

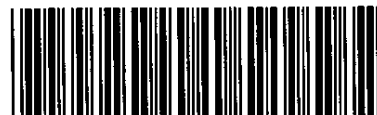
LIQ03

Notice of progress report in voluntary winding up



Companies House

TUESDAY



A19 *A7Z560YZ* #150
12/02/2019
COMPANIES HOUSE

1 Company details

Company number 0 6 2 8 1 4 1 1

Company name in full CHEYNE GROUP MANAGEMENT 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)

Surname

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

From date	^d 0	^d 3	^m 0	^m 2	^y 2	^y 0	^y 1	^y 8
To date	^d 0	^d 2	^m 0	^m 2	^y 2	^y 0	^y 1	^y 9

7 Progress report

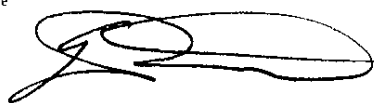
☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 1	^d 1	^m 0	^m 2	^y 2	^y 0	^y 1	^y 9
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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

CHEYNE GROUP MANAGEMENT LIMITED – IN CREDITORS' VOLUNTARY LIQUIDATION

LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS FOR THE YEAR ENDING 2 FEBRUARY 2019

1 Introduction

- 1.1 This is my report to members and creditors following the second 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:	Cheyne Group Management Limited – In Liquidation
Trading Name:	Cheyne House
Registered office:	9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP
Former registered office:	Artisans House, 7 Queensbridge, Northampton, Northamptonshire, NN4 7BF
Registered number:	06281411
Date of winding up resolution:	3 February 2017
Liquidator's name:	Gary Pettit
Liquidator's address:	PBC Business Recovery & Insolvency Ltd ("PBC"), 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP
Liquidator's date of appointment:	3 February 2017
Former Liquidator	Creditors should note Mr Bates has left PBC Business Recovery & Insolvency Ltd. The joint liquidators have concluded it is no longer necessary for there to be two liquidators on this case. Accordingly Mr Bates has resigned as liquidator and the liquidation will continue unaffected with Mr Pettit as sole liquidator. In accordance with legislation, his resignation became effective on 1 February 2019.

3 Liquidators' Actions Since Last Report

- 3.1 Since my last report to creditors, the following actions have been undertaken:
- I. Realised the assets of the company as detailed below.
 - II. Investigated the affairs of the company as detailed below.

- iii. Dealt with all routine correspondence and emails relating to the case
- iv. *Maintained and managed (including regular bank reconciliations) the office holder's estate bank account and cashbook.*
- v. 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).
- vi. Undertaken periodic reviews of the progress of the case.
- vii. Prepared, reviewed and issued annual progress reports to creditors and members.
- viii. Filed returns at Companies House.
- ix. Prepared and filed Corporation Tax returns.
- x. Dealt with creditor correspondence, emails and telephone conversations regarding their claims.
- xi. 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 3 February 2018 to 2 February 2019 is attached.

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 (£)
Freehold Land and Property	514,026	400,000.00
Cash at Bank	49,444	366.61
Book Debts	28	26,375.07
Bank Interest Gross	NIL	12.98
Furniture & Equipment	2,630	6,000.00
Sundry Refund	NIL	377.76
Total	615,572	433,132.42

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 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

6.2 In particular, I recovered, listed and reviewed the company's accounting records; obtained and reviewed copy bank statements for the 36 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.

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

6.4 As previously reported, my review of the books and records identified some significant transactions that require further enquiry and I am taking legal advice in this regard. I am unable to disclose further details of these transactions at this juncture as it could prejudice any action I may be advised to instigate.

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 granted the following charges:

Name of Chargeholder	Lloyds Tsb Bank PLC
Date Charge Registered:	14 November 2012
Type of Security	Mortgage deed – Main Street, Noth Carlton, Lincoln, LN1 2RR
Claim on statement of affairs	£944,000.00
Claim received to date	£941,686.45
	<u>£(388,600.00)</u> – Sale of Freehold Land & Property
Shortfall on securities	£553,086.45

Name of Chargeholder:	Lloyds Tsb Bank PLC
Date Charge Registered.	13 November 2012
Type of Security	Fixed and floating charge over the undertaking and all property and assets present and future, including goodwill, book debts, uncalled capital, fixtures, fixed plant & machinery

7.2 **Preferential Creditors:** The statement of affairs anticipated £2,155.28 in preferential creditors. Claims totaling £911.73 have been received

7.3 **Crown Creditors:** The statement of affairs included £5,668.93 owed to HMRC. HMRC's final claim of £20,843.20 has been received.

