

# 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

02713245

Name of Company

Jani-King (GB) Limited

I / We

Simon Thomas, 88 Wood Street , London, EC2V 7QF

Nicholas O'Reilly, 88 Wood Street , London, EC2V 7QF

*Simon*  
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 30/09/2015 to 29/09/2016

Signed

Date

*01/11/16*

Moorfields  
88 Wood Street  
London  
EC2V 7QF

Ref JANI003/ST/NOR/DJ/SS

WEDNESDAY



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02/11/2016

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COMPANIES HOUSE

**Janf-King (GB) Limited  
(In Creditors' Voluntary Liquidation)**

**Joint Liquidators' Second Progress Report  
in accordance with  
S104A of the Insolvency Act 1986 and  
Rule 4.49C of the Insolvency Rules 1986 (as amended)**

14 October 2016

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#### *Disclaimer*

*This report has been prepared for the sole purpose of updating creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.*

## **Jani-King (GB) Limited – In Creditors' Voluntary Liquidation ("the Company")**

### **1. Background and Statutory Information**

Further to the appointment of Liquidators of the Company on 30 September 2014 and in accordance with Section 104A of the Insolvency Act 1986 ("the Act"), the Joint Liquidators present their annual report to creditors. This is the Joint Liquidators' second progress report on the conduct of the Liquidation from 30 September 2015 to 29 September 2016, in accordance with the requirements of Rule 4.49C of the Insolvency Rules 1986 (as amended) ("the Rules").

This report should be read in conjunction with the Joint Liquidators' previous report dated 30 September 2015.

The Company entered Administration on 12 March 2014 and subsequently entered Liquidation on 30 September 2014. Simon Thomas and Nicholas O'Reilly, both licensed Insolvency Practitioners of Moorfields Advisory Limited, 88 Wood Street, London EC2V 7QF ("Moorfields"), were appointed Joint Liquidators ("the Liquidators").

No fees have been drawn in respect of Liquidators' remuneration during the period of this report.

Further information regarding fees and disbursements drawn is given in Sections 5 and 6. Statutory information relating to the Company and the Liquidators' appointment is attached at Appendix I.

### **2. Progress of the Liquidation**

The Liquidators' Receipts and Payments Account for the period from 30 September 2015 to 29 September 2016, together with a comparison to the Directors' Statement of Affairs ("SOA") values is attached at Appendix II.

The Liquidators would comment specifically on the following developments during the period.

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

##### **2.1.1 EFG Premium Refund**

A refund was received from the Royal Bank of Scotland in respect of an Enterprise Finance Guarantee premium in the sum of £564.35.

There have been no further asset realisations for the period of this report. Please refer to previous reports for further details in relation to historic asset realisations.

## **2.2 Assets still to be realised**

### **2.2.1 Claim against Jani-King Franchising Inc ("JKFI")**

As discussed in the Liquidators' previous reports, the claim issued by JKFI against the Company in respect of unpaid royalties was assigned to a director of the Company on 14 November 2014, in order that he might defend the action and bring the counterclaim against JKFI.

The terms of the assignment are such that the Company will receive 25% of net recoveries in respect of any counterclaim awarded. The counter claim is valued at \$48,500,000.

Proceedings in the Texas Court in respect of the claim are ongoing and at this stage it is uncertain as to whether there will be any realisations in this regard.

### **2.2.2 Debtors**

As previously reported, a balance of £52,100 remained outstanding in respect of two trade debtors at the date of Liquidation. One of these debts in the sum of £12,577 is deemed uncollectable as the Company is in Administration.

The remaining debtor balance of £39,523 is now also deemed to be uncollectable. The debtor had asserted a set-off claim and it was considered that the costs of litigation would be disproportionate to the value of the debt.

### **2.2.3 Deferred consideration from sale of business**

As referred to in previous reports, there remains a sum of £75,000 outstanding from HotelServe Limited ("HotelServe") in respect of the deferred consideration due pursuant to the terms of the Sale and Purchase Agreement between HotelServe and the Company. HotelServe is in Liquidation and any recoveries in this regard are dependent on asset realisations in this Liquidation, where the Company ranks as a secured creditor.

### **2.2.4 Retention of Title ("ROT")**

As reported previously, it is considered that the Company has an ROT claim against Travelodge in respect of assets with a book value of £60,000. No recoveries have yet been made in this regard, however the Liquidators' position in relation to this claim is fully reserved.

