

# Liquidator's Progress Report

# S.192

Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

05966968

Name of Company

AES Shopfronts Limited


I ~~am~~

Carrie James, 3 Staplow Road, Worcester, WR5 2LZ

the liquidator~~(s)~~ of the company attach a copy of my~~our~~ Progress Report  
under section 192 of the Insolvency Act 1986.

The Progress Report covers the period from 09/02/2016 to 08/02/2017

Signed



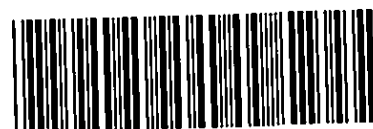
Date

30/3/17

SA Insolvency  
3 Staplow Road  
Worcester  
WR5 2LZ

Ref: AES/CAJ

SATURDAY



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A28

01/04/2017

#237

COMPANIES HOUSE

**AES Shopfronts Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

Statement of Affairs		From 09/02/2016 To 08/02/2017
NIL	SECURED ASSETS Goodwill	NIL NIL
(16,137.00)	SECURED CREDITORS HSBC Bank plc	NIL NIL
2,050.00	ASSET REALISATIONS Plant & Machinery	2,000.00
4,910.00	Book Debts	5,388.68
NIL	S455 Tax Refund	NIL
	Bank Interest Gross	0.73
63,301.00	Directors Loan Accounts	5,300.00
		12,689.41
	COST OF REALISATIONS	
	Specific Bond	150.00
	Preparation of S. of A.	8,521.00
	Office Holders Fees	2,320.00
	Office Holders Expenses	3.72
	Debt Collection Costs	419.40
	Cat 2 - Photocopying Charges	83.20
	Postage	141.62
	Electronic ID searches	7.48
	Storage Costs	249.61
	Statutory Advertising	235.00
	Cat 2 - Mileage re-charged	284.70
		(12,415.73)
(10,019.00)	PREFERENTIAL CREDITORS Employee Arrears/Hol Pay	NIL NIL
(129,094.00)	UNSECURED CREDITORS Trade & Expense Creditors	NIL
(36,499.00)	Employees - Arrears/Hol Pay/ Redund	NIL
(13,574.00)	Mr D Pounder	NIL
(22,841.00)	Barclays Bank plc	NIL
(176,336.00)	HMRC - PAYE/NIC/CIS/CT/VAT	NIL
		NIL
(1,000.00)	DISTRIBUTIONS Ordinary Shareholders	NIL NIL
(335,239.00)		273.68
	REPRESENTED BY	
	Vat Receivable	269.09
	Bank 1 Current	4.59

3 Staplow Road  
Worcester  
WR5 2LZ

T: 0800 999 4995  
E: [astevens@sainsolvency.com](mailto:astevens@sainsolvency.com)

**Private and Confidential**

Our Ref: CAJ/APS/AES/13-1

**To All Known Members and Creditors**

30 March 2017

Dear Sirs

**AES Shopfronts Limited ("The Company") – (In Creditors' Voluntary Liquidation)**

This is my report to members and creditors following the first anniversary of my appointment as Liquidator.

An unsecured creditor may, with the permission of the court or with the agreement of 5% in value of the unsecured creditors (including the creditor in question), request further details of the 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.

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

If members or creditors have any queries regarding this report or the conduct of the Liquidation in general, they should contact Andy Stevens on the above telephone number.

Yours faithfully  
For and on behalf of  
**AES Shopfronts Limited**



**Carrie-Anne James  
Liquidator**

Encs

Carrie-Anne James is authorised to act as an insolvency practitioner in the UK by the Insolvency Practitioners Association  
Andrew Paul Stevens is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England & Wales

# **AES SHOPFRONTS LIMITED – IN CREDITORS’ VOLUNTARY LIQUIDATION**

## **LIQUIDATOR’S PROGRESS REPORT TO CREDITORS AND MEMBERS**

**FOR THE YEAR ENDING 8 FEBRUARY 2017**

### **1. STATUTORY INFORMATION**

Company name: AES Shopfronts Limited

Registered office: 3 Staplow Road  
Worcester  
WR5 2LZ

Former registered office: Unit D2  
Winchester Avenue  
Blaby Industrial Park  
Leicester  
LE8 4GZ

Registered number: 05966968

Liquidators name: Carrie James

Liquidators address: SA Insolvency  
3 Staplow Road  
Worcester  
WR5 2LZ

Liquidators date of appointment: 9 February 2016

### **2. EXECUTIVE SUMMARY**

- 2.1 My duties and functions as Liquidator are the realisations of the Company assets, liaising with creditors regarding their claims and the investigation of the director’s conduct and the company affairs generally.
- 2.2 There is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation, which provides no financial benefit for the creditors. Details of these are attached at Appendix 1.

