

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

02008768

Name of Company

Hamlet New Homes Limited

/ We

MFP Smith, Charlotte House, Stanier Way, Wyvern Business Park, Derby, DE21 6BF

NJ Hawksley, Charlotte House, Stanier Way, Wyvern Business Park, Derby, DE21 6BF

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 29/07/2015 to 28/07/2016

Signed *[Signature]* Date 27/9/16

Dains Group Limited
15 Colmore Row
Birmingham
B3 2BH

Ref HA093/PA/AH



Hamlet New Homes Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 29/07/2015 To 28/07/2016	From 29/07/2011 To 28/07/2016
	HIRE PURCHASE		
10,250 00	Motor Vehicle	NIL	NIL
(12,925 45)	Finance Company - BMW Financial Se	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
97,250 00	WIP	NIL	60,000 00
43,118 00	Book Debts	1,200 00	4,790 76
958 00	Cash at Bank	NIL	939 31
	Bank Interest Gross	1 19	23 35
	Removal of Property Restrictions	200 00	300 00
	Transfer of Land	NIL	2,000 00
	Contribution of Insurance	NIL	200 00
	Sundry Refunds	NIL	16,818 14
	Cash in Hand	NIL	368 25
	Funds held by Solicitor	NIL	104 00
		1,401 19	85,543 81
	COST OF REALISATIONS		
	Specific Bond	NIL	240 00
	S98 Meeting Fees	NIL	5,000 00
	S98 Meeting Expenses	NIL	138 65
	Office Holders Fees	1,395 00	72,041 02
	Agents/Valuers Fees	NIL	1,170 00
	Legal Fees	NIL	6,462 00
	Tax Deducted at Source	NIL	0 03
	Storage Costs	8 49	8 49
	Re-Direction of Mail	NIL	25 96
	Statutory Advertising	NIL	355 00
		(1,403 49)	(85,441 15)
	PREFERENTIAL CREDITORS		
(4,129 32)	Employees - Arrears/Hol Pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(189,051 05)	Trade & Expense Creditors	NIL	NIL
(60,935 41)	Employees - Pay in Lieu & Redundanc	NIL	NIL
(7,624 39)	HM Revenue & Customs - CIS	NIL	NIL
(12,089 12)	HM Revenue & Customs - VAT	NIL	NIL
(2,874,174 75)	Inter-company Loan Account	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(3,009,453.49)		(2.30)	102.66
	REPRESENTED BY		
	Vat Receivable		1 70

Floating Current A/c

100 96

102.66



MFP Smith
Joint Liquidator

Hamlet New Homes Limited (In Liquidation)
Joint Liquidators' Annual Report to Members and Creditors
For the year ending 28 July 2016

1. STATUTORY INFORMATION

Company name	Hamlet New Homes Limited
Former Company name(s)	Hamlet Housing Limited, Optionactive Limited
Registered office	Charlotte House, Stanier Way, The Wyvern Business Park, Derby, DE21 6BF
Former registered office	Wilmot House, St James Court, Friar Gate, Derby, DE1 1BT
Registered number	02008768
SIC Number	41201 – Construction of commercial buildings
Joint Liquidators' names	MFP Smith & NJ Hawksley
Joint Liquidators' address	15 Colmore Row, Birmingham, B3 2BH
Joint Liquidators' date of appointment	29 July 2011

2. RECEIPTS & PAYMENTS ACCOUNT

My receipts & payments account for the period from 29 July 2014 to 28 July 2016 is attached at Appendix A. All figures are shown net of VAT.

3. ASSETS

3.1 Work in Progress (WIP) – Long Term Receivable

The company extended an equity loan to the buyer of one of the houses constructed by the company. The terms of this loan dictate that 25% of the value of the house will be repaid in 2019. I have attempted to encourage the occupants of the house to settle the liability early, however I have been unsuccessful and am therefore unable to realise this asset until 2019.

3.2 Book Debts

There is one remaining debtor in this matter. Since my previous report a total of £1,200 has been received from the debtor, leaving a total balance remaining of £1,187. This amount is being paid in instalments of £100 per month.

3.3 Bank Interest Gross

Funds are held in an interest bearing bank account. Since my previous report a total of £1.19 has been received in respect of bank interest.

3.4 Removal of Property Restrictions

In order to enable the owner to transfer the properties at 7 Field View, Woodville, Swadlincote and 8 Field View, Woodville, Swadlincote I was required to remove restrictions placed at the Land Registry. The sum of £200 plus VAT has been received as a contribution towards the associated costs during the period of this report.

4. LIABILITIES

4.1 Secured Creditors/ Fixed Charge

As previously advised, the company operated a motor vehicle which was subject to a finance agreement with BMW Financial Services Limited. The amount due to the finance company at the date of my appointment was £12,925. The vehicle was repossessed in August 2011, and following its disposal there was a shortfall due of £2,675, which was subject to the director's personal guarantee. No other fixed charges remain unsatisfied.

