

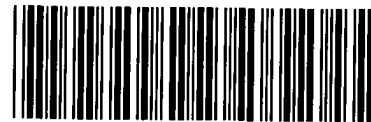
LIQ03

Notice of progress report in voluntary winding up



Companies House

THURSDAY



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A06 03/03/2022 #295

COMPANIES HOUSE

AAYCGL7S

A06 21/02/2022 #214

COMPANIES HOUSE

1 Company details

Company number 0 1 3 5 7 2 8 7

Company name in full Warboys Services Limited

→ Filing in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Julie Elizabeth

Surname Willetts

3 Liquidator's address

Building name/number Charlotte House

Street 19B Market Place

Post town Bingham

County/Region Nottingham

Postcode N G 1 3 8 A P

Country

4 Liquidator's name ①

Full forename(s) Philip Anthony

Surname Brooks

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number Charlotte House

Street 19B Market Place

Post town Bingham

County/Region Nottingham

Postcode N G 1 3 8 A P

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6

Period of progress report

From date

d 2 d 1

m 1 m 2

y 2 y 0

y 2 y 0

To date

d 2 d 0

m 1 m 2

y 2 y 0

y 2 y 1

7

Progress report



The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X

June Wulff

X

Signature date

d 17

m 0 m 2

y 2 y 0

y 2 y 2

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 **Shelley Hargreaves**Company name **Blades Insolvency Services**Address
Charlotte House
19B Market PlacePost town **Bingham**County/Region **Nottingham**Postcode **N G 1 3 8 A P**

Country

DX

Telephone **01949 831260****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

Our ref JW/2858/A
17 February 2022

TO ALL MEMBERS AND CREDITORS

Dear Sir/Madam

**WARBOYS SERVICES LIMITED
IN CREDITORS VOLUNTARY LIQUIDATION**

This is my report to members and creditors following the fourth anniversary of the commencement of the liquidation. The report should be read in conjunction with earlier reports to creditors.

This practice uses personal information to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation and to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how we use your personal information in our privacy statement which may be viewed on our website at www.bladesinsolvency.co.uk

If creditors have any queries concerning the conduct of the liquidation, or if they wish to obtain hard copies of any of the documents made available online they should contact Christine Lingard of this office by telephone on 01949 831260 or email c.lingard@bladesinsolvency.co.uk

Yours faithfully
for and on behalf of
WARBOYS SERVICES LIMITED



J Willetts
Joint Liquidator

Enc

Julie Willetts and Philip Anthony Brooks are Licensed Insolvency Practitioners bound by the Insolvency Code of Ethics

Our ref JW/2858/A
17 February 2022

**WARBOYS SERVICES LIMITED
IN LIQUIDATION**

**LIQUIDATORS' ANNUAL PROGRESS REPORT PURSUANT TO SECTION 104A
INSOLVENCY ACT 1986**

Introduction

The company went into liquidation on 21 December 2017. This report covers the period from 21 December 2020, being the date of the liquidator's last annual progress report, to 20 December 2021 and should be read in conjunction with earlier reports.

Please note that Julie Willetts and Philip Anthony Brooks were appointed joint liquidators of the company on 31 December 2020 under the terms of a Court Order dated 20 November 2020 following the retirement of Michael Rose as a licence-holding insolvency practitioner.

Company and liquidators' details

Company registered number:	01357287
Nature of business:	Metal fabrication
Former trading address:	Units 8 & 9 Osprey Court Hinchingsbrooke Business Park Huntingdon Cambridgeshire, PE29 6FN
Date of liquidators' appointment:	21 December 2017
Names of joint liquidators:	J Willetts and P A Brooks Appointed 31 December 2020 M Rose ceased to act 31 December 2020
Registered office address:	Charlotte House 19B Market Place Bingham Nottingham, NG13 8AP

Liquidators' receipts and payments account

A summary of the receipts and payments for the period from 21 December 2017 to 20 December 2021, together with a summary of transactions in the reporting period, is attached which I believe is self-explanatory.

All funds have been held in bank accounts in the name of the insolvent estate.