### **3. LIQUIDATOR’S ACTIONS SINCE APPOINTMENT**

- 3.1 Since my appointment as Liquidator of the Company on 9 February 2016, I have taken steps to carry out my statutory duties which include recover the Company’s records, advertising my appointment and filing statutory documents. I am also required to carry out investigations into the affairs of the Company and submit my findings to the Secretary of State within 6 months of my appointment. This work has to be undertaken under insolvency legislation even though it provides no financial benefit for the creditors.
- 3.2 Since my appointment steps have been taken to recover the Company’s assets, which included the plant and machinery, book debts, S455 Tax refund and the overdrawn Directors Loan Accounts (“DLA’s”). I report more extensively on these matters below.

- 3.3 As part of the investigation process, creditors were asked to bring to my attention details of any matters which they considered required further investigation. Certain matters have been raised and investigated. As a result, there are a small number of points I am still considering however in the main the investigation into the Company's affairs has been concluded.
- 3.4 The only asset that remains to be finalised is the collection of the DLA's, which I elaborate on at 5.14. All other asset realisations have been concluded.

#### **4. RECEIPTS AND PAYMENTS**

- 4.1 My Receipts & Payments Account for the period from 9 February 2016 to 8 February 2017 is attached at Appendix 2.
- 4.2 The balance of funds are held in an interest bearing estate bank account.

#### **5. ASSETS**

##### Goodwill

- 5.1 Goodwill was detailed in the Statement of Affairs with a book value of £12,000 and estimated to realise nil. Following my appointment, the realisable value of the goodwill was considered. As the company had ceased to trade nearly a month prior to entering into liquidation and it held no Intellectual Property, I do not consider there to be any amounts that could be realisable.

##### Plant & Machinery

- 5.2 At the date of my appointment, plant and machinery with a book value of £17,030. was owned by the company, which was estimated to realise £2,050. The assets were valued by John Pye & Son ("the agents"), independent and qualified agents based in Nottingham.
- 5.3 Prior to my appointment, I was advised by the director that HM Revenue and Customs ("HMRC") had walking possession of these assets, but were unable to provide me with the paperwork confirming this. All reasonable steps were taken to obtain a copy of the walking possession documents from HMRC.
- 5.4 After my appointment, the landlord requested that rent was paid whilst the assets of the Company were still on the premises. As liquidator, I would have an obligation to pay rent until the premises were disclaimed.
- 5.5 The costs of removing the assets to place in general sale with the agents, were estimated at £900. Taking into account the value of the assets, the removal for sale was not commercially viable. I had two remaining options available, to either achieve an in-situ sale of the assets with the purchaser bearing the costs of removal, or to disclaim the assets alongside the premises.

- 5.6 On 18 February 2016, an approach was made to MD Retail Frontages Limited, to ascertain if they had any interest in an in-situ purchase of these assets. An offer was received for £2,000 plus VAT. The offer was reviewed by the agents who recommended that the offer be accepted. The sale was concluded on 19 February 2016 and all amounts have been received in full.
- 5.7 MD Retail Frontages Limited is a connected party by virtue of a common Director, Mr M Dixon, who was a Director of AES Shopfronts Limited and is a Director of MD Retail Frontages Limited.
- 5.8 The Company had entered into a sale of its tangible assets and stock to Rutland Manor Building Services Limited on 5 November 2015. This sale was reported to Creditors in the Directors Report. At the meeting of Creditors, I confirmed that upon appointment I would review the sale of these assets. I therefore reviewed the information available to me in relation to the sale. Prior to the sale, the Company had the assets independently valued and the price paid was in line with the valuation and accordingly I have completed my review of this sale.
- 5.9 The sale of the assets was detailed in the Statement of Affairs as a book debt, which remained outstanding at the date of my appointment. The sum of £4,190. has now been received.
- 5.10 Rutland Manor Building Services Limited is a Company owned and controlled by the nephew of Mr M Dixon's wife, whilst this is not a transaction to a connected party in terms of the Insolvency Act 1986, I draw it to creditors attention for transparency.

