

Liquidator's Progress Report**S.192****Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986**

To the Registrar of Companies

Company Number

02021848

Name of Company

(a) Insert full name of
company

(a) CAVENDISH PRINTING INKS LIMITED

(b) Insert full name(s) and
address(es)

We (b)

Gavin Geoffrey Bates of PBC Business Recovery & Insolvency Limited, 9-10 Scirocco Close,
Moulton Park, Northampton, NN3 6AP and Gary Steven Pettit of PBC Business Recovery &
Insolvency Limited, 9-10 Scirocco Close, Moulton Park, Northampton, NN3 6AP.

the liquidators of the company attach a copy of our Progress Report under section 192 of the
Insolvency Act 1986

The Progress Report covers the period from 11 January 2016 to 10 January 2017.

Signed



Date

9/3/17

Presenter's name,
address and reference (if
any)

Gavin Geoffrey Bates
PBC Business Recovery & Insolvency Limited
9-10 Scirocco Close
Moulton Park
Northampton
NN3 6AP

FRIDAY



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10/03/2017

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COMPANIES HOUSE

CAVENDISH PRINTING INKS LIMITED – IN CREDITORS' VOLUNTARY LIQUIDATION

LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS FOR THE YEAR ENDING 10 JANUARY 2017



1 Introduction

- 1.1 This is my report to members and creditors following the first anniversary of my appointment as liquidator. This report should be read in conjunction with my previous reports sent to creditors

2 Statutory Information

- 2.1 The table below details key information regarding the company and the liquidation.

Company name.	Cavendish Printing Inks Ltd – In Liquidation
Trading Name	Cavendish Printing Inks Ltd
Registered office.	9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP
Former registered office	34 Bilton Way, Luton, Bedfordshire LU1 1UU
Registered number.	02021848
Date of winding up resolution	11 January 2016
Joint Liquidators' names	Gavin G Bates and Gary S Pettit
Joint Liquidators' address	PBC Business Recovery & Insolvency Ltd ("PBC"), 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP
Joint Liquidators' date of appointment	11 January 2016

3 Liquidators' Actions Since Last Report

- 3.1 Since my last report to creditors, the joint liquidators have undertaken the following actions:
- Realised the assets of the company as detailed below.
 - Investigated the affairs of the company as detailed below
 - Dealt with all routine correspondence and emails relating to the case
 - Maintained and managed (including regular bank reconciliations) the office holder's estate bank account and cashbook

Northampton Office 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP Tel 01604 212150 Fax 01604 493008
Coventry Office Coventry University Technology Park, Puma Way, Coventry, CV1 2TT Tel. 02476 158234 Fax 02476 158230
E-mail: info@pbcbusinessrecovery.co.uk www.pbcbusinessrecovery.co.uk

Gary Pettit and Gavin Bates are licensed in the United Kingdom by the Institute of Chartered Accountants in England and Wales. When acting as administrators or administrative receivers they manage the affairs, business and property of the company as agents of the company over which they are appointed and contract without personal liability.

To comply with the Provision of Services Regulations, some general information about PBC, including about our complaints policy, the Insolvency Code of Ethics and our professional indemnity insurance, can be found at <http://www.pbcbusinessrecovery.co.uk/provisions-of-services-regulations/>

PBC, PBC Business Recovery and Insolvency and PBC Bottomley & Co are the trading names of PBC Business Recovery and Insolvency Ltd (Company Number 03869807) and PBC (Coventry) Limited (Company Number 10057925). Both companies are registered in England and Wales with the registered office at 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP



- v. Reviewed the adequacy of the specific penalty bond (This is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate)
- vi. Undertaken periodic reviews of the progress of the case
- vii. Filed returns at Companies House
- viii. Prepared and filed VAT returns.
- ix. Prepared and filed Corporation Tax returns
- x. Obtained information from the case records about employee claims.
- xi. Completed documentation for submission to the Redundancy Payments Office.
- xii. Corresponded with employees regarding their claims
- xiii. Liaised with the Redundancy Payments Office regarding employee claims
- xiv. Dealt with creditor correspondence, emails and telephone conversations regarding their claims.
- xv. Maintained up to date creditor information on the case management system

3.2 The above list includes certain work that I am required by the insolvency legislation to undertake in connection with the liquidation but provides no financial benefit for the creditors.