### **2.2.5 Recoveries in respect of Antecedent Transactions**

Following their investigations into the affairs and dealings of the Company as part of their statutory duties, the Liquidators have identified various claims which have been valued in the sum of £709,708.

The Liquidators have instructed solicitors to pursue these claims and proceedings will be issued shortly. It is considered likely that there will be recoveries in this regard, but the quantum of such recoveries is at present uncertain.

## 2.3 Costs of Realisations

The majority of the costs of the Liquidation are detailed in the Receipts and Payments Account at Appendix II. Further comment is provided in respect of Professional Advisers' Fees in Section 2.4.

Certain expenses and disbursements incurred and paid directly by the Liquidators are not detailed on the Receipts and Payments Account. Further detail is provided in Section 6.

## 2.4 Professional Advisers

The Joint Liquidators have used the professional advisers listed below.

Name of Adviser	Service/Disbursement provided	Basis of Fee/Arrangement	Fee Incurred to Date	Costs paid to Date	Amount Remaining
Harrison Clark Rickerbys	Advice and drafting of correspondence in relation to antecedent transactions, the assignment of the JKFI claim and debtor recoveries	% of realisations (to be agreed) and fixed fee of £4,000 plus disbursements in respect of dealing with assignment of the JKFI claim	£6,671.53	£6,671.53	Nil
Squire Patton Boggs (UK) LLP	Outstanding disbursements incurred in providing advice to the former Administrators, payable pursuant to P99	Disbursements only	£93.95	£93.95	Nil
Legalinx Limited	Carrying out searches in respect of overseas connected entities	Fixed Fee	£127.00	£127.00	Nil
Grainne O'Meara	Reconstructing the Company's final period accounts and producing the final VAT Return	Fixed Fee	£2,500.00	£2,500.00	Nil
WM Investigations Limited	Searches in relation to claims identified by the Liquidators	Fixed Fee	£185.00	£185.00	Nil

The Liquidators' choice of adviser was based upon their perception of the adviser's experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. The Liquidators have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the case.

## **2.5 Investigations**

### **2.5.1 Company Directors Disqualification Act 1986**

In accordance with the Company Directors Disqualification Act 1986, the Liquidators have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills. As this is a confidential report, the Liquidators are not able to disclose the contents.

To complete this report a review of the Company's financial accounts, bank statements and the Directors' questionnaires were undertaken regarding the period leading up to the Liquidation, to ascertain whether or not there had been any misconduct by the Directors in the form of any preference payments, transactions at an undervalue or wrongful trading.

If creditors wish to bring any matters they believe to be relevant to the attention of the Liquidators, they are invited to do so in writing to Simon Thomas and Nicholas O'Reilly at Moorfields Advisory Limited, 88 Wood Street, London EC2V 7QF.

### **2.5.2 SIP 2 (E&W) Initial Assessment of Potential Recoveries**

As part of their duties, the Liquidators are obliged to review all information available to them and conduct an initial assessment of whether there are any matters that might lead to a recovery for the benefit of the creditors. This initial assessment included enquiries into any potential claims that may be brought against parties either connected to or who have had past dealings with the Company. Additional information in respect of potential recoveries is provided at 2.2.5 above.

## **3. Distributions to Creditors**

### **3.1 Secured Creditors**

As previously reported, RBS Invoice Finance ("RBSIF") provided the Company with an invoice finance facility and holds fixed and floating charges over the Company's assets, created on 13 April 2000, as security over the funds advanced.

RBSIF's indebtedness was agreed at £740.4k and a distribution of £705.2k was made under its fixed charge during the Administration.

Any further distribution to RBSIF is dependent on the outcome of the final debtor recoveries discussed in Section 2.2 above.

### **3.2 Preferential Creditors**

Preferential creditors were estimated at £765,968 in the Directors' SOA prepared for the purposes of the Administration.

The Liquidators have not yet adjudicated the claims of preferential creditors as any distribution will be dependent on the outcome of recoveries in the Liquidation

### **3.3 Unsecured Creditors**

The Liquidators have received claims from 12 unsecured creditors totalling £2,282,125. Claims from 68 creditors whose debts total £1,942,379 as per the SOA remain outstanding. No defined clarification of creditors' claims has been undertaken by the Liquidators and any distribution is dependent on the outcome of recoveries in the Liquidation.

