

LIQ03

Notice of progress report in voluntary winding up



Companies House

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

1 Company details

Company number 0 6 7 3 1 7 8 0

Company name in full Direct Market Touch Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Kikis

Surname Kallis

3 Liquidator's address

Building name/number Mountview Court

Street 1148 High Road

Post town Whetstone

County/Region London

Postcode N 2 0 0 R 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.

LIQ03

Notice of progress report in voluntary winding up



6 Period of progress report

| | | | | | | | | | |
|-----------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--|
| From date | ^d 0 | ^d 4 | ^m 0 | ^m 1 | ^y 2 | ^y 0 | ^y 2 | ^y 1 | |
| To date | ^d 0 | ^d 3 | ^m 0 | ^m 1 | ^y 2 | ^y 0 | ^y 2 | ^y 2 | |

7 Progress report

| | |
|---|--|
| <input checked="" type="checkbox"/> The progress report is attached | |
|---|--|

8 Sign and date

| | | |
|------------------------|---|---|
| Liquidator's signature | <div>Signature</div> <div>  </div> |  |
| Signature date | ^d 0 ^d 2 ^m 0 ^m 3 ^y 2 ^y 0 ^y 2 ^y 2 | |

**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 **Benjamin Collie**

Company name **Kallis & Company**

Address **Mountview Court**

1148 High Road

Post town **Whetstone**

County/Region **London**

Postcode **N 2 0 0 R A**

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

Private and Confidential

To Members and Creditors

Mountview Court
1148 High Road
Whetstone
London N20 0RA

T: 020 8446 6699
F: 020 8492 6099
E: info@kallis.co.uk
W: www.kallis.co.uk

Our ref DIR3306/KK/OA/AA/BC/GM

Date 2 March 2022

Dear Sirs

Direct Market Touch Limited (“the Company”) – In Creditors’ Voluntary Liquidation

This is my report to members and creditors following the 3rd anniversary of my appointment as Liquidator. This report should be read in conjunction with my previous progress reports.

Kallis & Company uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how Kallis & Company uses your personal information on our website at <https://www.kallis.co.uk/legal>.

This report has been produced during the Covid-19 restrictions. As a result, we had limited access to our physical case files and had to produce this from incomplete records on our IT system. We have taken every reasonable step to ensure that the information is accurate, but if anything is incorrect or incomplete, we will provide an explanation and corrected information upon request.

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 Benjamin Collie by email at Ben@kallis.co.uk, or by phone on 020 8446 6699.

Yours faithfully



Kikis Kallis
LIQUIDATOR

Enc.

Direct Market Touch Limited – In Creditors' Voluntary Liquidation

*LIQUIDATOR'S THIRD PROGRESS REPORT IN ACCORDANCE WITH RULE 18.3 OF THE
INSOLVENCY RULES 2016 FOR THE PERIOD ENDING 03/01/2022*

Contents:

1. Statutory Information
1. Liquidator's Actions Since Appointment
2. Receipts And Payments
3. Assets
4. Liabilities
5. Dividend Prospects
6. Investigation Into The Affairs Of The Company
7. Pre-Appointment Remuneration
8. Investigations
9. Liquidator's Remuneration
10. Liquidator's Expenses
11. Further Information
12. Summary

Appendices:

1. Receipts & Payments Account for the period from 4 January 2021 to 03 January 2022
1. A schedule of actions undertaken under each category for the period from 4 January 2021 to 03 January 2022
2. A schedule of Liquidator's time costs incurred for the period from 4 January 2021 to 03 January 2022 and for the cumulative period from 4 January 2019 to 03 January 2022
3. Comparison of the estimated and actual time costs incurred
4. An explanatory note which shows Kallis & Company's fee policy
5. Proof of debt form

Direct Market Touch Limited – In Creditors’ Voluntary Liquidation

LIQUIDATOR’S PROGRESS REPORT TO CREDITORS AND MEMBERS

For the year ending 03 January 2022

STATUTORY INFORMATION

| | |
|-----------------------------------|---|
| Company name: | Direct Market Touch Limited |
| Registered office: | Mountview Court 1148 High Road Whetstone London N20 0RA |
| Former registered office: | 8-9 New Street London EC2M 4TP |
| Registered number: | 06731780 |
| Liquidator’s names: | Kikis Kallis |
| Liquidator’s address: | Mountview Court 1148 High Road Whetstone London N20 0RA |
| Liquidator’s date of appointment: | 4 January 2019 |

