

LIQ03

Notice of progress report in voluntary winding up



Companies House

SATURDAY



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06/01/2018

#11

COMPANIES HOUSE

1 Company details

Company number 0 8 6 1 6 6 3 4 /

Company name in full Payroll Workshop Limited

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

2 Liquidator's name

Full forename(s) Stephen Robert

Surname Cork

3 Liquidator's address

Building name/number 52 Brook Street

Street London

Post town W1K 5DS

County/Region

Postcode

Country

4 Liquidator's name ①

Full forename(s) Joanne Elizabeth

Surname Milner

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

5 Liquidator's address ②

Building name/number 52 Brook Street

Street London

Post town W1K 5DS

County/Region

Postcode

Country

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

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6 Period of progress report

From date	^d 2	^d 5	^m 1	^m 1	^y 2	^y 0	^y 1	^y 6
To date	^d 2	^d 4	^m 1	^m 1	^y 2	^y 0	^y 1	^y 7

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X 

X

Signature date

^d 0	^d 5	^m 0	^m 1	^y 2	^y 0	^y 1	^y 8
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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	Udobi Nzelu
Company name	Cork Gully
Address	52 Brook Street
	London
Post town	W1K 5DS
County/Region	
Postcode	
Country	
DX	
Telephone	02072682150



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

**Statement of
Affairs**
£

**From 25/11/2016
to 24/11/2017**
£

**From 25/11/2015
to 24/11/2017**
£

Asset Realisations			
Uncertain	Company Database	-	-
Uncertain	Furniture & Equipment	-	-
11,745.00	Mobile Phone Units	-	-
Uncertain	Company Contracts	-	-
	Connected Company Loan	-	4,017.00
200.00	Cash at Bank	-	-
900,000.00	Book Debts	-	-
	Funds Transferred from Administration	-	105,060.91
	Loan from Cork Gully LLP	6,995.00	6,995.00
	Rates Refund	-	23.48
	Bank Interest Gross	23.45	94.40
		<u>7,018.45</u>	<u>116,190.79</u>
Cost of Realisations			
	Legal Expenses	6,995.00	20,195.00
	Debt Collection Agent Fees	-	25.00
	Storage Costs	216.00	340.32
		<u>(7,211.00)</u>	<u>(20,560.32)</u>
Unsecured Creditors			
Uncertain	Trade & Expense Creditors	-	-
(65,000.00)	HMRC - VAT	-	-
(1,400,000.00)	HMRC - PAYE	-	-
		<u>-</u>	<u>-</u>
(553,055.00)			<u><u>95,630.47</u></u>
Represented by			
	VAT Receivable		3,763.78
	Barclays Account		91,866.69
			<u><u>95,630.47</u></u>



Joanne Elizabeth Milner

CORK GULLY

Cork Gully LLP
52 Brook Street
London, W1K 5DS

T: +44 (0)20 7268 2150
F: +44 (0)20 7268 2151
W: www.corkgully.com

TO ALL KNOWN CREDITORS AND MEMBERS

5 January 2018

Our Ref: PAY001/SRC/JEM/RCT/UEON - 15

Dear Sirs

Payroll Workshop Limited (in Creditors' Voluntary Liquidation) ("the Company")

I refer to the appointment of Stephen Cork and myself as Joint Liquidators of the Company on 25 November 2015, subsequent to the appointment of Michael Sanders and Georgina Eason of Macintyre Hudson LLP as Joint Administrators on 13 August 2015.

The anniversary of my appointment has recently passed and I am reporting to all members and creditors with regard to the progress made in the second year of the Liquidation in accordance with Section 104A of the Insolvency Act 1986.

Information for creditors on opting out

If you do not wish to receive any future documents regarding the insolvency proceedings, you may elect to become an opted out creditor at any time by notifying me in writing that you wish to opt out of future documents. Once you have opted out, you will remain as such unless, or until, you revoke your notice to opt out in writing. Please note that I am still required to notify you of certain aspects of the insolvency proceedings, in particular regarding dividends. Further information regarding opting out is enclosed as Appendix VI of the report.

Information for creditors on use of website

I intend to take advantage of the legislative provisions whereby I can put future documentation relating to the liquidation on to a website and need not write to creditors to notify them that I have done so. Further information about this is set out in the enclosed Appendix VII of the report.

