

LIQ03

Notice of progress report in voluntary winding up



Companies House

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FRIDAY



A15 *A7BL2ZFK*
03/08/2018 #61
COMPANIES HOUSE

A08 *A7AIPS02*
19/07/2018 #81
COMPANIES HOUSE

1 Company details

Company number 0 4 9 8 8 3 4 0

Company name in full G L A STROUD LIMITED

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

2 Liquidator's name

Full forename(s) GARY STEVEN

Surname PETTIT

3 Liquidator's address

Building name/number 9/10

Street SCIROCCO CLOSE

MOULTON PARK

Post town NORTHAMPTON

County/Region

Postcode N N 3 6 A P

Country

4 Liquidator's name ①

Full forename(s) GAVIN GEOFFREY

Surname BATES

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

5 Liquidator's address ②

Building name/number 9/10

Street SCIROCCO CLOSE

MOULTON PARK

Post town NORTHAMPTON

County/Region

Postcode N N 3 6 A P

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 | 0 | d | 4 | m | 0 | m | 6 | y | 2 | y | 0 | y | 1 | y | 7 |
| To date | d | 0 | d | 3 | m | 0 | m | 6 | y | 2 | y | 0 | y | 1 | y | 8 |

7 Progress report

☒ The progress report is attached

8 Sign and date

| | | |
|------------------------|----------------------|--|
| Liquidator's signature | Signature | |
| | X <i>L G Berte</i> X | |

| | | | | | | | | | | | | | | | | |
|----------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Signature date | d | 1 | d | 8 | m | 0 | m | 7 | y | 2 | y | 0 | y | 7 | y | 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

Company name

PBC BUSINESS RECOVERY

& INSOLVENCY LIMITED

Address

9/10 SCIROCCO CLOSE

MOULTON PARK

Post town

NORTHAMPTON

County/Region

Postcode

N N 3 6 A P

Country

DX

Telephone

01604 212150



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

G L A STROUD LIMITED – IN CREDITORS' VOLUNTARY LIQUIDATION

LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS FOR THE YEAR ENDING 3 JUNE 2018

1 Introduction

- 1.1 This is my report to members and creditors following the 4th anniversary of my appointment as liquidator. This report should be read in conjunction with my previous reports.

2 Statutory Information

- 2.1 The table below details key information regarding the company and the liquidation.

| | |
|---|---|
| Company name: | G L A Stroud Limited – In Liquidation |
| Registered office: | 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP |
| Former registered office: | Kilshane, 22 Ise Road, Kettering, Northants, NN15 7DX |
| Registered number: | 04988340 |
| Date of winding up resolution: | 4 June 2014 |
| Joint Liquidators' names: | Gary Pettit and Gavin Bates |
| Joint Liquidators' address: | PBC Business Recovery & Insolvency Ltd ("PBC"), 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP |
| Joint Liquidators' date of appointment: | 4 June 2014 |

3 Liquidators' Actions Since Last Report

- 3.1 Since my last report to creditors, the joint liquidators have undertaken the following actions:
- i. Dealt with all routine correspondence and emails relating to the case
 - ii. Maintained and managed (including regular bank reconciliations) the office holders' estate bank account and cashbook.
 - iii. Reviewed the adequacy of the specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).
 - iv. Undertaken periodic reviews of the progress of the case
 - v. Prepared, reviewed and issued an annual progress report to creditors and members.
 - vi. Filed a return at Companies House.
 - vii. Dealt with creditor correspondence, emails and telephone conversations regarding their claims.
 - viii. Maintained up to date creditor information on the case management system.

- 3.2 The above list includes certain work that I am required by the insolvency legislation to undertake in connection with the liquidation but provides no financial benefit for the creditors.

4 Receipts and Payments

- 4.1 My receipts & payments account for the period from 4 June 2017 to 3 June 2018 is enclosed.
- 4.2 The balance of funds is held in an interest bearing estate bank account.