LIQUIDATOR’S ACTIONS SINCE LAST REPORT

Since my last report, I have continued dealing with former client claims made to the Financial Services Compensation Scheme (“FSCS”). I have liaised with the Financial Services Compensations Scheme (“FSCS”) and the solicitors instructed to deal with these claims, New South law “NSL”. I can report that the FSCS have paid a total compensation £11,104,080.03 to a total 369 former clients. There are remaining claims still being processed.

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

RECEIPTS AND PAYMENTS

My Receipts & Payments Account for the period from 4 January 2020 to 3 January 2022 is attached at Appendix 1.

The balance of funds is held in an interest bearing estate bank account.

ASSETS

All assets dealt with and realised in the previous reporting periods are detailed in my previous report. The following are assets realised in this period:

Recoveries

We instructed NSL to carry out a review of the affairs of the Company. NSL agreed to do this on a no-win no-fee basis. Following NSL's review, they assisted customers to make successful claims and who received compensation from the FSCS. Accordingly, we have received £22,622.52 from NSL in respect the assistance they provided to the clients to make the claims. There are still a number of claims which are being processed, as such further realisations are anticipated in this regard. .

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no current charges over its assets.

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

Preferential Creditors

The statement of affairs anticipated £461.54 in respect of preferential creditors. Claims totaling £4570.04 have been received.

Crown Creditors

The statement of affairs included £980.00 owed to HMRC. We have yet to receive a claim from HMRC.

Non-preferential unsecured Creditors

The statement of affairs included 6 non-preferential unsecured creditors with an estimated total liability of £80,778.34. I have received claims from 1 creditor at a total of £646.38. I have not received claims from 5 creditors with original estimated claims in the statement of affairs of £80,141.96.

DIVIDEND PROSPECTS

On the basis of current information, it is uncertain whether a dividend will be paid to any class of creditor.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

Ongoing Investigations:

Unlawful Dividends

Following a review of the company records, it was note that dividend payments totalling £140,000 were made to the directors. These were confirmed to have been declared in the draft accounts for the period ending 31 October 2018. At the time of distribution, the Company seems to have had sufficient funds to pay the dividend. However, due to the imminent demise of the business this is being reviewed further.

Misfeasance

As detailed above, total a compensation of £11,104,080.03 has been paid by the FSCS to former clients. On this basis, I believe to have a claim against the director pursuant to section 212 of the Insolvency Act 1986. Matters are being reviewed in order to establish the value of my claim.

PRE-APPOINTMENT REMUNERATION

The creditors previously authorised the payment of a fee of £10,000 for my assistance with preparing the statement of affairs and arranging the decision procedure for creditors to appoint a liquidator.

The fee for preparing the statement of affairs and arranging the decision procedure for creditors to appoint a liquidator was paid by the director, Mr Peter Charalambous.

LIQUIDATOR'S REMUNERATION

My remuneration was approved on a time cost basis based on a fees estimate of £28,384.50. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors. My total time costs to 3 January 2022 amount to £35,707.50, representing 213.40 of hours work at a blended charge out rate of £167.33 per hour, of which £6,254.50, representing 36.20 hours of work, was charged in the period since 4 January 2021 at a blended charge out rate of £167.33 per hour. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £151.90 in my fees estimate.

I have drawn £14,000.00 to 3 January 2022.

A detailed schedule of my time costs incurred to date and since 4 January 2021 compared with my original fees estimate is attached as Appendix 4.

As at 3 January 2021 then, as you can see from the information provided in this report, the total time costs I have incurred in this matter, in respect of the categories of work for which I am being remunerated on a time cost basis, have exceeded the total estimated remuneration I set out in my fees estimate when my remuneration was authorised by the creditors. This is because of the work required in dealing with client claims with the FCSC. This has required my staff to carry out a number of tasks list above, which were unforeseen at the time of the preparation of the fee report. Currently I do not intend to draw remuneration in excess of the fees estimate and so will not be seeking a decision to increase my fees estimate.

