

LIQ03

Notice of progress report in voluntary winding up



Companies House

THURSDAY



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COMPANIES HOUSE

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use

1 Company details

Company number 0 7 7 7 7 8 8 5

Company name in full Eternity Restaurant Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Andreas

Surname Arakapiotis

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

7 Progress report

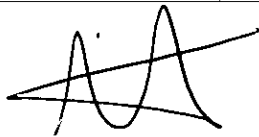
☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date	d	1	d	7	m	0	m	4	y	2	y	0	y	1	y	9
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LIQ03

Notice of progress report in voluntary winding up

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Andreas Arakapiotis**

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

**Eternity Restaurant Limited t/a Metsuyan
IN CREDITORS' VOLUNTARY LIQUIDATION**

*LIQUIDATOR'S FOURTH PROGRESS REPORT IN ACCORDANCE WITH RULE 18.3 OF THE
INSOLVENCY ACT 1986 FOR THE YEAR ENDING 12 MARCH 2019.*

Contents:

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

Appendices:

- 1. Receipts & Payments Account for the period from 13 March 2018 to 12 March 2019 and for the period from 13 March 2015 to 12 March 2019*
- 2. A schedule of actions undertaken under each category in the reporting period*
- 3. A schedule of Liquidator's time costs incurred to date and for the period from 13 March 2018 to 12 March 2019*
- 4. An explanatory note which shows Kallis & Company's fee policy*
- 5. Proof of debt form*

Eternity Restaurant Limited t/a Metsuyan – In Creditors' Voluntary Liquidation

LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS

For the year ending 12 March 2019.

1. STATUTORY INFORMATION

Company name:	Eternity Restaurant Limited t/a Metsuyan
Registered office:	1148 High Road, Whetstone, London, N20 0RA
Former registered office:	Sapphire House, 73 St Margarets Avenue, Whetstone, N20 9LD
Registered number:	07777885
Liquidator's name:	Andreas Arakapiotis
Liquidator's address:	1148 High Road, Whetstone, London, N20 0RA
Liquidator's date of appointment:	04 May 2018
Former Liquidator's name:	Elizabeth Arakapiotis
Former Liquidator's date of appointment:	13 March 2015
Former Liquidator's date of ceasing to act:	04 May 2018

2. INTRODUCTION

Eternity Restaurant Limited ("the Company") was placed into liquidation by a Special Resolution of the members followed by a meeting of the creditors convened under Section 98 of the Insolvency Act 1986 on 13/03/2015.

The Company traded as a Chinese restaurant from premises at 134 Golders Green Road, London, NW11 8HB.

According to the statement of affairs lodged in these proceedings, the assets of the Company had an estimated realisable value of £13,000.00 with the Director's Loan Account ("DLA") having an uncertain estimated realisable value. The DLA has now been reconciled and asset realisations totalling £14,604.84 have been received to date. In the course of the administration, my predecessor and I have reviewed the Company's affairs to establish whether there were any potential undisclosed asset recoveries or conduct matters that justified further investigation. Apart from reconciliation of the DLA, I can confirm that there were no major assets identified other than those already listed on the director's Statement of Affairs and there were no matters that justified further investigation in the circumstances of this appointment.

3. LIQUIDATORS' ACTIONS SINCE LAST REPORT

Since the last report, I have spent time reviewing and analysing the Company's records and liaising with the director in order to establish and agree the quantum of the outstanding DLA and reach a repayment agreement with the director. As detailed in Section 5 within this report, a settlement has been agreed with the director in respect of the debts he owes the Company.

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

4. RECEIPTS AND PAYMENTS

My Receipts & Payments Account for the period from 13 March 2018 to 12 March 2019 is attached at Appendix 1.

As the Company was registered for VAT, all items are shown as net of VAT on the receipts & payments account, and the VAT was recovered for the benefit of the insolvent estate.

5. ASSETS

The asset realisations up to 12 March 2018 are covered in the previous annual reports.

Director's Loan Account ("DLA")

The DLA was uncertain at the date of Liquidation.

With assistance from the Company's former accountant, a reconciliation of the DLA was undertaken and the quantum of the DLA was established. Following a review of the director's financial position and after considering the potential return in Bankruptcy, a settlement agreement of £6,000.00 was agreed with the director, on the basis that the director does not own any property and the likely return in bankruptcy would be nil.

I would advise to date £1,600.00 has been received from the director, all of which was received in the reporting period. It has been agreed that the remaining amount due, being £4,400.00, will be paid by the director in monthly instalments of £400.00.

