

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

<b>1</b>		<b>Company details</b>
Company number	0 3 4 4 7 1 6 1	
Company name in full	'Cod' Fella's Limited	
		<b>→ Filling in this form</b> Please complete in typescript or in bold black capitals.
<b>2</b>		<b>Liquidator's name</b>
Full forename(s)	Martin Henry	
Surname	Linton FCA FABRP MIPA	
<b>3</b>		<b>Liquidator's address</b>
Building name/number	Maple House	
Street	High Street	
Post town	Potters Bar	
County/Region	Herts	
Postcode	E N 6 5 B S	
Country		
<b>4</b>		<b>Liquidator's name ①</b>
Full forename(s)	Paul Adam	
Surname	Weber FCA FCCA MIPA FABRP	
		<b>① Other liquidator</b> Use this section to tell us about another liquidator.
<b>5</b>		<b>Liquidator's address ②</b>
Building name/number	Maple House	
Street	High Street	
Post town	Potters Bar	
County/Region	Herts	
Postcode	E N 6 5 B S	
Country		
		<b>② Other liquidator</b> Use this section to tell us about another liquidator.

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<b>6</b>	<b>Period of progress report</b>											
From date	<sup>d</sup>	<sup>d</sup>	<sup>m</sup>	<sup>m</sup>	<sup>y</sup>	<sup>y</sup>	<sup>y</sup>	<sup>y</sup>				
	2	0	0	7	2	0	2	2				
To date	<sup>d</sup>	<sup>d</sup>	<sup>m</sup>	<sup>m</sup>	<sup>y</sup>	<sup>y</sup>	<sup>y</sup>	<sup>y</sup>				
	1	9	0	7	2	0	2	3				
<b>7</b>	<b>Progress report</b>											
<input checked="" type="checkbox"/> The progress report is attached												
<b>8</b>	<b>Sign and date</b>											
Liquidator's signature	Signature X <i>M. R. Lister</i> <i>P. Anders</i> X											
Signature date	<sup>d</sup>	<sup>d</sup>	<sup>m</sup>	<sup>m</sup>	<sup>y</sup>	<sup>y</sup>	<sup>y</sup>	<sup>y</sup>				
	3	1	0	7	2	0	2	3				

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Notice of progress report in voluntary winding up



**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Martin Henry Linton FCA FABRP F**

Company name **Leigh Adams Limited**

Address **Maple House**

**High Street**

Post town **Potters Bar**

County/Region **Herts**

Postcode **E N 6 5 B S**

Country

DX

Telephone **020 8446-2433**



**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)**



**LEIGH ADAMS**

CHARTERED ACCOUNTANTS &  
LICENSED INSOLVENCY PRACTITIONERS IN THE UK

Maple House, High Street, Potters Bar, Herts, EN6 5BS

T: 020 8446 2433 F: 020 8445 7351

E: [mail@leighadams.co.uk](mailto:mail@leighadams.co.uk)

[www.leighadams.co.uk](http://www.leighadams.co.uk)

**PRIVATE AND CONFIDENTIAL  
TO ALL KNOWN MEMBERS AND CREDITORS**

Our Ref: MHL/ZD/C2260/S

31 July 2023

Dear Sir/Madam

**'COD FELLA'S LIMITED ("THE COMPANY") – IN CREDITORS' VOLUNTARY LIQUIDATION**

As you are aware Paul Weber FCA FCCA MIPA FABRP and I have been appointed Joint Liquidators of the Company. My report to members and creditors following the 1<sup>st</sup> anniversary of my appointment as Joint Liquidator is attached.

If members or creditors have any queries regarding this report or the conduct of the Liquidation in general, they should contact Zuzana Drengubiakova by email [zuzana@leighadams.co.uk](mailto:zuzana@leighadams.co.uk).

Yours faithfully

**MARTIN LINTON FCA FABRP MIPA  
Joint Liquidator**

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Leigh Adams Limited (trading as Leigh Adams) registered in England and Wales (Company No. 9035654) and is regulated by the Institute of Chartered Accountants in England and Wales. For information about the privacy policy of Leigh Adams Limited and how we process personal data please visit <https://www.leighadams.co.uk/privacy-notice>



The Principals of this practice are licensed as Insolvency Practitioners by the Institute of Chartered Accountants in England & Wales.