5 Assets

- 5.1 The following table details the current asset position.

| Asset Type | Estimated to realise (£) | Realisations to date (£) |
|-----------------------|-------------------------------------|-------------------------------------|
| Motor Vehicles | 19,750 | 23,573 |
| Book Debts | 57,925 | 55,165 |
| Tax Refund | NIL | 220 |
| Cash at Bank | 1,957 | 1,927 |
| Bank Interest Gross | NIL | 132 |
| Refund to Company | NIL | 564 |
| Directors Loans | NIL | 24,000 |
| Furniture & Equipment | NIL | 401 |
| Retentions | 2,264 | NIL |
| Future Retentions | NIL | 26,854 |
| Total | 81,896 | 132,836 |

- 5.2 Other than a small amount of bank interest, there have been no asset realisations in the period and creditors should refer to my previous reports.

6 Investigation into the affairs of the company

- 6.1 My investigations into the company's affairs were completed prior to my previous report to creditors and are detailed in my previous reports

7 Liabilities

- 7.1 **Secured Creditors:** An examination of the company's mortgage register held by the Registrar of Companies showed that the company has no current charges over its assets.
- 7.2 **Preferential Creditors:** The statement of affairs anticipated £6,395 in preferential creditors. Claims totaling £1,600 have been received.
- 7.3 **Crown Creditors:** The statement of affairs included £172,741 owed to HM Revenue & Customs ("HMRC"). HMRC's final claim of £997,973 has been received. This claim includes amounts

owing in the preceding Company Voluntary Arrangement ("CVA") and the total claim admitted in the liquidation is £550,880.

7.4 **Non-preferential unsecured Creditors:** The statement of affairs included 40 non-preferential unsecured creditors with an estimated total liability of £88,889. I have received claims from 19 creditors at a total of £77,406. I have not received claims from 25 creditors with original estimated claims in the statement of affairs of £10,044.

7.5 The total of claims received differs from those anticipated because the statement of affairs did not account for the dividend paid in the CVA, which is deducted from the creditor claims.

8 Dividends

8.1 **Preferential creditors:** As indicated above, I have received preferential claims of £1,600.

8.2 A distribution of 100 pence in the pound was made to preferential creditors on 13 March 2017.

8.3 **Non-preferential unsecured creditors:** As indicated above, I have received non-preferential unsecured claims of £1,075,630 (inclusive of HMRC's claim) of which claims totalling £628,537 were admitted to rank for dividend. The difference was due to HMRC not accounting for the dividend they had received in the preceding CVA.

8.4 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.

8.5 There were no creditors secured by a floating charge such that the prescribed part provisions do not apply.

8.6 A distribution of 9.72 pence in the pound was made to non-preferential unsecured creditors on 14 August 2017. All cheques have been banked.

9 Pre-Appointment Remuneration

9.1 The creditors previously authorised the payment of a fee of £5,000 plus VAT for my assistance with preparing the statement of affairs and convening the meeting of creditors.

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

10 Post Appointment Remuneration

10.1 My remuneration was previously authorised by the creditors at a meeting held on 4 June 2014 to be drawn on a time cost basis. My total time costs to 3 June 2018 amount to £37,810 of which £6,100, representing 35 30 of hours work, was charged in the period since 4 June 2017.

10.2 I have drawn £36,757 to 3 June 2018 of which £5,965 was drawn in the period since 4 June 2017.

10.3 Schedules of my time costs incurred to date and in the period since 4 June 2017 are attached, along with the PBC Business Recovery & Insolvency fee recovery policy.

10.4 A description of the routine work undertaken in the liquidation to date is as follows:

1. Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment.
- Statutory notifications and advertising.
- Preparing documentation required.
- Dealing with all routine correspondence.
- Maintaining physical case files and electronic case details.
- Review and storage.
- Case bordereau.
- Case planning and administration.
- Preparing reports to members and creditors.
- Convening and holding meetings of members and creditors.

2. Cashiering

- Maintaining and managing the liquidator's cashbook and bank account.
- Ensuring statutory lodgements and tax lodgement obligations are met

3. Creditors

- Dealing with creditor correspondence and telephone conversations.
- Preparing reports to creditors.
- Maintaining creditor information.
- Reviewing and adjudicating on proofs of debt received from creditors.

