Morris) have continued to provide advice and assistance in respect of the realisations under the settlement agreement and in respect of the liquidators' investigations. Their remuneration was agreed on a time cost basis. In the Administrators' proposal their post-appointment fees were estimated at £15,000 plus VAT and

disbursements together with a fee of £1,500 plus VAT in respect of undertaking a security review on our behalf. Their unbilled post-appointment costs to date are £109,010 plus VAT and disbursements of £5,503.40 plus VAT of which £79,178 plus VAT and disbursements of £5,029.40 was incurred during the administration. Time costs of £29,831.50 plus VAT and disbursements of £474 have been incurred during the liquidation to date. The time costs incurred to date by Walker Morris have been amended from previous information reported to creditors following receipt of a full breakdown of time incurred to date. It should be noted that additional time has been incurred by Walker Morris following the default of the purchaser of the business, further investigations into Company transactions and the Directors conduct, and protracted negotiations in respect of the property sale. The work completed by Walker Morris allowed for the completion of the pre-packaged sale of the business and assets of the Company. Further work has been undertaken in respect of the negotiating and drafting the settlement agreement and assisting with investigations.

Lambert Smith Hampton (LSH) were instructed to provide a valuation report for the properties included in the settlement agreement with the third party and to provide advice in respect of the offers received for the properties. It was agreed with LSH that they would be remunerated on a fixed fee basis of £250 plus VAT.

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

We have incurred the following expenses in the period since our appointment as Liquidator (net of VAT where applicable):

	22/08/2019 to 21/08/2020		22/08/2020 to 21/08/2021	
	Incurring (£)	Discharged (£)	Incurring (£)	Discharged (£)
Postage	-	-	59.15	-
Land Registry Fees	40.00	-	6.00	-
Legal Fees	27,596.00	-	2,235.50	-
Legal Disbursements	474.00	350.00	-	-
Agents Fees	-	-	250.00	-
	<u>28,110.00</u>	<u>350.00</u>	<u>2,550.65</u>	<u>-</u>
	Total	Total	Total	
	Incurring (£)	Discharged (£)	Unpaid (£)	
Postage	59.15	-	59.15	
Land Registry Fees	46.00	-	46.00	
Legal Fees	29,831.50	-	29,831.50	
Legal Disbursements	474.00	350.00	124.00	
Agents Fees	250.00	-	250.00	
	<u>30,660.65</u>	<u>350.00</u>	<u>30,310.65</u>	

Details of the category 1 expenses that we have paid to date and in the reporting period are included in the receipts and payments account attached.

We are required to seek approval before we can pay any expenses to associates, or pay expenses where there is an element of shared costs, which are known as category 2 expenses. We obtained approval to pay category 2 expenses during the company's former Administration.

However, the Liquidators would note that guidance from the insolvency regulators has changed with respect to expenses and the approval required from creditors. As a result of this guidance change and the way in which Abbey Taylor Limited now store the Company's books and records, the decision previously approved by creditors with respect to category 2 expenses is no longer deemed suitable and a further decision from creditors is now being sought to authorise the payment of storage costs charged by JAS Holdings Limited.

JAS Holdings Limited is included as a category 2 expense since they are an associate by virtue of having common directorship with Abbey Taylor Limited. It is necessary for the office holders to recover and store the books and records for the duration of the Company's winding up and for 12 months after its dissolution. For this purpose, Abbey Taylor Limited utilises storage space afforded by JAS Holdings Limited and for which a monthly charge is incurred on a "per box" basis, presently 65p per box. 58 boxes of records have been received by the Liquidators resulting in the amount accrued to date. It is anticipated that JAS Holdings Limited will continue to provide the Liquidators with this storage service during the remainder of the case.

The following Category 2 expenses incurred to date amount to £904.80 and are made up as follows:

Nature of category 2 expense	Amount incurred / accrued 22/08/19 to 21/08/20 (£)	Amount incurred / accrued 22/08/20 to 21/08/21 (£)	Amount incurred / accrued to date (£)
JAS Holdings Limited – Storage (58 boxes)	452.40	452.40	904.80

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 Joint Liquidators' 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.

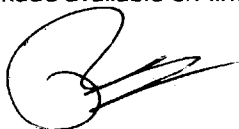
An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Joint Liquidators as being excessive, and/or the basis of the Joint Liquidators' 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 Abbey Taylor Limited can be found in the attached summary sheet.

