

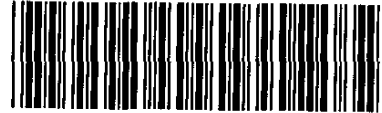
LIQ03

Notice of progress report in voluntary winding up



Companies House

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COMPANIES HOUSE

1 Company details

Company number 0 7 2 1 2 6 1 8

Company name in full J & S Upholstery Limited formerly John Sankey Limited

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

2 Liquidator's name

Full forename(s) Andrew J

Surname Cordon

3 Liquidator's address

Building name/number Church House

Street 13-15 Regent Street

Post town Nottingham

County/Region

Postcode N G 1 5 B S

Country

4 Liquidator's name •

Full forename(s)

Surname

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

5 Liquidator's address •

Building name/number

Street

Post town

County/Region

Postcode

Country

• 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	1	9	m	0	2	y	2	0	1	9
To date	d	1	8	m	0	2	y	2	0	2	0

7 Progress report

☐ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X

X

Signature date

d	1	7	m	0	4	y	2	0	2	0
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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 **Janette Eckloff**Company name **CFS Restructuring LLP**Address **Church House****13-15 Regent Street**Post town **Nottingham**

County/Region

Postcode **N G 1 5 B S**

Country

DX

Telephone **0115 838 7330****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

ANNUAL PROGRESS REPORT

**J & S Upholstery Limited
Formerly John Sankey Limited
IN CREDITORS' VOLUNTARY LIQUIDATION**

For the period 19 February 2019 to 18 February 2020

Presented by



**Corporate
Financial Solutions**

Church House, 13-15 Regent Street, Nottingham, NG1 5BS

Annual Progress Report of J & S Upholstery Limited (formerly John Sankey Limited – In Creditors Voluntary Liquidation

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- Realisation of Assets
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- Fees and Expenses
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- Appendix III - Detailed list of work undertaken in the period
- Appendix IV - Time cost information for period 19 February 2019 to 18 February 2020 and 19 February 2018 to 18 February 2020
- Appendix V - Time costs summary for period, cumulative & comparison with estimate
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Annual Progress Report of J & S Upholstery Limited (formerly John Sankey Limited – In Creditors Voluntary Liquidation

EXECUTIVE SUMMARY

A summary of key information in this report is detailed below.

Assets

Asset	Estimated realise Statement Affairs	to per of	Realisations to date	Anticipated future realisations	Total anticipated realisations
Cash at Bank	35		-	-	-
Showroom Stock	7,834		13,473	8,933	22,406
Asset Recovery	-		8,785	-	8,785
Sundry Income	-		285	-	285

Expenses

Expense	Amount fees expenses estimates	per and	Expense incurred to date	Anticipated further expense to closure	Total anticipated expense
Statement of Affairs fee	6,000		6,000	-	6,000
Office Holders Fees	19,310		10,000	9,000	19,000
Agents Fees	-		4,261	nil	4,261
Professional Fees	350		-	-	-
All other expenses	2,783		905	504	1,373

Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend, based upon the above
Secured creditor	Nil	Nil
Preferential creditors	Nil	Nil
Unsecured creditors	Nil	Nil

Summary of key issues outstanding

- Collection of balance outstanding from the sale of the remaining stock
- HMRC clearance to close still needs to be obtained

Closure

Based on current information, it is anticipated that the liquidation will be concluded within the next 6 months.

Annual Progress Report of J & S Upholstery Limited (formerly John Sankey Limited – In Creditors Voluntary Liquidation

ADMINISTRATION AND PLANNING

Statutory information

Statutory information may be found at Appendix I.

The Joint Liquidators are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration of the case, which ensures that work is carried out to high professional standards. A detailed list of these tasks may be found in Appendix IV.

Other administration tasks

During the Review Period, the following material tasks in this category were carried out:

- Case reviews
- Progress report

REALISATION OF ASSETS

Detailed below is key information about asset realisation and strategy, however, more details about the work undertaken may be found at Appendix IV. The Joint Liquidators formulated and worked through a realisation strategy that sought to maximise realisations net of costs. The financial benefit of those efforts is described further below.

Transactions with connected parties

Since appointment, a sale to a connected party has occurred.

The joint liquidators instructed John Pye & Sons Limited of Nottingham, who are professional independent agents with adequate professional indemnity insurance, to dispose of the Company's assets using the most advantageous method available.

