

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

06957854

Name of Company

Encarta Fine Wines Ltd

I / We

Nedim Ailyan, 142-148 Main Road, Sidcup, Kent, DA14 6NZ

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 12/08/2015 to 11/08/2016

Signed _____

Date _____

29.9.16

Abbott Fielding Limited
142-148 Main Road
Sidcup
Kent
DA14 6NZ

Ref ENCA001/NPA/CHM/CH

TUESDAY



A08 25/10/2016 #386
COMPANIES HOUSE

Encarta Fine Wines Ltd
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 12/08/2015 To 11/08/2016	From 12/08/2014 To 11/08/2016
ASSET REALISATIONS			
Uncertain	Furniture & Equipment	200 00	200 00
1,300,000 00	Stock In Bond	1,360,116 92	1,382,402 11
40,000 00	Stock In Transit	NIL	NIL
58,975 00	Stock Partly Paid	NIL	NIL
	Road Tax Refund	NIL	57 50
NIL	Cash at Bank	NIL	NIL
4,112 00	Compensation	NIL	55 08
	Bank Interest Gross	243 47	248 59
		<u>1,360,560 39</u>	<u>1,382,963 28</u>
COST OF REALISATIONS			
	Preparation of S of A	8,000 00	8,000 00
	Office Holders Fees	105,922 50	105,922 50
	Office Holders Expenses	3,689 26	3,689 26
	Agents/Valuers Fees	149,685 35	152,193 33
	Legal Fees	30,500 00	30,500 00
	Irrecoverable VAT	59,432 90	59,432 90
	Wine Storage Costs	13,061 00	18,157 29
	Statutory Advertising	84 60	84 60
	Insurance of Assets	7,574 06	7,574 06
		<u>(377,949 67)</u>	<u>(385,553 94)</u>
UNSECURED CREDITORS			
(4,059,223 75)	Customers	676,774 82	676,774 82
(6,960 18)	Trade Creditors	NIL	NIL
(1,520 01)	HM Revenue and Customs - PAYE an	NIL	NIL
(39,235 04)	HM Revenue and Customs - Corp Tax	8,877 25	8,877 25
		<u>(685,652 07)</u>	<u>(685,652 07)</u>
DISTRIBUTIONS			
(1,000 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(2,704,851.98)		<u>296,958 65</u>	<u>311,757.27</u>
REPRESENTED BY			
	Irrecoverable VAT		501 59
	Interest Bearing Estate Account		311,255 68
			<u>311,757.27</u>

Note

ENCARTA FINE WINES LTD - IN LIQUIDATION

LIQUIDATOR'S PROGRESS REPORT TO MEMBERS AND CREDITORS FOR THE YEAR ENDED 11 AUGUST 2016

I enclose for your information

- 1 A receipts and payments account for the period from 12 August 2014 to 11 August 2016 and for the period from 12 August 2015 to 11 August 2016,
- 2 A summary of my firm's time costs from 12 August 2014 to 11 August 2016 A summary of my firm's time costs for the period from 12 August 2015 to 11 August 2016 is also shown,
- 3 Details of my firm's practice fee recovery policy

STATUTORY INFORMATION

Company Name	Encarta Fine Wines Ltd
Company Number	06957854
Current Registered Office	142/148 Main Road, Sidcup, Kent, DA14 6NZ
Former Registered Office	3rd Floor, 207 Regent Street, London, W1B 3HE
Trading Address	St Georges House, 2 Bromley Road, Beckenham, Kent, BR3 5JE
Office Holder(s) / Numbers	Nedim Ailyan (9072)
Liquidator's Date of Appointment	12 August 2014

Please note that from 1 June 2016 the trading name of Abbott Fielding Limited changed to Griffins

LIQUIDATOR'S ACTIONS SINCE LAST REPORT

Within the period covered by this report I have ensured that all my statutory requirements have been adhered to and all other duties in relation to the management of the case have been completed

I have also continued to take steps to recover the Company's assets, as detailed under assets below

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 as follows

- 1 Administration
 - Dealing with all routine correspondence and emails relating to the case
 - Maintaining and managing the office holder's estate bank account
 - 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
- Overseeing and controlling the work done on the case by case administrators
- Preparing, reviewing and issuing annual progress reports to creditors and members
- Filing returns at Companies House
- Preparing and filing Corporation Tax returns

2 Creditors

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims
- Maintaining up to date creditor information on the case management system
- Issuing a notice of intended dividend and placing an appropriate gazette notice
- Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims
- Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend

RECEIPTS AND PAYMENTS ACCOUNT

My receipts and payments account for the period from 12 August 2015 to 11 August 2016 is attached

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

ASSETS

Office Furniture

As previously advised the Company held fixtures, fittings & equipment which included a quantity of TV's, computers, printers, computer screens, tables and chairs, telephone headsets and servers. My agent, Lambert Smith Hampton ("LSH"), Chartered Surveyors & Valuers, visited the former Company premises and the chairs and boardroom table were uplifted. The desks were of limited value and were therefore abandoned to the landlord as was the computer equipment and peripherals, other than any PC's that might contain data.

