

LIQ03

Notice of progress report in voluntary winding up



Companies House

SATURDAY



A27 *A71F40Z5* 10/03/2018 #159
COMPANIES HOUSE

1 Company details

Company number 0 5 0 4 5 6 6 9
Company name in full Hudson Brickwork Contractors Limited

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

2 Liquidator's name

Full forename(s) Elizabeth
Surname Arakapiotis

3 Liquidator's address

Building name/number Mountview Court
Street 1148 High Road
Post town Whetstone
County/Region
Postcode L o n d o n , N 20 0 P A
Country

4 Liquidator's name ①

Full forename(s)
Surname

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

5 Liquidator's address ②

Building name/number
Street
Post town
County/Region
Postcode
Country

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

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6 Period of progress report

From date	^d 0	^d 9	^m 0	^m 1	^y 2	^y 0	^y 1	^y 7
To date	^d 0	^d 8	^m 0	^m 1	^y 2	^y 0	^y 1	^y 8

7 Progress report

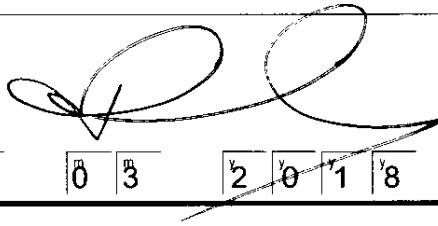
☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 0	^d 9	^m 0	^m 3	^y 2	^y 0	^y 1	^y 8
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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	Elizabeth Arakapiotis
Company name	Kallis & Company
Address	Mountview Court 1148 High Road
Post town	Whetstone
County/Region	
Postcode	L o n d o n , N
Country	
DX	
Telephone	020 8446 6699



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☒ The company name and number match the information held on the public Register.
- ☒ You have attached the required documents.
- ☒ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.




Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Hudson Brickwork Contractors Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 09/01/2017 To 08/01/2018 £	From 09/01/2014 To 08/01/2018 £
	SECURED ASSETS		
Uncertain	Leasehold Land & Buildings	NIL	NIL
(80,000.00)	National Westminster Bank Plc	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Directors Loan Account & Settlements	40,000.00	80,000.00
Uncertain	Plant & Machinery	NIL	NIL
Uncertain	Stock	NIL	NIL
	Bank Interest Gross	7.28	29.50
	Third Party Funds	NIL	8,400.00
		40,007.28	88,429.50
	COST OF REALISATIONS		
	Specific Bond	NIL	220.00
	Preparation of S. of A.	NIL	7,000.00
	Office Holders Fees	36,000.00	51,000.00
	Office Holders Expenses	NIL	251.00
	Agents/Valuers Fees (1)	3,645.00	4,395.00
	Legal Fees (1)	NIL	12,000.00
	Corporation Tax	4.20	4.20
	Bank Charges	10.70	10.70
		(39,659.90)	(74,880.90)
	UNSECURED CREDITORS		
(13,215.08)	Trade & Expense Creditors	NIL	NIL
(40,000.00)	HM Revenue & Customs (CT)	NIL	NIL
(600,000.00)	HM Revenue & Customs (VAT)	NIL	NIL
(261,477.00)	JCH Contracting UK Limited (In CVL)	NIL	NIL
(1.00)	Rural Services UK Limited (In CVL)	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(200.00)	Ordinary Shareholders	NIL	NIL
(1.00)	B Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,014,894.08)		347.38	13,548.60
	REPRESENTED BY		
	VAT Receivable		729.00
	Bank 1 Current Interest Bearing		12,219.60
	Vat Control Account		600.00
			13,548.60


 Elizabeth Arakapiotis
 Liquidator

Hudson Brickwork Contractors Limited – In Creditors' Voluntary Liquidation

LIQUIDATOR'S PROGRESS REPORT TO CREDITORS AND MEMBERS

For the year ending 08 January 2018.