SUMMARY

The Liquidation will remain open until the proceeds from the settlement agreement have been received, any realisations have been received from the Director's bankruptcy, our investigations into the property transactions have been fully resolved and a distribution to unsecured creditors has been made. We estimate that this will take approximately 12-18 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 Matt Chafer on 0114 331 0000, or by email at info@abbeytaylor.co.uk.



Ruth Elizabeth Harris
Joint Liquidator

Appendix 1

1. Administration

This represents the work involved in the routine administrative functions of the case by the office holders and their staff, together with the control and supervision of the work done on the case by the office holders. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the office holder's estate bank account.
- 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 an annual progress report to creditors and members.
- Preparing and filing a Corporation Tax return.

2. Creditors

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

- Maintaining up to date creditor information on the case management system.

3. Realisation of Assets

- Liaising with solicitors regarding the settlement agreement.
- Monitoring for receipt of any consideration under the settlement agreement.
- Monitoring for receipt of the VAT refund due from the company's former Administration.

C P Berry Groundworks Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 22/08/2019 To 21/08/2020 (£)	From 22/08/2020 To 21/08/2021 (£)	Total (£)
Settlement Agreement		0.00	11,798.98	11,798.98
Transfer from Administration		62,794.31	7,398.00	70,192.31
Bank Interest Gross		16.68	4.02	20.70
		62,810.99	19,201.00	82,011.99
PAYMENTS				
Administrators Remuneration		14,500.00	0.00	14,500.00
Administrators Pre-Appointment Fee		15,772.50	0.00	15,772.50
Legal Disbursements		350.00	0.00	350.00
Trade & Expense Creditors	(508,190.82)	0.00	0.00	0.00
Banks/Institutions	(1,334.61)	0.00	0.00	0.00
HM Revenue & Customs - VAT	(318,905.20)	0.00	0.00	0.00
HM Revenue & Customs - PAYE/NIC	(390,555.76)	0.00	0.00	0.00
Connected Party	(353,255.88)	0.00	0.00	0.00
		30,622.50	0.00	30,622.50
Net Receipts/(Payments)		32,188.49	19,201.00	51,389.49
MADE UP AS FOLLOWS				
Estate Bank a/c – Interest-Bearing		32,188.49	19,201.00	51,389.49
		32,188.49	19,201.00	51,389.49