We were aware that the Company had, prior to our involvement in its affairs, sold the majority of its assets to a connected party to assist with cashflow difficulties. The assets were sold to Meadowmead Property Limited, a Company owned and operated by a connected party, as defined by the Insolvency Act, to one of the connected directors. The consideration paid was £55,000 plus VAT and was completed in November 2017. Whereas the transaction entered into was in good faith, the Agents appointed have advised of a slight undervalue in the consideration achieved. This is discussed in further detail below in the Asset Recovery Section.

Book Debts

The Company had an invoice finance agreement with Bibby Financial Services Limited, who held a fixed and floating charge debenture that was created on 2 November 2016 and delivered on 3 November 2016.

The Company's records indicated that, at the date of our appointment, Bibby Financial Services Limited were owed £74,905 in respect of funds advanced against the ledger. This did not include, however, any termination charges that were to be added to the account. We understand that Bibby's suffered a shortfall in respect of their lending. However, we also understand that, in support of this lending, Bibby's held a personal guarantee from both of the Company's directors. We have therefore been advised that the directors have negotiated an agreement with Bibby Financial Services to settle this indebtedness in full.

Annual Progress Report of J & S Upholstery Limited (formerly John Sankey Limited – In Creditors Voluntary Liquidation

Stock

The Company held in its possession a quantity of stock, comprising of showroom furniture and accessories, the value of which was written down to 25% of cost for the purposes of the Statement of Affairs. The net sum of £13,473.25 has been received into the liquidation estate from the sale of a proportion of these items at auction. The balance of the Company's stock has been sold to The Long Eaton Craft and Design Company Limited, and is being paid for in instalments, total realisations anticipated are estimated to be in the region of £22,000.

Asset Recovery

Our investigations into the Company's affairs, prior to the date of our appointment, revealed that the sales consideration paid by Meadowmead Property Limited for the furniture and equipment of John Sankey Limited was not a true reflection of its market value at the time. We instructed independent agents, John Pye & Sons Limited of Nottingham, to undertake an independent valuation of the assets concerned their valuation confirmed that a possible "transaction at an undervalue" had occurred. Whilst it is clear that the transaction was made in good faith to assist the Company with its cashflow problems at the time, as liquidators we have a statutory duty to creditors to ensure that any antecedent transaction is investigated. Consequentially, the sum of £8,785 was recovered from Meadowmead Property Limited for the benefit of the liquidation estate.

Insurance Refund

A small refund of insurance has been received in the sum of £281.22.

Bank Interest Gross

In addition, a small sum of interest has been received into the liquidation account held with Yorkshire Bank.

Payments

Agents Fees

The sum of £4,261.05 has been paid to John Pye & Sons Limited of Nottingham for providing a valuation report and for collecting and selling the chattel assets of the Company at auction and assisting in providing a valuation for the assets recovered as part of the transaction to a connected party prior to our appointment. Their costs have been agreed on the basis of their standard sales commission rate of 15%, plus disbursements and VAT.

Expenses

A detailed analysis of the additional office holders' expenses that have been incurred during the reporting period can be found at appendix VI

CREDITORS

Irrespective of whether sufficient realisations are achieved to pay a dividend to creditors, the Joint Liquidators have had to carry out key tasks which are detailed in the list at Appendix IV. The following sections explain the anticipated outcomes to creditors.

Secured creditors

The Company had an invoice finance agreement with Bibby Financial Services Limited, who hold a fixed and floating charge debenture that was created on 2 November 2019 and delivered on 3 November 2016. Realisations are detailed in the Book Debt section of this report above.

Annual Progress Report of J & S Upholstery Limited (formerly John Sankey Limited – In Creditors Voluntary Liquidation

Preferential creditors

Employee claims

28 employees were made redundant on 2 February 2018. The relevant information for employees to submit claims has been made to the Redundancy Payments Office and information and help has been given to employees to enable them to submit their claims online.

Unsecured creditors

HMRC was shown to be owed £162,815. A claim of £182,107 has been received.

The trade and expense creditors as per the statement of affairs totalled £148,433. We have not agreed the claims of the unsecured creditors unless specifically asked to do so as there are insufficient funds available to allow for a distribution to any class of creditor in this case.

Dividend prospects

Where a floating charge is created after 15 September 2003 a prescribed part of the company's net property shall be made available to unsecured creditors.

Based on present information, the liquidator estimates that there will be insufficient realisations to discharge in full all costs and preferential claims. Therefore, there will be no net property from which to deduct a prescribed part.