STATUTORY INFORMATION

Company name:	Hudson Brickwork Contractors Limited
Registered office:	Mountview Court 1148 High Road Whetstone London N20 0RA
Former registered office:	Hillside High Street Bedford Bedfordshire MK43 7PD
Registered number:	05045669
Liquidator's name:	Elizabeth Arakapiotis
Liquidator's address:	Mountview Court, 1148 High Road, Whetstone, London, N20 0RA
Liquidator's date of appointment:	9 January 2014

INTRODUCTION

Hudson Brickwork Contractors Limited ("the Company") was placed into liquidation by a Special Resolution of the members followed by a meeting of the creditors convened under Section 98 of the Insolvency Act 1986 on 09/01/2014.

The Company specialised in the provision of subcontracted labour and materials for bricklaying contracts from premises at Hillside , High Street, Bedford, Bedfordshire, MK43 7PD.

According to the statement of affairs lodged in these proceedings, the assets of the Company had an uncertain estimated realisable value, comprised of leasehold land and buildings, plant & machinery, and stock. No realisations of these assets have been made to date and no realisations are anticipated.

In the course of my administration, I have reviewed the Company's affairs to establish whether there were any potential undisclosed asset recoveries or conduct matters that justified further investigation. As detailed in the investigation section below, my review resulted in the discovery of a number of potential claims against both the directors, Mr and Mrs Hudson, which were under enquiry. In the period a settlement has been agreed with the directors.

LIQUIDATOR'S ACTIONS SINCE LAST REPORT

Since my last report and following receipt of the remaining amount due from the settlement agreement, I have adjudicated creditor claims and I am now in a position to declare a first and final dividend.

There is certain work that I am required by the insolvency legislation to undertake work in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my last progress report is contained in Appendix 2.

RECEIPTS AND PAYMENTS

My Receipts & Payments Account for the period from 09/01/2017 to 08/01/2018 is attached at Appendix 1.

As the Company was registered for VAT, all items are shown as net of VAT on the receipts & payments account, and the VAT was recovered for the benefit of the insolvent estate.

ASSETS

As detailed in earlier reports there have been no asset realisations, in respect of any tangible assets. Realisations have been in respect of a settlement of potential claims.

Directors Loan Account & Settlements

At the time of the liquidation the Company was under investigation by HMRC. These investigations have been reviewed during the course of the liquidation together with other matters. Following the reviews undertaken, there were various matters that could be pursued, including an overdrawn directors loan account.

On 31/08/2016, an out of court settlement was agreed on the following terms:

The directors made an offer for an out of court settlement in the sum of £80,000. The repayment proposal is as follows:

£10,000 already paid into Kallis and Company's liquidation estate bank account
£30,000 on completion date
£5,715 on the signing of the agreement
£5,715 on 01/07/2016
£5,715 on 01/08/2016
£5,715 on 01/08/2016
£5,715 on 01/10/2016
£5,715 on 01/11/2016
£5,710 on 01/12/2016.

Unfortunately, as a result of the directors' family circumstances; the struggle with the death of a close family member and the care of another member whose condition needed immediate attention, the directors were not able to keep up with the agreed payments.

However shortly after the directors continued with the monthly payments, and I would advise full payment of £80,000 has now been received in full, of which £40,000 was received in the reporting period.

Bank Interest Gross

I would advise that all asset realisations within the liquidation are held within an interest bearing account. I can confirm that interest totaling £29.50 accrued on the account, of which £7.28 was received in the current reporting period.

LIABILITIES

Secured Liabilities

An examination of the Company's mortgage register held by the Registrar of Companies showed that the Company has granted a fixed and floating Debenture charge in favour of National Westminster Bank PLC created on 12/12/2007 and registered on 19/12/2007.

The legislation requires that if the Company has created a floating charge after the 15th September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case as the floating charge was created subsequent to the 15th September 2003, the prescribed part provisions will apply. To date, a claim totalling £95,411.17 has been received from National Westminster Bank Plc.