#### Book Debts

- 5.11 The Statement of Affairs disclosed book debts with a book value of £6,488. and were estimated to realise £4,910. This included the book debt discussed in 5.9. Following my appointment a further debt amounting to £392 was discovered. Steps have been taken to collect these debts and has now been concluded and £5,389 has been realised. A reconciliation is detailed below:
- 5.12 A reconciliation of the debtor collection is as follows:-

	£
Book value (Per Statement of Affairs)	6,488
Additional debt not on Statement of Affairs	<u>392</u>
	6,880
Purchase ledger contra	(771)
Disputed debt, not pursue due to costs involved	<u>(720)</u>
Amount realised	<u>5,389</u>

#### S455 Tax Refund

- 5.13 At the date of my appointment, the sum of £17,914. had been paid to HMRC, in relation to the tax due on the overdrawn DLA's. Upon repayment of the loan accounts, this tax should be refunded to the company. However, the crown is owed significant sums in relation to outstanding VAT, PAYE/NIC and CIS contributions. Statutory crown set-off will therefore be applied in relation to this and no recovery will be made.

### Directors Loan Accounts

- 5.14 DLA's totalling £63,301 are detailed in the Statement of Affairs, the Company's records show that Mr M Dixon and Mr D Pounder owed £13,624 and £49,677 respectively.
- 5.15 Upon appointment, I wrote to each director, requesting repayment of their DLA's. Mr Dixon provided information to mitigate a proportion of the amount due and made a proposal for settlement of the remaining amount. I agreed to the proposed repayment plan of £300 per month. I confirm that at 8 February 2017, £3,300 has been received and £4,734 remains to be paid.
- 5.16 The DLA due from Mr Pounder has been disputed by him and is currently subject to ongoing legal action. In order that I do not prejudice this action I will report further on this once this matter has been concluded. I would advise Creditors that having considered the risks of litigation and the costs of legal action, I have exercised my right under Insolvency legalisation to sell the pursuit of this action to a third party. Having considered the various providers in the market, the action was sold to Manolete Partners Plc on 23 March 2016.

### Bank interest

- 5.17 Bank interest totalling £0.73 has been received on funds deposited in the case bank account.

## **6. LIABILITIES**

### Secured Creditors

- 6.1 An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company had granted fixed and floating charges to HSBC Bank plc on 27 August 2013.
- 6.2 The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case, the prescribed part provisions apply.
- 6.3 I have received a proof of debt from HSBC Bank plc, in the sum of £22,599. No payments have yet been made to HSBC Bank plc in respect of their charges.

### Preferential Creditors

- 6.4 The statement of affairs anticipated claims of £10,019 from the preferential creditors. No claims have been received from potential preferential creditors, as at an Industrial Tribunal, it was found that the employees were subject to a transfer under the Transfer of Undertakings Regulations. Accordingly, I do not expect to receive any preferential claims in this matter.

### Crown Creditors

- 6.5 The statement of affairs included £176,336 owed to HMRC. HMRC's final claim of £216,903 has been received.

### Non-preferential unsecured creditors

- 6.6 The statement of affairs included 56 non-preferential unsecured creditors with an estimated total liability of £202,008. I have received claims from 24 creditors at a total of £368,920. I have not received claims from 32 creditors with original estimated claims in the statement of affairs of £113,833.

## **7. DIVIDEND PROSPECTS**

### Fixed charge creditors

- 7.1 Assets realisations are insufficient to enable a distribution to be made to the holders of fixed charges.

### Preferential creditors

- 7.2 It is not anticipated that there will be any preferential claims in this case.

### Floating charge creditors

- 7.3 The level of any dividend payable to the floating charge creditor in this case will depend upon the outcome of the legal action in respect of the DLA.

### Non-preferential unsecured creditors

- 7.4 As previously advised, the Company created a floating charge to HSBC Bank plc on 27 August 2013 and the prescribed part provisions will apply. Based on realisations to date, taking into account estimated future realisations, and the costs of the Liquidation to date, the net property of the Company is £32,985.75. I therefore estimate that the prescribed part of the net property for unsecured creditors is £9,597.15. This estimate does include the future costs of the Liquidation or the preparation of this report; which will reduce the Company's net property.