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 <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/>. Once you access the link, scroll down to "Creditors' Voluntary Liquidation" for the relevant details.

A copy of 'A Creditors Guide to Liquidator's Fees' also published by R3 can be accessed at <http://www.kallis.co.uk/downloads> by clicking the link underneath "Insolvency Office Holders' Fees. Please note that there are different versions of these Guidance Notes, and in this case please refer to "Guide to Liquidators Fees" under "Version 4 - issued April 2017".

Kallis & Company's fee policy, which is enclosed with this report in Appendix 4, can also be accessed at <http://www.kallis.co.uk/downloads> by clicking the link underneath "Kallis & Company's Fee Policy".

LIQUIDATOR'S EXPENSES

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

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

I have incurred total expenses of £6,350.33, of which I incurred £1,750.00 in the period since 4 January 2021. I have not been able to draw any expenses in this matter.

I have incurred the following expenses in the period since the last progress report.

| Type of expense | Amount incurred/ accrued in the reporting period |
|-------------------|--|
| Legal Fees | 12,000.00 |
| Irrecoverable VAT | 1,600.00 |
| Total | 21,600.00 |

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

I am required to seek approval before I can pay any expenses to associates, or pay expenses where there is an element of shared costs, which are known as category 2 expenses. I have obtained approval to pay the following category 2 expenses. I have incurred the following category 2 expenses in the period since the last progress report:

| Type of category 2 disbursement | Amount incurred/ accrued in the reporting period |
|---------------------------------|--|
| Storage | 150.00 |

Details of the category 2 expenses that I have paid to date and in the reporting period are included in the receipts and payments account attached.

| Nature of expense | Estimated expenses | Expenses incurred to date |
|-----------------------|--------------------|---------------------------|
| Agents/Valuer Fees | - | 2,083.33 |
| Irrecoverable VAT | - | 3,341.72 |
| Postage | 3.99 | 4.83 |
| Mail Re-direction | - | 204.00 |
| Specific Bond | 80.00 | 80.00 |
| Statutory Advertising | 186.45 | 186.45 |
| Legal Fees | 12,000.00 | 12,000.00 |
| Storage | Uncertain | 450.00 |
| Total | 12,270.44 | 18,350.33 |

As at 3 January 2022, as you can see from the information provided in this report, the expenses I have incurred in this matter have exceeded the total expenses I estimated I would incur when my remuneration was authorised by the creditors. This is due to the fee paid to the consultant in respect of their work carried out in connection with the sale of the client list. This work was not anticipated to be undertaken at the time of preparation of the fee report.

There has also been an increase in bonding costs as a result of higher realisations than anticipated. There was also a mail-redirection set up, which was not expected at the time of preparing the report.

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 at <https://www.kallis.co.uk/legal>.

SUMMARY

The Liquidation will remain open until all former client claims and my claim against the director have been dealt with. I estimate that this will take approximately 12 months and once resolved the Liquidation will be finalised and our files will be closed.

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Benjamin Collie on 020 8446 6699, or by email at Ben@kallis.co.uk.

Kikis Kallis

**Kikis Kallis
LIQUIDATOR**

Direct Market Touch Limited
(In Liquidation)
LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