7.4 At the time of writing, I have not investigated the reasons for the difference in the level of claim received.

7.5 **Non-preferential unsecured Creditors:** The statement of affairs included 5 non-preferential unsecured creditors with an estimated total liability of £4,184.48 I have received claims from 15 creditors at a total of £49,772.18

7.6 At the time of writing, I have not investigated the reasons for the difference in the level of claims received.

8 Dividends

8.1 The dividend prospects wholly depend on the outcome of my investigations regarding various transactions referred to earlier in this report. Until the outcome has more certainty I am unable to indicate the timing or amount of any potential dividend payable.

8.2 **Secured creditors:** As previously reported, the company granted a charge to Lloyds, who were paid £388,600 from the sale of the company's freehold land and property.

8.3 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.

8.4 As previously advised, the company gave a floating charge to Lloyds on 13 November 2012 and the prescribed part provisions will apply. On the basis investigations are ongoing, it is unclear what the company's net property will be once the matters are concluded.

9 Pre-Appointment Remuneration

9.1 The creditors previously authorised the payment of a fee of £5,000 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 Liquidators' Remuneration

10.1 My remuneration was previously authorised on a mixture of a fixed fee, a scale rate on realisations and on a time cost basis.

10.2 **Fixed Fee:** I was authorised to draw a fixed fee of £11,000 for my work in respect of administration and planning and dealing with creditors.

10.3 I have drawn £2,000 00 to 2 February 2019 of which none was drawn in the period since 3 February 2018 in respect of work done for which my fees were approved as a fixed fee.

10.4 **Percentage of Realisations:** I was authorised to draw a percentage of realisations for my work in respect of the realisation of assets on the following scale:

- 15% of realisations

10.5 Based on realisations I have achieved to date I am entitled to remuneration of £4,969.86. Creditors should note this figure was reported incorrectly in the previous progress report.

10.6 I have not drawn any remuneration in respect of work done for which my fees were approved as a percentage of realisations.

10.7 **Time Costs:** I was authorised to draw time costs for my work in respect of investigations, distributions, case specific matters and trading. This approval was based on my fees estimate of £64,155.85. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors.

10.8 My total time costs for such work to 2 February 2019 amount to £34,892.35 at an average charge out rate of £175.51 per hour, of which £323.00 was charged in the period since 2 February 2018, at an average charge out rate of £124.23 per hour.

10.9 The actual average charge out rate incurred compares with the estimated average charge out rate of £191.82 in my fees estimate.

10.10 I have not drawn any remuneration in respect of work done for which my fees were approved on a time cost basis.

10.11 A detailed schedule of my time costs incurred to date on the above categories and since 3 February 2018 compared with my original fees estimate is attached.

10.12 As at the date of reporting, I do not anticipate that the total time costs I will incur in this matter in respect of the categories of work for which I am being remunerated on a time cost basis will exceed the total estimated remuneration I set out in my fees estimate when my remuneration was authorised.

11 Liquidators' Expenses

11.1 Creditors authorised that I could draw category 2 disbursements on 18 April 2017.

11.2 As outlined above, creditors have not authorised I can draw fees or category 2 disbursements and I am therefore seeking to fix my remuneration with this report.

11.3 I have incurred expenses to 2 February 2019 of £1,358.15 of which £107.60 was incurred in the period since 3 February 2018.

11.4 I have drawn £1,066.55 to date, none of which was drawn in the period since 3 February 2018.

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

Professional Advisor	Nature of Work	Basis of Fees
Lambert Smith Hampton	Valuer/Auctioneer	Percentage of Realisations at 2% and Fixed fee of £2,000
Ashteds Solicitors	Solicitors – Dealing with CQC restrictions and current enquiries	Time costs
Hewitsons	Solicitors – Sale of Property	Fixed Fee of £3,500
Cobley Desborough	Preparation of CT600	Fixed fee of £100

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

11.7 Messrs Ashteds Solicitors 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 Messrs Hewitsons Solicitors 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.

11.9 Messrs Cobley Desborough are accountants who acted for the company prior to liquidation. They have many years of experience and were familiar with the company's practices.

11.10 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 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 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 April 2017 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 will remain open until the following matters have been fully resolved:

- i) My enquiries regarding the company's affairs have been concluded.

14.2 I estimate that this will take approximately 1 year and once resolved the liquidation will be finalised and our files will be closed.