## **4. Net Property Calculation and Prescribed Part**

4.1 Under the provisions of Section 176A of the Act, the Liquidators must state the amount of funds available to unsecured creditors in respect of the Prescribed Part. This provision only applies where the Company has granted a floating charge to a creditor after 15 September 2003.

4.2 A floating charge was granted in favour of RBSIF. However, the charge was created prior to 15 September 2003, and, therefore, the Prescribed Part does not apply.

## **5. Joint Liquidators' Remuneration**

5.1 The statutory provisions relating to remuneration are set out in Rule 4.127 of the Rules. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Liquidators' Fees', a copy of which may be accessed from the web site of the Insolvency Practitioners Association at [www.insolvency-practitioners.org.uk](http://www.insolvency-practitioners.org.uk) (follow 'Regulation and Guidance' then 'Creditors' Guides to Fees'), or is available in hard copy upon written request to the Liquidators' offices.

5.2 Pursuant to Rule 4.127 (5A) of the Rules, the basis of remuneration as fixed in a prior administration is extended to a subsequent liquidation. The approval of remuneration on a time cost basis in the previous administration, as reported above, therefore applies to remuneration drawn in the Liquidation.

5.3 Time costs incurred in the Liquidation for the period from 30 September 2015 to 29 September 2016 are £46,279.75. This represents 139.80 hours at an average rate of £331.04 per hour.

5.4 Cumulative time costs incurred in the Liquidation for the period from 30 September 2014 to 29 September 2016 are £121,556.25. This represents 379.05 hours at an average rate of £320.69 per hour. Attached at Appendix III is a Time & Cost Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by the Liquidators and their team in managing the Liquidation.



- 5 5 It is the Liquidators' policy to delegate the routine tasks of the Liquidation to less senior staff in order to maximise the cost effectiveness of the work performed. These staff are supervised by senior staff and the Liquidators. Any matter of complexity or significance is dealt with by the senior staff on the team and the Liquidators.

Time costs incurred in the period relate primarily to the following

- Administration and case planning,
- Administrative set-up,
- Appointment notification,
- Maintenance of records,
- Statutory reporting,
- Investigating antecedent transactions,
- Recovery of book debts, and,
- Communication with creditors, including quarterly reports to HM Revenue & Customs

- 5 6 The Liquidators have not drawn any fees in respect of their time costs to date
- 5 7 Attached at Appendix III is a schedule detailing activities undertaken together with supporting information in accordance with the Association of Business Recovery Professionals' Statement of Insolvency Practice 9 ("SIP 9")

Additional information relating to Moorfields' policy on staffing, the use of subcontractors, disbursements and details of current charge out rates by staff grade can be found at Appendix IV

## **6. Joint Liquidators' Disbursements**

### **6 1 Category 1 Disbursements**

Category 1 Disbursements are defined as specific expenditure relating to the management of the insolvent's affairs and referable to payment to an independent third party. Such disbursements can be paid from the insolvent's assets without approval from the creditors' committee or the general body of creditors. It is Moorfields' policy to disclose Category 1 Disbursements drawn but not to seek approval for their payment.

The Liquidators are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

The following Category 1 Disbursements have been incurred by the Liquidators to date but not paid:

Disbursement	Accrued as at 29 September 2016 £
Land Registry Searches	9 00
<b>TOTAL</b>	<b>9.00</b>

## 6.2 Category 2 Disbursements

Category 2 Disbursements are charges made by the Liquidators' firm that include elements of shared or overhead costs. SIP 9 provides that such disbursements are subject to approval as if they were remuneration.

The following Category 2 Disbursements are currently charged by this firm

- Stationery and postage charge for sending out circulars – 5 pence per sheet plus postage at cost
- A set-up charge of £50 per case for online creditor reporting where applicable
- Mileage allowances are paid at HM Revenue & Customs approved rates. For personnel using their own vehicles, these are currently 45 pence per mile for the first 10,000 miles and 25 pence per mile thereafter

The following Category 2 Disbursements have been incurred by the Liquidators to date but not paid

Disbursement	Accrued as at 29 September 2016 £
Creditor Portal	50 00
<b>TOTAL</b>	<b>50.00</b>

## 7. Creditors' Rights

A secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing within 21 days of the receipt of this report that the Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report.