| | Statement of affairs £ | From 04/01/2021 To 03/01/2022 £ | From 04/01/2019 To 03/01/2022 £ |
|---------------------------------|------------------------------|---------------------------------------|---------------------------------------|
| RECEIPTS | | | |
| Rent Deposit | Uncertain | 0.00 | 0.00 |
| Fixtures, fittings & Equipment | 1,000.00 | 0.00 | 0.00 |
| Property Rights/Patents | | 0.00 | 10,000.00 |
| Cash at Bank | 1,800.00 | 0.00 | 763.88 |
| Bank Interest Gross | | 0.17 | 6.93 |
| Third Party Funds | 12,000.00 | 0.00 | 12,000.00 |
| Recoveries | | 22,622.52 | 22,622.52 |
| | | <u>22,622.69</u> | <u>45,393.33</u> |
| PAYMENTS | | | |
| Specific Bond | | 0.00 | 80.00 |
| Preparation of S. of A. | | 0.00 | 12,000.00 |
| Office Holders Fees | | 8,000.00 | 14,000.00 |
| Postage | | 0.00 | 4.83 |
| Agents/Valuers Fees | | 0.00 | 2,083.33 |
| Legal Fees | | 10,000.00 | 10,000.00 |
| Irrecoverable VAT | | 1,600.00 | 3,341.72 |
| Re-Direction of Mail | | 0.00 | 204.00 |
| Statutory Advertising | | 0.00 | 186.45 |
| Storage | | 0.00 | 150.00 |
| Employee Arrears/Hol Pay | (461.54) | 0.00 | 0.00 |
| Trade & Expense Creditors | (69,249.84) | 0.00 | 0.00 |
| Employees | (11,076.96) | 0.00 | 0.00 |
| HM Revenue & Customs (VAT) | (980.00) | 0.00 | 0.00 |
| Ordinary Shareholders | (50,000.00) | 0.00 | 0.00 |
| | | <u>19,600.00</u> | <u>42,050.33</u> |
| Net Receipts/(Payments) | | <u>3,022.69</u> | <u>3,343.00</u> |
| MADE UP AS FOLLOWS | | | |
| Bank 1 Current Interest Bearing | | 1,022.69 | 1,343.00 |
| VAT Receivable / (Payable) | | 2,000.00 | 2,000.00 |
| | | <u>3,022.69</u> | <u>3,343.00</u> |

Note:

Kikis Kallis

Kikis Kallis
Liquidator

Appendix 2

1. Administration

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

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Dealing with all routine correspondence and emails relating to the case.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing an annual progress report to creditors and members.
- Filing returns at Companies House.

2. Financials

- Maintaining and managing the office holder's estate bank account.
- Maintaining and managing the office holder's cashbook.
- Preparing and filing Corporation Tax returns.
- Undertaking regular bank reconciliations of the bank account containing estate funds.

3. Creditors

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

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.

Analysis of Liquidator's time costs for the period 04/01/2021 To 04/01/2022



| 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 | 2.50 | 6.70 | 0.00 | 8.70 | 0.00 | 17.90 | 3,713.50 | 207.46 |
| AD1.1 - Case planning and review | 2.50 | 1.50 | 0.00 | 1.00 | 0.00 | 5.00 | 1,530.00 | 306.00 |
| AD1.2 - Ongoing administration matters | 0.00 | 3.00 | 0.00 | 5.20 | 0.00 | 8.20 | 1,355.50 | 165.30 |
| AD1.3 - Statutory notices & reporting | 0.00 | 2.20 | 0.00 | 2.50 | 0.00 | 4.70 | 828.00 | 176.17 |
| Financials | 0.00 | 0.90 | 0.00 | 0.20 | 4.00 | 5.10 | 673.00 | 131.96 |
| AD2.1 - Completion and agreement of tax returns | 0.00 | 0.00 | 0.00 | 0.00 | 0.60 | 0.60 | 66.00 | 110.00 |
| AD2.2 - Banking and reconciliations | 0.00 | 0.00 | 0.00 | 0.00 | 3.40 | 3.40 | 367.00 | 107.94 |
| AD2.3 - Expense reviews and payments | 0.00 | 0.90 | 0.00 | 0.20 | 0.00 | 1.10 | 240.00 | 218.18 |
| Realisation of Assets | 0.00 | 1.70 | 0.00 | 0.00 | 0.00 | 1.70 | 408.00 | 240.00 |
| AD3.1 - Dealing with agents, asset and business sales | 0.00 | 0.10 | 0.00 | 0.00 | 0.00 | 0.10 | 24.00 | 240.00 |
| AD3.4 - Identifying assets and recovery | 0.00 | 1.60 | 0.00 | 0.00 | 0.00 | 1.60 | 384.00 | 240.00 |
| Investigations | 0.00 | 0.00 | 0.00 | 9.80 | 0.00 | 9.80 | 1,176.00 | 120.00 |
| AD4.2 - Inventory and record review | 0.00 | 0.00 | 0.00 | 3.50 | 0.00 | 3.50 | 420.00 | 120.00 |
| AD4.3 - Investigations - antecedent transactions/misconduct | 0.00 | 0.00 | 0.00 | 6.30 | 0.00 | 6.30 | 756.00 | 120.00 |
| Creditors | 0.00 | 0.80 | 0.00 | 0.10 | 0.80 | 1.70 | 284.00 | 167.06 |
| AD5.1 - Communication with creditors | 0.00 | 0.30 | 0.00 | 0.10 | 0.00 | 0.40 | 84.00 | 210.00 |
| AD5.2 - Creditors' claims (including Employees' and other preferential creditors') | 0.00 | 0.50 | 0.00 | 0.00 | 0.80 | 1.30 | 200.00 | 153.85 |
| Total Hours | 2.50 | 10.10 | 0.00 | 18.80 | 4.80 | 36.20 | | 172.78 |
| Total Fees (GBP) | 1,050.00 | 2,424.00 | 0.00 | 2,267.50 | 513.00 | | 6,254.50 | |