Information for creditors on electronic communication

I intend to take advantage of the legislative provisions whereby I can communicate with creditors electronically by emailing them rather than posting documents to them. If you wish receive future communications electronically, please complete and return the form of authority (enclosed as Appendix VIII of the report) to me, ideally by email to udobinzelu@corkgully.com.

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 Joint Liquidators' remuneration and expenses within 21 days of receipt of this report.

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 eight weeks of receipt of this report.

If you have any queries regarding this report or the conduct of the Liquidation in general, please contact Udobi Nzelu on 020 7268 2150 or email udobinzelu@corkgully.com.

Yours faithfully


Joanne Milner
Joint Liquidator

Encs.

Partners and directors act as insolvency practitioners without personal liability. Stephen Cork and Joanne Milner are licensed to act as insolvency practitioners in the United Kingdom by the Institute of Chartered Accountants in England and Wales and are bound by the insolvency Code of Ethics.

Cork Gully is a Limited Liability Partnership registered in England and Wales under number OC357274. A list of members is available for inspection at the registered office above. Members will be referred to as partners and directors.

**Payroll Workshop Limited (in Creditors' Voluntary Liquidation) ("the Company")
Joint Liquidators' Annual Report to Members and Creditors
for the Year Ending 24 November 2017**

1. Statutory Information

The Company's statutory information is attached at Appendix I.

2. Joint Liquidators' Actions Since Appointment

Immediately following the appointment, the Joint Liquidators defrayed all statutory obligations.

The Joint Liquidators were appointed at the request of HMRC in order to ascertain whether claims could be made by the Company which would lead to recoveries for the Liquidation estate and, therefore, for creditors. During the course of the appointment, the Joint Liquidators have:

- Arranged the transfer of the cash balance from the bank account of the former Administration. This balance primarily comprises sums paid by a suspected debtor of the Company which are currently under dispute. A large amount of time has been spent liaising with the debtor, the debtor's solicitors and the Joint Liquidators' solicitors, and preparing the appropriate evidence in advance of any action which may be taken. Further information in this regard is included later in this report;
- Liaised extensively with the former Joint Administrators in order to gain an understanding of the Company and its operations and to obtain and subsequently examine the books and records of the Company;
- Liaised with the pre-appointment bankers of the Company in order to obtain statements and seek further information in respect of specific transactions;
- Sought detailed information from a director of the Company who had played a major role within the Company, including conducting an at-length interview in respect of any knowledge he may have of the Company's business affairs;
- Conducted detailed investigations into the Company's debtor position, including liaising with forensic accountants and the director and reconciling same;
- Liaised with a number of trade debtors of the Company and subsequently passed the matter to debt collection agents for further action;
- Prepared and issued a fee authority report in line with statutory requirements and a written resolution was put to all creditors of the Company for them to vote in favour of or against. This resulted in creditor approval for fees of £50,000 to be drawn.
- Prepared and submitted a statutory and confidential report to the Department of Business, Energy and Industrial Strategy.
- Liaised with HMRC regarding VAT assessments made in respect of the Company. Separately, HMRC have been conducting their own investigations into the affairs of the Company and the Joint Liquidators have collaborated extensively in order to expedite their work.

Outstanding matters

- Continued investigation into:
- The affairs of the Company and any action which may be pursued for the benefit of creditors. Further details are included below.
- The debtor position of the Company, specifically regarding the disputed debt.

3. Asset Realisations

Since appointment, the Joint Liquidators have focused on realising the assets of the Company identified on the directors' Statement of Affairs or otherwise. Commentary on the conclusion of each asset realisation follows:

• **Cash at Bank**

The Joint Administrators' Estimate of Financial Position listed a cash at bank balance of £200 as at the date of Administration. Upon appointment no funds were available in the pre-appointment bank account for transfer to the Administration estate.

- **Book Debts**

During the Administration two payments totalling £104,906 were received from a suspected debtor of the Company, via a pre-appointment bank account. This debtor subsequently claimed that these payments had been made in error and has attempted to recover these funds. As the figure is less than the amount that this debtor was purported to owe, which was estimated to be in excess of £900,000, the Joint Liquidators have retained the funds whilst their investigations into the status of the payments continue.

The Joint Liquidators continue to liaise with the debtor in this regard and at this stage it is uncertain what, if any, sums may be available to creditors from this source.