4 Receipts and Payments

4.1 My receipts & payments account for the period from 11 January 2016 to 10 January 2017 is attached

4.2 The balance of funds is held in an interest bearing estate bank account

5 Assets

5.1 The following table details the current asset position

Asset Type	Estimated to realise (£)	Realisations to date (£)
Book debts	10,156	294
Fixtures & Fittings, Plant & Machinery & Motor Vehicles	2,000	1,710
Cavendish Printing Inks Holdings	178,822	
Cash at Bank	8,607	Nil
Bank Interest Gross	Nil	2
Total	199,585	2,006

5.2 I would comment further as follows

5.3 **Book Debts:** The book debts were factored through Barclays Bank Plc ("Barclays"), who appointed a third party agent to collect the debts on its behalf. The statement of affairs indicated a surplus due to the company of £10,156 after the deduction of the amount owed to the bank.

5.4 As at the date 12 January 2016 the debtor ledger stood at £63,202 with the amount owing to the bank in respect of the invoice finance as £45,227.31



- 5.5 Barclays have now collected sufficient debts to satisfy its outstanding debt and charges; a surplus of £294,18 has been received in this respect. The balance of the ledger totalling £13,844 has been re-assigned to the company, however it consists mainly of disputed debts. I am now taking steps to pursue these debtors.
- 5.6 The final amount collected by Barclays is yet to be confirmed however, I am in the process of reviewing the fees and charges of Barclays with a view to reclaiming any potential VAT.
- 5.7 **Chattel Assets:** The joint liquidators instructed Messrs BRV UK Ltd, experienced insolvency valuers and auctioneers who work with a number of different insolvency practices to value and sell the chattel assets of the company.
- 5.8 The assets comprised of fixtures & fittings, plant & machinery and a motor vehicle and were estimated to realise £2,000. I have received £1,710 (excluding VAT) has been received in this respect.
- 5.9 **Cavendish Printing Inks Holdings:** This is a connected company which was placed into creditors' voluntary liquidation on 11 January 2016. There is no likelihood of a dividend available for any class of creditor therefore no further action will be taken to collect this debt.
- 5.10 **Cash at Bank:** The statement of affairs showed the estimated to realise value as £8,607 however as at 12 January 2016 Barclays confirmed the balance held as at the date of liquidation was £261.
- 5.11 It was anticipated the amount held in the company's bank account would be offset against an outstanding loan and this was confirmed by the bank statements. Following the deductions of the funds held in the bank accounts, the outstanding loan balance was £15,083.
- 5.12 **Other Assets:** The following assets were realised in the period.

- i A small amount of bank interest gross

6 Investigation into the affairs of the company

- 6.1 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.
- 6.2 In particular, I recovered, listed and reviewed the company's accounting records; obtained and reviewed copy bank statements for the two years 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.
- 6.3 I considered further investigation was required in respect of the bank's cross guarantee and have instructed Summers Nigh Law for advice and assistance; the matter is continuing.



- 6.4 Within six 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

7 Liabilities

- 7.1 **Secured Creditors:** An examination of the company's mortgage register held by the Registrar of Companies, showed that the company has granted the following charges

Name of Chargeholder	Barclays Bank Plc
Date Charge Registered	13 September 2007
Type of Security	Fixed and floating charge
Claim on statement of affairs	£78,974.61
Claim received to date	£0

- 7.2 **Preferential Creditors:** The statement of affairs anticipated £2,226 in preferential creditors. Claims totaling £1,692 have been received.