ABBEY TAYLOR LIMITED

TIME & CHARGEOUT SUMMARIES

C P BERRY GROUNDWORKS LIMITED (IN ADMINISTRATION) - POST APPOINTMENT

FROM 20/08/2018 TO 31/03/2019

Classification of work function	Insolvency Practitioner	Manager	Other senior professional	Assistants & support staff	Total hours	Time cost £	Average hourly rate £
Administration & planning							
Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.	3.85	-	-	-	3.85	1,347.50	350.00
Setting up physical/electronic case files	-	-	0.30	0.30	0.60	93.00	155.00
Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment (as applicable).	2.00	-	7.50	-	9.50	2,012.50	211.84
Seeking decisions from creditors and members	0.50	-	-	-	0.50	175.00	350.00
Administrators Proposals	35.35	-	21.70	-	57.05	16,170.00	283.44
Opening, maintaining and managing the office holder's estate bank account	0.10	-	0.60	3.45	4.15	605.75	145.96
Undertaking regular bank reconciliations of the bank account containing estate funds.	-	-	-	0.30	0.30	40.50	135.00
Undertaking periodic reviews of the progress of the case.	2.25	-	8.80	-	11.05	2,327.50	210.63
Overseeing and controlling the work done on the case by case administrators.	1.00	-	-	-	1.00	350.00	350.00
Preparing, reviewing and issuing annual progress reports to creditors and members	8.00	2.25	14.80	-	25.05	5,952.50	237.62
Preparing and filing VAT returns	0.50	-	0.70	-	1.20	297.50	247.92
Liaising with solicitors	0.50	-	0.20	-	0.70	210.00	300.00
Correspondence with directors	9.60	-	10.45	-	20.05	5,188.75	258.79
General Correspondence	2.50	-	1.00	-	3.50	1,050.00	300.00
Liaising with agents	3.75	2.00	0.50	-	6.25	1,900.00	304.00
Insurance	0.40	-	0.40	-	0.80	210.00	262.50
Circulars	-	-	3.30	6.00	9.30	1,387.50	149.19
TOTAL ADMINISTRATION & PLANNING	70.30	4.25	70.25	10.05	154.85	39,318.00	253.91
Investigations							
Recovering the books and records for the case.	1.10	0.40	-	18.00	19.50	2,915.00	149.49
Listing the books and records recovered.	-	3.30	-	13.85	17.15	2,694.75	157.13
Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act (delete if not applicable).	2.50	-	-	-	2.50	875.00	350.00
Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.	5.60	-	2.00	-	7.60	2,310.00	303.95
Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors	15.00	10.75	13.20	-	38.95	10,247.50	263.09
Meetings with Directors	1.25	-	-	-	1.25	437.50	350.00
TOTAL INVESTIGATIONS	25.45	14.45	15.20	31.85	86.95	19,479.75	224.03
Realisation of Assets							
Arranging suitable insurance over assets.	0.25	0.30	1.00	-	1.55	337.50	217.74
Corresponding with debtors and attempting to collect outstanding book debts.	0.75	-	-	-	0.75	262.50	350.00
Liaising with agents to realise known assets.	2.45	-	-	-	2.45	857.50	350.00
Instructing & liaising with solicitors to assist in the realisation of assets.	5.50	-	-	-	5.50	1,925.00	350.00
Sale of Property (Land & Buildings)	19.80	-	-	-	19.80	6,930.00	350.00
Liaising with the secured creditors over the realisation of the assets subject to a mortgagee or other charge.	5.25	-	-	-	5.25	1,837.50	350.00
Sale of Business & Assets	14.55	-	0.20	-	14.75	5,127.50	347.63
Pension	0.10	-	-	-	0.10	35.00	350.00
TOTAL REALISATION OF ASSETS	48.65	0.30	1.20	-	50.15	17,312.50	345.21
Creditors							
Obtaining information from the case records about employee claims.	-	0.30	6.40	-	6.70	1,195.00	178.36
Completing documentation for submission to the Redundancy Payments Office.	-	0.20	3.90	-	4.10	732.50	178.66
Corresponding with employees regarding their claims.	-	-	2.10	-	2.10	367.50	175.00
Liaising with the Redundancy Payments Office regarding employee claims.	-	-	2.90	-	2.90	507.50	175.00
Dealing with creditor correspondence, emails and telephone conversations regarding their claims.	0.50	0.25	0.10	2.40	3.25	579.00	178.15
Maintaining up to date creditor information on the case management system.	-	-	1.90	-	1.90	332.50	175.00
Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.	-	0.50	0.50	-	1.00	212.50	212.50
TOTAL CREDITORS	0.50	1.25	17.80	2.40	21.95	3,925.50	178.88
Total fees claimed - £	50,715.00	5,062.50	18,278.75	5,980.50		80,036.75	
Total hours	144.90	20.25	104.45	44.30	313.90		
Average rate	350.00	250.00	175.00	135.00		254.98	

Time Entry - Detailed SIP9 Time & Cost Summary

1759 - C P Berry Groundworks Limited – In Administration
From: 01/04/2019 To: 21/08/2019
All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
700 : Formalities	0.00	0.00	0.00	1.20	1.20	210.00	175.00
701 : Strategy (incl Sales)	1.00	0.00	0.00	0.00	1.00	350.00	350.00
703 : Cashiering	0.00	0.00	0.60	1.55	2.15	318.75	148.26
704 : Progress Reports	3.00	0.00	0.00	0.00	3.00	1,350.00	450.00
705 : Closure	2.00	0.00	17.90	0.00	19.90	4,775.00	239.95
707 : VAT Returns	0.00	0.00	1.50	1.90	3.40	595.00	175.00
709 : General Duties	0.00	0.00	0.60	1.20	1.80	338.00	187.78
710 : Reviews	2.35	0.00	0.00	2.40	4.75	1,442.50	303.68
Admin & Planning	8.35	0.00	20.60	8.25	37.20	9,379.25	252.13
600 : Case Specific	0.00	0.00	0.00	4.00	4.00	700.00	175.00
Case Specific Matters	0.00	0.00	0.00	4.00	4.00	700.00	175.00
501 : Unsecured Creditors	0.15	0.00	0.00	0.50	0.65	140.00	215.38
Creditors	0.15	0.00	0.00	0.50	0.65	140.00	215.38
202 : Books & Records	0.00	0.00	0.00	5.50	5.50	962.50	175.00
203 : Bank Statements	0.00	0.00	2.30	1.70	4.00	797.50	199.38
Investigations	0.00	0.00	2.30	7.20	9.50	1,760.00	185.26
308 : Pursuing Antecedent Transactions	0.15	0.00	0.00	0.00	0.15	52.50	350.00
Realisation of Assets	0.15	0.00	0.00	0.00	0.15	52.50	350.00
Total Hours	8.65	0.00	22.90	19.95	51.50	12,031.75	233.63
Total Fees Claimed						0.00	

