

# AM10

## Notice of administrator's progress report



Companies House

WEDNESDAY



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A23

12/07/2017

#110

COMPANIES HOUSE

### 1 Company details

Company number	0	2	7	5	8	0	2	9
Company name in full	Industrial and Commercial Mouldings Limited							

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s)	Alan J
Surname	Clark

### 3 Administrator's address

Building name/number	Recovery House
Street	15-17 Roebuck Road
Post town	Hainault Business Park
County/Region	Ilford, Essex
Postcode	I G 6 3 T U
Country	

### 4 Administrator's name ①

Full forename(s)	
Surname	

① Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number	
Street	
Post town	
County/Region	
Postcode	
Country	

② Other administrator  
Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 0	<sup>d</sup> 8	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 6
To date	<sup>d</sup> 0	<sup>d</sup> 7	<sup>m</sup> 0	<sup>m</sup> 6	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X 

X

Signature date	<sup>d</sup> 0	<sup>d</sup> 6	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7
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# AM10

## Notice of administrator's progress report



### 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	Ryan Sinclair
Company name	Carter Clark
Address	Recovery House
	15-17 Roebuck Road
Post town	Hainault Business Park
County/Region	Ilford, Essex
Postcode	I G 6 3 T U
Country	
DX	
Telephone	020 8524 1447



### 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

**In the matter of**

**Industrial and Commercial Mouldings Limited – In Administration  
("the Company")**

**In the High Court of Justice  
Companies Court Number 8146 of 2016**

**Administrator' progress report**

6 July 2017

Alan Clark  
Administrator

Carter Clark  
Recovery House  
15-17 Roebuck Road  
Hainault Business Park  
Ilford  
Essex IG6 3TU

**Carter Clark** 

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Carter Clark fee policy

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## **ADMINISTRATOR'S PROGRESS REPORT TO CREDITORS**

**For the six months ending 7 June 2017**

### **EXECUTIVE SUMMARY**

Industrial and Commercial Moulding Limited ("ICM" / "the company") is a Tier 2 supplier of injection moulded parts to the automotive and medical industries. The company entered administration on 8 December 2016 following threats of distraint from HMRC which would have been catastrophic to the business, customers, suppliers and staff and resulted in huge claims for breach of contract against the company. In order to preserve value, the Administrator decided to trade the business whilst attempting to find a buyer for the business and assets. This has been a long and arduous process due to the nature of the automotive industry and the need to maintain the supply of goods whilst attempts were made to find a suitable buyer.

The administration has been a success as trading resulted in the continued supply of parts to customers and, whilst a sale of the business was not possible, a sale of the assets has been achieved. Once the Administration is finalised it is currently anticipated that a dividend to both preferential and non-preferential creditors will be available.

### **ADMINISTRATOR'S ACTIONS SINCE APPOINTMENT**

ICM manufactured injection moulded parts for the automotive and medical industries. It traded from factories in Hitchin and Milton Keynes and employed 56 staff. The company's largest automotive customers were Grupo Antolin and Plastic Omnium who were Tier 1 suppliers to various automotive manufacturers. Following my appointment various customers expressed their desire for the company to continue with the supply contracts in place. Furthermore, they explained the consequences if they could not meet the delivery schedules in place with their customers. If production lines were forced to close ICM would be liable for huge penalty claims. One customer suggested their claim alone would be in the region of £3.5m per week.

In order to try to preserve any value in the business the decision was made to trade whilst a buyer was found. Trading was financed by cash at hand combined with careful management of working capital and trade debtors. Gordon Brothers (Europe) Limited undertook an initial valuation of the business and assets and were instructed to market the business with the intention of selling the business and assets as a going concern. Various groups requested information and three offers were received. Gordon Brothers subsequently recommended an offer from Coral Products PLC.

The management of Coral had significant experience in the automotive sector and wished to expand their current business into this market. After a review of the manufacturing capacity at ICM and following a period of due diligence Coral made an offer for the assets of the company. Due to their existing facilities, they were not interested in continuing manufacturing at Hitchin or Milton Keynes.

The customers of ICM required that significant stock be manufactured before any tooling, which was owned by third parties, could be moved. In addition two customers decided to undertake an engineering assessment of Coral before they would allow them to join their supply chains. Both the stock build and the customer assessments took considerable time. This meant that significant time costs were incurred by the Administrator and his team in continuing to trade the business whilst the production programme and agreement of the relevant motor manufacturers to transfer tools was agreed. Nevertheless, after months of work, the move programme was implemented. Production at the Milton Keynes factory ceased in April 2017 and some staff were made redundant whilst others transferred to Hitchin to assist with ongoing production.

## Industrial and Commercial Mouldings Limited - In Administration Progress Report

Production at Hitchin is ongoing but now coming to an end. It is anticipated that the remaining customer will give approval for its tooling to be moved in mid July and the remaining employees will then be made redundant and the factory closed.

Enclosed with this report is a summary of the receipts and payments from trading to date. In addition, there is a summary of the estimated trading position. Whilst a loss on trading has been incurred, it has resulted in significantly enhanced realisations. Furthermore, the extended period of trading has enable ICM to successfully complete all customer orders and thereby enhanced the recovery of book debts. As noted above, without ongoing supply the customers would have had huge claims from the motor manufacturers which would have been set off against any sums due, with the deficit forming massive unsecured claims against ICM. This has hopefully now been avoided.