Other Assets

A number of other assets were identified in the Joint Administrators' proposals. These included a database of employee contracts, mobile phone units, office furniture and contracts to which the Company was previously a party. These were valued during the Administration by professional valuation agents who reported the following details:

Asset category	Valuation basis	Valuation amount (£)
Office furniture	In-situ	Uncertain
Database	Ex-situ	Uncertain
Mobile phone units	In-situ	£5 per unit
Company contracts	In-situ	Uncertain

Further investigation has indicated that it is not commercial to commence recovery of these assets. Should circumstances change, the Joint Liquidators will reopen these matters and ascertain the prospects for realisations.

4. Receipts & Payments

A summary of our receipts and payments for the reporting period, being from 25 November 2016 to 24 November 2017, is attached at Appendix II. Funds are held in an interest-bearing account. Creditors should note that all expenses are shown net of VAT and that VAT is recoverable in this matter.

A commentary of the Joint Liquidators' receipts and payments during this period, in addition to that provided in Section 3, is included below.

Receipts

- **Loan From Cork Gully LLP**

The sum of £6,995 has been loaned to the Company by Cork Gully LLP to cover all legal costs incurred by the Liquidation.

- **Bank Interest Gross**

During the period bank interest of £23 has been earned.

Payments

- **Legal Expenses**

Legal expenses of £6,995 have been paid to EMW Law LLP in respect of advice provided to the Company.

- **Storage Costs**

JG Collections have been paid a total of £216 for providing storage for the books and records of the Company.

5. Liabilities

- **Secured creditors**

An examination of the mortgage register of the Company held by the Registrar of Companies confirms that the Company has no current charges over its assets. Therefore there are no secured creditors of the Company.

- **Preferential creditors**

Preferential claims ordinarily include those of employees in respect of arrears of pay (within certain limits) and accrued holiday pay in accordance with the Insolvency Act 1986. Such claims are paid out of net realisations in priority to the ordinary unsecured creditors.

The Statement of Affairs did not anticipate any preferential creditors and no claims have subsequently been received.

- **The Prescribed Part**

Where a company in liquidation has created or granted a floating charge after 15 September 2003, a prescribed part of its net property shall be made available to unsecured creditors pursuant to Section 176A of the Insolvency Act 1986.

A company's net property is the amount of its property available for the satisfaction of the claims of holders of debentures secured by, or holders of, any floating charges.

No charges have been granted in favour of any party. Therefore no prescribed part arises in this case.

- **Unsecured creditors**

The Statement of Affairs estimated two unsecured creditors with an estimated total liability of £1,465,000. I have received claims from twelve creditors at a total of £3,321,992. To date, these claims have not been adjudicated as, based on current information, there will be insufficient realisations enable a dividend to be issued to unsecured creditors of the Company by virtue of the Prescribed Part (see above) or otherwise. In addition, it is our understanding that the investigations being carried out by HMRC may lead to an increase in their claim.

6. Investigations

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

Within six months of our appointment as Liquidators, a confidential report must be submitted to the Secretary of State to include any matters which have come to our attention during the course of our work which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of a company. I can confirm that such a report was submitted on 23 May 2016.

7. Pre-Appointment Remuneration

The creditors of the Company previously authorised the payment of a fee of £3,412 for my time costs incurred in preparing for the Liquidation. This was approved via a meeting by correspondence whose closing date was 5 August 2016.

My time costs for undertaking the pre-appointment work are £3,412. No fees, however, have been drawn in this regard.

8. Joint Liquidators' Remuneration and Expenses

The Joint Liquidators' remuneration was previously authorised by the creditors by a written resolution dated 5 August 2016. The Joint Liquidators' remuneration was authorised on a time cost basis based on a fee estimate of £80,639. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors.

Enclosed as Appendix III is a summary of the Joint Liquidators' time costs for this reporting period, together with the Cork Gully LLP charge-out rates and details of the minimum charging units. The time costs incurred during the second year of the Liquidation, being from 25 November 2016 to 24 November 2017 amount to £58,694 representing 236 hours of work at an average charge out rate of approximately £249 per hour. Also to be found in Appendix III are details of the cumulative time costs incurred during the Liquidation as a whole. Time costs for the period 25 November 2015 to 24 November 2017 amount to £150,507. This represents 496 hours at an average hourly rate of £304. This compares with the estimated average charge-out rate of £380 in my fee estimate.