Realisation of assets

- Cash at bank represents the balance of funds held in the company's bank account which had been suspended pending the appointment of a liquidator.
- Cash in hand represents funds that were held in the previous liquidator's client account pending the appointment of a liquidator.
- The previous liquidator instructed Eddisons Commercial Limited ("Eddisons") to realise the company's plant and machinery, stock, and office furniture. The assets, which had been valued for the purpose of preparing the statement of affairs at £35,700 and £15,400 on going concern and forced sales bases respectively were sold by way of public auction for £35,428.
- The company's telephone numbers were sold by Eddisons by private treaty sale for £1,200.
- Trade debts with a book value of £55,957 were expected to realise £30,000. Some debts were paid into the company's bank account prior to the date of liquidation and actual realisations total £14,921. No further recoveries are expected.
- A VAT refund of £15,323 included in the statement of affairs was subject to crown setoff.
- The encashment of a life insurance policy realised £5,214.
- A refund of £3,400 has been obtained in respect of insurance premiums paid by the company prior to liquidation.
- Refunds of unexpired vehicle licence total £119.
- Interest in respect of funds held on deposit during the reporting period totals £2.

Expenses of the liquidation

I believe that the majority of expenses reported in my receipts and payments account are self-explanatory although I would comment as follows:

- Eddisons was paid £7,460 in respect of fees and commission associated with the sale of the company's chattel assets.
- DLA Piper was paid £1,539 in respect of legal advice regarding the company's property lease.
- Fraser Brown was paid £175 in respect of legal advice relating to the surrender funds from the life insurance policy.
- Clumber Consultancy was paid £5,300 for pension advice.
- Property expenses consist of building insurance and rates for the period the property was occupied in the liquidation.

Creditors' claims and dividends

- **Secured**

The Royal Bank of Scotland Plc holds a debenture conferring fixed and floating charges over the company's assets. At the date of liquidation the indebtedness to the secured creditor was estimated at nil. The charge holder has confirmed that there is no outstanding indebtedness.

- **Preferential**

The Redundancy Payments Office has submitted a preferential claim for £9,087 in respect of unpaid wages and holiday pay. The estimated liability reported in the statement of affairs was £11,149.

- **Non-preferential**

Claims have been received from twenty non-preferential creditors totalling £168,375. A further fifty-one creditors recorded in the statement of affairs with claims totalling £872,464 have not submitted a claim. The statement of affairs disclosed seventy-one creditors with claims totalling £1,067,577.

- **Dividend prospects**

I am unable to quantify the timing or amount of any dividend until the outcome of my investigations is known.

Liquidators' fees and expenses

The liquidators have incurred expenses of £2,343 which may be summarised as follows:

Type of expense	Brought forward	Incurred this period	Carried forward
	£	£	£
Statutory advertising	270	-	270
Liquidators' bond	540	110	650
Software licence	125	125	250
Storage	77	20	97
Postage and stationery	188	-	188
Mileage	888	-	888
Total	<u>2,088</u>	<u>255</u>	<u>2,343</u>

Postage, stationery and mileage costs are "category 2" expenses which generally relate to shared or allocated costs arising from internal charges.

The following resolution was approved by creditors on 20 December 2017 by way of postal correspondence:

- The basis of the liquidator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the liquidation.

To reduce the level of professional costs certain work has been conducted by staff under the liquidators' supervision. The level of staff has been selected based upon the nature and complexity of the assignment.

The current hourly charge-out rate for each grade of staff is detailed on the attached summaries of fees and expenses charged by M1 Insolvency and this firm. All staff involved in the assignment have been charged directly to the case and there has been no general overhead allocation in respect of support staff. There has been no increase in the hourly rates charged by either M1 Insolvency or my firm during the reporting period.

A copy of "Liquidation: A Guide for Creditors on Insolvency Practitioner Fees" published by the Association of Business Recovery Professionals to supplement Statement of Insolvency Practice number 9 ("SIP 9"), a statement of best practice agreed by the various insolvency regulatory authorities, may be found at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees>

The liquidators have incurred time costs of £40,905 in respect of work in connection with the liquidation which represents a total of 212.50 hours spent at an average hourly rate of £192.49.

During the reporting period the liquidators have incurred time costs of £5,742 which represents a total of 26.40 hours spent at an average hourly rate of £217.50.

The principal work undertaken in the period has been that necessary to comply with my statutory and regulatory obligations, while conducting further investigations into certain company transactions and potential breaches of the Insolvency Act 1986.

Appendix A attached to this report summarises the liquidators' time costs and the nature of work undertaken for the period since the date of liquidation and for the period since the last annual report.

My firm's fees for dealing with the liquidation since the date of my appointment will be subject to creditor approval which I propose to seek under separate cover.

Investigation into the affairs of the company

As previously reported, the liquidator undertook a proportionate 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 amount of funds likely to be available to pay the costs of an investigation and the relevant costs involved.

Certain transactions have been identified which may result in further realisations. I am not in a position to discuss these in any detail at present as I do not wish to prejudice the outcome of any future legal action.