There is certain work that I am required by the insolvency legislation to undertake in connection with the Administration that provides no direct financial benefit for the creditors. A description of the routine work undertaken since my appointment as Administrator is contained in Appendix 4.

### RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 8 December 2016 to 7 June 2017 is attached at Appendix 2. Additional debts remain to be settled by customers and various costs in connection with both trading and the Administration generally are still outstanding. The estimated trading position is set out on a separate schedule. The balance of funds are held in a non-interest bearing estate bank accounts.

### ASSETS

On 5 December 2016, a valuation of the assets of the Company was prepared by Jennifer Pearce MNAV of Gordon Brothers Europe Limited, an independent firm of valuers who have confirmed that they hold Professional Indemnity Insurance.

On 21 March 2017 I sold the assets of the Company to Coral Products PLC. The assets were sold for £200,000. An outline of the different types of asset sold and the amount for which they were sold, together with a comparison against the valuation realised, is set out below:

Asset category	Valuation basis & amount (£)		Sale Consideration
	In Situ	Ex Situ	£
<u>Uncharged assets</u>			
Plant & machinery			194,000
Office equipment			5,000
Motor vehicle			1,000
<u>Assets subject to finance</u>			
Arburg moulding machines	240,000	200,000	
Less: Societe Generale	(308,460)	(308,460)	
Arburg moulding machine	100,000	85,000	
Less: Hitachi Capital	(104,210)	(104,210)	
Arburg moulding machine	50,000	40,000	
Less: Hitachi Capital	(63,080)	(63,080)	
<b>Total</b>	<b>75,500</b>	<b>43,000</b>	<b>200,000</b>

## **Industrial and Commercial Mouldings Limited - In Administration Progress Report**

Market Value is defined in the RICS Global Valuation Practice Statement ("VPS") 4 1.2.1 of the RICS Valuation Professional Standards January 2014 (the 'Red Book') incorporating the International Valuation Standards where appropriate. This means the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.

In terms of references to Market Value (MV), 'In-Situ' refers to as a whole in place.' Ex-Situ' refers to as individual items for removal from their current location at the expense of the purchaser, subject to a special assumption, of a sale within a restricted marketing period of 60 days.

A summary of the statement of affairs as at 8 December 2016, provided by Mr P Chippendale, (Director) is set out at Appendix 3. My comments on the assets and liabilities of the company are as follows:

### Leasehold Property

The company traded from two manufacturing facilities located in Milton Keynes and Hitchin, both of which provided workshop and office facilities. No value existed in the leases due to the number of similar empty premise in Milton Keynes and the age and condition of the Hitchin premise.

### Plant & Machinery

Arburg injection moulding machines were subject to finance with Societe Generale and Hitachi Capital. Gordon Bothers advised that no equity was thought to exist in these machines. In addition, due to the nature of the equipment, in a forced sale scenario significant costs were likely to be incurred in moving the machinery, as specialist engineers were required.

The company's main unencumbered assets comprised a range of various capacity Sandretto injection moulding machines. The main production plant is supplemented by a small number of machine tools, cranes, compressors and material handling equipment.

Coral Products undertook a review of all equipment and, as part of their offer, undertook a novation of hire purchase agreements of all outstanding finance with both Societe Generale and Hitachi Capital. These machines were relocated to Coral Products in Haydock following sale over a period of time to allow ICM to continue to use the machinery as part of the stock build programme.

### Office Equipment

All the company's office equipment, consisting of desks, chairs, computers and so forth were old and of little value.

### Motor Vehicle

The company operated one unencumbered commercial vehicle, a Vauxhall Vivaro panel van. Due to the high mileage and significant panel damage agents advised the vehicle is likely to achieve little more than scrap value.

### Stock

Stock comprised of specialist raw materials and packaging. All materials were specified by customers and in some cases the grade and mix of plastics were unique to ICM. Various lines of raw materials were subject to retention of title.



## **Industrial and Commercial Mouldings Limited - In Administration Progress Report**

The company accounted for stock ordering and sales using a specialised software programme which was linked to its accounting package. Both systems were relatively new. ICM had unfortunately encountered some difficulties in the implementation of the manufacturing package and this provided some uncertainty over the book value of certain lines of stock. The allocation of overheads and labour costs into the value of stock for accounting purposes was thought to explain these differences. As a result, the statement of affairs listed stock with a cost value of £245,000 but a stock list suggested a cost value of £70,707. The estimated realisable value was thought to be £35,000 but this would have been dependent upon finding a buyer for the exact raw material specification required by each customers supply contract.

As the company continued its trade, unencumbered stock was utilised in the production process and any retention of title claims settled. No further realisations are anticipated.

### Debtors

The company supplied 18 customers, of which 17 were in the automotive sector and one in the medical products sector. Of the automotive customers, two customers represented 70% of the sales ledger of £556,000. The automotive industry operates on a global supply chain basis and this means that it is not uncommon for customers to effectively take 90 days or longer to settle invoices. Where issues on pricing, delivery, quality control, exchange rates or production scheduling arise the settlement of sales invoices can be difficult. Currently the sum of £88,355 is still outstanding and attempts at recovery are ongoing.

### Cash at Bank

The balance at bank at the date of appointment was £83,301. These funds have been realised in full and were utilised to fund ongoing trading expenses during the administration.