Bank Interest

All asset realisations within the liquidation are held within an interest bearing account. I can confirm that interest totaling £4.84 has been received on the account, of which £2.76 was received in the reporting period.

6. LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has granted the following charge:

Name of Creditor:	National Westminster Bank Plc
Details of Security:	Fixed and floating charge.
SofA;	£15,000.00
Claim:	£14,649.22

Date and amount paid: Fixed charge realisations totalled £3,000.00 in respect of the goodwill. £2,400.00 paid to the fixed charge holder on 12 October 2015. No further payment is anticipated to be made in regards to the fixed charge.

Preferential Creditors

The statement of affairs did not anticipate any preferential creditors. No claims have been received in this regard.

Non-preferential unsecured Creditors

The statement of affairs included 6 unsecured creditors with an estimated total liability of £96,721.66, of which £78,531.66 is owed to HMRC. I have received claims from 8 creditors at a total of £129,902.90, including HMRC's final claim of £115,834.02. To date I have not received a claim from 1 creditor with an original estimated claim in the statement of affairs of £10,000.00.

7. DIVIDEND PROSPECTS

On the basis of current information there have been insufficient realisations to enable the payment of a dividend to any class of creditor, apart from the distribution made to the fixed charge holder detailed in Section 6.

8. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

My predecessor 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. Specifically, she recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 12 months prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and made enquiries about the reasons for any changes.

There were no matters that justified further investigation in the circumstances of this appointment, apart from the reconciliation of the overdrawn DLA as detailed in this report.

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

9. PRE-APPOINTMENT REMUNERATION

The creditors previously authorised the payment of a fee of £6,000 plus VAT for assistance with preparing the statement of affairs, producing and circulating the notices for the meetings of members and creditors prior to my predecessor's appointment at a meeting held on 13 March 2015. £1,500 plus VAT was paid by Kallis & Company to Lacome & Co for their assistance with preparing accounts in connection with the statement of affairs.

The fee for the statement of affairs and meetings were paid from asset realisations.

10. LIQUIDATOR'S REMUNERATION

The remuneration was previously authorised by creditors at a meeting held on 13 March 2015 to be drawn on a time cost basis. The total time costs to 12 March 2019 amount to £31,628.50, representing 184.80 hours of work at an average charge out rate of £171.15 per hour, of which £8,581.00, representing

46.20 hours of work, was charged in the period between 13/03/2018 and 12/03/2019, at an average charge out rate of £185.74 per hour.

A sum of £2,900.00 has been drawn to date in respect of the time cost as detailed above, £1,500.00 of which was drawn in the reporting period. A further sum of £600.00 was drawn in the previous reporting period for dealing with the fixed charge realisations as agreed with the fixed charge holder.

A detailed schedule of my time costs incurred to date and in the period from 13 March 2018 to 12 March 2019 is attached as Appendix 3.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3, together with an explanatory note which shows Kallis & Company's fee policy are available at the link <http://www.kallis.co.uk/downloads>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the November 2011 version.

11. LIQUIDATOR'S EXPENSES

As per attached receipts and payments account various expenses have been incurred and paid which are detailed below, together with expenses which have yet to be paid.

The disbursements listed are all Category 1 disbursements, with the exception of storage which is a Category 2 disbursement. My firm's disbursements recovery policy is attached as Appendix 4 and I would advise that I have used the services of professional advisors and agents in this matter as follows:

<u>Professional Advisor</u>	<u>Nature of Work</u>	<u>Fee Arrangement</u>
Centaur Surveyors, Valuers & Auctioneers	Valuer/Auctioneer	Percentage of realisations + disbursements+VAT

The choice of professionals was based on the perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

The following table details the disbursements that were incurred, paid and which remain outstanding in the Liquidation:

	<u>Period from 13/03/2018 to 12/03/2019</u>		<u>To date</u>	
<u>Disbursement</u>	<u>Paid £</u>	<u>To be paid £</u>	<u>Paid £</u>	<u>To be paid £</u>
Specific Bond	32.00	-	32.00	-
Office Holder's Expenses	-	-	232.84	-
Agents/Valuers Fees	-	-	1,300.00	-
Postage	-	7.20	-	19.45
Storage	-	60.00	-	180.00

Amounts listed as Office Holder's Expenses relate to the following:

	<u>Paid in period from 13/03/2018 to 12/03/2019 £</u>	<u>Paid to date £</u>
Specific Bond	-	60.00
Statutory Advertising	-	172.84

12. 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.