4.2 Preferential Creditors

The statement of affairs anticipated £4,129 in preferential creditors, representing the employees' arrears of wages and holiday pay. These claims have been settled by the Redundancy Payment Service. To date, no claim from the Redundancy Payment Service has been received.

4.3 Secured Creditors / Floating Charge

There are provisions of the insolvency legislation that require a Liquidator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company granted a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property". A company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. A Liquidator has to set aside

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000

No floating charges remain unsatisfied at Companies House, so the prescribed part provisions will not apply

4.4 Crown Creditors

The statement of affairs included £12,089 owed to HM Revenue and Customs ("HMRC") in respect of VAT and £7,624 in respect of CIS tax. HMRC's final claim of £93,294 in respect of VAT has been received. This figure is higher than anticipated as returns have been brought up to date. No claim has been received in respect of CIS tax.

4.5 Unsecured Creditors

The statement of affairs included 48 unsecured creditors in addition to HMRC with an estimated total liability of £3,124,161. I have received claims from 18 creditors totalling £3,102,690, including eight creditors who have come forward since the statement of affairs was prepared. To date I have not received claims from 38 creditors with original estimated claims in the statement of affairs of £178,679.

5. LIQUIDATORS' ACTIONS SINCE LAST REPORT

Since my previous report to creditors the following action has been taken

- The specific penalty bond was reviewed to ensure that the level of cover was adequate to protect the realisations made in the Liquidation. No increase was required.
- The corporation tax return and computation for the period 29 July 2014 to 28 July 2015 has been submitted to HM Revenue & Customs.
- All other general case administration matters including six month reviews, updating checklists, cashier matters and statutory reporting have been completed.
- Reviews of the ethical and money laundering checklists were conducted on a regular basis.
- The bank account held at Bank of Scotland has been regularly reconciled, with bank interest being received accordingly.

6. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

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

As Liquidator, I have a duty to investigate the affairs and conduct of the directors of the company. In accordance with the Company Directors Disqualification Act 1986, I have submitted a report within six months of my appointment detailing the conduct of the directors of the company to the Department of Business Innovation and Skills. The report is confidential and I am unable to disclose the content to the creditors.

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

7. PRE-APPOINTMENT REMUNERATION

The creditors previously authorised the payment of a fee of £5,000 for assistance with preparing the statement of affairs, and producing and circulating the notices for the meetings of members and creditors at a meeting held on 29 July 2011. The fee for the statement of affairs and meetings was paid from first realisations on appointment and is shown in the enclosed receipts and payments account.

8. LIQUIDATORS' REMUNERATION

8.1 My remuneration was previously authorised by creditors at a meeting held on 29 July 2011 to be drawn on a time cost basis. My total time costs to 28 July 2016 amount to £148,583.69, which have been charged at an average charge out rate of £232.06, of which £8,422.50 was charged in the period between 29 July 2015 and 28 July 2016, at an average charge out rate of £233.57. I have drawn £72,041.02 to date of which £1,395 was drawn in the period between 29 July 2015 and 28 July 2016. A schedule of my time costs incurred to date is attached at Appendix B.

8.2 A description of the work undertaken in the Liquidation to date is as follows:

1. Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details

- Review and storage
- Case bordereau
- Case planning and administration
- Preparing reports to members and creditors

2 Cashiering

- Maintaining and managing the Liquidators' cashbook and bank account
- Ensuring statutory lodgements and tax lodgement obligations are met

3 Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining creditor information
- Reviewing and adjudicating on proofs of debt received from creditors

4 Investigations

- Review and storage of books and records
- Prepare a return pursuant to the Company Directors Disqualification Act
- Conduct investigations into suspicious transactions
- Review books and records to identify any transactions or actions a Liquidator may take against a third party in order to recover funds for the benefit of creditors

5 Realisation of Assets

- Corresponding with debtors and attempting to collect outstanding book debts
- Liaising with the Company's bank regarding the closure of the account
- Liaising with the purchaser of the house subject to the equity loan

8 3 A copy of 'A Creditors' Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals and 'A Statement of Insolvency Practice 9 (Revised)' are available from my office upon request. Alternatively a copy can be downloaded from

<http://www.icaew.com/en/technical/insolvency/creditors-guides>

and

<http://www.icaew.com/en/technical/insolvency/insolvency-regulations-and-standards/statements-of-insolvency-practice-sips-england>

Please note that there are different versions for cases that commenced before 6 April 2010, from 6 April 2010 (but before 1 November 2011) and from 1 November 2011. In this case you should refer to the post-April 2010 (but before November 2011) version.