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

## 8. Next Report

The Liquidators are required to provide a further report on the progress of the Liquidation within two months of the end of the next anniversary of the Liquidation, unless they have concluded matters prior to this, in which case they will write to all creditors with their final progress report ahead of convening the final meeting of creditors

Should you have any queries regarding this report please contact Steven Sartin on the below details

Yours faithfully



**S R Thomas**  
**Joint Liquidator**

DDI 0207 186 1155  
Fax 0207 186 1177  
Email [ssartin@moorfieldscr.com](mailto:ssartin@moorfieldscr.com)

**Jani-King (GB) Limited (In Creditors' Voluntary Liquidation)  
Statutory Information**

**Company Information**

Company Number	02713245
Registered Office	c/o Moorfields Advisory Limited, 88, Wood Street, London EC2V 7QF
Trading Address	Kingstons House, 15 Coombe Road, Kingston Upon Thames, Surrey KT2 7AD
Principal Activity	Cleaning Services

**Appointment details**

Joint Liquidators	Simon Thomas & Nicholas O'Reilly (IP Nos 8920 & 8309)
Joint Liquidators' address	Moorfields, 88 Wood Street, London EC2V 7QF
Date of appointment	30 September 2014
Appointed by	Members and Creditors
Functions	Any act required or authorised under any enactment to be done by a Liquidator may be done by either or both of the Joint Liquidators acting jointly or alone
EC Regulations	The Company's registered office is from where the Company carries on its business. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom and as such these proceedings will be the main proceedings as defined in article 3 of the EC regulation

## Janl-King (GB) Limited - in Liquidation

	Estimated to Realise per Statement of Affairs	Fixed Charge for period 30/09/15 - 29/09/16	Floating Charge for period 30/09/15 - 29/09/16	Total for period 30/09/15 - 29/09/16	Total for liquidation
	£	£	£	£	£
<b>Receipts</b>					
Bank Interest	-	26 28	5 09	31 37	77 49
Contribution to Costs of Assignment of Claim	-	-	-	-	10,000 00
Debtors	52,100 00	-	-	-	-
EFG Premium Refund	-	-	564 35	564 35	564 35
VAT Refund from Administration	-	-	-	-	33,390 55
<b>Total</b>		<b>26 28</b>	<b>569 44</b>	<b>595 72</b>	<b>44,032 39</b>
<b>Payments</b>					
Joint Administrators Fees	-	-	-	-	14,561 73
Legal Fees	-	-	-	-	6,765 48
Professional Fees	-	-	750 00	750 00	3,562 00
Stationery & Postage	-	-	393 22	393 22	776 36
Insurance of Assets	-	-	-	106 00	106 00
Statutory Advertising	-	-	-	-	253 80
Storage Costs	-	-	790 40	790 40	1,571 52
VAT Receivable	-	-	386 72	386 72	493 55
<b>Total</b>		<b>-</b>	<b>2,320 34</b>	<b>2,320.34</b>	<b>28,090 44</b>
<b>Balances in Hand</b>		<b>26 28</b>	<b>- 1,750 90</b>	<b>- 1,724.62</b>	<b>15,941 95</b>

Made up as follows

Fixed Charge Account	14,029 14
Floating Charge Account	1,912 81
	<b>15,941 95</b>

## SIP 9 Time and Cost Summary

Jan-King (GB) Limited - In Liquidation  
Post Appointment Time Costs from 30 September 2015 to 29 September 2016