Directors:  
Martin Linton FCA FABRP MIPA  
Paul Weber FCA FCCA MIPA FABRP

**'COD FELLA'S LIMITED – IN CREDITORS' VOLUNTARY LIQUIDATION  
JOINT LIQUIDATORS' FIRST ANNUAL PROGRESS REPORT TO CREDITORS AND MEMBERS  
FOR THE YEAR ENDING 19 JULY 2023**

**EXECUTIVE SUMMARY**

The only asset is a Corporation Tax refund of £1,213. This sum will be defrayed in the costs of liquidation. Therefore, there will be no funds available for the unsecured creditors

**STATUTORY INFORMATION**

Company name:	'Cod Fella's Limited
Registration number:	03447161
Principal Trading Address:	40 Sandpiper Road, Whitstable, Kent CT5 4DP
Registered Office:	Maple House, High Street, Potters Bar, Hertfordshire EN6 5BS
Principal trading activity:	Fish Supplier
Joint Liquidators' names:	Paul Weber FCA FCCA MIPA FABRP and Martin Linton FCA FABRP MIPA
Joint Liquidators' address:	Maple House, High Street, Potters Bar, Hertfordshire, EN6 5BS
Joint Liquidators' contact details:	paul@leighadams.co.uk and martin@leighadams.co.uk 020-8446-2433
Date of appointment:	20 July 2022
Actions of Joint Liquidators'	Any act required or authorised under any enactment to be done by a Joint Liquidator may be done by either or both of the Joint Liquidators acting jointly or alone.

**JOINT LIQUIDATORS' ACTIONS SINCE THE APPOINTMENT OF THE JOINT LIQUIDATORS**

The main action is to realise the Corporation Tax refund of £1,213.

There is certain work that I am required by the insolvency legislation to undertake work in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my appointment as Joint Liquidator is contained in Appendix 1.

**RECEIPTS AND PAYMENTS ACCOUNT**

My Receipts & Payments Account for the period from 20 July 2022 to 19 July 2023 is attached.

**ASSET REALISATIONS**

Cash at Bank

Statement of Affairs ("SOA") value: £40

Amount realised - £Nil

In the Statement of Affairs, the Cash at Bank was estimated to realize £40. This amount was used against the Bounce back loan at HSBC UK Bank Plc as referred to in the section 'Non-Crown unsecured creditors' below.

#### Corporation Tax Refund

Statement of Affairs ("SOA") value: £1,213

Amount realised - £Nil

In the Statement of Affairs, the Corporation Tax Refund was estimated to realize £1,213. I have received the letter from H M Revenue & Customs and I await their reply in respect of the overpayment.

#### **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. I am required by the Statements of Insolvency Practice to undertake such an initial investigation.

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

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

#### **JOINT LIQUIDATORS' PRE-APPOINTMENT REMUNERATION**

The Board previously authorised the payment of a fee of £5,000 plus disbursements plus VAT for my assistance with preparing the Statement of Affairs and convening and holding the meeting creditors at a meeting held on 23 May 2022.

£4,350 including VAT has been paid by the company on 23 May 2022 and £1,650 including VAT has been paid by Mr John Sutton on 27 May 2022.

#### **JOINT LIQUIDATORS' REMUNERATION**

I have not been able to draw any remuneration in respect of work done as no assets have been realised to date.

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 Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/>. There are different versions of these Guidance Notes, and in this case please refer to the most recent version. Please note that we have also provided further information about an office holder's remuneration and expenses in our practice fee recovery sheet, which is enclosed.

#### **JOINT LIQUIDATORS' EXPENSES**

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and

- category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

#### Category 1 expenses

I have incurred the following expenses in the period since the commencement of the Liquidation which has been paid by Leigh Adams Limited: -

<u>Type of Expense</u>	<u>Amount incurred/Accrued to date (£)</u>
Statutory advertising	306.36
Bordereau	96.00
Postage	3.88
Total	<u>406.24</u>

The firm does not charge Category 2 disbursements.

#### **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.

##### Non-Crown unsecured creditors

The Statement of Affairs included £48,366 owed to HSBC UK Bank Plc in respect of Bounce back loan. A claim of £48,743.56 has been received from the former company's bankers on 9 August 2022.

#### **DIVIDEND PROSPECTS AND ALLOCATION OF COSTS**

A dividend will not be declared to unsecured creditors as no assets were realised.

#### **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 Joint Liquidators' remuneration and expenses within 21 days of their 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 of remuneration charged by the Joint Liquidators as being excessive, and/or the basis of the Joint Liquidators' remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their 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 Leigh Adams Limited, including about our complaints policy and Professional Indemnity Insurance, can be found at <https://www.leighadams.co.uk/provision-of-services>.