## **8. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY**

- 8.1 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. In particular, I considered the following matters of concern raised by creditors: -
- The sale of the plant and machinery to Rutland Manor Building Services Limited on 5 November 2015
  - A number of transactions between AES Shopfronts Limited and an associated company AES (Leicester) Limited
  - The removal of Mr Pounder as a Director in September 2015
  - The accuracy of accounts filed at Companies House



- 8.2 In addition, specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 12 months prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and made enquiries about the reasons for the changes.
- 8.3 With the exception of a small number of points that I am still seeking clarification on, all other matters have been concluded and require no further investigation.
- 8.4 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 them unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

## **9. PRE-APPOINTMENT REMUNERATION**

- 9.1 The creditors previously authorised the payment of a fee of £6,000 for my assistance with preparing the statement of affairs and convening and holding the meeting of creditors at a meeting held on 9 February 2016. In addition to this, creditors also authorised the payment of £2,500 to Carter & Co in connection with providing information and assisting in the preparation of the statement of affairs.
- 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. LIQUIDATORS' REMUNERATION**

- 10.1 My remuneration was previously authorised by the creditors by a written resolution dated 4 March 2016. It was authorised on a mixture of a fixed fee basis, a % of realisations and a time cost basis.
- 10.2 I was also authorised to draw a fixed fee of £10,000. for my work in respect of case administration and formalities and certain matters relating to creditors. I have drawn £2,320 to 8 February 2017 in respect of work done for which my fees were approved as a fixed fee.
- 10.3 I was also authorised to draw a fee of 25% of the total realisations of the assets and 25% of any distribution to creditors should there be sufficient funds become available to make a distribution. Based on the realisations and distributions I have achieved to date I am entitled to remuneration of £3,172. To date these fees have not been drawn, these will be drawn when and if sufficient funds allow.
- 10.4 I was authorised to draw time costs for my work in respect of my investigation work, including liaising with creditors and shareholders as regards specific areas of investigation. This approval was based on my fees estimate of £8,325. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without seeking further approval from the creditors. My total time costs for such work to 8 February 2017 amount to £10,379, representing 56.10 of hours work at an average charge out rate of £185 per hour. The actual average charge out rate incurred compares with the estimated average charge out rate of £185 in my fees estimate. I have not been able to draw any remuneration in respect of work done for which my fees were approved on a time cost basis.

- 10.5 A detailed schedule of my time costs incurred to date is attached as Appendix 3.
- 10.6 My time costs incurred up to and including 8 February 2017 for the investigation work carried out is in excess of the fee estimate I provided to creditors and upon which authorisation was agreed. Currently I do not intend to seek approval to draw the additional time costs incurred.
- 10.7 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 the link [www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees](http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees).

Please note that there are different versions of the Guidance Notes and in this case you should refer to the October 2015 version. A hard copy of this document can be obtained on request from this office. A copy of my firms Practice Recovery Sheet, detailing SA Insolvencys' Fee and disbursement policy is also attached at Appendix 4 to this report.

## 11. LIQUIDATORS' EXPENSES

- 11.1 I have incurred the following category 1 disbursements in the period since my appointment as Liquidator.

Type of category 1 disbursement	Amount incurred in the reporting period
Specific Bond	£150.00
Office Holders Expenses (Valuation Fees on Motor Vehicles)	£3.72
Debt Collection Costs (IRG Partnership)	£419.40
Postage	£141.62
Electronic ID Searches	£7.48
Statutory Advertising	£235.00

- 11.2 I have incurred the following category 2 disbursements in the period since my appointment as Liquidator.

Type of category 2 disbursement	Amount incurred in the reporting period
Photocopying Charges	£83.20
Storage Costs	£249.61
Mileage Recharged	£284.70

- 11.3 In addition to the above, the following disbursements have been accrued but not yet paid.

Type of disbursement	Amount accrued but not yet paid in the reporting period
Storage Costs (Category 2)	£13.50
Postage (Category 1)	£3.66

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

Professional Advisor	Nature of Work	Basis of Fees
IRG Partnership	Debt Collectors	35% of realisations

- 11.5 The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.
- 11.6 As at 8 February 2017 I do not anticipate that the expenses I will incur in this matter will exceed the total expenses I estimated I would incur when my remuneration was authorised by the creditors.

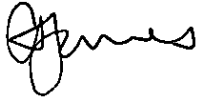
## 12. FURTHER INFORMATION

- 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 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 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 To comply with the Provision of Services Regulations, some general information about SA Insolvency can be found in Appendix 5.

## 13. SUMMARY

- 13.1 The Liquidation will remain open until the DLA of Mr Dixon has been concluded and the Court Action with Mr Pounder has been resolved. I am not able to provide an estimate as to how long this will take, but once resolved the Liquidation will be finalised and our files will be closed.

- 13.2 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 Andy Stevens on the above telephone number, or by email.

A handwritten signature in black ink, appearing to read 'Carrie James', with a stylized, cursive script.