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Maintenance of Records	0 00	0 00	0 90	0 00	0 90	200 50	222 78
Statutory Reporting	0 00	0 70	9 20	0 00	9 90	2,551 50	257 73
Case Monitoring	0 00	2 00	1 70	0 50	4 20	1,378 50	328 21
General Administration	0 00	0 00	0 20	1 00	1 20	224 00	186 67
Cashiering	0 20	0 00	0 40	4 10	4 70	874 00	185 98
Partner Review	1 50	0 00	0 00	0 00	1 50	791 25	527 50
Admin & Planning	1 70	2 70	12 40	5 60	22 40	6,019 75	268 74
Other Assets	2 00	0 00	0 50	0 00	2 50	1,157 50	463 00
Freehold/Leasehold Property	2 50	0 00	9 10	0 00	11 60	3,528 00	304 14
Debtors	0 00	0 00	21 50	0 00	21 50	5,279 50	245 58
Asset Related Legal Matters	0 00	0 00	4 50	0 00	4 50	1 130 50	251 22
Asset Realisation	4 50	0 00	35 60	0 00	40 10	11,095 50	276 70
Legal Matters	2 30	0 00	0 50	0 00	2 80	1 311 50	468 39
Case Specific	0 00	0 00	2 60	0 00	2 60	650 00	250 00
Case Specific Matters	2 30	0 00	3 10	0 00	5 40	1,961 50	363 24
Secured Creditor Reports	0 00	0 00	1 30	0 00	1 30	318 50	245 00
Creditor Correspondence	0 00	0 00	0 40	0 00	0 40	102 00	255 00
Employee Creditor claims	0 00	0 00	0 30	0 00	0 30	76 50	255 00
Creditors	0 00	0 00	2 00	0 00	2 00	497 00	248 50
Director's Correspondence	33 00	1 30	34 60	0 00	68 90	26,461 00	384 05
Antecedent Transactions	0 00	0 00	1 00	0 00	1 00	245 00	245 00
Investigations	33 00	1 30	35 60	0 00	69 90	26,706 00	382 06
<b>Total Hours</b>	<b>41.50</b>	<b>4 00</b>	<b>88.70</b>	<b>5 60</b>	<b>139 80</b>	<b>46,279 75</b>	<b>331 04</b>
<b>Total Fees Claimed</b>						<u>0.00</u>	<u>0 00</u>

## SIP 9 Time and Cost Summary

Jani-King (GB) Limited - In Liquidation  
Post Appointment Time Costs from 30 September 2014 to 29 September 2016

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Case Planning	0.00	0.25	1.30	0.00	1.55	366.25	236.29
Appointment Notification	0.00	0.50	4.50	0.00	5.00	1,100.00	220.00
Maintenance of Records	0.00	0.00	0.90	0.00	0.90	200.50	222.78
Statutory Reporting	0.10	0.70	9.20	0.00	10.00	2,603.00	260.30
Case Monitoring	7.20	7.30	8.00	0.50	23.00	8,688.50	377.67
General Administration	0.00	0.00	0.20	1.40	1.60	288.00	180.00
Cashiering	0.20	0.00	2.80	9.85	12.65	2,340.00	184.98
Partner Review	23.75	0.00	0.00	0.00	23.75	11,860.00	499.37
Post appoint VAT and CT returns	0.10	1.50	3.80	0.00	5.40	1,491.50	276.20
Admin & Planning	31.35	10.25	30.70	11.55	83.85	28,935.75	345.09
Other Assets	0.00	1.00	45.90	0.00	46.90	10,528.00	224.48
Freehold/Leasehold Property	2.00	0.00	0.50	0.00	2.50	1,157.50	463.00
Debtors	6.00	2.00	15.60	0.00	23.60	7,581.50	321.25
Retention of Title	0.00	0.00	1.20	0.00	1.20	278.00	230.00
Asset Related Legal Matters	0.00	2.40	55.30	0.00	57.70	14,574.50	252.59
Asset Realisation	8.00	5.40	118.50	0.00	131.90	34,117.50	258.66
Legal Matters	6.30	0.80	0.50	0.00	7.60	3,711.50	488.36
Case Specific	2.00	0.00	3.80	0.00	5.80	1,938.50	328.56
Case Specific Matters	8.30	0.80	4.40	0.00	13.50	5,650.00	418.52
Secured Creditor Reports	0.00	0.00	12.60	0.00	12.60	2,828.00	224.29
Creditor Correspondence	0.00	2.90	3.10	0.00	6.00	1,901.00	316.83
Employee Creditor claims	0.00	0.00	4.50	0.00	4.50	954.00	212.00
Creditors	0.00	2.90	20.20	0.00	23.10	5,681.00	245.93
Director's Correspondence	0.00	0.00	1.90	0.00	1.90	447.50	235.53
SIP2 Review	0.00	0.30	15.50	0.00	15.80	3,865.50	244.65
CDDA Reports	0.00	0.00	1.90	0.00	1.90	427.50	225.00
Antecedent Transactions	57.50	3.30	46.30	0.00	107.10	42,431.50	398.19
Investigations	57.50	3.60	85.60	0.00	126.70	47,172.00	372.31
<b>Total Hours</b>	<b>105.15</b>	<b>22.95</b>	<b>239.40</b>	<b>11.55</b>	<b>379.05</b>	<b>121,556.25</b>	<b>320.69</b>
<b>Total Fees Claimed</b>						<u>0.00</u>	<u>0.00</u>

## **Moorfields Charging and Disbursement Recovery Policy**

### **1. Explanation of Time Analysis Headings**

Appendix III of this report outlines the time costs to date in relation to activities undertaken during this matter. Set out below is a more detailed explanation of those activities included in the headings provided.