Realisations made in this matter do not constitute fixed or floating assets of the Company and as such are not caught by the bank's charge.

Preferential Creditors

The statement of affairs did not anticipate any preferential creditors and as such no preferential claims were subsequently received.

Non-preferential unsecured Creditors & Crown Creditors

The statement of affairs included 7 unsecured creditors with an estimated total liability of £914,693.08, of which £640,000.00 is owed to HMRC. I have received claims from 4 creditors at a total of £2,232,652.09, including HMRC's final claim of £1,908,118.50. To date I have not received claims from 2 creditors with original estimated claims in the statement of affairs of £9,817.88.

DIVIDEND PROSPECTS

As previously advised, the Company gave a floating charge to National Westminster Bank PLC on 12/12/2007 and the prescribed part provisions will apply. As stated above, the realisations made in this matter do not constitute fixed or floating charge assets and therefore there is no prescribed part to calculate.

There are sufficient realisations to enable a distribution to creditors. A notice of intended dividend was issued to creditors on 22 December 2017. A dividend in the amount of 0.22p in the £ was declared on 20 February 2018.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

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

Within six months of my appointment as liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of the company. I would confirm that my report has been submitted.

As previously reported there were various areas where action could be taken against the directors that may lead to realisations being made together with an overdrawn directors' loan account. In respect of all potential liabilities of the Company and a connected company, Rural Services UK Limited, the directors have offered a global settlement of £80,000. After taking into consideration the directors personal circumstances and the funds available if matters were to proceed to Court, it was considered that the offers made were a fair return. Even though the claims were potentially far greater, the potential return to the estate would have been no better with greater costs involved.

As described in the asset realisations section above, the total sum of £80,000 have been received in respect of this settlement agreement.

PRE-APPOINTMENT REMUNERATION

The creditors previously authorised the payment of a fee of £7,000 plus VAT for assistance with preparing the statement of affairs, producing and circulating the notices for the meetings of members and creditors prior to my appointment at a meeting held on 09 January 2014. £1,400 plus VAT was paid by Kallis & Company to Messrs Jeff Lerner & Associates for their assistance with preparing accounts in connection with the statement of affairs.

Funds to pay the fee for the statement of affairs and meetings were advanced by the directors. The fee was paid on appointment and is shown in the enclosed receipts and payments account.

LIQUIDATOR'S REMUNERATION

My total time costs to 08/01/2018 amount to £55,946.15, representing 254.22 of hours work at an average charge out rate of £220.07 per hour, of which £10,691.75, representing 49.56 of hours work, was charged in the period between 09/01/2017 and 08/01/2018, at an average charge out rate of £215.73 per hour.

I have drawn £51,000.00 to date, of which £36,000.00 was drawn in the period between 09/01/2017 and 08/01/2018.

A schedule of my time costs incurred to date and in the period between 09/01/2017 and 08/01/2018 is attached as Appendix 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, together with an explanatory note which shows Kallis & Company's fee policy are available at the link <http://www.kallis.co.uk/creditors>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the November 2011 version.

LIQUIDATOR'S EXPENSES

As per my receipts and payments account various expenses have been incurred and paid which are detailed below, together with expenses which have yet to be paid.

The disbursements listed are all Category 1 disbursements, with the exception of storage which is a Category 2 disbursement. My firm's disbursements recovery policy is attached as Appendix 4 and I would advise that I have used the services of professional advisors and agents in this matter as follows:

<u>Professional Advisor</u>	<u>Nature of Work</u>	<u>Fee Arrangement</u>
Threshold Surveyors	Surveyor	Fixed fee
Rabbow & Company	Valuer and auctioneer	Fixed fee
Irwin Mitchell Solicitors	Solicitors	Conditional Fee Arrangement

The choice of professionals 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. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

The following table details the disbursements that were incurred, paid and which remain outstanding in the Liquidation:

