

# AM22

## Notice of move from administration to creditors' voluntary liquidation



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

<b>1</b>	<b>Company details</b>	
Company number	0 9 2 1 2 8 1 3	<b>→ Filling in this form</b> Please complete in typescript or in bold black capitals.
Company name in full	GOOD EGG RESTAURANTS LIMITED	
<b>2</b>	<b>Court details</b>	
Court name	HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES INSOLVENCY AND COMPANIES LIST	
Court case number	0 0 6 8 4 8 O F 2 0 1 9	
<b>3</b>	<b>Administrator's name</b>	
Full forename(s)	STEPHEN PAUL	
Surname	ANDREWS	
<b>4</b>	<b>Administrator's address</b>	
Building name/number	2ND FLOOR REGIS HOUSE	
Street	45 KING WILLIAM STREET	
Post town	LONDON	
County/Region		
Postcode	E C 4 R 9 A N	
Country		

# AM22

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## 5 Administrator's name ①

Full forename(s)	MEGHAN	<b>① Other administrator</b> Use this section to tell us about another administrator.
Surname	ANDREWS	

## 6 Administrator's address ②

Building name/number	2ND FLOOR REGIS HOUSE	<b>② Other administrator</b> Use this section to tell us about another administrator.
Street	45 KING WILLIAM STREET	
Post town	LONDON	
County/Region		
Postcode	E C 4 R 9 A N	
Country		

## 7 Appointor/applicant's name

Give the name of the person who made the appointment or the administration application.		
Full forename(s)	JOEL	
Surname	BRAHAM	

## 8 Proposed liquidator's name

Full forename(s)	STEPHEN PAUL	
Surname	GRANT	
Insolvency practitioner number	0 0 8 9 2 9	

## 9 Proposed liquidator's address

Building name/number	2ND FLOOR REGIS HOUSE	
Street	45 KING WILLIAM STREET	
Post town	LONDON	
County/Region		
Postcode	E C 4 R 9 A N	
Country		

## AM22

Notice of move from administration to creditors' voluntary liquidation

**10** Proposed liquidator's name<sup>①</sup>

Full forename(s)	MEGHAN									
Surname	ANDREWS									
Insolvency practitioner number	2	4	1	1	0					

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

**11** Proposed liquidator's address<sup>②</sup>

Building name/number	2ND FLOOR REGIS HOUSE									
Street	45 KING WILLIAM STREET									
Post town	LONDON									
County/Region										
Postcode	E	C	4	R		9	A	N		
Country										

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

**12** Period of progress report

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

**13** Final progress report

☒ I have attached a copy of the final progress report.

**14** Sign and date

Administrator's signature

Signature

X *Meghan Andrews*

X

Signature date

<sup>d</sup> 1	<sup>d</sup> 9	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1
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**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 **EMMA O'BRYAN**

Company name **AZETS**

Address **2ND FLOOR REGIS HOUSE**

**45 KING WILLIAM STREET**

Post town **LONDON**

County/Region

Postcode 

E	C	4	R		9	A	N
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Country

DX

Telephone **020 7403 1877**

**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 and dated 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](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)**

**Good Egg Restaurants Limited trading as The Good Egg – In Administration**

**Joint Administrators' Final Progress Report**

**For the period from 25 April 2021 to 19 October 2021**

## **CONTENTS**

- 1** Introduction
- 2** Receipts and Payments
- 3** Work undertaken by the Joint Administrators
- 4** Outcome for Creditors
- 5** Joint Administrators' Remuneration and Expenses
- 6** Creditors' Rights
- 7** Ending the Administration

## **APPENDICES**

- A** Receipts and Payments Account for the Period from 25 April 2019 to 19 October 2021  
Incorporating a Cumulative Receipts and Payments Account for the Period from 25 October 2019 to 19 October 2021
- B** Additional information in relation to the Joint Administrators' Fees and Expenses

## **1 Introduction**

On 7 September 2020, Baldwins Holdings Limited which traded as Wilkins Kennedy changed its name to Azets Holdings Limited and now trades as Azets. Any references in this report to Azets should be read as a reference to Wilkins Kennedy as applicable.