- 7.3 **Crown Creditors:** The statement of affairs included £3,000 owed to HMRC. To date, no claim has been received.

- 7.4 **Non-preferential unsecured Creditors:** The statement of affairs included 42 non-preferential unsecured creditors with an estimated total liability of £114,557. I have received claims from 21 creditors at a total of £102,349. I have not received claims from 27 creditors with original estimated claims in the statement of affairs of £90,264.

- 7.5 At the time of writing, I have not investigated the reasons for the difference in the level of claims received.

8 Dividends

- 8.1 I confirm no dividend will be paid to creditors.

- 8.2 **Secured creditors:** As indicated above, the company granted a charge to Barclays Bank Plc.

- 8.3 The bank's security has been satisfied by way of collection of the book debts and offsetting funds held in the company's bank accounts. The bank appears to hold a cross guarantee between the company and its connected company Cavendish Printing Inks Holdings Ltd ("CPIH"). As a result, the bank has also offset the funds held in CPIH's bank account against the loan.



- 8.4 I am currently taking steps to determine the validity of the guarantee
- 8.5 **Preferential creditors:** As indicated above, I have received preferential claims of £1,692 and there will be no return to preferential creditors.
- 8.6 **Non-preferential unsecured creditors:** As indicated above, I have received non-preferential unsecured claims of £102,349.
- 8.7 The legislation requires that if the company has created a floating charge after 15 September 2003, a prescribed part of the company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors
- 8.8 As previously advised, the company gave a floating charge to Barclays Bank Plc on 13 September 2007 and the prescribed part provisions will apply. On the basis of realisations to date, together with estimated future realisations, and after taking into account the costs of the liquidation to date and the net property, I estimate there will be no prescribed part of the net property for unsecured creditors.
- 8.9 Since the company's net property is less than £10,000, the insolvency legislation does not require me to distribute the prescribed part of the net property to creditors if I think that the costs of distributing the prescribed part would be disproportionate to the benefits to creditors. I am of the view that the costs of distribution would be disproportionate and so will not be making a distribution of the prescribed part of the net property to non-preferential unsecured creditors.
- 8.10 There will be no return to non-preferential unsecured creditors

9 Pre-Appointment Remuneration

- 9.1 The creditors previously authorised the payment of a fee of £5,000 for my assistance with preparing the statement of affairs and convening and holding the meeting of creditors at a meeting held on 11 January 2017.
- 9.2 The fee for preparing the statement of affairs and convening and holding the meeting of creditors is as yet unpaid as insufficient realisations have been made to date

10 Liquidators' Remuneration

- 10.1 My remuneration was previously authorised by the creditors by a written resolution approved on 29 February 2016. My remuneration was authorised on a mixture of a fixed fee, a scale rate on realisations and on a time cost basis
- 10.2 **Fixed Fee:** I was authorised to draw a fixed fee of £11,000 for my work in respect of Administration and planning and creditors
- 10.3 I have not been able to draw any remuneration in respect of work done for which my fees were approved as a fixed fee



10.4 Percentage of Realisations: I was authorised to draw a percentage of realisations for my work in respect of the realisation of assets on the following scale:

- 0% of First £2,000
- 100% of next £1,750
- 75% of next £1,500
- 15% of next £396,000
- 1% of subsequent realisations

10.5 Based on realisations I have achieved to date I am not entitled to draw any remuneration.

10.6 **Time Costs:** I was authorised to draw time costs for my work in respect of investigations and case specific matters. This approval was based on my fees estimate of £7,183. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors.

10.7 My total time costs for such work to 10 January 2017 amount to £5,869.62, at an average charge out rate of £186.92 per hour.

10.8 The actual average charge out rate incurred compares with the estimated average charge out rate of £191.55 in my fees estimate.

10.9 I have not been able to draw any remuneration in respect of work done for which my fees were approved on a time cost basis.