#### **SUMMARY**

The liquidation will remain open until the Corporation tax overpayment has been received. The Liquidation will be then finalised and our files will be closed.

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Zuzana Drengubiakova by email at [zuzana@leighadams.co.uk](mailto:zuzana@leighadams.co.uk).

A handwritten signature in black ink, reading "M. Linton". The signature is written in a cursive, slightly slanted style.

**Martin Linton FCA FABRP MIPA**  
**Joint Liquidator**



## **Appendix no.1**

### **1. Administration**

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder and their managers. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- 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 an electronic case file.
- 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.
- 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
- Obtaining a specific penalty bond.
- Dealing with all routine correspondence and emails relating to the case.
- Seeking a decision from creditors on the basis of the office holder's remuneration.
- 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.
- Filing returns at Companies House.
- Preparing and filing Corporation Tax returns.
- Preparing, reviewing and issuing annual progress report to creditors and members.

### **2. Creditors**

Claims of creditors - the office holder needed to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports could be issued to the creditors. The office holder also needed to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they were received. The office holder was required to undertake this work as part of his statutory functions.

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.

### **3. Investigations**

The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure, and also in respect of matters such as misfeasance and wrongful trading. The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors.

- Submitting an online return on the conduct of the directors as required by the Company Directors Disqualification Act.
- Recovering the books and records for the case.
- Listing the books and records recovered.

4. Asset realisations

- Cash at bank
- Corporation Tax Refund.

**'Cod' Fella's Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £		From 20/07/2022 To 19/07/2023 £	From 20/07/2022 To 19/07/2023 £
	ASSET REALISATIONS		
40.00	Cash at Bank	NIL	NIL
1,213.00	Corporation Tax Refund	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(48,366.00)	HSBC UK Bank Plc (Bounce back loan	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(1.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(47,114.00)</b>		NIL	NIL
	REPRESENTED BY		
			NIL

Note:

*M. H. Linton*

Martin Linton FCA FABRP MIPA  
Joint Liquidator

## Appendix A

### PRACTICE FEE RECOVERY POLICY FOR LEIGH ADAMS LIMITED WITH CHARGE OUT RATES

#### Introduction

This sheet explains the alternative fee bases allowed by the insolvency 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. The report accompanying the request to fix the basis of remuneration will indicate the basis, or bases, being requested in that particular case and will make it clear what work is to be undertaken in respect of each basis.

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 Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/>. There are different versions of these Guidance Notes, and in this case please refer to the most recent version.

SIP 9 also contains various requirements that the office holder has to comply with in connection with their remuneration, both when seeking approval and when reporting to creditors and other interested parties after approval. One of the matters that an office holder has to comply with is that they must also seek approval for any payments that could reasonably be perceived as representing a threat to the office holder's objectivity or independence by virtue of a professional or personal relationship, including to an associate. Where it is anticipated that such payments will be made in a case they will be separately identified when seeking approval for the basis of the office holder's remuneration.

Other than in respect of Voluntary Arrangements an office holder is required to record the time spent on casework in all cases, even if they are being remunerated for that work on a basis other than time costs. Time is recorded directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Case Administration (including statutory reporting).
- Realisation of Assets.
- Investigations.
- Creditors (claims and distributions).
- Trading
- Case specific matters.

#### Time cost basis

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

#### Charge out Rates

Grade of staff	Current charge-out rate per hour, effective from 01/01/2023 £	Previous charge-out rate per hour, effective from 01/01/2022 £
Partner – appointment taker	650	630
Senior Manager	330	315
Manager	275	250
Administrator	190	185
Support	135	120

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

When we seek time costs approval, we have to set out 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, and by reference to each separate category of work. The blended rate is calculated as the prospective average cost per hour, based upon the estimated time to be expended by each grade of staff at their specific charge out rate. 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.

A report accompanying the request to fix the basis of remuneration will include the fees estimate, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

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 summarise that information in an average or "blended" rate for all of the work being carried out within the estimate, and by reference to each separate category of work, and will also 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. A report accompanying the request to fix the basis of remuneration will set out the potential assets in the case, the remuneration percentage proposed in respect of any realisations and the work covered by that remuneration, which may solely relate to work undertaken in connection with the realisation of the assets, but might also include other categories of work as listed above. The report will also include details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

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.

A percentage of distributions made to unsecured creditors may also be requested, in order to cover the work associated with the agreement of claims and making the distribution.

The disclosure that we make will 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. In order to meet the requirements of SIP 9 it will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

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. A report accompanying the request to fix the basis of remuneration will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make will 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. In order to meet the requirements of SIP 9 we will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

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.