The proceeds of sale of the chairs and table of £200 have been remitted into the liquidation account by LSH in the period since 12 August 2015.

Stock In Bond, In Transit and Part Paid

As previously advised the Company held wine with an estimated purchase price of £1,773,183.33 which LSH estimated had a value of £1,300,000. LSH liaised directly with London City Bond ("LCB") and confirmed that the wine was held in the Company's account at the Vinothèque bonded warehouse in Burton on Trent.

The directors had also advised that approximately 69 cases of wine were in transit or not yet delivered as only partially paid. However following LSH's enquiries with various wine suppliers it was established that the majority of the wine had already been delivered or had not been paid for and therefore the orders had been cancelled. One supplier did advise that they were holding two and a half cases and these were transferred into the Company's LCB account detailed above.



As you are aware due to the number of proprietary claims received it was agreed with the Committee that I would set aside £10,000 to fund the costs of a solicitor acting on behalf of one of the creditors to enable them to obtain their own opinion in regard to the ownership of the wine and if necessary obtain directions from court

A small quantity of wine was sold in order to make these funds available plus a further £10,000 in respect of the costs of my solicitor, Edwin Coe LLP ("Edwin Coe") It was subsequently agreed that Edwin Coe would provide the instructions to counsel

Counsel advised that unless wine was held in a designated client account, the wine was a Company asset This opinion was discussed with the creditor's solicitor and it was agreed not to obtain court directions in order to avoid further costs I also sought the Committee's confirmation that they had no objections to the wine being sold in view of counsel's opinion

LSH sold the wine by private treaty in various batches with offers totalling £1,381,703 As a result of mis-descriptions and damaged labels it was necessary to provide credits for some of the wine and therefore the total subsequently received in the period from LSH was £1,360,116 92 The total therefore received from the sale of wine was £1,382,402 11 and no further sums are anticipated

Road Tax Refund

As previously advised I recovered £57 50 from the DVLA This was in respect of a privately owned vehicle taxed by the Company

Cash at Bank

As previously advised a sum of £95,428 was held by Barclays Bank Plc ("Barclays") and I instructed my solicitor Edwin Coe to seek the release of the funds into the liquidation I subsequently instructed Edwin Coe to make an application to Court for an order, directing the Bank to release these monies

A hearing was originally scheduled in June 2016 however, this was subsequently vacated following discussions between Edwin Coe and the solicitors acting on behalf of the bank I am pleased to advise that in the period subsequent to this report the funds were recovered by Edwin Coe and are currently being held by my solicitor before being remitted into the liquidation bank account

Compensation

As previously advised the Company was due a compensation payment under the fraud by false representation (Fraud Act 2008) from a former trader The Court advised that £3,837 09 was outstanding as sums had been remitted to the Company prior to the liquidation however monies were being paid under a court order on an irregular basis As previously reported I had received a payment of £55 08 from the Court however no further sums have been received

LIABILITIES & DIVIDEND PROSPECTS

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 assets

Prescribed Part

The provisions of section 176A of the Insolvency Act 1986 require a liquidator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company gave a 'qualifying floating charge' over its assets to a lender on or after 15 September 2003 This is known as the 'prescribed part of the net property' A company's net property is that left after paying any preferential creditors, but before paying the lender who holds a floating charge



A liquidator is required to set aside

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property, up to a maximum of £600,000

The Company does not have any qualifying floating charges and therefore the prescribed part does not apply in this case

Preferential Creditors

There were no preferential creditors' claims in the directors' Estimated Statement of Affairs ("ESoA") and to date I have not received any preferential claims

Unsecured Creditors

Unsecured creditors' claims in the directors' ESoA totalled £4,059,223 75, of which £40,755 05 was attributable to HM Revenue & Customs ("HMRC"). To date, I have received unsecured claims totalling £4,843,077 96, which includes a revised final claim of £66,702 65 (previously £60,389 46) from HMRC. HMRC's claim is higher than that included in the directors' ESoA as a result of an increased corporation tax claim and interest. To date I have not received claims from creditors with original estimated claims in the ESoA of £199,141 98

I can advise that of the claims detailed above £4,674,335 27 were admitted for dividend and £81,476 50 were rejected. The remaining claims are still subject to ongoing queries and as such have not as yet been formally rejected or agreed.

On 21 December 2015 a dividend of 14 7p in the £ was declared and paid to creditors. A further equalizing dividend at the same rate was paid on 3 February 2016 on queried claims that were subsequently agreed. Therefore total dividends paid to date amount to £685,652 07

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

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

I identified matters that justified further investigation however I am unable to provide any further comment at present, as investigations are ongoing at the time of this report and I would not wish to prejudice any subsequent investigations or proceedings.