4. Investigations

- Review and storage of books and records.
- Prepare a return pursuant to the Company Directors Disqualification Act.
- Conduct investigations into suspicious transactions.
- Review books and records to identify any transactions or actions a liquidator may take against a third party in order to recover funds for the benefit of creditors.

5. Realisation of Assets

- Corresponding with debtors and attempting to collect outstanding book debts.
- Liaising with agents regarding the chattel assets.
- Instructing solicitors in relation to the outstanding directors' loan accounts.

11 Liquidators' Expenses

11.1 Creditors authorised that I could draw category 2 disbursements on 4 June 2014.

11.2 I have incurred expenses to 3 June 2018 of £840 of which £76 was incurred in the period since 3 June 2017.

11.3 I have drawn my expenses in full in the periods in which they were incurred.

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

| Professional Advisor | Nature of Work | Basis of Fees |
|----------------------|-----------------|----------------------------|
| Leslie Keats | Debt Collection | Fixed Fee |
| Eddisons | Valuers | Percentage of Realisations |
| Summers Nigh Law LLP | Solicitors | Time Costs |

11.5 Messrs Leslie Keats are experienced debt collection agents and work with a number of different insolvency practitioners in respect of insolvency assignments.

11.6 Messrs Eddisons are experienced insolvency valuers and auctioneers and work with a number of different insolvency practitioners in respect of insolvency assignments.

11.7 Messrs Summers Nigh Law LLP are solicitors who specialise in corporate recovery and insolvency advice. They have many years of experience and work with a number of different insolvency practitioners.

11.8 The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case. It should also be noted that insolvency is a very specialist field. Therefore agents who work for insolvency practitioners have very specialist knowledge and skill set. There are limited numbers of agents available and they are therefore likely to be acting for this firm on a number of cases.

12 Creditors' Rights

12.1 An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the joint liquidators' remuneration and expenses within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

12.2 An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the joint liquidators' fees and the amount of any proposed expenses or expenses already incurred within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

12.3 Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' also

published by R3 is available at <http://www.pbcbusinessrecovery.co.uk/links>. Please note that there are different versions of the guidance notes and in this case you should refer to November 2011 version. Please note we have provided further details in the attached practice fee recovery sheet.

13 Provision of Services Regulations

- 13.1 To comply with the Provision of Services Regulations, some general information about PBC can be found at <http://www.pbcbusinessrecovery.co.uk/provision-of-services-regulations>

14 Summary

- 14.1 The liquidation has been passed to my closing department and I anticipate creditors will receive my final account within 3 months.
- 14.2 If creditors have any queries regarding the conduct of the liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Nicole Anderson on the above telephone number, or by email at nicoleanderson@pbcbusinessrecovery.co.uk.