Stephen Paul Grant and Matthew John Waghorn, both of Azets were appointed as Joint Administrators of Good Egg Restaurants Limited ("the Company") on 25 October 2019. The appointment was made by the director.

On 23 June 2021, Matthew John Waghorn was replaced by way of Court Order as Joint Administrator by Meghan Andrews of Azets, following his departure from the firm.

This Administration has been handled by Azets at 2nd Floor, Regis House, 45 King William Street, London, EC4R 9AN. The Administrators can be contacted by phone on 020 7403 1877 or via email at emma.obryan@azets.co.uk. The Administration is registered in the High Court of Justice under reference number 006848 of 2019.

The trading addresses of the Company were Ground Floor, Kingly Court, Kingly Street, London, W1B 5PW and 93 Stoke Newington High Street, London, N16 0AS and the business traded under the name The Good Egg.

As the Administration has now completed, the Joint Administrators are required to provide a progress report covering the period which ended on 19 October 2021. This is the final report in the Administration and covers the period from 25 April 2021 to 19 October 2021 ("the Period") and should be read in conjunction with the Joint Administrators' earlier proposals report and any previous progress reports which have been issued.

Information about the way that the Joint Administrators will use and store personal data on insolvency appointments can be found at [www.azets.co.uk/about-us/privacy-cookie-policy/](http://www.azets.co.uk/about-us/privacy-cookie-policy/). If you are unable to download this, please contact this office and a hard copy will be provided to you.

## **2 Receipts and Payments**

At Appendix A is the Joint Administrators' Receipts and Payments Account covering the Period, which includes a comparison to the director's Statement of Affairs ("SOA") and a cumulative Receipts and Payments Account from 25 October 2019 to the conclusion of the Administration.

As at 19 October 2021, a total of £2,076.69 was held in the Administration account. This account is held with Metro Bank plc, is non-interest bearing and has been reconciled to the bank statements.

The balance held in the bank account will be transferred to the Liquidation account upon the appointment of the Joint Liquidators.

## **3 Work undertaken by the Administrators**

As noted previously, the statutory objective pursued in the Administration was to achieve a better result for creditors than would be likely if the Company were wound up (without first

being in Administration). In addition to the pursuance of this statutory objective, the Joint Administrators have duties imposed by insolvency and other legislation, some of which may not have provided any financial benefit to creditors.

This section of the report provides creditors with an overview of the work undertaken in the Period, both in terms of the statutory objective, but also work which is required of the Administrators under other related legislation.

### ***Administration (including statutory compliance & reporting)***

As noted previously, the Joint Administrators must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work the Joint Administrators anticipated would need to be undertaken in this regard was outlined in the initial fee information included in the Joint Administrators' proposals.

The work undertaken in the Period in this regard can be summarised as follows:

- Preparing and circulating the Joint Administrators' progress report for the period ended 24 April 2021;
- Filing a copy of the Joint Administrators' progress report for the period ended 24 April 2021 with the Registrar of Companies;
- Dealing with routine correspondence;
- Maintaining physical case files and electronic case details on IPS (case management software);
- Undertaking periodic reviews of the progress of the case;
- Reviewing the adequacy of the specific penalty bond on a quarterly basis;
- Case planning, administration, and general case progression, including adjustments in appointment strategy;
- Maintaining and managing the appointment's cashbook and bank account;
- Ensuring statutory tax lodgements and obligations are met; and
- Overseeing and controlling the work undertaken on the case by case administrators.

This work has not necessarily brought any financial benefit to creditors but is work required on every case by statute.

### ***Realisation of Assets***

#### ***Sale of Business***

Creditors will be aware that the sale of the Company's business was completed upon the appointment of the Joint Administrators and the terms of the sale agreement were such that an amount of £15,843.00 would be paid immediately upon completion of the sale with 23 deferred consideration payments of £6,185.00 to be paid to complete the balance.

