

In accordance with  
Rule 18.7 of the  
Insolvency (England &  
Wales) Rules 2016 and  
Sections 92A, 104A and  
192 of the Insolvency  
Act 1986.

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

MONDAY



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A07

29/06/2020

#20

COMPANIES HOUSE

### 1 Company details

Company number 0 8 0 4 9 4 3 4

Company name in full Angel Painters And Decorators Limited

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

### 2 Liquidator's name

Full forename(s) Kikis

Surname Kallis

### 3 Liquidator's address

Building name/number Mountview Court

Street 1148 High Road

Post town Whetstone

County/Region London

Postcode N 2 0 0 R A

Country

### 4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator  
Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator  
Use this section to tell us about  
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

**6** Period of progress report

From date	<sup>d</sup> 0	<sup>d</sup> 1	<sup>m</sup> 0	<sup>m</sup> 5	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9
To date	<sup>d</sup> 3	<sup>d</sup> 0	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0

**7** Progress report

☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X 

X

Signature date

<sup>d</sup> 2	<sup>d</sup> 9	<sup>m</sup> 0	<sup>m</sup> 6	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 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 **Christina Eleftheriou**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 3U7.  
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)



## INSOLVENCY PRACTITIONERS

Mountview Court  
1,148 High Road  
Whetstone  
London N20 0RA

T: 020 8446 6699  
F: 020 8492 6099  
E: [info@kallis.co.uk](mailto:info@kallis.co.uk)  
W: [www.kallis.co.uk](http://www.kallis.co.uk)

**Private and Confidential**  
To all known Creditors

Our ref

ANG3342/KK/KG/PC/CNE/S5a

Date

29 June 2020

Dear Sirs

### **Angel Painters And Decorators Limited ("the Company") – In Creditors' Voluntary Liquidation**

This is my report to members and creditors following the first anniversary of my appointment as Liquidator.

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

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

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Christina Eleftheriou by email at [christinae@kallis.co.uk](mailto:christinae@kallis.co.uk), or by phone on 020 8446 6699.

Yours faithfully

**Kikis Kallis**  
**LIQUIDATOR**

Enc.

Our Insolvency Practitioners are regulated and licensed to provide corporate and personal insolvency services in the UK by The Institute of Chartered Accountants in England and Wales (ICAEW) and are members of the Association of Business Recovery Professionals. Kallis Insolvency Practitioners is a trading name of Kallis & Co UK Limited a Company incorporated in England and Wales. Registered number 4701119.

Associate Offices: 17 Evdemonias Street, 2331 Nicosia, Cyprus

**ANGEL PAINTERS AND DECORATORS LIMITED- IN CREDITORS' VOLUNTARY LIQUIDATION**

***LIQUIDATOR'S FIRST PROGRESS REPORT IN ACCORDANCE WITH RULE 18.3 OF THE  
INSOLVENCY RULES 2016 FOR THE YEAR ENDING 30 APRIL 2020.***

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**Contents:**

1. *Statutory Information*
  2. *Introduction*
  3. *Liquidator's Actions Since Appointment*
  4. *Receipts And Payments*
  5. *Assets*
  6. *Liabilities*
  7. *Dividend Prospects*
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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 1 May 2019 to 30 April 2020.*
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 1 May 2019 to 30 April 2020.*
4. *An explanatory note which shows Kallis & Company's fee policy.*
5. *My time costs incurred to date compared with my original fees estimate.*

## **Angel Painters And Decorators Limited – In Creditors' Voluntary Liquidation**

### **LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS**

**For the year ending 30/04/2020**

#### **STATUTORY INFORMATION**

Company name:	Angel Painters And Decorators Limited
Registered office:	Mountview Court 1148 High Road Whetstone London N20 0RA
Former registered office:	33 Southstand Apartments Highbury Stadium Square London N5 1EY
Registered number:	08049434
Liquidator's name:	Kikis Kallis
Liquidator's address:	Mountview Court, 1148 High Road, Whetstone, London, N20 0RA
Liquidator's date of appointment:	1 May 2019

#### **LIQUIDATORS' ACTIONS SINCE APPOINTMENT**

As my initial assessment of the case in the course of my administration, I have contacted the factoring company for latest financial figures to rectify whether there is any monies due the liquidation and I have also reviewed the Company's affairs to establish whether there were any potential undisclosed asset recoveries or conduct matters that justified further investigation.