## **LIABILITIES**

### Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no current charges over its assets.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case there were no creditors secured by a floating charge such that the prescribed part provisions do not apply.

### Preferential Creditors

Employee claims for any arrears of pay or holiday pay, subject to certain statutory limits, are classed as preferential claims against the company. The statement of affairs anticipated £44,800 in preferential creditors. Claims totaling £3,335 have so far been received. We are awaiting further claims from the Redundancy Payment Service following further redundancies as production at Hitchin is bought to an end.

### Crown Creditors

The statement of affairs included £333,898 owed to HMRC for PAYE and VAT. HMRC's have yet to finalise their claim. RS Partnership, the company's accountants, are assisting with a review of the company's tax affairs and have lodged a claim for an R&D Tax Credit which, if accepted, may reduce the overall liability to HMRC.

## **Industrial and Commercial Mouldings Limited - In Administration Progress Report**

### Non-preferential unsecured Creditors

The statement of affairs included 79 non-preferential unsecured creditors with an estimated total liability of £1,262,953. I have received claims from 59 creditors at a total of £2,376,636. I have not received claims from 36 creditors with original estimated claims in the statement of affairs of £117,105.

The company traded from two industrial units, one in Milton Keynes and one in Hitchin. The Milton Keynes premises was vacated in April 2017 and the landlords have submitted a claim in connection with future rent and dilapidations for £1.3m. This claim is being reviewed by Blake Morgan LLP as part of their work on agreeing a surrender of the company's leasehold interest.

The leasehold property in Hitchin is still in use, although it is anticipated that, once production ends, the unit will be closed and offered back to the landlord. It is uncertain if any claim will be made in respect of the company's occupation for many years.

### **DIVIDEND PROSPECTS**

#### *Secured creditors*

No such claims are anticipated

#### *Preferential creditors*

A dividend will be paid to the preferential creditors of 100p /£1, and will be paid shortly.

#### *Non-preferential unsecured creditors*

I cannot make a distribution to unsecured creditors within the administration. A distribution can only occur after the administration has been converted to a creditor's voluntary liquidation. I will be able to provide creditors with an indication of the timing of, and amount of, the dividend when the administration is closed and the company placed into liquidation.

### **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.

Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the six months prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the Administration and made enquiries about the reasons for the changes.

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

Within six months of my appointment as Administrator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

## **ADMINISTRATOR'S REMUNERATION**

My remuneration was approved on a time cost basis based on a fees estimate of £152,527. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors. My total time costs to 6 June 2017 amount to £221,506, representing 688.50 hours of work at a blended charge out rate of £307.20 per hour. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £294.57 in my fees estimate. The difference between the blended charge out rate in my fees estimate and the actual is relatively small and was caused by the time taken to secure a sale of the assets. Due to the complexity of issues that arose requiring slightly more tasks undertaken be either a partner or manager rather than a case administrator.

I have drawn £43,000 to the date of this report and in the reporting period to which this report relates.

A detailed schedule of my time costs incurred to the period covered by this report and also to the date of this report compared with my original fees estimate is attached as Appendix 2.

As at today's date, as you can see from the information provided in this report, the total time costs I have incurred in respect of the categories of work for which I am being remunerated on a time cost basis, have exceeded the total estimated remuneration set out in my fees estimate. I intend to seek a future decision to approve an increase in my fees estimate from the creditors and more information will be provided when I seek a decision from creditors on increasing my remuneration.

I have incurred time costs in excess of my fees estimate previously provided to creditors. This is due to a number of reasons. The sale of the assets became an extended process due to there being several interested parties. Once a deal for the sale of the assets had been agreed in principal the actual finalisation of the deal became extremely complex due to the need for the assets to be moved from the trading premises in stages to allow for a build up of stock to the tier one suppliers whilst they relocated their tooling. This also involved discussions with the company's customers, which proved time consuming.

Due to the reasons set out above I have also had to keep the company in Administration longer than intended. Had I been able to cease trading earlier, it would have been possible to convert the Administration to a Creditors Voluntary Liquidation earlier. The delay in conversion has unfortunately increased the costs.

The work that remains to be done within the Administration is to finalise trading and vacate the Hitchin premise. In addition I will need to ensure that all trading expenses and administration costs have been paid. Within the Administration I will also be paying the preferential dividend. Matters such as the payment of dividend to unsecured creditors will be progressed once the company is in voluntary liquidation.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Administrators' Fees' also published by R3, together with an explanatory note which shows 's fee policy are available at the link [www.carterclark.co.uk](http://www.carterclark.co.uk). Please note that there are different versions of the Guidance Notes and in this case you should refer to the October 2015 version.

## **ADMINISTRATOR'S EXPENSES**

I have incurred total expenses of £1,268.22 since my appointment as Administrator. I have not drawn any expenses in this matter.

I have incurred the following expenses in the period since my appointment as Administrator.

**Industrial and Commercial Mouldings Limited - In Administration  
Progress Report**

<b>Type of expense</b>	<b>Amount incurred/ accrued in the reporting period £</b>
Bank Charges	40.00
Insolvency Bond	940.00
Statutory Advertising	143.22
Travel	140.00
Company Search Fees	7.50

I have not incurred any following category 2 disbursements in the period since my appointment as Administrator.