pr **GARY S PETTIT**
Joint Liquidator

**G L A Stroud Ltd - In Creditors Voluntary Liquidation
Joint Liquidators' Abstract of Receipts & Payments**

From 04 June 2017 To 03 June 2018

| S of A £ | | From 04/06/17 To 03/06/18 | From 04/06/14 To 03/06/18 |
|-------------------------------|-------------------------------|--------------------------------------|--------------------------------------|
| ASSET REALISATIONS | | | |
| 19,750.00 | Motor Vehicles | NIL | 23,573.00 |
| 57,924.60 | Book Debts | NIL | 55,164.60 |
| | Tax Refund | NIL | 219.98 |
| 1,956.92 | Cash at Bank | NIL | 1,927.11 |
| | Bank Interest Gross | 2.38 | 131.71 |
| | Refund to Company | NIL | 563.67 |
| NIL | Directors Loans | NIL | 24,000.00 |
| | Furniture & Equipment | NIL | 401.00 |
| 2,263.50 | Retentions | NIL | NIL |
| 1.00 | Future Retentions | NIL | 26,854.32 |
| 81,896 | | 2.38 | 132,835.39 |
| COST OF REALISATIONS | | | |
| | Debt Collection Fees | NIL | (2,500.00) |
| | Specific Bond | 74.00 | (148.00) |
| | Statement of Affairs Fee | NIL | (5,000.00) |
| | Office Holders Fees | (5,964.50) | (36,756.69) |
| | Office Holders Expenses | (75.95) | (840.46) |
| | Agents/Valuers Fees (1) | NIL | (6,895.64) |
| | Legal Fees | NIL | (4,381.50) |
| | Corporation Tax | NIL | (12.60) |
| | Storage Costs | (55.44) | (199.10) |
| | Insurance of Assets | NIL | (982.62) |
| | Irrecoverable Vat Receivable | 2,181.88 | (206.46) |
| | Settlement of Distraint | NIL | (8,133.00) |
| | Statement of Affairs Expenses | NIL | (88.00) |
| NIL | | (3,840.01) | (66,144.07) |
| PREFERENTIAL CREDITORS | | | |
| (6,395.11) | Employee | NIL | (963.66) |
| | Redundancy Payments Office | NIL | (636.34) |
| NIL | | NIL | (1,600.00) |
| UNSECURED CREDITORS | | | |
| (25,738.55) | Employee | (510.44) | (510.44) |
| (23,141.47) | HM Revenue & Customs for PAYE | (7,104.86) | (7,104.86) |
| (122,526.07) | HM Revenue & Customs for VAT | (9,517.83) | (9,517.83) |
| (27,073.95) | HMRC for CTSA | NIL | NIL |
| | Redundancy Payments Office | (1,679.24) | (1,679.24) |
| (405,549.30) | Shortfall to CVA Creditors | (40,012.03) | (40,012.03) |
| (31,318.09) | Trade Creditor | (2,278.69) | (2,278.69) |
| NIL | | (61,103.09) | (61,103.09) |
| DISTRIBUTIONS | | | |
| | Secured Creditors | NIL | (3,822.18) |
| NIL | | NIL | (3,822.18) |
| 81,896 | | (64,940.72) | 166.05 |

REPRESENTED BY

Joint Liquidators' Remuneration Schedule
G L A Stroud Ltd
Between 04 June 2014 and 03 June 2018

| Classification of work function | Partner/ Director | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | Time Cost | Average Hourly Rate |
|---------------------------------|----------------------|-----------------|-------------------------------|-------------------------------|---------------|------------------|------------------------|
| Administration & Planning | 14.50 | 14.70 | 52.50 | 15.80 | 97.50 | 16,699.29 | 171.27 |
| Investigations | 0.30 | 0.70 | 7.00 | 0.00 | 8.00 | 1,137.86 | 142.23 |
| Realisations | 4.70 | 3.10 | 39.50 | 0.00 | 47.30 | 7,356.86 | 155.54 |
| Trading | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Creditors | 1.50 | 2.90 | 24.60 | 1.30 | 30.30 | 4,292.12 | 141.65 |
| Case Specific Matters | 0.00 | 1.20 | 28.00 | 3.60 | 32.80 | 4,330.86 | 132.04 |
| Distributions | 0.30 | 3.60 | 25.70 | 0.00 | 29.60 | 3,993.21 | 134.91 |
| Total hours | 21.30 | 26.20 | 177.30 | 20.70 | 245.50 | | |
| Time costs | 8,032.75 | 7,032.66 | 21,460.68 | 1,284.10 | | 37,810.19 | |
| Average hourly rate | 377.12 | 268.42 | 121.04 | 62.03 | | | 154.01 |

| Description | Total Incurred £ | Total Recovered £ |
|-----------------------------------|------------------|-------------------|
| Mileage | 3.60 | 3.60 |
| Advertising | 288.00 | 288.00 |
| Cheque fee | 28.00 | 28.00 |
| Postage/Stamps/Copying/Stationery | 138.86 | 138.86 |
| Bordereau | 272.00 | 272.00 |
| Insolv Case Administration Fee | 110.00 | 110.00 |
| Totals | 840.46 | 840.46 |