Time Entry - SIP9 Time & Cost Summary

1822 - C P Berry Groundworks Limited
All Post Appointment Project Codes
From: 22/08/2019 To: 21/08/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	12.55	0.00	4.00	21.60	38.15	10,557.50	276.74
Case Specific Matters	0.50	0.00	0.00	0.30	0.80	285.00	356.25
Creditors	0.15	0.00	1.30	1.20	2.65	632.50	238.68
Investigations	1.65	0.00	1.50	1.20	4.35	1,357.50	312.07
Realisation of Assets	12.30	0.00	2.50	3.45	18.25	6,825.00	373.97
Statutory Compliance	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	27.15	0.00	9.30	27.75	64.20	19,657.50	306.19
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Time Entry - SIP9 Time & Cost Summary

1822 - C P Berry Groundworks Limited
All Post Appointment Project Codes
From: 22/08/2020 To: 21/08/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	10.95	0.00	0.00	13.30	24.25	7,312.50	301.55
Case Specific Matters	0.00	0.00	0.00	0.30	0.30	60.00	200.00
Creditors	0.15	0.00	0.00	0.80	0.95	227.50	239.47
Investigations	0.25	0.00	0.00	0.00	0.25	112.50	450.00
Realisation of Assets	6.20	0.00	1.05	2.90	10.15	3,607.50	355.42
Statutory Compliance	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	17.55	0.00	1.05	17.30	35.90	11,320.00	315.32
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Provision of Services Regulations Summary Sheet for Abbey Taylor Limited

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

Company Name: Abbey Taylor Limited

Company Type: Private Limited Company

Company Number: 04992674

Registered Office: Unit 6 Twelve O'Clock Court
21 Attercliffe Road
Sheffield
England
S4 7WW

Telephone Number: 0114 331 0000

Fax Number: 0114 331 0260

Email: info@abbeytaylor.co.uk

VAT Number: 836 3500 38

Insolvency Practitioners

Tracy Ann Taylor, Nicola Jane Kirk and Ruth Elizabeth Harris are licensed in the United Kingdom to act as Insolvency Practitioners by The Institute of Chartered Accountants in England and Wales (ICAEW). Copies of the relevant insolvency license certificates and bond schedules as proof of the security required under Section 390(3) of the Insolvency Act 1986 are available for inspection at our offices.

Tracy Ann Taylor, Nicola Jane Kirk and Ruth Elizabeth Harris are also members of the Insolvency Practitioners Association.

Rules Governing Actions

All Insolvency Practitioners are bound by the rules of their professional body, including any that relate specifically to insolvency. The rules of the professional body that licences Abbey Taylor Limited can be found at:

www.icaew.com/regulation/insolvency/sips-regulations-and-guidance/insolvency-licensing-regulations-and-guidance-notes

In addition, IPs are bound by the Statements of Insolvency Practice (SIPs), details of which can be found at www.r3.org.uk/technical-library/england-wales/sips

Ethics

All Insolvency Practitioners are required to comply with the Insolvency Code of Ethics and a copy of the Code can be found at:

www.icaew.com/regulation/insolvency/sips-regulations-and-guidance/insolvency-code-of-ethics

Bribery

Our Practice is committed to carrying on its business fairly, openly and honestly. Our business culture is one where bribery is never acceptable.

We are dedicated to upholding the principles and provisions of The Bribery Act 2010. The Act details offences include bribes paid anywhere in the world by UK citizens or residents, including bribes paid by legal persons as well as individuals. Some of the Act's provisions are relevant to UK businesses (companies and partnerships) operating overseas, and also to foreign businesses operating in the UK.

Governing Law and Jurisdiction

Abbey Taylor Limited undertakes its activities as an Insolvency Practitioner in accordance with the laws of England and Wales. Any disputes will be governed by and construed in accordance with the laws of England and Wales.

Professional Indemnity Insurance

Travelers Insurance Company Limited
One Creechurch Place
Creechurch Lane
London
EC3A 5AF

Tel: +44 (0) 020 3207 6000

This professional indemnity insurance provides worldwide coverage, excluding professional business undertaken within the United States of America, Canada and any country, territory or jurisdiction in which American or Canadian law (Federal, State or Provincial) is applicable or in which a judgment based upon such law may be enforceable in connection with such work.