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

<b>Professional Advisor</b>	<b>Nature of Work</b>	<b>Basis of Fees</b>
Gordon Brothers (Europe) Limited	Valuer/Auctioneer	Time costs and percentage of realisations
Blake Morgan LLP	Solicitors	time costs
RS Partnership Limited	Accountants	Fixed Fee
Priority Risk Limited	Health and Safety consultants	Fixed Fee

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

Gordon Brothers (Europe) Limited have assisted in the sale of the business assets and prepared the initial valuation report. In addition, they prepared a sales pack and circulated this to potentially interested parties on their data base. They were also involved in the detailed negotiations with the interested parties and held meetings with them. Finally, they have assisted me in clearing the premises at Milton Keynes. As the person who I dealt with at Gordon brothers is currently on holiday I have been unable to obtain an exact figure for their fees but estimate them at £40,000.

Blake Morgan LLP have provided legal advice throughout the Administration. They prepared and negotiated the final terms of the sale agreement with the purchaser. I have also utilised their services to provide advice on employment law, creditor's retention of title claims and in connection with the claim of the landlord at the Milton Keynes. To date I have paid them £12,325. Their unbilled work in progress is currently fairly low.

I instructed RS Partnership Limited in relation to two matters. The first was to provide assistance to the director in preparing the Statement of Affairs. A fee of £3,000 was agreed for this. The second matter I instructed them in connection with was the calculation of the Research and Development tax credit due to the company so that this could be set off against the claim of HMRC and thereby increase the dividend to the other unsecured creditors.

The insurance company that I effected insurance through required me to have a health and safety assessment carried out in respect of the trading premises. I instructed Priority Risk to undertake this work on my behalf for a fixed fee of £3,000.

The total expenses I will incur will exceed the estimate given within my proposals. The legal fees have increased due to additional work required. I had not anticipated the requirement for specialist employment advice at the date of my proposals. I also had not envisaged that I would need a Health and Safety report. I was also unaware of the potential R&D tax credit and therefore had not envisaged accountancy fees to agree this.

**Industrial and Commercial Mouldings Limited - In Administration  
Progress Report**

**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 Administrator's 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 unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrator's 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.

To comply with the Provision of Services Regulations, some general information about can be found at [www.carterclark.co.uk](http://www.carterclark.co.uk)

**SUMMARY**

The Administration will remain open until I have finalised the trading of the company. Once this occurs I will convert the Administration to a Creditors Voluntary Liquidation. I estimate that this will take approximately 3 months.

If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available on-line, they should contact Ryan Sinclair by email at [ryan.sinclair@carterclark.co.uk](mailto:ryan.sinclair@carterclark.co.uk) or by phone on 020 8524 1447.



AJ Clark

**ADMINISTRATOR**

The affairs, business and property of the Company are being managed by the Administrator, Alan J Clark. The Administrator acts as an agent of the Company and contract without personal liability.

**Industrial and Commercial Mouldings Limited - In Administration  
Progress Report**

**STATUTORY INFORMATION**

Company name:	Industrial and Commercial Mouldings Limited
Formerly known as:	
Court name and reference:	High Court of Justice - Companies Court 8146 of 2016
Registered office:	Recovery House, Hainault Business Park, 15-17 Roebuck Road, Ilford, Essex, IG6 3TU
Former registered office:	Riverside House, 14 Prospect Place, Welwyn, Herts, AL6 0SL
Registered number:	02758029
Administrator's name:	Alan J Clark
Administrator's address:	Recovery House 15-17 Roebuck Road Hainault Business Park Ilford, Essex IG6 3TU
Administrator's date of appointment:	8 December, 2016

**Industrial and Commercial Mouldings Limited**  
**(In Administration)**  
**Administrator's Summary of Receipts & Payments**  
**To 07/06/2017**

<b>S of A £</b>		<b>£</b>	<b>£</b>
	<b>SECURED ASSETS</b>		
	Bank Interest	0.15	0.15
	<b>HIRE PURCHASE</b>		
100,000.00	Plant & Machinery	NIL	
(269,276.00)	Society Generale	NIL	
50,000.00	Plant & Machinery	NIL	
(147,122.00)	Hitachi Finance	NIL	NIL
	<b>ASSET REALISATIONS</b>		
4,000.00	Plant & Machinery	198,430.00	
	Fixtures & Fittings	1,570.00	
35,000.00	Stock	NIL	
300,000.00	Book Debts	421,818.13	
83,301.00	Cash at Bank	83,592.64	
	Rates Refund	2,037.80	
	Trading Surplus/(Deficit)	(295,513.69)	411,934.88
	<b>COST OF REALISATIONS</b>		
	Office Holders Fees - Time costs	43,000.00	
	Legal Fees	12,325.50	
	Bank Charges	537.26	(55,862.76)
	<b>PREFERENTIAL CREDITORS</b>		
(44,800.00)	Employee Arrears/Hol Pay	NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(550,657.00)	Trade & Expense Creditors	NIL	
(112,000.00)	Employees	NIL	
(296,694.00)	HMRC - PAYE/NIC	NIL	
(37,204.00)	HMRC - VAT	NIL	NIL
	<b>DISTRIBUTIONS</b>		
(11,500.00)	Ordinary Shareholders	NIL	NIL
<b>(896,952.00)</b>			<b>356,072.27</b>
	<b>REPRESENTED BY</b>		
	Vat Receivable		114,540.73
	Fixed Current A/c		320,181.62
	Euro Current A/c		5,493.07
	NatWest Sterling Account		3,644.88
	NatWest Euro Account		68,281.84
	Vat Payable		(139,287.58)
	PAYE & NI		(16,782.29)