Details with regards to the factoring book debts are outlined in the Assets section of this report. As part of my ordinary course of investigations I have sought to reconcile the overdrawn Directors Loan Account (DLA) in order to quantify the amount to be recovered. Please to advise that I have entered into an agreement with the Director to repay this DLA and details are stated below under the Assets section.

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 appointment as Liquidator is contained in Appendix 2.

## **RECEIPTS AND PAYMENTS**

My Receipts & Payments Account for the period from 01/05/2019 to 30/04/2020 is attached at Appendix 1.

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

## **ASSETS**

### **Factoring Book Debts**

The Company's book debts were factored through Gener8 Finance Limited. Company's aged debtor analysis as at 09/04/2019 showed the Company was owed a sum of £12,275, by way of an outstanding book debt. However, the factoring company later confirmed that the debtor company has gone into liquidation and therefore no realisations are due in the liquidation. Later, the Liquidator was contacted in respect of this matter and he has confirmed that there will be no dividend due in the liquidation. Therefore, realisations are nil in this respect.

### **Directors Loan Account**

Detailed analysis of the overdrawn DLA confirmed that a sum of £136,455.00 was due by the Director.

After lengthy discussions, I am pleased to advise that the director undertook to pay this amount in full. Agreement was to pay an initial payment of £10,000 on the date of the agreement and the balance of £126,445 to be paid within five years circa £2,107.41 per month by standing order. Unfortunately, due to one of the major clients of the director's current business going into liquidation, he was unable to make the initial deposit of £10,000. However, after much negotiations and meetings the director managed to pay a sum of £2,000 in three instalments directly to me. Due to the complexity of the recovery of the DLA and the length of time that has passed since the director's last payment contribution, I decided to instruct LPL Group, a debt collection company, to assist me in the recovery of the overdrawn DLA. I am pleased to confirm that the Director has repaid further £8,000 to the debt collectors. This amount was received during the reporting period and the funds are still with the debt collectors. Therefore, he has paid the initial deposit of £10,000 in full. The debt collectors were instructed on a percentage of realisations and were selected on the basis of their experience and quantum of the claim. LPL Debt Collectors are continuing to liaise with the director in respect of remaining repayments and I will endeavour to monitor collection of these repayments closely.

### **Bank Interest**

I would advise that all asset realisations within the liquidation are held within an interest bearing account. I can confirm that interest in this current reporting period totals £0.75 in the course of the liquidation.

### **Cash in Hand**

The sum of £7,200 relates to funds paid by the Company in respect of my pre-appointment fees.

## **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 over the company book debts:

Name: Gener8 Finance Limited

Date Created: 6 May 2015

Date Delivered: 11 May 2015

Description: Fixed and a floating charge over all assets of the Company



The secured creditor has confirmed that they are not creditors in the Liquidation and therefore prescribed part provisions do not apply

#### Preferential Creditors

The Director's Statement of Affairs did not anticipate any preferential creditors and no claims have been received to date.

#### Crown Creditors

The Director's Statement of Affairs included £428,711.08 owed to HMRC. HMRC's final claim of £457,797.87 has been received. Slight increase in the HMRC debt is due to the original Statement of Affairs claim was estimated by the Director.

#### Non-preferential unsecured Creditors

The statement of affairs included 12 non-preferential unsecured creditors with an estimated total liability of £537,740.16. I have received claims from 7 creditors at a total of £480,494.11. I have not received claims from 6 creditors with original estimated claims in the statement of affairs of £7,327.00.

#### **DIVIDEND PROSPECTS**

Any dividend payment will entirely depend on the successful realisation of the overdrawn DLA. Therefore it is currently uncertain whether there will be a dividend declared to non-preferential unsecured creditors.