The Joint Liquidators have not drawn any fees from the Liquidation to date.

Enclosed as Appendix IV is a copy of the Practice Fee Recovery Policy for Cork Gully LLP.

A description of the work undertaken in the reporting period is as follows:

Administration and planning

- Dealing with the formalities of appointment
- Statutory notifications
- Maintaining physical case files and electronic case details on IPS Case Management software
- Case bordereau and insurance
- Securing and arranging collection of the Company's books and records from the former Joint Administrators
- Arranging storage of the Company's books and records

- Case planning, to include internal strategy meetings and discussions
- Case reviews as required by regulatory best practice
- Dealing with post and all routine correspondence
- Managing the Joint Liquidators' bank account and cashbook
- Ensuring statutory lodgement and tax lodgement obligations are met

Realisation of Assets

- Review and analysis of the Company's accounts and bank statements
- Liaising with director and debtors in respect of outstanding book debts
- Written and verbal correspondence with debtors of the Company
- Instructing and liaising with a debt collection agency in order to maximise debtor realisations
- Investigation into the Company's debtor position including reconciliation of the accounts
- Liaising with solicitors in respect of the disputed debtor

Creditors

- Dealing with trade and expense creditor enquiries and correspondence to include written and verbal communications
- Maintaining creditor information on IPS Case Management software

Investigations

- Liaising with the Company's directors with respect to enquiries into the affairs of the Company
- Liaising with HMRC in respect of their investigations
- Reviewing the physical and electronic records of the Company
- Liaising with the Insolvency Service in respect of enquiries into the affairs of the Company
- Liaising with the Joint Liquidators' solicitors in respect of enquiries into the affairs of the Company.
- Verifying details in respect of the trading relationship between the Company and the disputed debtor.

A copy of 'A Creditors' Guide to Liquidators' Fees' may be downloaded at:

<http://www.icaew.com/en/technical/insolvency/understanding-business-restructuring-and-insolvency/creditors-guides>

Please note that there are different versions of the Guidance Notes and in this case you should refer to the October 2015 version.

A copy of the 'Statement of Insolvency Practice 9 (Revised)' ("SIP9") may be downloaded at:

<http://www.icaew.com/~media/Files/Technical/Insolvency/regulations-and-standards/sips/england/sip-9-payments-to-insolvency-office-holders-and-their-assoc-eff-from-1-nov-11.ashx>

A hard copy of the above documents can be provided to creditors upon request.

Additional information for creditors is provided by the Provision of Services Regulations Summary Sheet for Cork Gully LLP, enclosed as Appendix V.

Expense Statement

The following expenses (Category 1 disbursements) have been incurred during this reporting period:

Expense	Amount Incurred (£)
Legal Fees	1,080
Legal Fees - Counsel	2,315
Hotel & Subsistence	25
Total	3,420

A total of £5,570 has been incurred in respect of expenses during the Liquidation. No expenses have been drawn.

Creditors should note that no Category 2 disbursements (as defined by Statement of Insolvency Practice 9) have been charged by Cork Gully LLP in this matter.

The following agents or professional advisors have been engaged in this matter to date:

Professional Advisor	Nature of Work	Fee Arrangement
EWM Law LLP	Legal advice with regard to claims made by the Company	Time costs
Turner Parkinson LLP	Debt collection services	Fixed fee per piece of correspondence & percentage of recoveries
Alaric Watson	Counsel in respect of legal claims made by the Company	Time costs

9. Further Information

Any 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 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 eight weeks of receipt of this report.

10. Summary

The Liquidation will remain open until my investigations in respect of the Company have been completed and my negotiations with the debtor have reached a conclusion. If you require any further information, please contact Udobi Nzelu of this office on 020 7268 2150 or, alternatively, at udobinzelu@corkgully.com.

Yours faithfully


Joanne Milner
Joint Liquidator

At Cork Gully LLP we always strive to provide a professional and efficient service, however we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. If you should have cause to complain about the way that we are acting, you should, in the first instance, put details of your complaint in writing to our complaints officer Alistair Manson at 52 Brook Street, London, W1K 5DS. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at www.gov.uk/complain-about-insolvency-practitioner, or you can email ip.complaints@insolvency.gov.uk; or you may phone 0845 602 9848 - calls are charged at between 1p and 10.5p per minute from a land line, or for mobiles, between 12p and 41p per minute if you're calling from the UK.