14.3 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 Jamie Cochrane on 01604 212150 or by email at jameiecochrane@pbcbusinessrecovery.co.uk



GARY PETTIT
Liquidator

Cheyne Group Management Ltd T/A Cheyne House - In Creditors Voluntary Liquidation
Liquidators' Abstract of Receipts & Payments
From 03 February 2018 To 02 February 2019

S of A £		From 03/02/18	From 03/02/17
		To 02/02/19	To 02/02/19
	FIXED CHARGE REALISATIONS		
514,026.00	Freehold Land & Property	NIL	400,000.00
514,026		NIL	400,000.00
	FIXED CHARGE COSTS		
	Legal Fees	NIL	(3,500.00)
	Fixed Ch Vat Receivable - Irrecoverable	NIL	(1,900.00)
	Commissions on Realisations	NIL	(6,000.00)
NIL		NIL	(11,400.00)
	FIXED CHARGE CREDITORS		
(944,000.00)	Lloyds Bank (Lincoln)	NIL	(388,600.00)
NIL		NIL	(388,600.00)
	ASSET REALISATIONS		
	Currency Gain	NIL	NIL
NIL	Goodwill	NIL	NIL
	Book Debts	NIL	26,375.07
30,000.00	Cash at Bank	NIL	366.61
	Bank Interest Gross	1.45	12.98
2,630.00	Furniture & Equipment	NIL	6,000.00
	Sundry Refund	NIL	377.76
32,630		1.45	33,132.42
	COST OF REALISATIONS		
	Legal Fees	(2,100.00)	(2,100.00)
	Agents/Valuers Fees	NIL	(7,928.70)
	Statement of Affairs Fee	NIL	(5,000.00)
	Storage Costs	NIL	(2,910.80)
	Statutory Advertising	NIL	(138.00)
	Irrecoverable VAT Receivable	(440.00)	(4,888.42)
	Accountancy Fees	(100.00)	(100.00)
	Liquidators' Expenses	NIL	(1,066.55)
	Liquidators' Fees - Fixed Fee	NIL	(2,000.00)
NIL		(2,640.00)	(26,132.47)
	PREFERENTIAL CREDITORS		
(2,155.28)	Employee	NIL	NIL
NIL	Redundancy Payments Office	NIL	NIL
NIL		NIL	NIL
	FLOATING CHARGE CREDITORS		
(429,974.00)	Lloyds Bank (Lincoln)	NIL	NIL
NIL		NIL	NIL
	UNSECURED CREDITORS		
(2,543.34)	Employee	NIL	NIL
(5,668.93)	HM Revenue & Customs	NIL	NIL
NIL	Redundancy Payments Office	NIL	NIL
(4,184.48)	Trade Creditor	NIL	NIL
NIL		NIL	NIL
	TRADING		
	Trading Profit/(Loss)	NIL	(5,408.93)
546,656		(2,638.55)	1,591.02

REPRESENTED BY

PBC Re Cheyne Group Management Ltd

1,591.02

1,591.02

Liquidator's

Remuneration Schedule

Between 03/02/2017 and 02/02/2019

TIME COSTS

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate	Time costs as detailed in Fee Estimate
Investigations	2.80	1.00	19.00	-	22.80	3,514.00	154.12	4,130.00
Trading	47.40	9.80	112.90	0.10	170.20	30,626.83	179.95	50,401.40
Case Specific Matters	0.40	0.30	5.10	-	5.80	751.52	129.57	357.00
Distributions	-	-	-	-	-	-	-	9,267.45
Total hours	50.60	11.10	137.00	0.10	198.80			
Time costs	19,118.53	2,957.14	12,812.28	4.40		34,892.35		64,155.85
Average hourly rate	377.84	266.41	93.52	44.00			175.51	

Total Time Cost Fees charged to 02/02/2019

£0.00

EXPENSES

Description	Total Incurred £	Total Recovered £
Advertising	69.00	69.00
Postage/Stamps/Copying/Stationery	370.15	262.55
Bordereau	184.00	-
Insolv Case Admin Fee	110.00	110.00
Agents Fees	625.00	625.00
Totals	1,358.15	1,066.55

Joint Liquidator's

Remuneration Schedule

Between 03/02/2018 and 02/02/2019

TIME COSTS

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate	Time costs as detailed in Fee Estimate
Investigations	-	0.10	2.50	-	2.60	323.00	124.23	4,130.00
Trading	-	-	-	-	-	-	-	50,401.40
Case Specific Matters	-	-	-	-	-	-	-	357.00
Distributions	-	-	-	-	-	-	-	9,267.45
Total hours	-	0.10	2.50	-	2.60			
Time costs	-	23.00	300.00	-		323.00		64,155.85
Average hourly rate	-	230.00	120.00	-			124.23	

Total Time Cost Fees charged to 02/02/2019

£0.00

EXPENSES

Description	Total Incurred £	Total Recovered £
Postage/Stamps/Copying/Stationery	107.60	-
Totals	107.60	-

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		
Other Directors	275	215-271
Case Manager	230	176
Other Senior Professionals		
Senior Case Administrator	180	176
Case Administrator	120	119-120
Junior Case Administrator	75	55
Assistants & Support Staff	45	44

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 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 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
Mileage	0.45	Per mile travelled
	0.05	Passenger payment (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