An amendment to the terms of the sale of the business was agreed between the Joint Administrators and the purchaser in January 2020. This amendment included the benefit and burden of the Tronc funds to be transferred to the purchaser and it was agreed that in addition to the £15,843.00 which had been payable immediately on completion of the sale, that the sum of £25,587.53 would be paid by way of assumption by the purchaser of the liability to the employees in respect of the Tronc funds. This amount does not however, form part of the sales proceeds due to the Administration estate.



As detailed in the Joint Administrators' previous report to creditors, the Covid-19 lockdown restrictions had a significant impact on the hospitality industry and the purchaser's ability to make repayments. As such, following a repayment holiday and reductions to the repayment amounts, it was agreed with the purchaser that repayments would increase from £1,850.00 to £4,000.00 per month from April 2021. However, due to an administration error by the purchaser's accountant, the repayments of £4,000.00 did not commence until June 2021.

During the Period the amount of £16,000.00 has been received in line with the new repayment agreement set out above. Over the duration of the Administration payments totalling £77,595.50 have been received and the remaining balance of £80,502.50 will be realised in the subsequent Liquidation.

The work the Joint Administrators and their staff have undertaken in this regard will bring a financial benefit to creditors as it will result in a distribution to the unsecured creditors in the Liquidation.

### *Rent*

Creditors will be aware that as part of the sale of the business and assets, the Joint Administrators granted the purchaser a tenancy at will for each of the leasehold trading premises. The lease for the premises at Kingly Court was assigned to the purchaser in the first six months of the Administration.

During the Period, the Joint Administrators have spent a significant amount of time liaising with Hackney Borough Council and Good Egg Holdings Limited to complete the assignment of the lease for the premises at Stoke Newington.

The Joint Administrators are pleased to confirm that the assignment was completed on 7 October 2021, thus enabling the finalisation of the Administration.

Hackney Council have provided the Joint Administrators with a completion statement detailing the outstanding rent and legal fees for the Administration period totalling £47,554.75 after deduction of the rent deposit of £11,029.12 which was held at the date of Administration but after deduction of the pre Administration arrears. This amount was paid directly to Hackney Council by Good Egg Holdings Limited on completion of the lease assignment and no further funds are due to be received in this respect.

### ***Creditors (claims and distributions)***

Further information on the outcome for creditors in this case can be found at section 4 of this report. The Joint Administrators are not only required to deal with correspondence and claims from unsecured creditors, but also those of any secured and preferential creditors of the Company.

The work undertaken by the Joint Administrators may not necessarily have brought any financial benefit to creditors generally and the more creditors there are on an assignment, the higher the resultant cost will usually be however the Administrators are required by statute to undertake this work.

### ***Investigations***

You may recall from earlier progress reports to creditors that some of the work the Joint Administrators were required to undertake was to comply with legislation such as the

Company Directors' Disqualification Act 1986 ("CDDA 1986") and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless those investigations revealed potential asset recoveries that could have been pursued for the benefit of creditors.

The Joint Administrators' report on the conduct of the Director of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the first period of the Administration and is confidential.

Since the last progress report, no further matters for investigation have come to the Joint Administrators' attention that may be pursued for the benefit of creditors.

## **4 Outcome for Creditors**

### ***Secured Creditors***

There are no unsatisfied charges registered at Companies House.

### ***Preferential Creditors***

There are no preferential creditor claims since the Company's employees transferred to Good Egg Holdings Limited under the TUPE legislation following the sale of the business and assets of the Company.

### ***Unsecured Creditors***

The SOA estimated claims of £1,186,000.00. At the date of this report, the Joint Administrators have received claims totalling £693,357.18 from 15 creditors and are yet to receive claims from creditors whose debts total £492,642.82 per the SOA.

As the Company has no floating charges registered to a secured creditor, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors (known as the Prescribed Part), which only applies to charges created after 15 September 2003.

It is anticipated that a dividend will be available to the unsecured creditors other than from the Prescribed Part and this distribution will be made in the subsequent Liquidation. The timing of the dividend is wholly dependent on the payment of the deferred consideration payments in respect of the sale of the business and further information in respect of the dividend to unsecured creditors will be circulated by the duly appointed Liquidators.