Payroll Workshop Limited (In Creditors' Voluntary Liquidation)
Statutory Information

Company Name: Payroll Workshop Limited (in Creditors' Voluntary Liquidation)

Date of Incorporation: 19 July 2013

Registered Number: 08616634

Registered Office: c/o Cork Gully LLP, 52 Brook Street, London, W1K 5DS

Former Registered Offices: New Bridge Street House, 30-34 New Bridge Street, London, EC4V 6BJ (from 28 August 2015 to 10 December 2015)

Unit 4, Eden Business Centre, South Stour Avenue, Ashford, Kent, TN23 7RS (from 25 August 2015 to 27 August 2015)

Unit 3, Eden Business Centre, South Stour Avenue, Ashford, Kent, TN23 7RS (from 30 June 2015 to 24 August 2015)

Andrew James House, Bridge Road, Ashford, Kent, TN23 1BB (to 29 June 2015)

Joint Liquidators' Names: Stephen Robert Cork
Joanne Elizabeth Milner

Joint Liquidators' Address: Cork Gully LLP, 52 Brook Street, London, W1K 5DS

Joint Liquidators' appointment date: 25 November 2015

Nature of Business: Accounting and auditing activities

Directors: Mark William Sandells

Former Directors: Rebecca Lancaster (resigned 12 January 2015)
Paul Brian Towndrow (resigned 18 February 2015)

Company Secretary: No secretary as at the date of appointment nor in the previous three years

Shareholders:

The Company has the following authorised and issued share capital:

Mark William Sandells - 1 Ordinary Share

The amount unpaid per share is £1.00

Payroll Workshop Limited (in Creditors' Voluntary Liquidation)
Joint Liquidators' Abstract of Receipts and Payments

Statement of Affairs		From 25/11/2016 to 24/11/2017	From 25/11/2015 to 24/11/2017
£		£	£
	Asset Realisations		
Uncertain	Company Database	-	-
Uncertain	Furniture & Equipment	-	-
11,745.00	Mobile Phone Units	-	-
Uncertain	Company Contracts	-	-
	Connected Company Loan	-	4,017.00
200.00	Cash at Bank	-	-
900,000.00	Book Debts	-	-
	Funds Transferred from Administration	-	105,060.91
	Loan from Cork Gully LLP	6,995.00	6,995.00
	Rates Refund	-	23.48
	Bank Interest Gross	23.45	94.40
		<u>7,018.45</u>	<u>116,190.79</u>
	Cost of Realisations		
	Legal Expenses	6,995.00	20,195.00
	Debt Collection Agent Fees	-	25.00
	Storage Costs	216.00	340.32
		<u>(7,211.00)</u>	<u>(20,560.32)</u>
	Unsecured Creditors		
Uncertain	Trade & Expense Creditors	-	-
(65,000.00)	HMRC - VAT	-	-
(1,400,000.00)	HMRC - PAYE	-	-
		<u>-</u>	<u>-</u>
(553,055.00)			<u><u>95,630.47</u></u>
	Represented by		
	VAT Receivable		3,763.78
	Barclays Account		91,866.69
			<u><u>95,630.47</u></u>



Investigations - Directors										
Directors correspondence & conduct question	0.00	0.00	0.30	0.00	0.30	60.00	200.00	9.00	1947.50	
CDDA report/return	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.50	3395.00	
Statutory book & accounting records review	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.50	5692.50	
Investigations - General										
SIP 2 investigation	0.00	2.50	0.00	0.00	2.50	875.00	350.00	17.00	8,052.50	
Asset tracing	0.00	0.00	6.90	0.00	6.90	1,380.00	200.00	22.65	9,028.75	
Enquiries of advisors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.50	2,722.50	
Other matters	0.00	7.20	102.20	0.00	109.40	22,960.00	209.87	153.75	41,497.50	
	0.00	9.70	109.40	0.00	119.10	25,275.00	212.22	234.90	72,336.25	
Realisation of Assets - Floating/General										
Book debts	0.00	54.70	4.50	0.00	59.20	20,045.00	338.60	111.80	36,695.00	
Other intangible assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	100.00	
Other tangible assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.60	120.00	
Cash/bank	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.60	320.00	
Other matters	0.00	0.00	2.30	0.00	2.30	460.00	200.00	2.30	460.00	
	0.00	54.70	6.80	0.00	61.50	20,505.00	333.41	116.80	37,695.00	
Total Hours	2.00	67.50	165.50	0.90	235.90	58,694.00	248.81	495.85	150,507.25	