#### **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 am required by the Statements of Insolvency Practice to undertake such an initial investigation and the work detailed below has been undertaken in connection with that initial investigation.

Specifically, I 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 the changes.

There were no matters that justified further investigation in the circumstances of this appointment.

Within three 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 them unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

#### **PRE-APPOINTMENT REMUNERATION**

The creditors previously authorised the payment of a fee of £6,000 for my assistance with preparing the statement of affairs and arranging the decision procedure for creditors to appoint a liquidator.

The fee for preparing the statement of affairs and arranging the decision procedure for creditors to appoint a liquidator was paid by the Company.

## LIQUIDATOR'S REMUNERATION

My remuneration was approved on a time cost basis based on a fees estimate of £46,007.00. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors. As per the attached Appendix 3, my total time costs to 30.04.2020 amount to £14,902.00, representing 62.70 of hours work at a blended charge out rate of £237.67 per hour. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £233.27 in my fees estimate.

I have drawn £2,800.00 to date.

A detailed schedule of my time costs incurred to date compared with my original fees estimate is attached as Appendix 5.

As at 30.04.2020 I do not anticipate that the total time costs I will incur in this matter in respect of the categories of work for which I am being remunerated on a time cost basis will exceed the total estimated remuneration I set out in my fees estimate when my remuneration was authorised by the creditors however this will be dependent on the length of time of the repayments of the DLA.

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/helpsheets>. Once you access the link, scroll down to "Getting involved: Creditors' Voluntary Liquidation" for the relevant details.

A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3 can be accessed at <http://www.kallis.co.uk/downloads> by clicking the link underneath "Insolvency Office Holders' Fees. Please note that there are different versions of these Guidance Notes, and in this case please refer to "Guide to Liquidators Fees" under "Version 4- issued November 2011".

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

## LIQUIDATOR'S EXPENSES

I have incurred expenses to 30/04/2020 of £831.21 to date to which I have not been able to draw any expenses in this matter.

I have incurred the following expenses in the period since my appointment as Liquidator.

	Amount incurred/ accrued in the reporting period	
	Paid £	To be paid £
Disbursement		
Specific Bond	0.00	£510.00
Statutory Advertising	0.00	£308.40
Postage	0.00	£12.81

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

Professional Advisor	Nature of Work	Basis of Fees
LPL Debt Collectors	Debt Collectors	Percentage of realisations

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

Nature of expense	Estimated expenses	Expenses incurred to date
Specific Bond	£44.00	£510.00
Statutory Advertising	£192.75	£308.40
Postage	£15.39	£12.81
Storage	£15.00	Nil
Debt Collectors Fee	Not anticipated	Depending on the repayment of the DLA; % of realisations.
Total	£267.14	£831.21

As at 30/04/2020, then, as you can see from the information provided in this report, the expenses I have incurred in this matter have exceeded the total expenses I estimated I would incur when my remuneration was authorised by the creditors. My bonding costs were increased due to the reconciliation of the DLA. My statutory advertising costs increased due to advertising of claims on the London Gazette as it is anticipated there will be a dividend in the case depending on the repayments of the DLA.

~~My expenses will increase during the course of liquidation due to the debt collector fees which were not originally anticipated.~~

### **FURTHER INFORMATION**

An unsecured creditor may, with the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Liquidator's remuneration and expenses within 21 days of their receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Liquidator as being excessive, and/or the basis of the Liquidator's remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Kallis & Company can be found at [www.kallis.co.uk/legal](http://www.kallis.co.uk/legal).

### **SUMMARY**

The Liquidation will remain open to enable the recovery of the DLA in full. I advised outside of the reporting period; the director has taken a 6 month break of the repayments towards his DLA due to the Covid-19 pandemic. He has advised that repayments of his DLA will resume in August 2020. The quantum of timing in collecting the DLA is currently uncertain at this stage, however when it is paid in full 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 Christina Eleftheriou on 020 8446 6699, or by email at [christinae@kallis.co.uk](mailto:christinae@kallis.co.uk).