Analysis of Liquidator's time costs for the period 04/01/2019 To 04/01/2022



| 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 | 9.50 | 6.90 | 2.70 | 13.10 | 47.20 | 79.40 | 12,049.00 | 151.75 |
| AD1.1 - Case planning and review | 6.80 | 1.50 | 1.70 | 1.00 | 3.00 | 14.00 | 3,553.00 | 253.79 |
| AD1.2 - Ongoing administration matters | 1.10 | 3.00 | 0.00 | 9.60 | 35.70 | 49.40 | 5,846.00 | 118.34 |
| AD1.3 - Statutory notices & reporting | 1.60 | 2.40 | 1.00 | 2.50 | 8.50 | 16.00 | 2,650.00 | 165.63 |
| Financials | 0.00 | 0.90 | 0.00 | 0.20 | 12.40 | 13.50 | 1,559.00 | 115.48 |
| AD2.1 - Completion and agreement of tax returns | 0.00 | 0.00 | 0.00 | 0.00 | 1.70 | 1.70 | 191.00 | 112.35 |
| AD2.2 - Banking and reconciliations | 0.00 | 0.00 | 0.00 | 0.00 | 7.10 | 7.10 | 758.00 | 106.76 |
| AD2.3 - Expense reviews and payments | 0.00 | 0.90 | 0.00 | 0.20 | 3.60 | 4.70 | 610.00 | 129.79 |
| Realisation of Assets | 29.80 | 1.70 | 0.00 | 3.00 | 9.00 | 43.50 | 10,775.00 | 247.70 |
| AD3.1 - Dealing with agents, asset and business sales | 11.00 | 0.10 | 0.00 | 0.00 | 4.80 | 15.90 | 3,781.00 | 237.80 |
| AD3.4 - Identifying assets and recovery | 18.80 | 1.60 | 0.00 | 3.00 | 2.70 | 26.10 | 6,844.00 | 262.22 |
| AD3.6 - Dealing with leasehold and freehold property | 0.00 | 0.00 | 0.00 | 0.00 | 1.50 | 1.50 | 150.00 | 100.00 |
| Investigations | 7.50 | 0.00 | 1.70 | 22.70 | 21.10 | 53.00 | 7,735.50 | 145.95 |
| AD4.1 - SIP 2 review & CDDA reports | 0.20 | 0.00 | 1.70 | 0.00 | 1.40 | 3.30 | 590.50 | 178.94 |
| AD4.2 - Inventory and record review | 4.80 | 0.00 | 0.00 | 11.60 | 8.50 | 24.90 | 3,697.00 | 148.47 |
| AD4.3 - Investigations - antecedent transactions/misconduct | 2.50 | 0.00 | 0.00 | 11.10 | 11.20 | 24.80 | 3,448.00 | 139.03 |
| Creditors | 4.20 | 0.80 | 0.60 | 0.50 | 17.90 | 24.00 | 3,589.00 | 149.54 |
| AD5.1 - Communication with creditors | 4.00 | 0.30 | 0.00 | 0.50 | 3.10 | 7.90 | 1,779.00 | 225.19 |
| AD5.2 - Creditors' claims (including Employees' and other preferential creditors') | 0.20 | 0.50 | 0.60 | 0.00 | 14.80 | 16.10 | 1,810.00 | 112.42 |
| Total Hours | 51.00 | 10.30 | 5.00 | 39.50 | 107.60 | 213.40 | | 167.33 |
| Total Fees (GBP) | 15,970.50 | 2,472.00 | 1,158.00 | 4,780.00 | 11,327.00 | | 35,707.50 | |