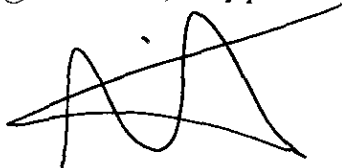
An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Liquidator as being excessive, and/or the basis of the Liquidator's 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 in the attached summary sheet at <http://www.kallis.co.uk/legal>.

13. SUMMARY

The Liquidation will remain open until the matter relating to the overdrawn Director's Loan Account has been fully resolved. Once resolved the Liquidation will be finalised and our files will be closed.

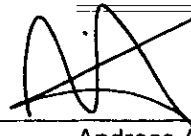
If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Emilio Panayiotou by email at Emilio@kallis.co.uk, or by phone on 020 8446 6699.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Andreas Arakapiotis
LIQUIDATOR

**Eternity Restaurant Limited t/a Metsuyan
(In Liquidation)
Liquidator's Summary of Receipts & Payments**

Statement of Affairs £		From 13/03/2018 To 12/03/2019 £	From 13/03/2015 To 12/03/2019 £
	SECURED ASSETS		
3,000.00	Goodwill	NIL	3,000.00
		NIL	3,000.00
	COSTS OF REALISATION		
	Office Holders Fees	NIL	600.00
		NIL	(600.00)
	SECURED CREDITORS		
(15,000.00)	National Westminster Bank Plc	NIL	2,400.00
		NIL	(2,400.00)
	ASSET REALISATIONS		
7,000.00	Furniture & Equipment	NIL	7,000.00
3,000.00	Stock & Stores	NIL	3,000.00
Uncertain	Book Debts	NIL	NIL
Uncertain	Directors Loan Account	1,600.00	1,600.00
	Bank Interest Gross	2.76	4.84
		1,602.76	11,604.84
	COST OF REALISATIONS		
	Specific Bond	32.00	32.00
	Preparation of S. of A.	NIL	6,000.00
	Office Holders Fees	1,500.00	2,900.00
	Office Holders Expenses	NIL	232.84
	Agents/Valuers Fees	NIL	1,300.00
		(1,532.00)	(10,464.84)
	UNSECURED CREDITORS		
(18,190.00)	Trade & Expense Creditors	NIL	NIL
(4,190.00)	HM Revenue & Customs (PAYE)	NIL	NIL
(21,265.20)	HM Revenue & Customs (CT)	NIL	NIL
(53,076.46)	HM Revenue & Customs (VAT)	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(98,821.66)		70.76	1,140.00
	REPRESENTED BY		
	Bank 1 Current Interest Bearing		1,140.00
			1,140.00


Andreas Arakapiotis
Liquidator

Appendix 2

1. Administration (Including Financials)

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- 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 the annual report to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

2. Investigations

- Reviewing Company records in order to fully reconcile the Director's Loan Account.
- Liaising with the director and accountant regarding transactions relating to the Director's Loan Account.

3. Asset Realisation

- Liaising with director regarding repayment of the Director's Loan Account.

4. Creditors

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

Analysis of Office Holder's time costs for the period 13/03/2015 To 12/03/2019

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								
AD1.1 - Case planning and review	5.60	2.20	32.90	37.60	20.90	99.20	16,284.00	164.15
AD1.2 - Ongoing administration matters	3.90	2.20	11.60	22.90	13.40	54.00	8,866.50	164.19
AD1.3 - Statutory notices & reporting	0.00	0.00	18.30	4.00	2.40	24.70	4,421.50	179.01
Financials								
AD2.1 - Completion and agreement of tax returns	1.70	0.00	3.00	10.70	5.10	20.50	2,996.00	146.15
AD2.2 - Banking and reconciliations	0.20	0.00	0.00	0.90	16.40	17.50	1,706.50	97.51
AD2.3 - Expense reviews and payments	0.00	0.00	0.00	0.00	1.10	1.10	106.00	96.36
Realisation of Assets								
AD3.1 - Dealing with agents, asset and business sales	0.20	0.00	0.00	0.60	7.20	7.80	768.00	98.46
AD3.2 - Retention of title	12.20	0.50	4.10	17.80	8.10	36.30	8,154.50	224.64
AD3.3 - Book debt collection	0.90	0.50	0.30	2.50	0.00	4.20	813.50	193.69
AD3.4 - Identifying assets and recovery	0.00	0.00	0.00	0.00	0.20	0.20	12.00	60.00
Investigations								
AD4.1 - SIP 2 review & CDDA reports	11.30	0.00	3.20	10.90	1.10	26.50	6,604.00	249.21
AD4.2 - Inventory and record review	2.70	0.00	4.00	11.30	2.70	20.70	3,747.00	181.01
AD4.3 - Investigations - antecedent transactions/misconduct	1.50	0.00	0.50	4.60	0.00	6.60	1,235.00	187.12
Creditors								
AD5.1 - Communication with creditors	0.00	0.00	0.00	0.50	1.80	2.30	255.00	110.87
AD5.2 - Creditors' claims (including Employees' and other preferential creditors')	1.20	0.00	3.50	6.20	0.90	11.80	2,257.00	191.27
	0.40	0.00	3.40	6.80	0.50	11.10	1,736.50	156.44
	0.40	0.00	2.90	2.30	0.30	5.90	1,029.00	174.41
	0.00	0.00	0.50	4.50	0.20	5.20	707.50	136.06
Total Hours	21.10	2.70	44.40	74.40	42.20	184.80		171.15
Total Fees (GBP)	7,107.50	766.50	9,559.50	10,225.00	3,970.00		31,628.50	