10.10 A detailed schedule of my time costs incurred to date on the above categories compared with my original fees estimate is attached.

10.11 At the time of reporting, 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.

10.12 As you can see from the information provided in this report, the time costs I have incurred in respect of my investigations (for which I am being remunerated on a time cost basis), have exceeded the total estimated as set out in my fees estimate when my remuneration was authorised. The reasons I have exceeded the fees estimate is because I did not envisage having to spend time investigating whether the cross guarantee in favour of Barclays Bank Plc is valid.

10.13 Currently I do not intend to draw remuneration in excess of the fees estimate and so will not be seeking a resolution from the creditors to increase my fees estimate.

11 Liquidators' Expenses

11.1 Creditors authorised that I could draw category 2 disbursements on 29 February 2016.

11.2 I have incurred expenses to 10 January 2017 of £2,396 and I have not been able to draw any expenses in this matter.



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

Professional Advisor	Nature of Work	Basis of Fees
BRV UK Ltd	Valuer/Auctioneer	Percentage of realisations
Summers Nigh Law	Solicitors	Time costs

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

12 Creditors' Rights

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

12.2 An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Joint liquidators' fees and the amount of any proposed expenses or expenses already incurred within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit

12.3 Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3 is available at [http://www.pbcbusinessrecovery.co.uk/wp-content/uploads/2014/06/Guide to Liquidators Fees Oct 2015.pdf](http://www.pbcbusinessrecovery.co.uk/wp-content/uploads/2014/06/Guide%20to%20Liquidators%20Fees%20Oct%202015.pdf) Please note that there are different versions of the guidance notes and in this case you should refer to October 2015 version. Please note we have provided further details in the attached practice fee recovery sheet.

13 Provision of Services Regulations

13.1 To comply with the Provision of Services Regulations, some general information about PBC can be found at <http://www.pbcbusinessrecovery.co.uk/provision-of-services-regulations>

14 Summary

14.1 The liquidation will remain open until the following matters have been fully resolved

- i. The collection of the book debts are finalised
- ii. The position regarding the validation of the cross guarantee is resolved.

14.2 I estimate that this will take approximately one year and once resolved the liquidation will be finalised and our files will be closed



- 14 3 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 Natasha Pink on 01604 212150, or by email at natashapink@pbcbusinessrecovery.co.uk.



GAVIN G BATES

Joint Liquidator



**Cavendish Printing Inks Limited - In Creditors Voluntary Liquidation
Joint Liquidators' Abstract of Receipts & Payments**

From 11 January 2016 To 10 January 2017

S of A £		£	£
	FIXED CHARGE REALISATIONS		
89,131 00	Book Debts	294 18	294.18
	FIXED CHARGE CREDITORS		
(64,110 36)	Barclays Bank Plc - CID	NIL	
(14,864 25)	Barclays Bank Plc	NIL	
			NIL
	ASSET REALISATIONS		
2,000 00	Fixtures & Fittings, Plant & Machinery & Motor Vehicles	1,710 00	
NIL	Cavendish Printing Inks Holdings Ltd	NIL	
8,606 98	Cash at Bank	NIL	
	Bank Interest Gross	1 59	
			1,711.59
	COST OF REALISATIONS		
	Agents/Valuers Fees (1)	(891 15)	
	Storage Costs	(9 90)	
			(901.05)
	PREFERENTIAL CREDITORS		
(2,225 81)	Employee	NIL	
	Trade Creditor	NIL	
			NIL
	FLOATING CHARGE CREDITORS		
(10,156 39)	Barclays Bank Plc	NIL	
			NIL
	UNSECURED CREDITORS		
(47,608.01)	Employee	NIL	
(63,948.86)	Trade Creditor	NIL	
(3,000.00)	HM Revenue & Customs	NIL	
			NIL
61,557 16			1,104.72
	REPRESENTED BY		
	Vat Payable	(270.00)	
	Vat Receivable	1 98	
	G BATES & G PETTIT RE. CAVENDISH PRINTING INKS LTD	1,372 74	