Appendix 4 - Tabular comparison of Time Costs actually incurred with the Fees Estimate

| SIP 9 Category | Fees Estimate | | | Reporting Period | | | Total to Date | | |
|------------------------|---------------------------|---------------------------|------------------------------------|-----------------------------|-----------------|------------------------------------|-----------------------------|--------------|------------------------------------|
| | Estimated time costs £ | Estimated No. of hours | Blended charge out rate £ | Time costs incurred £ | No. of hours | Blended charge out rate £ | Time costs incurred £ | No. of hours | Blended charge out rate £ |
| Case Administration | 70.10 | 13,857.50 | 197.68 | 17.90 | 3,713.50 | 207.46 | 79.40 | 12,049.00 | 151.75 |
| Financials | 5.00 | 500.00 | 100.00 | 5.10 | 673.00 | 131.96 | 13.50 | 1,559.00 | 115.48 |
| Realisations of Assets | 17.50 | 3,984.00 | 227.68 | 1.70 | 408.00 | 240.00 | 43.50 | 10,775.00 | 247.70 |
| Investigations | 38.30 | 7,255.50 | 189.44 | 9.80 | 1,176.00 | 120.00 | 53.00 | 7,735.00 | 145.95 |
| Creditors | 21.00 | 2,787.50 | 132.74 | 1.70 | 284.00 | 167.06 | 24.00 | 3,589.00 | 149.54 |
| Totals: | 151.90 | 28,384.50 | 186.86 | 36.20 | 6,254.50 | 172.78 | 213.40 | 35,707.50 | 167.33 |

PRACTICE FEE RECOVERY POLICY FOR KALLIS INSOLVENCY PRACTITIONERS

Introduction

This sheet explains the alternative fee bases allowed by the insolvency 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. The report accompanying the request to fix the basis of remuneration will indicate the basis, or bases, being requested in that particular case and will make it clear what work is to be undertaken in respect of each basis.

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) "Payments to Insolvency Office Holders and their Associates from an Estate" and can be accessed at <https://www.kallis.co.uk/downloads/>. Alternatively, a hard copy may be requested from Kallis Insolvency Practitioners, Mountview Court, 1148 High Road, London N20 0RA. Please note that we have provided further details in this policy document.

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

Other than in respect of Voluntary Arrangements an office holder is required to record the time spent on casework in all cases, even if they are being remunerated for that work on a basis other than time costs. Time is recorded directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Case Administration (including statutory reporting).
- Financials
- Realisation of Assets.
- Investigations.
- Creditors (claims and distributions).
- Trading
- Case specific matters.

Time cost basis

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

Charge out Rates

| Grade of staff | Current charge-out rate per hour, effective from 01/10/2019 | Previous 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 |
|------------------------------------|---|--|--|--|--|
| Senior Partner / appointment taker | £420 | | | | |
| Partner / appointment taker | £320-340 | £295-375 | £340-375 | £275-£335 | £275-£320 |
| Senior Manager | £295 | £285 | £285 | £275 | £275 |
| Manager | £240 | £225 | £225 | £170-£275 | £170-£275 |
| Senior/Case Administrator | £110-150 | £125-175 | £150-175 | £90-£175 | £90-£175 |
| Support Staff | £100-110 | £85-100 | £85-100 | £60-£85 | £60-£85 |

In cases where these staff undertake work, specific approval will be sought for the payment of the fees incurred.