Cork Gully LLP Charge Out Rates

	From
	1 September 2013 (£)
Partners & Directors	495-620
Associates & Managers	350-450
Other Senior Professionals	240-290
Assistants & Support Staff	85-225

Time is charged in minimum units of 6 minutes.

**PRACTICE FEE RECOVERY POLICY FOR CORK GULLY LLP
EFFECTIVE FROM 1 OCTOBER 2015**

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 and can be accessed at <http://www.icaew.com/en/technical/insolvency/creditors-guides>. Alternatively a hard copy may be requested from our office.

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.

Cork Gully LLP Charge-out Rates

Grade of staff	Charge-out rate per hour; effective from 1 Sept 2013
	£
Partners	495 - 620
Associate Partners / Managers	350 - 450
Other Senior Professionals	240 - 290
Assistants / Support Staff	85 - 225

These charge-out rates charged are reviewed on a 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;
- 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 we now have to set out a fees estimate whenever we seek our fee on a time cost basis. 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 may 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 may 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

These will be 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 Cork Gully LLP; 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.

Cork Gully LLP disbursements policy does not seek to charge or recover any Category 2 disbursements incurred in respect of work undertaken on any of their assignments.

Complaints procedure

At Cork Gully LLP we always strive to provide a professional and efficient service, however we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. If you should have cause to complain about the way that we are acting, you should, in the first instance, put details of your complaint in writing to our complaints officer Dina Devalia at 52 Brook Street, London, W1K 5DS. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at www.gov.uk/complain-about-insolvency-practitioner; or you can email ip.complaints@insolvency.gsi.gov.uk; or you may phone 0845 602 9848 - calls are charged at between 1p and 10.5p per minute from a land line, or for mobiles, between 12p and 41p per minute if you're calling from the UK.

PROVISION OF SERVICES REGULATIONS SUMMARY SHEET FOR CORK GULLY LLP

The following information is designed to draw the attention of interested parties to the information required to be disclosed by the Provision of Services Regulations 2009.

Licensing Body

Stephen Robert Cork and Joanne Elizabeth Milner are licensed to act as Insolvency Practitioners in the United Kingdom by the Institute of Chartered Accountants in England and Wales ("ICAEW").

Rules Governing Actions

All IPs are bound by the rules of their professional body, including any that relate specifically to insolvency. The rules of the ICAEW can be found at <http://www.icaew.com/en/members/regulations-standards-and-guidance/insolvency/insolvency-regulations-and-guidance>. In addition, IPs are bound by the Statements of Insolvency Practice (SIPs), details of which can be found at <https://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice..>

Ethics

All IPs are required to comply with the Insolvency Code of Ethics and a copy of the Code can be found at <http://www.icaew.com/en/technical/insolvency/insolvency-regulations-and-standards>.

Complaints

At Cork Gully we always strive to provide a professional and efficient service. However, we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of a particular case then in the first instance you should contact the IP acting as office holder.

If you consider that the IP has not dealt with your comments or complaint appropriately you should then put details of your concerns in writing to our complaints officer, Allister Manson, at Cork Gully LLP, 52 Brook Street, London, W1K 5DS. This will then formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at www.gov.uk/complain-about-insolvency-practitioner; or you can email insolvency.enquiryline@insolvency.gsi.gov.uk; or you may phone 0300 678 0015 - calls are charged at up to 10p per minute from a land line, or for mobiles, between 3p and 55p per minute if you're calling from the UK.

Professional Indemnity Insurance

Cork Gully's Professional Indemnity Insurance is provided by AIG Europe Limited of c/o Willis Ltd, Friars St, Ipswich IP1 1TA. This professional indemnity insurance provides worldwide coverage excluding professional business carried out from an office in the United States of America or Canada, and any action for a claim brought in any court in the United States of America or Canada.