**Carrie James**  
**Liquidator**

## **Appendix 1**

### **1. Administration**

- Case planning - devising an appropriate strategy for dealing with the case
- Setting up electronic case files.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and others required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

### **2. Creditors**

- Obtaining information from the case records about employee claims.
- Completing documentation for submission to the Redundancy Payments Office.
- Corresponding with employees regarding their claims.
- Liaising with the Redundancy Payments Office regarding employee claims.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.

### **3. Investigations**

- Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act.

**AES Shopfronts Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**  
**To 08/02/2017**

<b>S of A £</b>		<b>£</b>	<b>£</b>
	<b>SECURED ASSETS</b>		
NIL	Goodwill	NIL	NIL
	<b>SECURED CREDITORS</b>		
(16,137.00)	HSBC Bank plc	NIL	NIL
	<b>ASSET REALISATIONS</b>		
2,050.00	Plant & Machinery	2,000.00	
4,910.00	Book Debts	5,388.68	
NIL	S455 Tax Refund	NIL	
	Bank Interest Gross	0.73	
63,301.00	Directors Loan Accounts	5,300.00	12,689.41
	<b>COST OF REALISATIONS</b>		
	Specific Bond	150.00	
	Preparation of S. of A.	8,521.00	
	Office Holders Fees	2,320.00	
	Office Holders Expenses	3.72	
	Debt Collection Costs	419.40	
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	Electronic ID searches	7.48	
	Storage Costs	249.61	
	Statutory Advertising	235.00	
	Cat 2 - Mileage re-charged	284.70	(12,415.73)
	<b>PREFERENTIAL CREDITORS</b>		
(10,019.00)	Employee Arrears/Hol Pay	NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(129,094.00)	Trade & Expense Creditors	NIL	
(36,499.00)	Employees - Arrears/Hol Pay/ Redund	NIL	
(13,574.00)	Mr D Pounder	NIL	
(22,841.00)	Barclays Bank plc	NIL	
(176,336.00)	HMRC - PAYE/NIC/CIS/CT/VAT	NIL	NIL
	<b>DISTRIBUTIONS</b>		
(1,000.00)	Ordinary Shareholders	NIL	NIL
<b>(335,239.00)</b>			<b>273.68</b>
	<b>REPRESENTED BY</b>		
	Vat Receivable		269.09
	Bank 1 Current		4.59
			<b>273.68</b>

AES - AES Shopfronts Limited  
All Post Appointment Project Codes  
From: 09/02/2016 To: 08/02/2017

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	22.30	0.00	0.00	0.00	22.30	4,125.50	185.00
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	21.30	0.00	0.00	0.00	21.30	3,940.50	185.00
Investigations	56.10	0.00	0.00	0.00	56.10	10,378.50	185.00
Realisation of Assets	27.80	0.00	0.00	0.00	27.80	5,143.00	185.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>127.50</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>127.50</b>	<b>23,587.50</b>	<b>185.00</b>

Summary of chargeout rates for staff members involved with this case.

Grade Category	Minimum Rate	Maximum Rate
Partner	185	185
Other Senior Professional	185	185
Manager	185	185
Assistants & Support Staff	185	185



## Practice Fee Recovery Policy

### Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time onwards. This sheet explains how we intend to apply the alternative fee bases allowed by the new 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 by the creditors in the general meeting, or by the court.

Further information about creditors' rights can be obtained by visiting the creditors' information microsite 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.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees>. Alternatively, a hard copy may be requested from Carrie James of SA Insolvency, 3 Staplow Road, Worcester, WR5 2LZ. 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 members 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. in reference to time properly spent by SA Insolvency practice members of staff 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.

### Time Cost Basis

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

### Charge-out Rates

Grade of staff	Current charge-out rate per hour, effective from 1 November 2015 £
Director (Appointment Taker)	185
Case Manager	185
Cashier	185
Support Staff	185



The charge-out rates charged are reviewed on 1 April 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

The legislation with regard to office holder's fees changed on 1 October 2015; therefore, we seek time costs for the following categories:

- Investigations
- Distributions
- Trading

When we seek time costs approval, we 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 disclose 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 will include sufficient information about the insolvency appointment to enable creditors to understand how the proposed fees reflect the complexity (or otherwise) of the case, any responsibilities of an exceptional nature that will fall on the office holder, the effectiveness with which the office holder expects to carry out their functions, and the value and nature of the property with which the office holder will have 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 disclose 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 as a percentage of the value of the property with which the office holder has to deal. Different percentages can be used for different assets or types of assets. Any fee request will be accompanied by a report that 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 will be disclosed to help put the remuneration request into context.