FEES AND EXPENSES

Pre-Appointment Costs

Fixed fee agreed with the Directors and ratified by creditors.

The creditors authorised the fee of £6,000 for assisting the directors with placing the Company in Liquidation and with preparing the Statement of Affairs on 19 February 2018.

This fee was paid from the realisations on appointment and is shown on the enclosed receipts and payments account.

The Joint Liquidators' fees

The basis of the Joint Liquidators' fees was approved by creditors on 19 February 2018 in accordance with the following resolution:

"THAT the basis of the Joint Liquidators' fees be fixed by reference to the time properly given by the Joint Liquidators and their staff in attending to matters as set out in the fees estimate, such time to be charged at the prevailing standard hourly charge out rates used by the firm at the time when the work is performed."

The time costs for the period 19 February 2019 to 18 February 2020 total 1,286.00, representing 7.8 hours at an average hourly rate of 164.87. The sum of £10,000 has been drawn on account of time costs incurred. The time costs for the period are detailed at Appendix V.

The total time costs during the period of appointment amount to £24,077.50 representing 112 hours at an average hourly rate of £214.98 and a comparison between the original estimate and time costs to date is given at Appendix V.

Having regard for the costs that are likely to be incurred in bringing this Liquidation to a close, the Joint Liquidators consider that:

- the original fees estimate will not be exceeded; and

Annual Progress Report of J & S Upholstery Limited (formerly John Sankey Limited – In Creditors Voluntary Liquidation

- the original expenses estimate has been exceeded.

Disbursements

The disbursements that have been incurred during the period are detailed on Appendix VI. Also included in Appendix VI is a comparison of the expenses likely to be incurred in the Liquidation as a whole with the original expenses estimate, together with reasons where any expenses are likely to exceed that estimate.

The category 1 disbursements paid for in the period 19 February 2019 to 18 February 2020 total £36 are detailed at Appendix II and represent the simple reimbursement of actual out of pocket payments made in relation to the assignment.

The category 2 disbursements for the period 19 February 2019 to 18 February 2020 total £48.00. The basis of calculation of this category of disbursement was disclosed to creditors prior to their approval, which was given on 19 February 2018, and are also detailed at Appendix VI.

Information about this insolvency process may be found on the R3 website at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors' Guide to Fees' together with the firm's charge-out rate and disbursement policy are attached.

Other professional costs

Agents and valuers

John Pye & Sons Limited of Nottingham were instructed as agents and valuers in relation to the showroom stock. Their costs have been agreed on the basis of their standard sales commission rate of 15% and they have been paid in full.

CREDITORS' RIGHTS

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 joint liquidators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the 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 joint 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.

EC REGULATIONS (WHETHER PROCEEDINGS ARE MAIN PROCEEDINGS OR TERRITORIAL)

The Company's centre of main interest was in the UK as their registered office was at Unit 1 Milner Road, Long Eaton, Derbyshire, NG10 1LB and their trading address was Unit 1 Milner Road, Long Eaton, Derbyshire, NG10 1LB, therefore it is considered that the EC Regulations apply. These proceedings are main proceedings as defined in Article 3 of the EC Regulation.

CONCLUSION

The administration of the case will be continuing to finalise the following outstanding matters that are preventing this case from being closed:

- Collection of the instalment payments from the sale of the remaining stock items
- Final HMRC tax clearance to close

**Annual Progress Report of J & S Upholstery Limited (formerly John Sankey Limited – In Creditors
Voluntary Liquidation**

If you require any further information, please contact this office.



Signed _____
Andrew J Cordon
Liquidator

Annual Progress Report of J & S Upholstery Limited (formerly John Sankey Limited – In Creditors Voluntary Liquidation

Appendix I

Statutory Information

Company Name	J & S Upholstery Limited
Former Trading Name	John Sankey Limited
Company Number	07212618
Registered Office	Church House, 13-15 Regent Street, Nottingham, NG1 5BS
Former Registered Office	Unit 1, Milner Road, Long Eaton, Derbyshire, NG10 1LB
Office holders	Andrew J Cordon
Office holders' address	CFS Restructuring LLP, Church House, 13-15 Regent Street, Nottingham, NG1 5BS
Date of appointment	19 February 2018
Change in office holder:	Due to his forthcoming retirement, a Court Order was granted on 15 November 2018 to remove Richard A B Saville as Joint Liquidator of the Company

**Annual Progress Report of J & S Upholstery Limited (formerly John Sankey Limited – In Creditors
Voluntary Liquidation**