Based on current information, it is estimated that the dividend will be between 5 and 10 pence in the £.

## **5 Joint Administrators' Remuneration and Expenses**

### ***Joint Administrators' Remuneration***

At a virtual meeting of creditors held on 21 November 2019, the basis of the Joint Administrators' remuneration was fixed in the Administration as a set amount of £45,000.00

plus VAT and expenses for all of the work required in the Administration and subsequent Liquidation.

This fee has been drawn in full, with £25,000.00 having been drawn in the Period.

### ***Joint Administrators' Expenses***

The Joint Administrators have incurred expenses to 19 October 2021 of £2,770.15, of which £373.48 was incurred in the Period.

Details of the expenses incurred are set out below:

<i>Expenses</i>	<i>Expenses Incurred in the Period</i>	<i>Total Expenses Incurred</i>	<i>Outstanding Expenses</i>
IT Administration Fee	NIL	£110.00	NIL
Statutory Advertising	NIL	£160.40	NIL
Specific Penalty Bond	£72.50	£282.50	£72.50
Postage	£103.68	£1,367.35	NIL
Storage	£45.36	£315.52	£52.92
Insurance of Assets	NIL	£112.00	NIL
<i>Category 2 Expenses</i>			
Stationery	£7.20	£475.30	NIL
<b>Total</b>	<b>£228.74</b>	<b>£2,823.07</b>	<b>£125.42</b>

The expenses incurred are in line with the revised estimate of expenses included in the Joint Administrators' last report to creditors.

The outstanding expenses will be paid in the subsequent Liquidation prior to the payment of any dividend to the unsecured creditors.

### ***Professional Advisors***

On this assignment the Joint Administrators have used the services of AMB Law Limited to assist in the completion of the sales agreement and accounting for completion monies. They were also instructed to draft an amendment to the sale agreement to include the TRONC liability as further sales consideration. The basis of the Joint Administrators' fee arrangement with them was on a time cost basis. AMB Law Limited incurred time costs of £2,827.50 plus VAT during the Administration, none of which was incurred in the Period. AMB Law Limited's fees were paid in full in a previous period of the Administration.

Williams & Partners Limited were instructed at the outset of the Administration to prepare a report to comply with Statement of Insolvency Practice 16 regarding the Joint Administrators' marketing and sales process of the business for which Williams & Partners Limited was paid a fixed fee of £1,000.00 plus VAT in a previous period. Williams & Partners Limited were further instructed to negotiate the sale of the business and assets of the business for which the basis of the Joint Administrators' fee basis was agreed at 10% of realisations plus VAT totalling £15,809.80 plus VAT. To date Williams & Partners have been paid £8,359.55 plus VAT, of which £2,373.50 plus VAT was paid in the Period.

The balance of the funds due to Williams & Partners will be paid in the subsequent Liquidation upon receipt of the deferred consideration payments in respect of the sale of the business.

### ***Subcontractors***

On this case the Joint Administrators have utilised the services of Clumber Consultancy Limited to undertake a review of the Company's pension scheme and to provide advice in relation to the actions required to be taken in respect of the scheme.

The basis of the Joint Administrators' fee arrangement with Clumber Consultancy Limited was a fixed fee of £350.00 plus VAT for all of their work. These fees were incurred in the first period of the Administration and have been paid in full.

It is considered that the outsourcing of this work has brought greater efficiency to this element of the work necessary in the Administration. Clumber Consultancy Limited's work is complete and it is not anticipated that any subcontractors will be instructed in the subsequent Liquidation.

Attached at Appendix B is additional information in relation to the Joint Administrators' fees and expenses.

A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from [www.azets.co.uk/media/3wlcxhu/guide-to-administrators-fees-from-6-april-2017.pdf](http://www.azets.co.uk/media/3wlcxhu/guide-to-administrators-fees-from-6-april-2017.pdf).

## **6 Creditors' Rights**

Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Joint Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Administrators, as set out in this progress report, are excessive.