The percentage approved with respect to 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 will include sufficient information about the insolvency appointment to enable creditors to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibilities of an exceptional nature that will fall on the office holder, the effectiveness with which the office holder expects to carry out their functions, and the value and nature of the property with which the office holder will have 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. Any fee request will be accompanied by a report that will specify the set fee that we propose to charge and the work that will be 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 will be disclosed to help put the remuneration request into context.

The disclosure that we make will include sufficient information about the insolvency appointment to enable creditors to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibilities of an exceptional nature that will fall on the office holder, the effectiveness with which the office holder expects to carry out their functions, and the value and nature of the property with which the office holder will have 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 (MVLs), company voluntary arrangements (CVAs) or individual voluntary arrangements (IVAs). 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 Cases

With the exception of individual voluntary arrangements (IVAs) and company voluntary arrangements (CVAs), which are VAT exempt, the office holder's remuneration that is invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

## Agent's Costs

These will be 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 with respect to disbursements incurred by the office holder in connection with the administration of the estate must be fully disclosed to the 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 SA Insolvency; 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.

SA Insolvency will recover the following Category 2 disbursements:

Mileage:	65p per mile
Storage:	Initial charge for intake of £10 per box, thereafter £0.50 per box, per month, plus £5 per Bankers Box used
Photocopying/Printing:	10p per sheet
Electronic ID Search:	£10 per search



## PROVISION OF SERVICES REGULATIONS SUMMARY SHEET FOR SA INSOLVENCY

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

### Trading Name

SA Insolvency is a trading name of Stuart Andrews Insolvency Limited which is a limited company, registered in England and Wales under the number 09722866, with the registered office at 47 Ryton Way, Hilton, Derbyshire. DE65 5GY. The Directors of Stuart Andrews Insolvency Limited are Andrew Stevens and Carrie-Ann James.

### Licensing Body

Andrew Paul Stevens and Carrie Ann James are licensed to act as Insolvency Practitioners in the United Kingdom by the Institute of Chartered Accountants in England & Wales and Insolvency Practitioners Association, respectively.

### Rules Governing Actions

All IPs are bound by the rules of their professional body, including any that relate specifically to insolvency. The rules of the professional body that licences Andrew Paul Stevens can be found at [www.icaew.com/en/members/regulations-standards-and-guidance/insolvency/insolvency-regulations-and-guidance](http://www.icaew.com/en/members/regulations-standards-and-guidance/insolvency/insolvency-regulations-and-guidance). The rules of the professional body that licences Carrie Ann James can be found at [www.insolvency-practitioners.org.uk](http://www.insolvency-practitioners.org.uk). In addition, IPs are bound by the Statements of Insolvency Practice (SIPs), details of which can be found at [www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice](http://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice).

### Ethics

All IPs are required to comply with the Insolvency Code of Ethics and a copy of the Code can be found at either [www.icaew.com/en/technical/insolvency/insolvency-regulations-and-standards](http://www.icaew.com/en/technical/insolvency/insolvency-regulations-and-standards) or [www.insolvency-practitioners.org.uk/regulation-and-guidance/ethics-code](http://www.insolvency-practitioners.org.uk/regulation-and-guidance/ethics-code).

### Complaints

At SA Insolvency we always strive 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 IP acting as office holder.

If you consider that the IP has not dealt with your comments or complaint appropriately you should then put details of your concerns in writing to our complaints officer Carrie James. This will then 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.

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 Insolvency Service at IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at [www.gov.uk/complain-about-insolvency-practitioner](http://www.gov.uk/complain-about-insolvency-practitioner); or you can email [insolvency.enquiryline@insolvency.gsi.gov.uk](mailto:insolvency.enquiryline@insolvency.gsi.gov.uk); or you may phone 0300 678 0015 - calls are charged at up to 12p per minute from a land line, or for mobiles, between 3p and 45p per minute if you're calling from the UK.

### Professional Indemnity Insurance

SA Insolvency's Professional Indemnity Insurance is provided by Markel International Insurance Company Ltd of 20 Fenchurch Street, London. EC2M 3AZ. This professional indemnity insurance provides worldwide coverage, excluding professional business carried out in the United States of America or Canada, and any action for a claim brought in any court in the United States of America or Canada.

### VAT

SA Insolvency is registered for VAT under registration no.222756514.