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

PRE-APPOINTMENT REMUNERATION

The liquidation committee previously authorised the payment of a fee of £10,000, plus VAT, plus disbursements, for assistance with the statement of affairs, producing and circulating the notices for the meetings of members and creditors prior to my appointment at a meeting held on 12 August 2014.



A proportion of the fee, £2,000 plus VAT, for preparing the statement of affairs and convening and holding the meeting of creditors was paid pre-appointment by Able Data Services Limited, the Company's former advisors. The balance of £8,000 was paid from realisations in the period and is shown in the attached receipts and payments account.

LIQUIDATOR'S REMUNERATION

My remuneration was previously authorised by the liquidation committee at a meeting held on 12 August 2014 to be drawn on a time cost basis. My total costs to 11 August 2016, amount to £155,703.00 representing 543.40 hours at an average charge out rate of £286.53 per hour, of which £54,822.50, representing 178.60 hours work has been incurred in the period since 12 August 2015 at an average charge rate of £306.96 per hour.

I have drawn £105,922.50 to 12 August 2016, all of which was drawn since 12 August 2015.

Schedules of my time costs incurred to date are attached.

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 can be obtained from our website at <http://www.griffins.net/technical/>. Please note that there are different versions of the guidance notes, and in this case you should refer to the pre October 2015 version. Alternatively a hard copy is available on request. A copy of my firm's practice fee recovery policy is enclosed.

LIQUIDATOR'S EXPENSES

I have incurred expenses to 11 August 2016, of £228,323.03, of which £177,054.22 was incurred in the period since 12 August 2015.

I have drawn £3,689.26 as disbursements to date all of which was drawn in the period since 12 August 2015. Agent's fees were deducted directly from sale proceeds and other costs have been paid from case funds as detailed in the attached receipts and payments account.

Category 1 Disbursements

Type of expense	This Period		Cumulatively	
	Incurred	Paid	Incurred	Cumulatively
Bond		2,760.00	2,760.00	2,760.00
Insurance	1,463.44	7,574.06	7,574.06	7,574.06
Statutory Advertising	84.60	253.80	253.80	253.80
Legal	32,500.00	30,500.00	46,500.00	30,500.00
Postage	308.48	717.21	812.58	717.21
Storage	34.41	42.85	71.97	42.85
Wine Storage	977.94	13,061.00	18,157.29	18,157.29
Agents	141,685.35	149,685.35	152,193.33	152,193.33
Total	177,054.22	204,594.27	228,323.03	212,198.54



Agents' Fees

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

Professional Advisor	Nature of Work	Fee Arrangement
Lambert Smith Hampton ("LSH")	Chartered Surveyors & Valuers	Fixed fee, Time costs and Percentage of realisations
Edwin Coe LLP	Solicitors	Time costs
Kennedys Law	Solicitors	Time costs

As detailed above I instructed LSH to identify, undertake a valuation and sell the Company's stock of wine. Their fees were charged on the basis of a fixed fee for the valuation report, time costs relating to various matters including retention of title matters plus disbursements and commission at a rate of 10% of realisations and were deducted from the proceeds of sale.

I also instructed Edwin Coe LLP to assist me in various matters including dealing with the instructions to counsel and liaising with the creditor's solicitor in regard to proprietary claims, corresponding with Barclays Bank Plc and their solicitor in regard to the recovery of funds held by them and dealing with other creditor correspondence including claims. Their costs in connection with counsel's opinion were £7,000 and those of counsel were £5,000. In view of the agreement with the Committee to set aside £10,000 Edwin Coe LLP have agreed to cap their fee at £5,000 in respect of this matter.

I have also instructed Kennedys Law in regard to considering potential claims.

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 I am satisfied that they are reasonable in the circumstances of this case.

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 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 creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's 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.

To comply with the Provision of Services Regulations, some general information about Abbott Fielding Limited trading as Griffins can be found at <http://www.griffins.net/technical/>

SUMMARY

I am required to provide a further report on the progress of the liquidation within two months of the next anniversary unless I have concluded matters prior to this, in which case I will provide all creditors with my final progress report ahead of convening the final meetings of members and creditors.