Complaints

Abbey Taylor Limited always strives to provide a professional and efficient service. However, we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of a particular case, then in the first instance you should contact the Insolvency Practitioner acting as office holder.

If you consider that the Insolvency Practitioner has not dealt with your comments or complaint appropriately, you should then put details of your concerns in writing to the Complaints Officer at Abbey Taylor Ltd, Unit 6 12 O'clock Court, Attercliffe Road, Sheffield, S4 7WW. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

It is our belief that most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the Insolvency Practitioner concerned. Any such complaints should be addressed:

- In writing to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA
- Using an on-line form available at www.gov.uk/complain-about-insolvency-practitioner
- By emailing insolvency.enquiryline@insolvency.gov.uk
- By calling the Insolvency Service Enquiry Line on 0300 678 0015 (details of call charges can be found at www.gov.uk/call-charges)

PRACTICE FEE RECOVERY POLICY FOR ABBEY TAYLOR LIMITED

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for an 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 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.r3.org.uk/technical-library/england-wales/technical-guidance/fees

Statement of Insolvency Practice 9 can be accessed at www.r3.org.uk/technical-library/england-wales/sips

A hard copy of the documents made available online may be requested free of charge from Abbey Taylor Limited, Unit 6 12 O'clock Court, Attercliffe Road, Sheffield, S4 7WW. Please note that we have provided further details in this policy document.

SIP 9 also contains various requirements that the office holder must comply with in connection with their remuneration, both when seeking approval and when reporting to creditors and other interested parties after approval. One of the matters that an office holder has to comply with is that they must also seek approval for any payments that could reasonably be perceived as representing a threat to the office holder's objectivity or independence by virtue of a professional or personal relationship, including to an associate. Where it is anticipated that such payments will be made in a case they will be separately identified when seeking approval for the basis of the office holder's remuneration.

Other than in respect of Voluntary Arrangements, an office holder is required to record the time spent on casework in all cases, even if they are being remunerated for that work on a basis other than time costs. Time 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:

- Case Administration (including statutory reporting) – includes work such as planning how the case will be administered and progressed; the administrative set up of the case; notifying creditors and others of the appointment; keeping the records relating to the case up to date; and reporting on progress of the case to creditors and others.
- Realisation of Assets – includes work such as identifying, securing and insuring assets; dealing with retention of title claims; collecting debts owed; and selling assets.
- Investigations – includes work such as undertaking an initial review of the financial affairs of the company or debtor; undertaking a detailed investigation with a view to making recoveries for the benefit of creditors where matters such as preferences or wrongful trading come to light as a result of the initial review; and reporting to the Insolvency Service on the conduct of the directors.
- Creditors (claims and distributions) – includes work such as communicating with creditors; dealing with creditors' claims; dealing with employees and liaising with the redundancy payments office; and where funds realised allow, paying dividends to creditors.
- Trading – includes work such as managing and controlling all aspects of the business; and preparing financial records and information relating to that trading.
- Case specific matters.

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.

Charge-out Rates

Grade of staff	Rates per hour to 09/10/16 (£)	Rates per hour 10/10/16 - 07/07/19 (£)	Rates per hour from 08/07/19 (£)
Partner	325	350	450 - 650
Manager	200 - 250	250	350 - 400
Other Senior Professionals	160	200	200 - 250
Assistants & Support Staff	100 - 130	135 - 175	150 - 200

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

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 the work being carried out within the estimate, and by reference to each separate category of work. The blended rate is calculated as the prospective average cost per hour, based upon the estimated time to be expended by each grade of staff at their specific charge out rate. 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 summarise that information in an average or "blended" rate for all of the work being carried out within the estimate, and by reference to each separate category of work, and will also 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 must deal (realisations and / or distributions). Different percentages can be used for different assets or types of assets. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, which may solely relate to work undertaken in connection with the realisation of the assets, but might also include other categories of work as listed earlier. The report will also include details of the expenses that will be, or are likely to be, incurred.

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.

A percentage relating to distributions made to creditors may also be requested, in order to cover the work associated with the agreement of claims and making the distributions.

The disclosure that we make will include sufficient information about the insolvency appointment to enable understanding of 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. In order to meet the requirements of SIP 9, it will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

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 fixed amount and different fixed amounts can be used for different tasks. A report accompanying any fee request will set out the fixed 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.