**Industrial and Commercial Mouldings Limited**  
**(In Administration)**  
**Administrator's Trading Account**  
**To 07/06/2017**

S of A £	£	£
<hr/>		
POST APPOINTMENT SALES		
Sales	783,858.27	783,858.27
 PURCHASES		
Purchases	444,844.30	
Retention of Title	6,757.06	
		(451,601.36)
 OTHER DIRECT COSTS		
Direct Labour	397,049.13	
Direct Expenses	39,010.83	
Consumable Stores	10,367.10	
		(446,427.06)
 TRADING EXPENDITURE		
Rents	23,299.35	
Heat & Light	25,781.33	
Travel	120.00	
Telephone	1,292.12	
Carriage	42,106.60	
Insurance	16,975.17	
Professional Fees	4,385.00	
Bank Charges	270.92	
Lease/HP Payments	48,593.79	
Hire of Equipment	6,890.00	
Repairs & Maintenance	5,207.06	
Sundry Expenses	1,109.18	
Vehicle Running Costs	120.78	
Waste disposal	3,153.24	
Legal Fees	2,039.00	
		(181,343.54)
 <b>TRADING SURPLUS/(DEFICIT)</b>		<b>(295,513.69)</b>
		<hr/>



**Industrial and Commercial Mouldings Limited**  
**Estimated Statement Of Affairs as at 8 December 2016**

	Book Value £	Estimated to Realise £	£
<b>ASSETS</b>			
Plant & Machinery	283,363.00	100,000.00	
Society Generale		(269,276.00)	
Deficiency c/d		<u>(169,276.00)</u>	
Plant & Machinery	184,580.00	50,000.00	
Hitachi Finance		(147,122.00)	
Deficiency c/d		<u>(97,122.00)</u>	
Plant & Machinery	24,768.00		4,000.00
Stock	245,000.00		35,000.00
Book Debts	499,048.00		300,000.00
Cash at Bank	83,301.00		<u>83,301.00</u>
			422,301.00
<b>LIABILITIES</b>			
<b>PREFERENTIAL CREDITORS:-</b>			
Employee Arrears/Hol Pay		<u>44,800.00</u>	
			<u>44,800.00</u>
			377,501.00
<b>DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003</b>			NIL
<b>OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS</b>			
			<u>377,501.00</u>
Estimated prescribed part of net property where applicable (to carry forward)			NIL
			<u>377,501.00</u>
<b>DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003</b>			NIL
			<u>377,501.00</u>
Estimated prescribed part of net property where applicable (brought down)			NIL
			<u>377,501.00</u>
<b>Unsecured non-preferential claims (excluding any shortfall to floating charge holders)</b>			
Deficiency b/d		266,398.00	
Trade & Expense Creditors		550,657.00	
Employees		112,000.00	
HMRC - PAYE/NIC		296,694.00	
HMRC - VAT		<u>37,204.00</u>	
			1,262,953.00
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)			<u>(885,452.00)</u>
<b>Issued and called up capital</b>			
Ordinary Shareholders			11,500.00
<b>TOTAL SURPLUS/(DEFICIENCY)</b>			<u><u>(896,952.00)</u></u>

**Industrial and Commercial Mouldings Limited (In Administration)**  
**Administrator's Trading Account**  
**From 08/12/2016 To 07/06/2017**

Statement of Affairs	Realised In Period £	Accrued In Period £	Projected £	Total £
<b>POST APPOINTMENT SALES</b>				
Sales	783,858.27	352,154.00	10,000.00	1,146,012.27
<b>PURCHASES</b>				
PURCHASES	(444,844.30)	(8,275.00)	0.00	(453,119.30)
Retention of Title	(6,757.06)	0.00	0.00	(6,757.06)
	(451,601.36)	(8,275.00)	0.00	(459,876.36)
<b>OTHER DIRECT COSTS</b>				
Direct Labour	(397,049.13)	(10,000.00)	0.00	(407,049.13)
Direct Expenses	(39,010.83)	(2,000.00)	(5,000.00)	(46,010.83)
Consumable Stores	(10,367.10)	0.00	(1,000.00)	(11,367.10)
	(446,427.06)	(12,000.00)	(6,000.00)	(464,427.06)
<b>TRADING EXPENDITURE</b>				
Rents	(23,299.35)	(13,000.00)	0.00	(36,299.35)
Rates	0.00	(24,060.00)	0.00	(24,060.00)
Heat & Light	(25,781.33)	(16,191.00)	(4,000.00)	(45,972.33)
Travel	(120.00)	0.00	0.00	(120.00)
Telephone	(1,292.12)	(588.00)	0.00	(1,880.12)
Carriage	(42,106.60)	0.00	0.00	(42,106.60)
Insurance	(16,975.17)	0.00	0.00	(16,975.17)
Professional Fees	(4,385.00)	(7,000.00)	0.00	(11,385.00)
Bank Charges	(270.92)	0.00	(50.00)	(320.92)
Lease/HP Payments	(48,593.79)	(2,500.00)	0.00	(51,093.79)
Hire of Equipment	(6,890.00)	(2,100.00)	0.00	(8,990.00)
Repairs & Maintenance	(5,207.06)	(2,871.00)	0.00	(8,078.06)
Sundry Expenses	(1,109.18)	(1,375.00)	0.00	(2,484.18)
Vehicle Running Costs	(120.78)	0.00	(200.00)	(320.78)
Waste disposal	(3,153.24)	(1,000.00)	0.00	(4,153.24)
Legal Fees	(2,039.00)	0.00	0.00	(2,039.00)
	(181,343.54)	(70,685.00)	(4,250.00)	(256,278.54)
<b>TRADING SURPLUS/(DEFICIT)</b>	(295,513.69)	261,194.00	(250.00)	(34,569.69)