Summary of Fees

| | | |
|---|-------|-----------|
| Time spent in administering the Assignment | Hours | 245.50 |
| Total value of time spent to 03 June 2018 | £ | 37,810.19 |
| Total Joint Liquidators' fees charged to 03 June 2018 | £ | 36,756.69 |

Joint Liquidators' Remuneration Schedule
G L A Stroud Ltd
Between 04 June 2017 and 03 June 2018

| Classification of work function | Partner/ Director | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | Time Cost | Average Hourly Rate |
|---------------------------------|----------------------|----------|-------------------------------|-------------------------------|-------------|-----------|------------------------|
| Administration & Planning | 2.70 | 4.10 | 10.60 | 0.10 | 17.50 | 3,389.50 | 193.69 |
| Investigations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Realisations | 0.00 | 0.10 | 0.40 | 0.00 | 0.50 | 71.00 | 142.00 |
| Trading | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Creditors | 0.30 | 0.20 | 1.10 | 0.00 | 1.60 | 296.50 | 185.31 |
| Case Specific Matters | 0.00 | 0.00 | 0.30 | 0.00 | 0.30 | 36.00 | 120.00 |
| Distributions | 0.30 | 2.60 | 12.50 | 0.00 | 15.40 | 2,306.50 | 149.77 |
| Total hours | 3.30 | 7.00 | 24.90 | 0.10 | 35.30 | | |
| Time costs | 1,254.00 | 1,853.00 | 2,988.00 | 4.50 | | 6,099.50 | |
| Average hourly rate | 380.00 | 264.71 | 120.00 | 45.00 | | | 172.79 |

| Description | Total Incurred £ | Total Recovered £ |
|-----------------------------------|------------------|-------------------|
| Postage/Stamps/Copying/Stationery | 75.50 | 75.50 |
| Totals | 75.50 | 75.50 |

Summary of Fees

| | | |
|---|-------|-----------|
| Time spent in administering the Assignment | Hours | 35.30 |
| Total value of time spent to 03 June 2018 | £ | 6,099.50 |
| Total Joint Liquidators' fees charged to 03 June 2018 | £ | 36,756.69 |

PRACTICE FEE RECOVERY POLICY FOR PBC BUSINESS RECOVERY & INSOLVENCY LTD

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://www.pbcbusinessrecovery.co.uk/links/>. The reader should note there are two versions of these guides and should refer to those titled Post-October 2015. Alternatively a hard copy may be requested from PBC Business Recovery & Insolvency Ltd, 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP. 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

Charge-out Rates

| Grade of staff | Current charge-out rate per hour, effective from 31 March 2017 (£) | Current charge-out rate per hour, effective from 31 March 2013 (£) |
|------------------------------|---|---|
| Partner (Appointment Takers) | 380 | 377 |
| Manager | 275 | 215-271 |
| Other Senior Professionals | 230 | 176 |
| Case Manager | 180 | 176 |
| Senior Case Administrator | 120 | 119-120 |
| Case Administrator | 75 | 55 |
| Junior Case Administrator | 45 | 44 |
| Assistants & Support Staff | | |

These charge-out rates charged are reviewed on 31 March each year and are adjusted to take account of inflation and the firm's overheads.

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

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

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

- Investigations
- Trading
- Distributions of funds to creditors and/or shareholders
- Case Specific Matters

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or “blended” rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The

legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Members' voluntary liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

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

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Disbursements

In accordance with SLP 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 PBC Business Recovery & Insolvency Ltd and 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 | 40.00 | Per formal meeting at firm's offices |
| Case File Storage & Destruction | 20.00 | Storage of case files for 6 years after case closure and final shredding ~ per case (Min. up to 4 case files). Additional files charged at £5 each. |
| Mileage | 0.45 | Per mile travelled |
| Card printing | 0.17 | Per sheet |
| Digital photographs | 0.50 | High Resolution digital photographs - each |
| Electoral Database Search | 1.00 | Use of commercial database of electoral rolls |
| Archive boxes | 5.00 | Per box |
| Files & dividers | 3.50 | Per file |
| Labels | 0.50 | Per sheet used |
| Photocopying | 0.15 | Per sheet used |