The liquidation will remain open until my investigations have been fully resolved Due to the nature of these investigations I am uncertain as to how long the liquidation will remain open

Should you have any queries regarding this matter please do not hesitate to contact Carol Hooper who is dealing with this matter on my behalf

Yours faithfully

Nedim Ailyan
Liquidator

Nedim Ailyan is licensed in the United Kingdom to act as an insolvency practitioner by The Insolvency Practitioners Association



**Encarta Fine Wines Ltd
(In Liquidation)**

Liquidator's Abstract Of Receipts And Payments

	Statement of affairs £	From 12/08/2015 To 11/08/2016 £	From 12/08/2014 To 11/08/2016 £
RECEIPTS			
Furniture & Equipment	Uncertain	200 00	200 00
Stock In Bond	1,300,000 00	1,360,116 92	1,382,402 11
Stock In Transit	40,000 00	0 00	0 00
Stock Partly Paid	58,975 00	0 00	0 00
Road Tax Refund		0 00	57 50
Cash at Bank	NIL	0 00	0 00
Compensation	4,112 00	0 00	55 08
Bank Interest Gross		243 47	248 59
		<u>1,360,560 39</u>	<u>1,382,963 28</u>
PAYMENTS			
Preparation of S of A		8,000 00	8,000 00
Office Holders Fees		105,922 50	105,922 50
Office Holders Expenses		3,689 26	3,689 26
Agents/Valuers Fees		149,685 35	152,193 33
Legal Fees		30,500 00	30,500 00
Irrecoverable VAT		59,432 90	59,432 90
Wine Storage Costs		13,061 00	18,157 29
Statutory Advertising		84 60	84 60
Insurance of Assets		7,574 06	7,574 06
Customers	(4,059,223 75)	676,774 82	676,774 82
Trade Creditors	(6,960 18)	0 00	0 00
HM Revenue and Customs - PAYE and NIC	(1,520 01)	0 00	0 00
HM Revenue and Customs - Corp Tax	(39,235 04)	8,877 25	8,877 25
Ordinary Shareholders	(1,000 00)	0 00	0 00
Irrecoverable VAT		0 00	501 59
		<u>1,063,601 74</u>	<u>1,071,707 60</u>
BALANCE - 11 August 2016		<u>296,958 65</u>	<u>311,255.68</u>
MADE UP AS FOLLOWS			
Interest Bearing Estate Account		296,958 65	311,255 68
		<u>296,958 65</u>	<u>311,255 68</u>

Note

SIP 9 - Time & Cost Summary

Period 12/08/14 11/08/16

Time Summary

[illegible]

Accounting for trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
On-going employee issues	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors Meetings	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	146 40	28 70	0 00	52 70	227 80	69 462 00	304 93
Communication	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Claims inc emp prefs	0 00	27 00	0 00	1 20	28 20	7,314 00	259 36
Report/secured creditor	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Validity of security	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Committee Reporting	0 00	5 90	0 00	6 40	12 30	3,087 00	250 98
Committee meetings	5 30	2 90	0 00	0 90	9 10	2,944 50	323 57
Payment of dividends	0 00	5 70	0 00	6 40	12 10	2,976 00	245 95
Creditors	151 70	70 20	0 00	67 60	289 50	85,783 50	296 32
Case Specific (e g Joint Office Hd	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Case Specific 1	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Case Specific 2	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Case specific matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	288 20	79 20	0 00	176 00	543 40	155,703 00	286 53
Total Fees Claimed						105,922 50	

SIP 9 - Time & Cost Summary

Period 12/08/15 11/08/16

Time Summary

[illegible]

Accounting for trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
On-going employee issues	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors Meetings	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	44 70	28 50	0 00	0 60	73 80	23,219 50	314 63
Communication	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Claims inc emp, prefs	0 00	27 00	0 00	0 00	27 00	7 050 00	261 11
Report/secured creditor	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Validity of security	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Committee Reporting	0 00	4 90	0 00	0 00	4 90	1,364 00	278 37
Committee meetings	5 30	2 90	0 00	0 00	8 20	2 746 50	334 94
Payment of dividends	0 00	5 70	0 00	6 40	12 10	2,978 00	245 95
Creditors	50 00	68 00	0 00	7 00	126 00	37 356 00	296 48
Case Specific (e g Joint Office Ho)	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Case Specific 1	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Case Specific 2	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Case specific matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	88 90	77 50	0 00	12 20	178 60	54,822 50	306 96
Total Fees Claimed						105,922 50	

PRACTICE FEE RECOVERY POLICY FOR GRIFFINS the trading name of ABBOTT FIELDING LIMITED

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.griffins.net/technical/>. Alternatively a hard copy is available on request. Please note, however, that the guides have not yet been updated for the revised legislation, so we have provided further details in this policy document.

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

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

Time cost basis

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

Chargeout Rates

Grade of staff	Current charge-out rate per hour, effective from 1 February 2016 £	Previous charge-out rate per hour, effective from 1 February 2015 £
Partner – appointment taker	365-520	345-500
Managers	280-370	260-350
Administrators	250-280	230-260
Support Staff	190-220	170-200

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

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

- Administration and Planning
- 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

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 Abbott Fielding Limited or Griffins 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

Mileage	50p per mile
Photocopying	10p per sheet