**Industrial and Commercial Mouldings Limited (In Administration)**  
**Administrator's Trading Account**  
**From 08/12/2016 To 07/06/2017**

Statement of Affairs		Realised In Period £	Accrued In Period £	Projected £	Total £
	<b>SECURED ASSETS</b>	0.00	0.00	0.00	0.00
	<b>HIRE PURCHASE</b>				
100,000.00	Plant & Machinery	0.00	0.00	0.00	0.00
(269,276.00)	Society Generale	0.00	0.00	0.00	0.00
50,000.00	Plant & Machinery	0.00	0.00	0.00	0.00
(147,122.00)	Hitachi Finance	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
	<b>ASSET REALISATIONS</b>				
4,000.00	Plant & Machinery	198,430.00	0.00	0.00	198,430.00
0.00	Fixtures & Fittings	1,570.00	0.00	0.00	1,570.00
35,000.00	Stock	0.00	0.00	0.00	0.00
300,000.00	Book Debts	421,818.13	0.00	0.00	421,818.13
83,301.00	Cash at Bank	83,592.64	0.00	0.00	83,592.64
0.00	Rates Refund	2,037.80	0.00	0.00	2,037.80
	Bank interest	0.15	0.00	0.00	0.15
	Trading Surplus / (Deficit)	(295,513.69)	261,194.00	(250.00)	(34,569.69)
		411,935.03	261,194.00	(250.00)	672,879.03
	<b>COST OF REALISATIONS</b>				
	Office Holders Fees - Time costs	(43,000.00)	(109,527.00)	0.00	(152,527.00)
	Legal Fees	(12,325.50)	(10,000.00)	0.00	(22,325.50)
	Agents Fees	0.00	(40,000.00)	0.00	(40,000.00)
	Bank Charges	(537.26)	(300.00)	0.00	(837.26)
		(55,862.76)	(159,827.00)	0.00	(215,689.76)
	<b>PREFERENTIAL CREDITORS</b>				
(44,800.00)	Employee Arrears/Hol Pay	0.00	(283.00)	0.00	(283.00)
	RPO	0.00	(3,052.00)	0.00	(3,052.00)
		0.00	(3,335.00)	0.00	(3,335.00)
	<b>UNSECURED CREDITORS</b>				
(550,657.00)	Trade & Expense Creditors	0.00	0.00	0.00	0.00
(112,000.00)	Employees	0.00	0.00	0.00	0.00
(296,694.00)	HMRC - PAYE/NIC	0.00	0.00	0.00	0.00
(37,204.00)	HMRC - VAT	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
	<b>DISTRIBUTIONS</b>				
(11,500.00)	Ordinary Shareholders	0.00	0.00	0.00	0.00
(896,952.00)		356,072.27	0.00	0.00	356,072.27

# Time Entry - Detailed SIP9 Time & Cost Summary

ICM2016 - Industrial and Commercial Mouldings Limited

To: 07/06/2017

All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
A01 Initial Client Meetings	4.80	0.00	0.00	0.80	5.60	1,968.00	351.43
A06 Administration	24.80	28.70	19.20	32.40	105.10	25,698.50	244.51
A07 Merit/Cred Decision Procedures (inc SOA)	2.50	16.60	1.40	0.00	20.50	6,735.50	328.56
A19 Receipts & Payments	0.80	3.20	6.50	0.00	10.50	3,067.00	292.10
A25 Travel	0.70	26.70	5.60	0.00	33.00	8,510.50	257.89
A26 Drafting Proposals	2.10	11.60	0.00	0.00	13.70	4,578.50	334.20
<b>Administration &amp; Planning</b>	<b>35.70</b>	<b>86.80</b>	<b>32.70</b>	<b>33.20</b>	<b>188.40</b>	<b>50,556.00</b>	<b>268.35</b>
A20 Creditors Committee	0.00	3.00	0.00	0.00	3.00	975.00	325.00
A23 Secured Creditors Claims	0.00	0.00	0.20	0.00	0.20	45.00	225.00
A13 Inland Revenue	0.90	0.70	0.00	0.00	1.60	574.00	358.75
A14 Customs & Excise	0.00	0.90	0.20	0.00	1.10	346.50	315.00
A15 Creditor Claims	3.00	21.30	19.60	0.00	43.90	11,694.50	266.39
A17 Employee Claims	4.70	22.00	8.80	0.00	35.50	10,613.00	298.96
<b>Creditors</b>	<b>8.60</b>	<b>47.90</b>	<b>28.80</b>	<b>0.00</b>	<b>85.30</b>	<b>24,248.00</b>	<b>284.27</b>
A10 Investigations	0.20	8.30	3.60	0.00	12.10	3,576.50	295.58
A28 Litigation	0.00	0.60	0.00	0.00	0.60	195.00	325.00
<b>Investigations</b>	<b>0.20</b>	<b>8.90</b>	<b>3.60</b>	<b>0.00</b>	<b>12.70</b>	<b>3,771.50</b>	<b>296.97</b>
A11 Debt Recovery	0.00	1.10	12.60	0.00	13.70	3,386.00	247.16
A09 Asset Realization	89.30	59.30	10.00	0.00	158.60	56,110.00	353.78
<b>Realization of Assets</b>	<b>89.30</b>	<b>60.40</b>	<b>22.60</b>	<b>0.00</b>	<b>172.30</b>	<b>59,496.00</b>	<b>345.30</b>
A27 Trading	54.10	120.90	54.80	0.00	229.80	73,433.00	319.55
<b>Trading</b>	<b>54.10</b>	<b>120.90</b>	<b>54.80</b>	<b>0.00</b>	<b>229.80</b>	<b>73,433.00</b>	<b>319.55</b>
<b>Total Hours</b>	<b>187.90</b>	<b>324.90</b>	<b>142.50</b>	<b>33.20</b>	<b>688.50</b>	<b>211,506.50</b>	<b>307.20</b>
<b>Total Fees Claimed</b>						<b>43,000.00</b>	