<u>Disbursement</u>	<u>Period from 09/01/2017 to 08/01/2018</u>		<u>To date</u>	
	<u>Paid £</u>	<u>To be paid £</u>	<u>Paid £</u>	<u>To be paid £</u>
Specific Bond	-	-	220.00	-
Office Holder's Expenses	-	82.00	251.00	-
Agents/Valuers Fees	3,645.00	-	4,395.00	-
Legal Fees	-	-	12,000.00	-
Corporation Tax	4.20	1.45	4.20	1.45
Bank Charges	10.70	-	10.70	-
Postage	-	7.42	-	26.32
Storage	-	45.00	-	170.00

Amounts listed as Office Holder's Expenses relate to the following:

	<u>Paid in period from 09/01/2017 to 08/01/2018 £</u>	<u>Paid to date £</u>
Specific Bond	-	30.00
Statutory Advertising	82.00	221.00

FURTHER INFORMATION

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

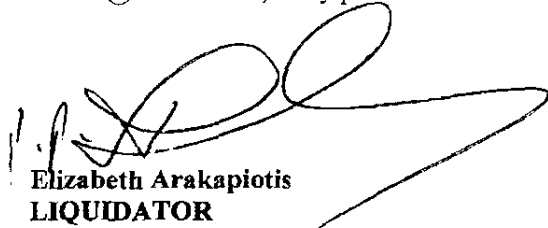
An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Liquidator as being excessive, and/or the basis of the Liquidator's remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Kallis & Company can be found in the attached summary sheet at <http://www.kallis.co.uk/legal>.

SUMMARY

The liquidation will remain open until all the cheques issued to creditors that are in relation to a dividend distribution have been banked. Once this issue has been dealt with 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 Kalani Gunawardana by email at Kalani@kallis.co.uk, or by phone on 020 8446 6699.



Elizabeth Arakapiotis
LIQUIDATOR

2017-2018 time costs for the period 09/01/2017 To 08/01/2018

Classification of Work Content

	Partner Hours	Senior Manager Hours	Manager Hours	Senior Hours	Support Hours	Total Hours	Total Cost (GBP)	Average Hourly Rate (GBP)
Administration & Planning								
AD1.1 - Case planning and review	3.70	14.00	0.00	0.00	8.45	26.15	5,922.75	226.49
AD1.2 - Ongoing administration matters	3.70	14.00	0.00	0.00	4.85	22.55	5,562.75	246.69
AD1.3 - Statutory notices & reporting	0.00	0.00	0.00	0.00	0.45	0.45	45.00	100.00
Financials								
AD2.1 - Completion and agreement of tax returns	0.00	0.00	0.00	0.00	3.15	3.15	315.00	100.00
AD2.2 - Banking and reconciliations	1.10	0.00	0.70	0.00	10.21	12.01	1,588.00	132.22
AD2.3 - Expense reviews and payments	0.40	0.80	0.00	0.00	0.13	0.13	13.00	100.00
Realisation of Assets								
AD3.1 - Dealing with agents, asset and business sales	0.30	0.80	0.00	0.00	1.76	1.76	173.00	98.30
AD3.3 - Book debt collection	0.10	0.00	0.00	0.00	8.32	10.12	1,402.00	138.54
Creditors								
AD5.1 - Communication with creditors	0.00	8.60	1.60	0.00	0.00	1.20	370.00	308.33
	0.00	8.60	1.60	0.00	0.00	1.10	340.50	309.55
	0.00	8.60	1.60	0.00	0.00	0.10	29.50	295.00
	0.00	8.60	1.60	0.00	0.00	10.20	2,811.00	275.59
	0.00	8.60	1.60	0.00	0.00	10.20	2,811.00	275.59
Total Hours	5.20	23.40	2.30	0.00	18.66	49.56		215.73
Total Fees (GBP)	1,646.00	6,669.00	517.50	0.00	1,859.25		10,691.75	

Breakdown of Services Holder's time costs for the period 09/01/2014 To 08/01/2018