The disclosure that we make will include sufficient information about the insolvency appointment to enable understanding of 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. In order to meet the requirements of SIP 9 we will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

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.

Direct Costs

Where we seek approval on a percentage and/or fixed fee basis, in order to meet the requirements of SIP 9 we also have to disclose the direct costs that are included within the remuneration that will be charged on those bases in respect of the work undertaken. The following are direct costs that will be included in respect of work undertaken in respect of each of the standard categories of work where the office holder is to be remunerated for such work on either a percentage or fixed fee basis:

- Case Administration (including statutory reporting) – staff costs
- Realisation of Assets – staff costs
- Investigations – staff costs
- Creditors (claims and distributions) – staff costs
- Trading – staff costs

We do not envisage that we will include any other costs other than staff costs when requesting our fees on a fixed or percentage basis. All other costs required to be paid will be as an expense – however, if on an individual case this position changes this will be brought to the creditors attention.

Mixed Bases

If remuneration is to be sought on a mixed basis, we will make it clear in the report accompanying the request to fix the basis of remuneration which basis will be charged for each category of work that is to be undertaken on the case.

Members' Voluntary Liquidations and Voluntary Arrangements

The legislation is different for members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) and Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee, and SIP 9 does not apply unless the members specifically request it. 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 Fee Bases

Except for IVAs and CVAs, which are usually VAT exempt, the office holder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Expenses

In accordance with Statement of Insolvency Practice 9 (SIP9), expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.

Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2):

- Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office holder.
- Category 2 expenses: These are payments to associates or which have an element of shared costs.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Abbey Taylor Limited; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These expenses can be paid without prior approval 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 expenses are statutory advertising, external meeting room hire, external storage, specific bond insurance and company search fees.

Category 2 expenses are either payments to associates or payments in respect of expenses that have an element of shared costs. These expenses require approval in the same manner as an office holder's remuneration, whether paid directly from the estate or as a disbursement. The practise may seek to recover the following category 2 expenses that include an element of shared costs:

Mileage	45p per mile
Photocopying	5p per sheet

Professional Advisors may be instructed to assist the office holder where they consider that such assistance is required to enable them to administer the case. The fees charged by any professional advisors will be recharged at cost. Where the professional advisor is not an associate of the office holder, it will be for the office holder to agree the basis of their fees. Where the professional advisor is an associate of the office holder, it will be for those responsible for fixing the basis of the office holder's remuneration to approve payments to them. The fees of any professional advisors are subject to the rights of creditors to seek further information about them or challenge them. Professional advisors that may be instructed on a case include:

- Solicitors / Legal Advisors
- Auctioneers / Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

Reporting and Rights to Challenge

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and to each creditor. The report will provide a breakdown of the remuneration charged by the office holder in the period covered by the report, i.e., the amount that the office holder is entitled to draw, together with the amount of remuneration actually drawn. If approval has been obtained for remuneration on a time costs basis, the time costs incurred will also be disclosed, whether drawn or not, together with the "blended" rates of such costs. The report will also compare the actual time costs incurred with those included in the fees estimate prepared when fixing the basis of the remuneration, and indicate whether the fees estimate is likely to be exceeded. If the fees estimate has been exceeded, or is likely to be exceeded, the report will explain why that is the case.

The report will also provide information about expenses incurred in the period covered by the report, together with those actually paid, together with a comparison with the estimated expenses. If the expenses incurred, or anticipated to be incurred, have exceeded the estimate provided the report will explain why that is the case.

Under the insolvency legislation the report must also include a statement of the legislative rights of creditors to request further information about the remuneration charged and expenses incurred in the period covered by the report, or to challenge them on the grounds that they are excessive. Extracts of the relevant insolvency rules dealing with these rights are set out below. Once the time period to seek further information about the office holder's remuneration and/or expenses for the period covered by the report has elapsed, then a Court Order is required to compel the office holder to provide further information about the remuneration and expenses. A Court order is required to challenge the office holder's remuneration and/or expenses for the period covered by the report. Once that period has elapsed, then a separate Court Order is required to allow an application out of time.

Under rule 18.9 of the Insolvency (England and Wales) Rules 2006, 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 office holder's remuneration and expenses, within 21 days of receipt of any report for the period. Any secured creditor may request the same details in the same time limit.

Under rule 18.34, 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 office holder's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of any report for the period. Any secured creditor may make a similar application to court within the same time limit.