Company Directors Disqualification Act 1986

In accordance with the provisions of the Company Directors Disqualification Act 1986, I confirm that the previous liquidator submitted a report on the conduct of the directors of the company to the Department for Business, Energy and Industrial Strategy during the first year of the liquidation.

Professional advisors

The following professional advisors have been engaged during the liquidation:

Name of advisor	Nature of work	Basis of fees
Clumber Consultancy	Pension advice	Fixed fee
Eddisons Commercial Limited	Asset realisations	Fees and commission
Colligant Limited	Debt collection	Time costs
Fraser Brown LLP	Legal advice	Time costs
DLA Piper LLP	Legal advice	Time costs

The choice of each advisor was based upon the assessment of their experience and ability to undertake this type of work, taking account of the complexity of the case.

Outstanding matters

Several matters were identified by the previous liquidator and have subsequently been reviewed by me. These relate to potential breaches of the Insolvency Act 1986 and various intercompany transactions. Solicitors have not yet been appointed. I am currently seeking a meeting with the director to hopefully resolve these issues.

Complaints

Whilst my firm strives to provide a professional and efficient service, it is in the nature of insolvency proceedings for disputes to arise from time to time. If you have any complaints about this case, you should, in the first instance, put details of your complaint in writing to my firm. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint in writing within a period of twenty-one days of receipt.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, if 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, LS1 1 9DA, and you can make a submission using an online form available at www.gov.uk/complain-about-insolvency-practitioner

Creditors' rights

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 liquidators' remuneration and expenses, within twenty-one days of receipt of this report. Any secured creditor may request the same details in the same time limit.

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

To comply with the Provision of Services Regulations, some further general information about this practice may be found at www.bladesinsolvency.co.uk. A hard copy is available on request.

Please do not hesitate to contact me should you require any further information.



J Willetts
Joint Liquidator

WARBOYS SERVICES LIMITED

Summary of work undertaken to be read in conjunction with the time cost summary:

Administration and planning

An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. This work will not necessarily result in any financial benefit to creditors but is required on each case by statute.

(i) Case planning

- Setting initial case strategy taking into account the specific circumstances of the case.
- Case handover from previous liquidator, review file and set case strategy.
- Setting up physical and electronic case files.
- Periodic review of case strategy and varying strategy as appropriate in the light of case progress.
- Conducting regular file reviews to ensure compliance to identify any other matters requiring attention.

(ii) Administrative set-up

- Reviewing and taking possession of company records and preparing detailed summary of records held.
- Obtaining a specific penalty bond.
- Making arrangements for storage and retrieval of records. Dealing with general correspondence arising on the case.

(iii) Appointment notification, filing and advertising

- Dealing with requirements for notification of appointment with the Registrar of Companies.
- Arranging notification of appointment to creditors and the London Gazette.
- Notification of appointment to company advisors.

(iv) Maintenance of records

- Opening liquidation bank accounts and processing transactions in relation to funds received and payments made.
- Arranging notification of appointment to creditors.
- Dealing with related filing and processing requirements.

(v) Statutory reporting

- Statutory reporting including submission of reports to creditors.
- Dealing with related filing and processing requirements.
- Filing returns at Companies House.

Investigations

- Review of previous Liquidator's investigation file.
- Consideration of investigation strategy.
- Review of potential breaches of the Insolvency Act of intercompany transactions.
- Correspondence with the director.

Realisation of assets

- Realisation of plant and machinery, stock, office furniture and telephone numbers.
- Realisation of the life insurance policy.
- Instruction of a debt collection agency to realise company debts.

Creditors

- General correspondence and telephone conversations with creditors in response to general enquiries and concerns.
- Completing documentation for submission to the Redundancy Payments Office.
- Corresponding with employees regarding their claims.
- Liaising with the Redundancy Payments Office regarding employee claims.