Appendix II

**Receipts and Payments account for the period 19 February 2019 to 18 February 2020 and 19
February 2018 to 19 February 2020**

J & S Upholstery Limited formerly John Sankey Limited
(In Liquidation)
Joint Liquidator's Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 19/02/2018 To 18/02/2019 (£)	From 19/02/2019 To 18/02/2020 (£)	Total (£)
Book Debts	67,106.00	0.00	0.00	0.00
Stock	7,834.00	9,007.00	4,466.25	13,473.25
Insurance Refund		281.22	0.00	281.22
Cash at Bank	35.00	0.00	0.00	0.00
Asset Realisation		8,785.00	0.00	8,785.00
Bank Interest Gross		1.58	1.81	3.39
		18,074.80	4,468.06	22,542.86

PAYMENTS

Bibby Financial Services	(74,905.00)	0.00	0.00	0.00
Specific Bond		0.00	36.00	36.00
Preparation of S. of A.		6,000.00	0.00	6,000.00
Office Holders Fees		5,500.00	4,500.00	10,000.00
Office Holders Expenses		820.55	48.00	868.55
Agents/Valuers Fees (1)		4,261.05	0.00	4,261.05
RPO Arrears & Holiday Pay	(42,087.00)	0.00	0.00	0.00
Employee Arrears Holiday Pay	(10,045.00)	0.00	0.00	0.00
Trade & Expense Creditors	(148,433.00)	0.00	0.00	0.00
Employees	(10,111.00)	0.00	0.00	0.00
Redundancy Payments Office	(275,159.00)	0.00	0.00	0.00
HM Revenue & Customs - PAYE	(96,904.00)	0.00	0.00	0.00
HM Revenue & Customs - VAT	(65,911.00)	0.00	0.00	0.00
Ordinary Shareholders	(90.00)	0.00	0.00	0.00
		16,581.60	4,584.00	21,165.60
Net Receipts/(Payments)		1,493.20	(115.94)	1,377.26

MADE UP AS FOLLOWS

Bank 1 Current	308.65	(132.29)	176.36
VAT Receivable / (Payable)	1,184.55	16.35	1,200.90
	1,493.20	(115.94)	1,377.26

Andrew J Cordon
Liquidator

Annual Progress Report of J & S Upholstery Limited (formerly John Sankey Limited – In Creditors Voluntary Liquidation

Appendix III

Detailed list of work undertaken for J & S Upholstery Limited in Creditors' Voluntary Liquidation for the review period 19 February 2019 to 18 February 2020

General Description	Includes
Statutory and General Administration	
Statutory/advertising	Filing of documents to meet statutory requirements including annual receipts and payments accounts Annual corporation tax returns Quarterly VAT returns Bonding the case for the value of the assets
Document maintenance/file review/checklist	Filing of documents Periodic file reviews documenting strategy Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Books and records / storage	Dealing with records in storage Sending job files to storage
Reports	Preparing annual progress report, investigation and general reports to creditors Disclosure of sales to connected parties
Realisation of Assets	
Debtors	Correspondence with debtors
Stock	Liaising with agents and potential purchasers
Other assets: VAT/corporation tax refunds	Exchanges with government departments
Creditors and Distributions	
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post
Dealing with proofs of debt ("POD")	Receipting and filing POD when not related to a dividend Corresponding with RPO regarding POD when not related to a dividend

**Annual Progress Report of J & S Upholstery Limited (formerly John Sankey Limited – In Creditors
Voluntary Liquidation**

Appendix IV

Time cost information for period 19 February 2019 to 18 February 2020 and 19 February 2018 to 18
February 2020

Time Entry - Detailed SIP9 Time & Cost Summary

JS146CVL - J & S Upholstery Limited formerly John Sankey Limited
 From: 19/02/2019 To: 18/02/2020
 Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
504 - Statutory Reporting to Creditors	0.00	0.00	0.00	7.00	7.00	1,050.00	150.00
Creditors	0.00	0.00	0.00	7.00	7.00	1,050.00	150.00
305 - Stock	0.80	0.00	0.00	0.00	0.80	236.00	295.00
Realisation of Assets	0.80	0.00	0.00	0.00	0.80	236.00	295.00
Total Hours	0.80	0.00	0.00	7.00	7.80	1,286.00	164.87
Total Fees Claimed						10,000.00	