### **Direct Costs**

Where we seek approval on a percentage and/or fixed fee basis, in order to meet the requirements of SIP 9 we also have to disclose the direct costs that are included within the remuneration that will be charged on those bases in respect of the work undertaken. The following are direct costs that will be included in respect of work undertaken in respect of each of the standard categories of work where the office holder is to be remunerated for such work on either a percentage or fixed fee basis:

- Case Administration (including statutory reporting) – staff costs.
- Realisation of Assets – staff costs.
- Investigations – staff costs.
- Creditors (claims and distributions) – staff costs.
- Trading – staff costs.

### **Mixed basis**

If remuneration is to be sought on a mixed basis, we will make it clear in the report accompanying the request to fix the basis of remuneration which basis will be charged for each category of work that is to be undertaken on the case.

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

The legislation is different for members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) and Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee, and SIP 9 does not apply unless the members specifically request it. 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 fee bases**

With the exception of IVAs and CVAs, which are usually VAT exempt, the office holder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

## **Expenses**

As already indicated, a report will accompany the request to fix the basis of remuneration and that will include details of expenses to be incurred, or likely to be incurred. 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.

Expenses are any payments from the insolvent estate that are neither an office holder's remuneration nor a distribution to a creditor, or a member. Expenses also include disbursements. Disbursements are payments that are first paid by the office holder and then reimbursed from the insolvent estate. Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do (Category 2).

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder. They can be paid by the office holder without obtaining prior approval. . Examples of costs that may amount to Category 1 expenses are professional advisors (who are not associates), statutory advertising, external meeting room hire (where the room is only hired for that meeting), external storage, specific penalty bond insurance, insolvency case management software fees charged on a per case basis, and Company search fees.

Category 2 expenses are either payments to associates, or payments in respect of expenses that have an element of shared costs, such as photocopying and mileage. Category 2 expenses require approval in the same manner as an office holder's remuneration before they can be paid.

The practice does not propose to recover any Category 2 expenses that include an element of shared costs.

Professional advisors may be instructed to assist the office holder on the case where they consider that such assistance is necessary to enable them to appropriately administer the case. The fees charged by any professional advisors used will be recharged at cost to the case. Where the professional advisor is not an associate of the office holder it will be for the office holder to agree the basis of their fees. Where the professional advisor is an associate of the office holder it will be for those responsible for fixing the basis of the office holder's remuneration to approve payments to them. The fees of any professional advisors are subject to the rights of creditors to seek further information about them or challenge them as summarised below. Professional advisors that may be instructed on a case include:

- Solicitors/Legal Advisors;
- Auctioneers/Valuers;
- Accountants;
- Quantity Surveyors;
- Estate Agents;
- Pension specialists;
- Employment Claims specialists; and
- GDPR/Cyber Security specialists.

## **Reporting and rights to challenge**

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 charged by the office holder in the period covered by the report, i.e., the amount that the office holder is entitled to draw, together with the amount of remuneration actually drawn. If approval has been obtained for remuneration on a time costs basis, the time costs incurred will also be disclosed, whether drawn or not, together with the "blended" rates of such costs. The report will also compare the actual time costs incurred with those included in the fees estimate prepared when fixing the basis of the remuneration, and indicate whether the fees estimate is likely to be exceeded. If the fees estimate has been exceeded, or is likely to be exceeded, the report will explain why that is the case.

The report will also provide information about expenses incurred in the period covered by the report, together with those actually paid, together with a comparison with the estimated expenses. If the expenses incurred, or anticipated to be incurred, have exceeded the estimate provided the report will explain why that is the case.

Under the insolvency legislation the report must also include a statement of the legislative rights of creditors to request further information about the remuneration charged and expenses incurred in the period covered by the report, or to challenge them on the grounds that they are excessive. Extracts of the relevant insolvency rules dealing with these rights are set out below. Once the time period to seek further information about the office holder's remuneration and/or expenses for the period covered by the report has elapsed, then a Court Order is required to compel the office holder to provide further information about the remuneration and expenses. A Court order is required to challenge the office holder's remuneration and/or expenses for the period covered by the report. Once that period has elapsed, then a separate Court Order is required to allow an application out of time.

Under rule 18.9 of the Insolvency (England and Wales) Rules 2006, 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 office holder's remuneration and expenses, within 21 days of receipt of any report for the period. Any secured creditor may request the same details in the same time limit.

Under rule 18.34, 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 office holder's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of any report for the period. Any secured creditor may make a similar application to court within the same time limit.

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.