## **7 Ending the Administration**

A copy of the notice bringing the Administration to an end and moving the Company into Creditors' Voluntary Liquidation is enclosed with this report, which has been sent to the Registrar of Companies for filing. Once this notice is registered, the Company will be in Liquidation and the Joint Administrators would confirm that they will become the appointed Joint Liquidators, as agreed in the Joint Administrators' earlier proposals.

The Joint Liquidators will be required to report to creditors on the progress of the Liquidation within two months of the anniversary of their appointment. If a dividend is to be declared sooner, the Joint Liquidators will write to creditors to provide appropriate details in the intervening period.

If any creditors have not yet submitted their proof of debt, please ensure this is forwarded to this office as soon as possible in order that your claim can be admitted for dividend purposes.

The Joint Administrators would confirm that the basis of their remuneration as Joint Liquidators remains the same as in the Administration.

The Joint Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.

Should you have any queries in relation to this report, please contact Emma O'Bryan of this office on 020 7403 1877 or by email at [emma.obryan@azets.co.uk](mailto:emma.obryan@azets.co.uk).



**Meghan Andrews**  
**Joint Administrator**

## **Appendix A**

### **Receipts and Payments Account for the Period from 25 April 2019 to 19 October 2021**

**Good Egg Restaurants Limited Trading As: The Good Egg  
(In Administration)  
Joint Administrators' Summary of Receipts and Payments**

<b>RECEIPTS</b>	<b>Statement of Affairs (£)</b>	<b>From 25/10/2019 To 24/04/2021 (£)</b>	<b>From 25/04/2021 To 19/10/2021 (£)</b>	<b>Total (£)</b>
Cash at Bank	22,000.00	18,076.89	0.00	18,076.89
Rent		65,329.52	0.00	65,329.52
Rates Refund		3,236.34	0.00	3,236.34
Sale of Business	160,000.00	61,595.50	16,000.00	77,595.50
		<b>148,238.25</b>	<b>16,000.00</b>	<b>164,238.25</b>

**PAYMENTS**

Rent		2,625.26	0.00	2,625.26
Pre-Administration Fees & Expenses		25,951.00	0.00	25,951.00
Office Holders Fees		20,000.00	25,000.00	45,000.00
Office Holders Expenses		2,212.17	485.48	2,697.65
Agents/Valuers Fees		6,336.05	2,373.50	8,709.55
Legal Fees		2,827.50	0.00	2,827.50
Rents Payable		62,704.26	0.00	62,704.26
Trade & Expense Creditors	(476,000.00)	0.00	0.00	0.00
Banks/Institutions	(210,000.00)	0.00	0.00	0.00
Inland Revenue	(146,000.00)	0.00	0.00	0.00
HM Revenue & Customs	(354,000.00)	0.00	0.00	0.00
Ordinary Shareholders	(915.36)	0.00	0.00	0.00
		<b>122,656.24</b>	<b>27,858.98</b>	<b>150,515.22</b>

<b>Net Receipts/(Payments)</b>	<b>25,582.01</b>	<b>(11,858.98)</b>	<b>13,723.03</b>
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**MADE UP AS FOLLOWS**

Bank 1 Current	19,507.47	(17,430.78)	2,076.69
VAT Receivable / (Payable)	6,074.54	5,571.80	11,646.34
	<b>25,582.01</b>	<b>(11,858.98)</b>	<b>13,723.03</b>

## **Appendix B**

### **Additional Information in Relation to the Joint Administrators' Fees and Expenses**



## AZETS HOLDINGS LIMITED – FEES AND EXPENSES POLICY

### Introduction

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 9 (SIP 9) and can be accessed at [www.azets.co.uk/restructuring-and-insolvency-downloads/](http://www.azets.co.uk/restructuring-and-insolvency-downloads/). A hard copy may be requested from Azets Holdings Limited, 2<sup>nd</sup> Floor Regis House, 45 King William Street, London, EC4R 9AN or [emma.obryan@azets.co.uk](mailto:emma.obryan@azets.co.uk).