**WARBOYS SERVICES LIMITED
IN LIQUIDATION**

**LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD FROM 21 DECEMBER 2017 TO 20 DECEMBER 2021**

Statement of affairs	From 21/12/2017 to 20/12/2020	From 21/12/2020 to 20/12/2021	Total	
£	£	£	£	
RECEIPTS				
2,492	Cash at bank	7,434.97	7,434.97	
	Cash in hand	10,000.00	10,000.00	
12,400	Plant and machinery	17,931.69	17,931.69	
1,800	Stock and work in progress	15,721.03	15,721.03	
1,200	Office furniture and equipment	1,775.00	1,775.00	
	Company telephone numbers	1,200.00	1,200.00	
30,000	Trade debts	14,921.82	14,921.82	
15,323	HMRC - VAT	-	-	
	Life Insurance surrender	5,214.43	5,214.43	
	Insurance refund	3,400.00	3,400.00	
	Vehicle licence refund	119.16	119.16	
	Interest	361.40	1.62	363.02
<u>63,215</u>	<u>78,079.50</u>	<u>1.62</u>	<u>78,081.12</u>	
PAYMENTS				
	Liquidator's remuneration	24,000.00	9,560.50	33,560.50
	Liquidator's cost of decision	6,000.00		6,000.00
	Liquidator's expenses	294.20	1,980.13	2,274.33
	Agent's fees	7,460.67		7,460.67
	Legal fees	1,714.00		1,714.00
	Debt collection fees	1,284.81		1,284.81
	Pension consultant	5,300.00		5,300.00
	Property expenses	695.06		695.06
	Tax on interest	31.16	7.60	38.76
	Bank charges		1.75	1.75
	<u>46,779.90</u>	<u>11,549.98</u>	<u>58,329.88</u>	
Balance on hand	<u>31,299.60</u>	<u>(11,548.36)</u>	<u>19,751.24</u>	
Represented by:				
	Bank accounts		17,482.58	
	VAT control		2,268.66	
			<u>19,751.24</u>	

WARBOYS SERVICES LIMITED

LIQUIDATORS' TIME COST SUMMARY

PERIOD FROM 21 DECEMBER 2017 TO 20 DECEMBER 2021

Classification of work function	Partner Hours	Administrator Hours	Junior Administrator & support staff Hours	Total hours	Time costs £	Average hourly rate £
Statutory review	4.30	4.90		9.20	1,936	210.43
Receipts and payments	13.70	14.00	16.10	43.80	7,690	175.57
Insurance	1.00	9.30		10.30	1,831	177.77
Assets	16.30	4.10	0.30	20.70	4,807	232.22
Liabilities	12.90	13.60	26.50	53.00	8,347	157.49
General administration	0.60	0.70	4.40	5.70	693	121.58
Appointment	2.70	1.80	2.20	6.70	1,216	181.49
Investigations	22.90	4.50	1.70	29.10	6,785	233.16
Case specific	23.70	8.40	1.90	34.00	7,600	223.53
Total hours	98.10	61.30	53.10	212.50		
Total costs (£)	25,845	10,430	4,630		40,905	192.49

PERIOD FROM 21 DECEMBER 2020 TO 20 DECEMBER 2021

Classification of work function	Partner Hours	Administrator Hours	Junior Administrator & support staff Hours	Total hours	Time costs £	Average hourly rate £
Statutory and review	2.80	0.30		3.10	758	244.52
Receipts and payments	0.60		4.90	5.50	499	90.73
Insurance						
Assets	0.30			0.30	78	260.00
Liabilities						
General administration		0.30	0.50	0.80	65	97.69
Appointment	0.40			0.40	104	260.00
Investigations	11.60			11.60	3,016	260.00
Case specific	4.70			4.70	1,222	260.00
Total hours	20.40	0.60	5.40	26.40		
Total costs (£)	5,304	60	378		5,742	217.50

BLADES INSOLVENCY SERVICES PRACTICE FEE RECOVERY POLICY

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <https://www.r3.org.uk/what-we-do/publications/professional/fees>. Alternatively a hard copy may be requested from Blades Insolvency Services, Charlotte House, 19B Market Place, Bingham, Nottingham, NG13 8AP. 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 1 November 2018 £	Previous charge out rate per hour, effective from 1 November 2011 £
Partner	285	260
Administrator	110	100
Case Administrator	80	70
Cashier	80	70

These charge-out rates charged are reviewed annually and, where relevant, 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 may seek approval for our fees to be based on a percentage basis or as a fixed sum, both of which are explained further below.

When we seek time costs approval we have to provide 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 explain 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 changes in legislation 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 disbursements are directly referable to an invoice from a third party, which is either in the name of the estate or Blades Insolvency Services. In the case of the latter, the invoice will make 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 expenses are statutory advertising, external meeting room hire, external storage, specific bond insurance and search fees. A software licence fee of £125.00 will be charged to each case. This is a fixed fee, irrespective of the duration of the insolvency procedure. A website hosting fee of £7.50 is payable in respect of each annual and final report.

Category 2 disbursements 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 expenses are photocopying, record storage and mileage.

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

Circular letters	5p per sheet to reflect the cost of stationery and photocopying or printing. The actual cost of postage will be separately charged to the estate. (No charge is made for individual letters relating to the administration of the insolvent estate)
Record storage	£10.00 box per annum (to include the cost of transport and eventual destruction of the records)
Mileage	45p per mile
Online money laundering verification search	£10.00 per individual search