VAT

Cork Gully LLP is registered for VAT under registration no. 100 149 181

Information to creditors on opting out

Payroll Workshop Limited - In Creditors' Voluntary Liquidation

Company Number 08616634

Notice is given by Stephen Robert Cork and Joanne Elizabeth Milner to the creditors of Payroll Workshop Limited that creditors have the right to elect to opt out of receiving further communication about the insolvency procedure under Rule 1.39 of The Insolvency (England and Wales) Rules 2016.

Any creditor may elect to become an opted-out creditor at any time, by delivering a dated notice of the request, in writing to me.

A creditor becomes an opted-out creditor when the notice is delivered to me.

Any creditor who elects to opt-out remains as such for the duration of the proceedings unless the opt-out is revoked by a further notice in writing, dated and delivered to me.

A creditor ceases to be an opted-out creditor when the notice is received by me.

The opt-out will not apply to the following:

- (i) a notice which the Insolvency Act 1986 requires to be delivered to all creditors without expressly excluding opted-out creditors;
- (ii) a notice of a change in the office-holder or a notice of a change in my contact details, or
- (iii) a notice of a dividend or proposed dividend or a notice which the court orders to be sent to all creditors or all creditors of a particular category to which the creditor belongs;

Opting-out will not affect a creditor's entitlement to receive dividends should any be paid to creditors

Opting-out will not affect creditors' rights to vote in a decision procedure or participate in a deemed consent procedure, although any creditor who opts-out will not receive notice of it.

Any creditor who opts out will be treated as having opted out in respect of consecutive insolvency proceedings of a different kind in respect of the same company.

Creditors requiring further information regarding the above, should contact Udobi Nzelu on 0207 268 2150 or by e-mail at udobinzelu@corkgully.com.

Signed


Joanne Milner, Joint Liquidator

Dated 5 January 2018

Notice to office holder to opt out of further correspondence

Name of creditor: _____

I, the above named, give notice that I elect to become an opted-out creditor and no longer wish to receive communication relating to the insolvency proceedings of Payroll Workshop Limited.

Signature of creditor: _____

Date:

Notice to office holder to revoke opt out

Name of creditor: _____

I, the above named, give notice that I wish to revoke the notice of opt out and require receipt of future communication relating to the insolvency proceedings of Payroll Workshop Limited.

Signature of creditor: _____

Date:

Notice of use of website to deliver future documents

PAYROLL WORKSHOP LIMITED - IN CREDITORS' VOLUNTARY LIQUIDATION

Company Number 08616634

Notice is given that under rule 1.50 of The Insolvency (England and Wales) Rules 2016, future documentation from the date of this notice, relating to the insolvency of the above will be made available at www.corkgully.com.

1. Future documentation will be made available for viewing and downloading without further notice to creditors. Please visit www.corkgully.com and select 'Client Login' at the top right of the page and entering the following login details:

- Username: payroll
- Password: v6fZPB

Please note the above username and password are case sensitive.

2. The Liquidator is not obliged to deliver any particular document to any person unless it is specifically requested.
3. Hard copies of all documents currently available on the website and all future documents which may be made available on the website can be requested by telephone on 0207 268 2150, or by email at udobinzelu@corkgully.com or in writing at Cork Gully LLP, 52 Brook Street, London, W1K 5DS.
4. This notice does not apply to the following circumstances:
 - i) Documents where personal delivery is required
 - ii) A notice of intention to declare a dividend
 - iii) Documents that are not being delivered generally, i.e. where they are only be sent to one or a small number of a particular class of members or creditors

Creditors requiring further information regarding the above should contact Udobi Nzelu using the details above.

Signed


Joanne Milner, Joint Liquidator

Dated 5 January 2018

Authority to communicate electronically

**PAYROLL WORKSHOP LIMITED ("the Company") –
IN CREDITORS' VOLUNTARY LIQUIDATION**

Company Number 08616634

We (note 1)

of (note 2)

a creditor of the Company, hereby authorise the Joint Liquidators, Stephen Robert Cork and Joanne Elizabeth Milner to communicate with us electronically in respect of all matters in relation to the liquidation by sending an email to:

(note 3)

Signed: _____

Name (Block letters): _____

Position held: _____

Dated: _____

Notes for creditors:

1: Insert name

2: Insert address

3: Insert email address