1,104.72



Gavin Geoffrey Bates
Joint Liquidator

Gary Steven Pettit
Joint Liquidator

Cavendish Printing Inks Ltd - In Liquidation

Remuneration Schedule

Between 11-Jan-16 and 10-Jan-17

FIXED FEE

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	2 90	1 90	19 30	11 40	35 50	5,616.40	158 21
Creditors	2.80	0.70	1.40	4.00	8.90	1,660 87	186.61
Total hours	5 70	2 60	20 70	15 40	44 40		
Time costs	2,145 94	703 04	3,527.01	901.28		7,277 26	
Average hourly rate	376.48	270 40	170 39	58 52			163 90

Total Fixed Fees charged to 10/01/2017 £0 00

SCALE RATE

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Realisations	1.50	0 20	10 60	0 20	12 50	2,466 50	197 32
Total hours	1 50	0 20	10 60	0 20	12.50		
Time costs	564 72	54.08	1,838 90	8 80		2,466 50	
Average hourly rate	376 48	270 40	173 48	44 00			197 32

Total Scale Rate Fees charged to 10/01/2017 £0 00

TIME COSTS

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate	Time costs as detailed in Fee Estimate
Investigations	1 70	0 40	14 20	0 20	16 50	3,252.77	197 14	2,825 00
Case Specific Matters	-	0 10	14 60	0 20	14 90	2,616 85	175 63	4,358 00
Total hours	1 70	0 50	28 80	0.40	31 40			
Time costs	640.02	135 20	5,061 89	32 51		5,869 62		7,183.00
Average hourly rate	376 48	270 40	175 76	81 28			186 93	

Total Time Cost Fees charged to 10/01/2017 £0 00

EXPENSES

Description	Total Incurred £	Total Recovered £
Advertising	292 00	-
Postage/Stamps/Copying/Stationery	198 43	-
Room Hire	40.00	-
Bordereau	70 00	-
Insolv Case Administration Fee	110 00	-
Storage	1,685.75	-
Totals	2,396 18	-

PRACTICE FEE RECOVERY POLICY FOR PBC BUSINESS RECOVERY & INSOLVENCY LTD

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.creditorsinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://www.pbcbusinessrecovery.co.uk/links/>. The reader should note there are two versions of these guides and should refer to those titled Post-October 2015. Alternatively a hard copy may be requested from PBC Business Recovery & Insolvency Ltd, 9/10 Scirocco Close, Moulton Park, Northampton, NN3 6AP. Please note that we have provided further details in this policy document.

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

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

Time cost basis

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

Charge-out Rates

Grade of staff	Current charge-out rate per hour, effective from 31 March 2013 £	Previous charge-out rate per hour, effective from 31 March 2012 £
Partner – appointment taker	377	250-362
Senior Manager	271	260
Manager	176	176
Supervisor/Senior Administrator	125	75-125
Case Administrator	119	55-120
Junior Case Administrator	55	55
Other clerical/administrative staff	44	42

These charge-out rates charged are reviewed on 31 March each year 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 on new appointments we now only seek time costs for the following categories:

- Investigations
- Trading
- Distributions of funds to creditors and/or shareholders

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 PBC Business Recovery & Insolvency Ltd and 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	40.00	Per formal meeting at firm's offices
Case File Storage & Destruction	20.00	Storage of case files for 6 years after case closure and final shredding – per case (Min up to 4 case files) Additional files charged at £5 each
Mileage	0.45	Per mile travelled
Card printing	0.17	Per sheet
Digital photographs	0.50	High Resolution digital photographs - each
Electoral Database Search	1.00	Use of commercial database of electoral rolls
Archive boxes	5.00	Per box
Files & dividers	3.50	Per file
Labels	0.50	Per sheet used
Photocopying	0.15	Per sheet used