Classification of Work Content

	Partner Hours	Senior Manager Hours	Manager Hours	Senior Hours	Support Hours	Total Hours	Total Cost (GBP)	Average Hourly Rate (GBP)
Administration & Planning								
AD1 - Administration and Planning	9.70	29.60	2.75	14.25	19.10	75.40	16,122.70	213.83
AD1.1 - Case planning and review	4.20	4.10	1.00	11.00	5.85	26.15	4,901.70	187.45
AD1.2 - Ongoing administration matters	4.50	25.50	0.00	3.25	8.75	42.00	10,037.25	238.98
AD1.3 - Statutory notices & reporting	0.60	0.00	1.75	0.00	0.45	2.80	663.75	237.05
Financials								
AD2 - Financials	0.40	0.00	0.00	0.00	4.05	4.45	520.00	116.85
AD2.1 - Completion and agreement of tax returns	1.40	0.00	0.70	0.05	19.17	21.32	2,506.70	117.58
AD2.2 - Banking and reconciliations	0.30	0.00	0.00	0.05	2.10	2.45	260.70	106.41
AD2.3 - Expense reviews and payments	0.00	0.00	0.00	0.00	0.91	0.91	89.80	98.68
Realisation of Assets								
AD3 - Realisation of Assets	1.10	0.00	0.70	0.00	4.89	6.69	1,692.40	253.12
AD3.1 - Dealing with agents, asset and business sales	11.15	2.10	0.00	10.50	0.00	23.75	6,290.25	264.85
AD3.3 - Book debt collection	2.10	0.00	0.00	8.80	0.00	10.90	2,147.00	196.97
AD3.4 - Identifying assets and recovery	1.40	2.10	0.00	0.20	0.00	3.70	1,138.00	307.57
Investigations								
AD4 - Investigations	0.60	0.00	0.00	0.00	0.00	0.60	217.00	361.67
AD4.1 - SIP 2 review & CDDA reports	7.05	0.00	0.00	1.50	0.00	8.55	2,788.25	326.11
AD4.3 - Investigations - antecedent transactions/misconduct	45.80	1.90	0.25	60.40	5.00	113.35	25,937.75	228.83
Creditors								
AD5 - Creditors	33.30	0.70	0.00	47.90	5.00	86.90	19,103.50	219.83
AD5.1 - Communication with creditors	0.00	1.20	0.00	0.40	0.00	1.60	412.00	257.50
AD5.2 - Creditors' claims (including Employees' and other preferential creditors')	12.50	0.00	0.25	12.10	0.00	24.85	6,422.25	258.44
	2.60	10.20	1.60	4.95	1.05	20.40	5,088.75	249.45
	0.90	0.00	0.00	4.85	0.00	5.75	1,103.50	191.91
	1.20	10.20	1.60	0.00	1.05	14.05	3,797.75	270.30
	0.50	0.00	0.00	0.10	0.00	0.60	187.50	312.50
Total Hours	70.65	43.80	5.30	90.15	44.32	254.22		220.07
Total Fees (GBP)	23,178.25	12,435.00	1,148.75	15,294.25	3,889.90		55,946.15	

PRACTICE FEE RECOVERY POLICY FOR KALLIS & COMPANY

Introduction

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

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at www.kallis.co.uk. Alternatively a hard copy may be requested from Kallis & Company, Mountview Court, 1148 High Road, London N20 0RA. Please note, that we have provided further details in this policy document.

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

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

Time cost basis

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

Chargeout Rates

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

Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rate for undertaking such work.

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

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

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

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

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

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

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

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that

- will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

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

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

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

Fixed fee

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

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

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

Members' voluntary liquidations and Voluntary Arrangements

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

All bases

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

Agent's Costs

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

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

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

Disbursements

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Kallis & Company; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

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

Room Hire	£50 per hour
Mileage	40p per mile
Storage	£15 per box per annum
Destruction Costs	£5.50 per box