A hard copy of the documents can be obtained on request from this office

- 8.4 Additional information in relation to Joint Liquidators' fees in accordance with SIP 9 is also attached at Appendix B. This provides details of the firm's policy in relation to staffing, the use of sub-contractors and disbursements. Please note, in common with all professional firms, the charge out rates may increase from time to time over the period of the administration of each insolvency case.

9. LIQUIDATORS' EXPENSES

Below I have provided information in relation to expenses incurred since my previous report

9.1 Discharged Expenses

9.1.1 Storage Costs

The Company's books and records are stored with C & V Data Management Services Limited. An amount of £8.49 has been paid since my last report.

9.2 Un-Discharged Expenses

The following costs have been paid by Dains Group Limited and not yet reimbursed by the case.

9.2.1 Creditor Gateway Fees

My previous report to creditors was uploaded to the creditor gateway, incurring a cost of £7.

9.2.2 Postage

A total cost of £32 was incurred posting my previous report to creditors.

9.2.3 Storage Costs

The Company's books and records are stored with C&V Data Management Services Limited. Costs of £8.49 have not yet been reimbursed.

10. FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the 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.

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 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

11. DIVIDEND PROSPECTS

11.1 Secured Creditors/ Fixed Charge

There are no remaining fixed charge assets in this case.

11.2 Preferential Creditors

The probability of a dividend being paid to preferential creditors is dependent upon the level of assets realised in the future.

11.3 Secured Creditors/ Floating Charge

There are no floating charge creditors in this case.

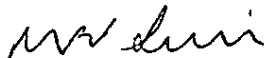
11.4 Unsecured Creditors

The probability of a dividend being paid to unsecured creditors is dependent upon the level of assets realised in the future.

12. SUMMARY

The Liquidation will remain open until the final book debt is collected and the 25% equity loan is realised. Once these issues have been dealt with the Liquidation will be finalised and my files will be closed.

Should you have any queries regarding this matter please contact Alan Hands on 0845 555 8844.



MFP Smith
Joint Liquidator

ahands@dains.com

Hamlet New Homes Limited
(In Liquidation)

Summary of Receipts & Payments

RECEIPTS	Statement of Affairs (£)	From 29/07/2011 To 28/07/2015 (£)	From 29/07/2015 To 28/07/2016 (£)	Total (£)
WIP	97,250 00	60,000 00	0 00	60,000 00
Book Debts	43,118 00	3,590 76	1,200 00	4,790 76
Cash at Bank	958 00	939 31	0 00	939 31
Bank Interest Gross		22 16	1 19	23 35
Removal of Property Restrictions		100 00	200 00	300 00
Transfer of Land		2,000 00	0 00	2,000 00
Contribution of Insurance		200 00	0 00	200 00
Sundry Refunds		16,818 14	0 00	16,818 14
Cash in Hand		368 25	0 00	368 25
Funds held by Solicitor		104 00	0 00	104 00
		84,142 62	1,401 19	85,543 81
PAYMENTS				
Specific Bond		240 00	0 00	240 00
S98 Meeting Fees		5,000 00	0 00	5,000 00
S98 Meeting Expenses		138 65	0 00	138 65
Office Holders Fees		70,646 02	1,395 00	72,041 02
Agents/Valuers Fees		1,170 00	0 00	1,170 00
Legal Fees		6,462 00	0 00	6,462 00
Tax Deducted at Source		0 03	0 00	0 03
Storage Costs		0 00	8 49	8 49
Re-Direction of Mail		25 96	0 00	25 96
Statutory Advertising		355 00	0 00	355 00
		84,037 66	1,403 49	85,441 15
Net Receipts/(Payments)		104 96	(2 30)	102 66
MADE UP AS FOLLOWS				
Vat Receivable		17,946 12	1 70	17,947 82
Floating Current A/c		104 96	(4 00)	100 96
Vat Control Account		(17,946 12)	0 00	(17,946 12)
		104 96	(2 30)	102 66