Time Entry - Detailed SIP9 Time & Cost Summary

JS148CVL - J & S Upholstery Limited formerly John Sankey Limited
From: 18/02/2018 To: 18/02/2020
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
603 : Administration	4.80	0.00	0.00	25.00	29.80	5,266.00	176.71
604 : Post Appointment Notifications	1.90	0.00	0.00	8.00	9.90	1,780.50	177.83
605 : Pension matters	0.00	0.00	0.00	2.00	2.00	300.00	150.00
606 : Meetings	0.00	0.00	0.00	5.00	5.00	750.00	150.00
Case Specific Matters	6.70	0.00	0.00	40.00	46.70	8,076.50	172.84
501 : Unsecured Creditors	15.40	0.00	0.00	2.00	17.40	4,843.00	278.33
502 : Employee Matters	2.80	0.00	0.00	1.00	3.80	1,005.50	257.82
504 : Statutory Reporting to Creditors	0.00	0.00	0.00	7.00	7.00	1,050.00	150.00
Creditors	18.20	0.00	0.00	10.00	28.20	6,898.50	243.78
201 : CDDA Reports	0.00	0.00	0.00	1.50	1.50	225.00	150.00
204 : Investigations	7.00	0.00	0.00	0.00	7.00	2,065.00	295.00
Investigations	7.00	0.00	0.00	1.50	8.50	2,290.00	269.41
301 : ROT	0.00	0.00	0.00	11.00	11.00	1,650.00	150.00
303 : Book Debit	3.10	0.00	0.00	0.00	3.10	514.50	295.00
305 : Stock	14.40	0.00	0.00	0.00	14.40	4,248.00	295.00
Realisation of Assets	17.50	0.00	0.00	11.00	28.50	6,612.50	239.04
Total Hours	49.50	0.00	0.00	62.50	112.00	24,077.80	214.98
Total Fees Claimed						10,000.00	

Annual Progress Report of J & S Upholstery Limited (formerly John Sankey Limited – In Creditors Voluntary Liquidation

Appendix V

Time costs summary for period, cumulative & comparison with estimate for J & S Upholstery Limited formerly John Sankey Limited IN CREDITORS VOLUNTARY LIQUIDATION

	Original fees estimate			Actual time costs incurred during the Review Period			Total time costs incurred to date		
Work category	Number of hours	Blended hourly rate £ per hour	Total fees £	Number of hours	Average hourly rate £ per hour	Total time costs £	Number of hours	Average hourly rate £ per hour	Average hourly rate £ per hour
Administration	61	176.48	10,765	-	-	-	46.7	172.94	8,076.50
Realisation of assets	10	237.50	2,375	0.8	295.00	236.00	28.5	239.04	6,812.50
Creditors	29	150.00	4,350	7	150.00	1,050	28.3	243.76	6,898.50
Investigations	10	237.50	2,375	-	-	-	8.5	269.41	2,290.00

Annual Progress Report of J & S Upholstery Limited (formerly John Sankey Limited – In Creditors Voluntary Liquidation

Appendix VI

**Expenses summary for period, cumulative & comparison with estimate
for J & S Upholstery Limited formerly John Sankey Limited in Creditors' Voluntary Liquidation**

Below are details of the Joint Liquidators' expenses for the period under review and the total to date.

Expenses	Original expenses estimate £	Actual expenses incurred in the Review Period £	Actual expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Category 1 Expenses				
Agents' and valuers' costs	-		4,261	Missed off original fees estimate
Professional Fees	350		-	
Insurance	-		168	
Advertising	375		244	
Bonding	80	36	80	
Storage	200		157	
Other Category 1 expenses	-			
Category 2 Expenses				
Storage	1,440	48	96	
Mileage	-		41	
Postage	-		39	
Other Category 2 Expenses	72		79	

Appendix VII

CFS RESTRUCTURING LLP CHARGING POLICY**INTRODUCTION**

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate, although will delegate tasks to members of staff. Such delegation assists the office holder as it allows him to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 per meeting;
- Car mileage is charged at the rate of 45 pence per mile;

Appendix VII

- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged at the rate of £3 per box per month.
- (B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:
- Telephone and facsimile
 - Printing and photocopying
 - Stationery

STANDARD CHARGEOUT RATES AND CHARGING POLICY FOR INSOLVENCY CASES

The rates applying as at 1 April 2017:

Senior Partner	395
Partner	295
Senior Manager	250
Manager	225
Senior Administrator	195
Administrator	150
Support	90

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units).