**Kikis Kallis**  
**LIQUIDATOR**

**Angel Painters And Decorators Limited**  
**(In Liquidation)**  
**Liquidator's Summary of Receipts & Payments**

**From 01 May 2019 To 30/04/2020**

S of A £		£	£
	<b>SECURED ASSETS</b>		
12,275.00	Factored Book Debts	<u>NIL</u>	NIL
	<b>SECURED CREDITORS</b>		
-1,000.00	Gener8 Limited	<u>NIL</u>	NIL
	<b>ASSET REALISATIONS</b>		
Uncertain	Directors Loan Account	10,000.00	
	Bank Interest Gross	0.75	
3,600.00	Cash in Hand	<u>7,200.00</u>	17,200.75
	<b>COST OF REALISATIONS</b>		
	Preparation of S. of A.	6,000.00	
	Office Holders Fees	<u>2,800.00</u>	-8,800.00
-521,864.16			<u><u>8,400.75</u></u>
	<b>REPRESENTED BY</b>		
	VAT Receivable		160.00
	Bank 1 Current Interest Bearing		240.75
	Funds Held by LPL Commercial Investi		8,000.00
			<u><u>8,400.75</u></u>

Kikis Kallis  
Liquidator

## **Appendix 2**

### **Administration & 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.

Setting up and maintaining physical/electronic case files.

Setting up/maintaining the case on the practice's electronic case management system and entering data.

Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.

Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).

Convening and holding decision procedures and general meetings of creditors and members (as applicable).

~~Dealing with all routine correspondence and emails relating to the case.~~

Reviewing the adequacy of the specific penalty bond on a quarterly basis.

Undertaking periodic reviews of the progress of the case.

Overseeing and controlling the work done on the case by case administrators.

Preparing, reviewing and issuing annual progress reports to creditors and members.

Filing returns at Companies House.

Opening, maintaining and managing the office holder's estate bank account.

Creating, maintaining and managing the office holder's cashbook.

Undertaking regular reconciliations of the bank account containing estate funds.

Preparing and filing VAT returns.

Preparing and filing Corporation Tax returns.

### **Investigations:**

Recovering the books and records for the case.

Listing the books and records recovered.

Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act.

Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.

Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors

### **Realisation of assets:**

Corresponding with the factoring company and liquidator with regards to recovery of book debts.

Liaising with the bank regarding the closure of the account.

Reconciliation of the Directors Loan Account.

Instructing Debt Collectors to assist in the realisation of the Directors Loan Account.

Communication with the Director in regard to the Directors Loan Account.