# Time Entry - Detailed SIP9 Time & Cost Summary

ICM2016 - Industrial and Commercial Mouldings Limited  
To: 06/07/2017  
All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
A01 Initial Client Meetings	4.80	3.00	0.00	0.80	5.60	1,968.00	351.43
A06 Administration	25.10	28.80	19.70	32.40	106.00	25,981.50	245.11
A07 Mem/Cred Decision Procedures (inc SOA)	2.50	16.60	1.40	0.00	20.50	6,735.50	328.56
A19 Receipts & Payments	0.80	3.20	6.50	0.00	10.50	3,067.00	292.10
A21 Annual Progress Reports	0.00	0.00	9.00	0.00	9.00	2,430.00	270.00
A25 Travel	0.70	26.70	5.60	0.00	33.00	8,510.50	257.89
A26 Drafting Proposals	2.10	11.60	0.00	0.00	13.70	4,578.50	334.20
<b>Administration &amp; Planning</b>	<b>36.00</b>	<b>86.90</b>	<b>42.20</b>	<b>33.20</b>	<b>198.30</b>	<b>53,271.00</b>	<b>268.64</b>
A23 Secured Creditors Claims	0.00	0.00	0.20	0.00	0.20	45.00	225.00
A20 Creditors Committee	0.00	3.00	0.00	0.00	3.00	975.00	325.00
A13 Inland Revenue	0.90	0.70	0.00	0.00	1.60	574.00	358.75
A14 Customs & Excise	0.00	0.90	0.20	0.00	1.10	346.50	315.00
A15 Creditor Claims	3.00	21.70	19.60	0.00	44.30	11,824.50	266.92
A17 Employee Claims	4.70	22.00	9.00	0.00	35.70	10,647.00	298.24
<b>Creditors</b>	<b>8.60</b>	<b>48.30</b>	<b>29.00</b>	<b>0.00</b>	<b>85.90</b>	<b>24,412.00</b>	<b>284.19</b>
A10 Investigations	0.20	8.30	3.60	0.00	12.10	3,576.50	295.58
A28 Litigation	0.20	0.60	0.30	0.00	0.90	195.00	325.71
<b>Investigations</b>	<b>0.20</b>	<b>8.90</b>	<b>3.60</b>	<b>0.00</b>	<b>12.70</b>	<b>3,771.50</b>	<b>296.97</b>
A11 Debt Recovery	0.00	1.10	12.80	0.00	13.90	3,440.00	247.48
A09 Asset Realisation	90.10	59.90	10.00	0.00	160.00	56,613.00	353.83
<b>Realisation of Assets</b>	<b>90.10</b>	<b>61.00</b>	<b>22.80</b>	<b>0.00</b>	<b>173.90</b>	<b>60,053.00</b>	<b>345.33</b>
A27 Trading	58.20	125.00	58.80	0.00	242.00	77,424.00	319.93
<b>Trading</b>	<b>58.20</b>	<b>125.00</b>	<b>58.80</b>	<b>0.00</b>	<b>242.00</b>	<b>77,424.00</b>	<b>319.93</b>
<b>Total Hours</b>	<b>193.10</b>	<b>330.10</b>	<b>156.40</b>	<b>33.20</b>	<b>712.80</b>	<b>218,931.50</b>	<b>307.14</b>
<b>Total Fees Claimed</b>						<b>43,000.00</b>	

**Industrial and Commercial Mouldings Limited - In Administration**  
**Fee Comparison with Fee Estimate**

Category of Work	Fee Estimate Hours	Projected Cost £	Time to 07/06/2016		Time to 05/07/2016		Actual Cost £	Variance	
			Hours	Cost £	Hours	Cost £		Hours	Cost £
Administration	122.30	32,592.00	188.40	50,558.00	198.30	52,271.00	76.00	19,679.00	
Creditors	79.00	18,370.00	85.30	24,248.00	85.90	24,412.00	6.90	6,042.00	
Investigations	29.50	6,760.00	12.70	3,771.50	12.70	3,771.50	(16.80)	(2,988.50)	
Realisation of Assets	70.00	20,772.50	172.30	59,496.00	173.90	60,053.00	103.90	39,280.50	
Trading	217.00	74,032.00	229.80	73,433.00	242.00	77,424.00	25.00	3,392.00	
Total	517.80	152,526.50	688.50	211,506.50	712.80	217,931.50	195.00	65,405.00	