**A Schedule of the Joint Liquidators' timecosts
for 29 July 2011 to 28 July 2016**

Classification of Work Function	Hours							Total Hours	Time Cost £	Average Hourly Rate £
	Partner	Director	Senior Manager	Manager	Other Senior Professionals	Assistants & Support Staff	Cashier & Secretaries			
ADMINISTRATION & PLANNING										
Case Planning	12 01	14 68	1 10	6 19	25 96	20 30	4 88			
Administrative set-up	1 67	1 02	0 30	0 00	6 62	4 36	0 00			
Appointment notification	1 75	0 56	0 00	0 00	8 67	3 89	0 35			
Maintenance of records	13 94	0 34	0 00	2 59	6 85	19 66	51 92			
Statutory reporting	1 90	0 00	0 00	0 75	28 46	32 48	1 00			
								274 20	59,781 71	218 02
INVESTIGATIONS										
SIP 2 review	4 22	2 35	0 00	0 00	11 84	20 02	0 00			
CDDA reports	3 28	0 00	0 00	0 00	5 85	0 00	0 00			
Investigating antecedent transactions	0 00	6 63	0 00	2 50	6 06	18 00	0 00			
								80 75	18,035 55	223 35
REALISATION OF ASSETS										
Identifying, securing insuring assets	42 34	2 12	0 00	11 84	84 27	11 33	1 20			
Retention of title	0 00	0 00	0 00	0 00	0 00	0 00	0 00			
Debt collection	9 70	0 35	0 00	0 25	16 51	3 90	0 00			
Property, business and asset sales	7 54	1 00	0 20	0 00	33 82	0 00	0 33			
								226 70	55,922 86	246 68
TRADING										
Management of operations	0 00	0 00	0 00	0 00	0 00	0 00	0 00			
Accounting for trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00			
On-going employee issues	0 00	0 00	0 00	0 00	0 00	0 00	0 00			
								0 00	0 00	0 00
CREDITORS										
Communication with creditors	10 66	4 82	0 00	6 66	14 40	7 13	4 34			
Creditors' claims (including employees and other preferential creditors)	2 93	0 00	0 10	0 00	7 60	0 00	0 00			
								58 64	14,843 57	253 13
Total Hours	111 94	33 87	1 70	30 78	256 91	141 07	64 02	640 29		
Total Fees Claimed £	40,249 91	11,738 64	530 00	6,917 41	49,230 58	23,092 80	8,401 85		148,583 69	
Average Rate £	359 57	346 58	311 76	224 74	191 63	163 70	131 24			232 06

Appendix B

lamlet New Homes Limited

Report to Creditors

27-Sep-16

**A Schedule of the Liquidators' timecosts
for the period from 29 July 2015 to 28 July 2016**

Classification of Work Function	Hours							Total Hours	Time Cost £	Average Hourly Rate £
	Partner	Director	Senior Manager	Manager	Other Senior Professionals	Assistants & Support Staff	Cashier & Secretaries			
ADMINISTRATION & PLANNING										
Case Planning	1 75	0 00	0 00	0 42	0 80	2 10	0 00	5 07	1,382 33	272 65
Administrative set-up	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Appointment notification	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Maintenance of records	2 20	0 00	0 00	0 67	1 30	2 20	9 52	15 89	3,343 01	210 38
Statutory reporting	0 00	0 00	0 00	0 75	0 00	5 60	0 00	6 35	1,275 75	200 91
INVESTIGATIONS										
SIP 2 review	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
CDDA reports	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Investigating antecedent transactions	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
REALISATION OF ASSETS										
Identifying, securing, insuring assets	1 38	0 00	0 00	0 17	1 10	1 30	0 10	4 05	1 086 58	268 29
Retention of title	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Debt collection	0 80	0 00	0 00	0 00	0 00	0 20	0 00	1 00	363 00	363 00
Property, business and asset sales	0 57	0 00	0 00	0 00	0 00	0 00	0 00	0 57	229 50	402 63
TRADING										
Management of operations	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Accounting for trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
On-going employee issues	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
CREDITORS										
Communication with creditors	0 40	0 00	0 00	0 00	0 00	0 50	1 83	2 73	580 33	212 58
Creditors' claims (including employees and other preferential creditors)	0 40	0 00	0 00	0 00	0 00	0 00	0 00	0 40	162 00	405 00
Total Hours	7 50	0 00	0 00	2 01	3 20	11 90	11 45	36 06		
Total Fees Claimed £	3,037 50	0 00	0 00	489 99	660 75	2,230 50	2,003 76		8,422 50	
Average Rate £	405 00	0 00	0 00	243 78	206 48	187 44	175 00			233 57

Practice Fee Recovery Policy for Dains Group Limited

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 Dains Group Limited, 15 Colmore Row, Birmingham, B3 2BH. 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.

Continued

Chargeout Rates

Grade of staff	Previous charge-out rate per hour, effective from 1 April 2012 £	Previous charge-out rate per hour, effective from 1 April 2013 £	Current charge-out rate per hour, effective from 1 April 2014 £
Partner – appointment taker	380	390	405
Director	340	350	365
Senior Manager	310	320	330
Manager	235	240	245
Supervisor	200	205	225
Case Administrator	185	190	210
Cashier & Support Staff	75 - 165	77 - 190	80 - 195

Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rate for undertaking such work.)

These charge-out rates charged are reviewed on 1 April 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
- Employee 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:

- Case specific matters
- Investigations
- Trading

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

Continued

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.

Continued

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.

Continued --

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 Dains Group Limited, 15 Colmore Row, Birmingham, B3 2BH, 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:

Mileage is charged at a rate of up to 45p per mile.
External disbursements are recovered at cost.