### Staff Allocation and Charge Out Rates

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, Senior Manager or Manager and a Senior or Associate. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several Seniors or Associates may be allocated to meet the demands of the case.

We operate a time recording system which allows staff working on the assignment along with the office holders to allocate their time to an assignment in 6-minute units.

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

Time costs are recorded at the individual's hourly rate in force at that time. Our charge out rates effective from 3 December 2018 are shown below and the rates shown are exclusive of VAT.

1 January 2017 to 2 December 2018	£	3 December 2018 to date	£
Partners	410.00 - 460.00	Partners	430.00 - 470.00
Directors/Managers	230.00 - 360.00	Directors/Managers	210.00 - 390.00
Senior Administrators	145.00 - 200.00	Administrators	110.00 - 210.00
Administrators	100.00 - 160.00	Junior/Trainee Administrators	95.00 - 200.00
Junior/Trainee Administrators	50.00 - 110.00	Cashiers/Secretaries	60.00 - 100.00
Cashiers/Secretaries	75.00 - 90.00		

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.

Please note that charge out rates are reviewed annually and may be subject to change.

## **Expenses**

On insolvency appointments, an office holder will typically incur expenses which relate to that assignment. Expenses (or costs) are amounts properly payable by an office holder from an insolvency estate which are not otherwise categorised as the office holder's remuneration or a distribution to a creditor or shareholder. These expenses may include, but are not limited to, agent's costs for disposal and realisation of assets, legal costs, specialist pension advice, tax services or other routine expenses associated with an insolvency appointment such as statutory advertising costs, the office holder's specific penalty bond and costs associated with storing the books and records. Expenses also include disbursements which are payments that are first met by the office holder and then reimbursed at a later date from the estate, usually when realisations permit. Details of the anticipated expenses on an insolvency assignment will be outlined in the office holder's fees estimate or other information provided to creditors about the fee basis or bases being proposed.

Expenses recharged to, or incurred directly by, an insolvent estate are subject to VAT at the applicable rate where appropriate.

Some expenses can be paid without prior approval from creditors (referred to as Category 1 expenses) and other expenses which may have an element of shared costs or are proposed to be paid to an associate of the office holder, require approval before they can be paid (referred to as Category 2 expenses).

Category 1 expenses are directly referable to an invoice from a third party that is not an associate of the office holder or the firm, which is either in the name of the estate or Azets Holdings Limited; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the insolvency estate. These costs are recoverable 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.

Category 2 expenses are directly attributable to the estate but include an element of shared costs or is a payment to an associate of the office holder or the firm. These expenses are recoverable from the estate, subject to the prior approval of the creditors, in the same manner as the approval of the office holder's remuneration.

The Category 2 expenses which include an element of shared costs and are charged by this firm are as follows:

- Postage – charged in accordance with the current Royal Mail price guide for first class.
- Business mileage – charged at standard rates which comply with HM Revenue & Customs limits. The current rate is 45 pence per mile.
- Internal photocopying - charged at 5 pence per sheet for reports and circulars issued to creditors, shareholders, employees and other stakeholders. No additional charge is made for individual items of correspondence.

Please note that these category 2 expenses are reviewed annually and may be subject to change.

Payments to associates (as defined in Section 435 of the Insolvency Act 1986 and the Insolvency Code of Ethics), which are also classified as a category 2 expense requiring creditor approval, are not routinely made by this firm. Any such payments will be considered on a case by case basis and when seeking approval for the payments, the office holder will provide creditors with an explanation of the work to be done, why the work is necessary and the estimated payment that will be made. The form and nature of the relationship with the associate will also be provided.

## **Provision of Services Regulations**

When carrying out all professional work relating to an insolvency appointment, Insolvency Practitioners are bound by the Insolvency Code of Ethics.

To comply with the Provision of Service Regulations, some general information about Azets Holdings Limited, including our complaints policy and Professional Indemnity Insurance and the Insolvency Code of Ethics, is available on our website using the following link: [www.azets.co.uk/about-us/legal-regulatory-information/](http://www.azets.co.uk/about-us/legal-regulatory-information/).