### **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 01/05/2019 To 30/04/2020

Classification of Work Content	Partner Hours	Senior Manager Hours	Manager Hours	Senior Hours	Support Hours	Total Hours	Total Cost (GBP)	Average Hourly Rate (GBP)
<b>Administration &amp; Planning</b>	<b>2.10</b>	<b>2.30</b>	<b>0.00</b>	<b>5.80</b>	<b>0.10</b>	<b>10.30</b>	<b>2,187.50</b>	<b>212.38</b>
AD1.1 - Case planning and review	0.10	2.30	0.00	2.30	0.00	4.70	983.00	209.15
AD1.2 - Ongoing administration matters	0.00	0.00	0.00	1.30	0.00	1.30	169.50	130.38
AD1.3 - Statutory notices & reporting	2.00	0.00	0.00	2.20	0.10	4.30	1,035.00	240.70
<b>Financials</b>	<b>0.10</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8.60</b>	<b>8.70</b>	<b>943.00</b>	<b>108.39</b>
AD2.1 - Completion and agreement of tax returns	0.00	0.00	0.00	0.00	0.40	0.40	44.00	110.00
AD2.2 - Banking and reconciliations	0.00	0.00	0.00	0.00	4.40	4.40	480.00	109.09
AD2.3 - Expense reviews and payments	0.10	0.00	0.00	0.00	3.80	3.90	419.00	107.44
<b>Realisation of Assets</b>	<b>8.30</b>	<b>22.80</b>	<b>0.00</b>	<b>5.70</b>	<b>0.00</b>	<b>36.80</b>	<b>10,380.00</b>	<b>282.07</b>
AD3.1 - Dealing with agents, asset and business sales	0.00	22.80	0.00	0.00	0.00	22.80	6,591.00	289.08
AD3.3 - Book debt collection	1.90	0.00	0.00	4.30	0.00	6.20	1,304.00	210.32
AD3.4 - Identifying assets and recovery	6.40	0.00	0.00	1.40	0.00	7.80	2,485.00	318.59
<b>Investigations</b>	<b>0.00</b>	<b>0.40</b>	<b>0.00</b>	<b>2.70</b>	<b>0.00</b>	<b>3.10</b>	<b>455.50</b>	<b>146.94</b>
AD4.1 - SIP 2 review & CDDA reports	0.00	0.40	0.00	1.50	0.00	1.90	305.50	160.79
AD4.2 - Inventory and record review	0.00	0.00	0.00	1.00	0.00	1.00	125.00	125.00
AD4.3 - Investigations - antecedent transactions/misconduct	0.00	0.00	0.00	0.20	0.00	0.20	25.00	125.00
<b>Creditors</b>	<b>0.10</b>	<b>2.70</b>	<b>0.00</b>	<b>1.00</b>	<b>0.00</b>	<b>3.80</b>	<b>936.00</b>	<b>246.32</b>
AD5.1 - Communication with creditors	0.10	2.70	0.00	0.30	0.00	3.10	848.50	273.71
AD5.2 - Creditors' claims (including Employees' and other preferential creditors')	0.00	0.00	0.00	0.70	0.00	0.70	87.50	125.00
<b>Total Hours</b>	<b>10.60</b>	<b>28.20</b>	<b>0.00</b>	<b>15.20</b>	<b>8.70</b>	<b>62.70</b>		<b>237.67</b>
<b>Total Fees (GBP)</b>	<b>3,883.00</b>	<b>8,138.00</b>	<b>0.00</b>	<b>1,960.00</b>	<b>921.00</b>		<b>14,902.00</b>	

## 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/helpsheets/>. 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.kallis.co.uk/downloads>. 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.

Grade of staff	Current charge-out rate per hour, effective from 01/10/2019	Previous charge-out rate per hour, effective from 01/10/2017	Previous charge-out rate per hour, effective from 01/10/2015	Previous charge-out rate per hour, effective from 01/10/2012	Previous charge-out rate per hour, effective from 01/10/2010
Senior Partner / appointment taker	£420				
Partner / appointment taker	£320-340	£295-375	£340-375	£275-£335	£275-£320
Senior Manager	£295	£285	£285	£275	£275
Manager	£240	£225	£225	£170-£275	£170-£275
Senior/Case Administrator	£110-150	£125-175	£150-175	£90-£175	£90-£175
Support Staff	£100-110	£85-100	£85-100	£60-£85	£60-£85

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

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	<a href="http://www.gov.uk/government/publications/rates-and-allowances-travel-mileage-and-fuel-allowances">www.gov.uk/government/publications/rates-and-allowances-travel-mileage-and-fuel-allowances</a>
Storage	£15 per box per annum
Destruction Costs	£5.50 per box



**Appendix 5-**  
**Estimated Time Costs and Time Costs incurred in the reporting period**

<b>Description of categories</b>	<b>Estimated time</b>	<b>Estimated value of the time costs £</b>	<b>Blended charge out rate £</b>	<b>Actual time</b>	<b>Actual value of the time costs £</b>	<b>Actual blended charge out rate £</b>
<b>ADMINISTRATION (including FINANCIALS)</b>	63.60	£13,660.00	£215.80	19.00	£3,130.50	£320.77
<b>INVESTIGATIONS</b>	27.50	£6,112.50	£222.27	310.00	£ 455.50	£146.90
<b>REALISATION OF ASSETS</b>	80.26	£26,440.00	£254.86	36.80	£10,380.00	£282.07
<b>CREDITORS</b>	26.50	£5,857.50	£221.04	3.80	£936.00	£246.32
<b>GRAND TOTAL FOR ALL CATEGORIES OF WORK</b>	197.50	£46,070.00	£233.27	62.70	£14,902.00	£237.67