Analysis of Office Holder's time costs for the period 13/03/2018 To 12/03/2019

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								
AD1.1 - Case planning and review	1.00	1.90	2.80	18.00	0.00	23.70	3,746.50	158.08
AD1.2 - Ongoing administration matters	0.00	1.90	2.80	6.60	0.00	11.30	1,996.50	176.68
AD1.3 - Statutory notices & reporting	0.00	0.00	0.00	2.20	0.00	2.20	305.00	138.64
Financials								
AD2.1 - Completion and agreement of tax returns	1.00	0.00	0.00	9.20	0.00	10.20	1,445.00	141.67
AD2.2 - Banking and reconciliations	0.00	0.00	0.00	0.30	4.80	5.10	517.50	101.47
AD2.3 - Expense reviews and payments	0.00	0.00	0.00	0.00	0.50	0.50	50.00	100.00
Realisation of Assets								
AD3.1 - Dealing with agents, asset and business sales	0.00	0.00	0.00	0.00	1.80	1.80	180.00	100.00
AD3.2 - Book debt collection	0.00	0.00	0.00	0.30	2.50	2.80	287.50	102.68
AD3.3 - Identifying assets and recovery	8.20	0.50	0.50	6.50	0.00	15.70	3,904.50	248.69
Investigations								
AD4.1 - Dealing with agents, asset and business sales	0.00	0.50	0.00	2.20	0.00	2.70	417.50	154.63
AD4.2 - Book debt collection	0.00	0.00	0.00	4.00	0.00	4.00	500.00	125.00
AD4.3 - Identifying assets and recovery	8.20	0.00	0.50	0.30	0.00	9.00	2,987.00	331.89
Creditors								
AD5.1 - Investigations - antecedent transactions/misconduct	1.00	0.00	0.00	0.00	0.00	1.00	295.00	295.00
AD5.2 - Communication with creditors	0.00	0.00	0.30	0.40	0.00	0.70	117.50	167.86
AD5.3 - Creditors' claims (including Employees' and other preferential creditors')	0.00	0.00	0.00	0.20	0.00	0.20	25.00	125.00
Total Hours	10.20	2.40	3.60	25.20	4.80	46.20		185.74
Total Fees (GBP)	3,377.00	684.00	845.00	3,195.00	480.00		8,581.00	

PRACTICE FEE RECOVERY POLICY FOR KALLIS & COMPANY

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 www.kallis.co.uk. Alternatively a hard copy may be requested from Kallis & Company, Mountview Court, 1148 High Road, London N20 0RA. Please note, that we have provided further details in this policy document.

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

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

Time cost basis

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

Chargeout Rates

Grade of staff	Current charge-out rate per hour, effective from 01/10/2017	Current 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 £
Partner – appointment taker	£295-375	£340-375	£275-£335	£275-£320
Senior Manager	£285	£285	£275	£275
Manager	£225	£225	£170-£275	£170-£275
Senior/Case Administrator	£125-175	£150-175	£90-£175	£90-£175
Support Staff	£85-100	£85-100	£60-£85	£60-£85

Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rate for undertaking such work.

These charge-out rates charged are reviewed on periodic 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; Financials; 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 continue to seek time costs for the majority of our cases.

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 Kallis & Company; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered:

Room Hire	£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