#### **1.1. Administration and Planning**

The following activities have been undertaken:

- Statutory duties associated with the appointment including the filing of relevant notices and Statement of Affairs,
- Notification of the appointment to members and creditors, employees and other interested parties,
- Setting up case files,
- Reviewing available information to determine Liquidation strategy,
- Setting up and maintaining bank accounts,
- Implementing strategy for the Liquidation,
- 6 month reviews of the case, and
- Correspondence with the Insolvency Compliance Unit at BIS

Staff at different levels were involved in the above activities, depending upon the experience required.

#### **1.2. Realisation of assets**

Appendix II shows the realisations made during the period of the Liquidation. In this case the assets belonging to the Company were:

- EFG Refund, and
- Bank Interest

#### **1.3. Creditors**

The time spent includes the following matters:

- Recording and maintaining the list of creditors,
- Dealing with employee related matters,
- Reporting to and meetings of creditors, and
- Reviewing and agreeing creditor claims

#### **1.4. Investigations**

The time spent includes the following matters:

- Investigation into the Company's affairs, prior to commencement of Liquidation,
- Reviewing Company books and records, including accounts and bank statements,
- Corresponding with directors, issuing and reviewing directors' questionnaires,
- Completion of Director's Conduct Report and submission to Insolvency Compliance Unit at BIS in accordance with Company Directors Disqualification Act 1986



## 2. Statement of Policy on Charging Remuneration and Disbursements January 2016

In accordance with best practice we provide below details of policies of Moorfields, in respect of fees and disbursements for work in relation to insolvency estates

The Partners will engage managers and other staff to work on the insolvent estate and statutory compliance diaries. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the estate's bank accounts. Work carried out by all staff is subject to the overall supervision of the Partners.

All time spent by staff working directly on case related matters is charged to a time code established for the case. Each member of staff has a specific hourly rate, which is subject to change over time.

The current charge out rates per hour of staff within the firm who may be involved in working on the insolvency follows, this in no way implies that staff at all such grades will work on the case.

GRADE	£
Partner	530
Director/ Senior Manager	450
Manager	355
Assistant Manager	300
Senior Administrator	255
Administrator	225
Cashier/ Support	195

The rates charged by Moorfields are reviewed periodically in January & July each year and are adjusted to take account of inflation and the firm's overheads.

Our rates increased on 1 January 2016. The charge out rates per hour for the period from 1 January 2015 to 31 December 2015 were:

GRADE	£
Partner	515
Director/ Senior Manager	425
Manager	355
Assistant Manager	280
Senior Administrator	245
Administrator	195-225
Cashier/ Support	195

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 in units of 6 minutes.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time cost basis the time invoiced will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors, the

report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs. The current hourly rates may be higher than the average rates, if hourly rates have increased over the period covered by the fee request.

Approved remuneration will be drawn at such times that sufficient funds are available.

## **OTHER COSTS**

In accordance with Statement of Insolvency Practice No. 9, where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.

### **Category 1 Disbursements**

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling, postage, photocopying (if external provider), statutory advertising and other expenses made on behalf of the assignment.

Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

### **Category 2 Disbursements**

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Moorfields for the provision of services which include an element of recharged overhead, for example, room hire or document storage. Statement of Insolvency Practice No. 9 provides that such disbursements are subject to approval as if they were remuneration. It is our policy, in line with the Statement, to seek approval for Category 2 disbursements before they are drawn.

The following Category 2 disbursements are currently charged by this firm:

- Stationery and postage charge for sending out circulars – 5 pence per sheet plus postage at cost
- A set-up charge of £50 per case for online creditor reporting where applicable
- Mileage allowances are paid at HM Revenue & Customs approved rates. For personnel using their own vehicles, these are currently 45 pence per mile for the first 10,000 miles and 25 pence per mile thereafter.

It should be noted that disbursements costs might increase from time to time, however, increases would only be in line with inflation or increases from our supplier.