## **Industrial and Commercial Mouldings Limited - In Administration Progress Report**

### **Summary of work done**

#### **1. Administration**

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up electronic case files
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Convening and holding general meetings of creditors and members (as applicable).
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

#### **2. Creditors**

- Obtaining information from the case records about employee claims.
- Completing documentation for submission to the Redundancy Payments Office.
- Corresponding with employees regarding their claims.
- Liaising with the Redundancy Payments Office regarding employee claims.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Paying tax deducted from the dividends paid to employees.

#### **3. Investigations**

- Review of accounts, books & records and bank statements
- Submit an online return on the conduct of the directors as required by the Company Directors Disqualification Act.

#### **4. Realisation of assets:**

- Arranging suitable insurance over assets.
- Regularly monitoring the suitability and appropriateness of the insurance cover in place.
- Corresponding with debtors and attempting to collect outstanding book debts.
- Liaising with the bank regarding the closure of the account.
- Instructing agents to value known assets.
- Liaising with agents to realise known assets.
- Instructing solicitors to assist in the realisation of assets.
- Meetings and negotiations with potential purchasers
- Meetings with customers regarding movement of tooling
- Dealing with solicitors to agree terms of sale

**Industrial and Commercial Mouldings Limited - In Administration  
Progress Report**

5. Trading:

- Obtaining appropriate information about the business and preparing a business plan and cash flow forecasts.
- Arranging suitable insurance for the business
- Setting up suitable systems and controls in respect of purchases and sales for the business.
- Liaising with staff and staff representative
- Setting up a new RTI registration for the business with HMRC and submitting relevant information in respect of wages and salaries paid
- Monitoring and controlling the day to day trading of the business
- Monitoring compliance with Health and Safety obligations in respect of the business
- Day to day monitoring of trading, purchase orders and production schedules



## 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 creditZone section of our website [www.carterclark.co.uk](http://www.carterclark.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 [www.carterclark.co.uk](http://www.carterclark.co.uk). Alternatively a hard copy may be requested from Carter Clark at Recovery House, 15-17 Roebuck Road, Hainault Business Park, Ilford, Essex, IG6 3TU. 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.

## Chargeout rates

Period	From 01/11/14	01/05/10 to 31/10/14	01/01/05 to 30/04/10
	£	£	£
Partners (or equivalent)	310 - 385	300 - 375	250 - 290
Managers	270 - 325	250 - 300	150 - 260
Senior administrators	200 - 250	200	175
Administrators	150 - 190	120 - 175	90 - 160

\* Rates vary between individuals, reflecting experience. For certain more complex tasks, Carter Clark may seek to apply a higher rate in respect of work to be undertaken, but subject to prior authorisation in accordance with the Act. For further information on the manner in which an office holder's fees may be fixed, please refer to the applicable Creditors' guide to fees. Support staff will also occasionally charge their time when performing a substantial administrative task within a case. Support staff charge their time at the lower Administrators rate of £150 per hour.

These charge-out rates charged are reviewed annually and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning.
- Investigations.
- Realisation of Assets.
- Creditors.
- Trading.
- Case specific matters.

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015.

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case. For example, 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 fixed or 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. For example, 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. For example, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

#### **Members' voluntary liquidations and Voluntary Arrangements**

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

#### **All bases**

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

#### **Agent's costs**

These are 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 Carter Clark; 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:

	£	
Ordinary correspondence		No charge for stationery or postage
Reports and circulars	3.50	Administration Proposals / CVL Notices
	2.50	Voluntary Arrangement Proposals / S98 Notices
	1.50	Other reports and meeting notices
	1.00	Other statutory notices
Room hire	A charge will be made by reference to comparable commercial facilities available locally as follows :-	
	250	London
Travel & subsistence		At cost to the firm
Storage	An associated company, Ideal Data Limited, may be utilised in handling storage and transportation for the firm. Costs currently are as follows :-	
Storage	0.50	Per box, per week
Collection	20.00	Per hour
Listing of documents	1.50	Per box
Box charges	2.25	Per box
Transportation costs	150.00	Per load

### Provision of Information

Each statutory report made by the office holder containing an account of receipts & payments relevant to that appointment will generally be accompanied by a Summary of the office holders fees and expenses in the form suggested by SIP9. Where further information is requested, reports will be provided on receipt of a written request to Carter Clark. Carter Clark reserves the right to either refuse to comply with such request or to insist upon payment of costs by the recipient wherever, in their professional opinion, the request is manifestly frivolous or out of proportion to the circumstances.

**CARTER CLARK**

**STATEMENT OF FEE POLICY**

**AS AT 20 June 2016**



**Authorising Body**

Alan J Clark is licensed to act as an Insolvency Practitioner in the UK under the authority of the Institute of Chartered Accountants in England & Wales and holds an enabling bond for the purpose of receiving appointments under his licence.