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

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

A report accompanying the request to fix the basis of remuneration will include the fees estimate, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

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

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will summarise that information in an average or “blended” rate for all of the work being carried out within the estimate, and by reference to each separate category of work, and will also say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. A report accompanying the request to fix the basis of remuneration will set out the potential assets in the case, the remuneration percentage proposed in respect of any realisations and the work covered by that remuneration, which may solely relate to work undertaken in connection with the realisation of the assets, but might also include other categories of work as listed above. The report will also include details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

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

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

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

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

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. A report accompanying the request to fix the basis of remuneration will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

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

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

Direct Costs

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

- Case Administration (including statutory reporting) – staff costs, costs of case management system.
- Realisation of Assets - staff costs, costs of case management system.
- Investigations - staff costs, costs of case management system.
- Creditors (claims and distributions) - staff costs, costs of case management system.
- Trading - staff costs, costs of case management system, costs of accounting software.

Mixed basis

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

Members' voluntary liquidations and Voluntary Arrangements

The legislation is different for members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) and Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee, and SIP 9 does not apply unless the members specifically request it. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All fee bases

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

Expenses

As already indicated, a report will accompany the request to fix the basis of remuneration and that will include details of expenses to be incurred, or likely to be incurred. 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.

Expenses are any payments from the insolvent estate that are neither an office holder's remuneration nor a distribution to a creditor, or a member. Expenses also include disbursements. Disbursements are payments that are first paid by the office holder and then reimbursed from the insolvent estate. Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do (Category 2).

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder. They can be paid by the office holder without obtaining prior approval. . Examples of costs that may amount to Category 1 expenses are professional advisors (who are not associates), statutory advertising, external meeting room hire (where the room is only hired for that meeting), external storage, specific penalty bond insurance, insolvency case management software fees charged on a per case basis, and Company search fees.

Category 2 expenses are either payments to associates, or payments in respect of expenses that have an element of shared costs, such as photocopying and mileage. Category 2 expenses require approval in the same manner as an office holder's remuneration before they can be paid.`

The practice intends to seek approval to recover the following Category 2 expenses that include an element of shared costs:

| | |
|-------------|--|
| Room Hire | £50 per hour |
| Mileage | www.gov.uk/government/publications/rates-and-allowances-travel-mileage-and-fuel-allowances |
| Storage | £15 per box per annum |
| Destruction | Costs £5.50 per box |

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

- Solicitors/Legal Advisors;
- Auctioneers/Valuers;
- Accountants;
- Book Debt Collectors;
- Quantity Surveyors;
- Estate Agents;
- Pension specialists;
- Employment Claims specialists; and
- GDPR/Cyber Security specialists.

Reporting and rights to challenge

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

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

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

remuneration and expenses. A Court order is required to challenge the office holder's remuneration and/or expenses for the period covered by the report. Once that period has elapsed, then a separate Court Order is required to allow an application out of time.

Under rule 18.9 of the Insolvency (England and Wales) Rules 2006, an unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the office holder's remuneration and expenses, within 21 days of receipt of any report for the period. Any secured creditor may request the same details in the same time limit.

Under rule 18.34, an unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the office holder's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of any report for the period. Any secured creditor may make a similar application to court within the same time limit.

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.

Rule 14.4 The Insolvency (England and Wales) Rules 2016

Proof of Debt – General Form

Name of Company in Liquidation:

Direct Market Touch

Company Registration Number:

06731780

Date of Liquidation:

4 January, 2019

1 Name of creditor

(If a company, please also provide the company registration number).

2 Correspondence address of creditor (including any email address)

3 Total amount of claim (£)
(include any Value Added Tax)

4 If amount in 3 above includes (£)
outstanding uncapitalised interest, state amount.

5 Details of how and when the debt was incurred.
(If you need more space, attach a continuation sheet to this form)

6 Details of any security held, the value of the security and the date it was given.

7 Details of any reservation of title claimed in respect of goods supplied to which the debt relates.

8 Details of any document by reference to which the debt can be substantiated

9 Signature of creditor
(or person authorised to act on the creditor's
behalf)

10 Address of person signing if different from 2
above

11 Name in BLOCK LETTERS:

12 Position with, or relation to, creditor

13 Date of signature

Admitted to vote for

Admitted for dividend for

Amount (£)

Amount (£)

Date

Date

Kikis Kallis
LIQUIDATOR

Kikis Kallis
LIQUIDATOR

Notes:

1. There is no need to attach them now but the office holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.

2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.