

## Liquidator's Progress Report

# S.192

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

To the Registrar of Companies

Company Number

03711806

Name of Company

Thierry's Wine Services Limited

I / We

Nedim Ailyan, 142-148 Main Road, Sidcup, Kent, DA14 6NZ

David Ingram, 30 Finsbury Square, London, EC2P 2YU

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

The Progress Report covers the period from 06/03/2015 to 05/03/2016

Signed

Date

21.4.16

Abbott Fielding Limited  
142-148 Main Road  
Sidcup  
Kent  
DA14 6NZ

Ref THIE002/NPA/CHM/CH

THURSDAY



A11 28/04/2016 #475  
COMPANIES HOUSE

**Thierry's Wine Services Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

<b>Statement of Affairs</b>		<b>From 06/03/2015 To 05/03/2016</b>	<b>From 06/03/2013 To 05/03/2016</b>
	<b>HIRE PURCHASE</b>		
35,318 33	Book Debts	NIL	NIL
(119,869 15)	Aldermore Invoice Finance	NIL	NIL
		NIL	NIL
	<b>ASSET REALISATIONS</b>		
	Sale of Business	NIL	NIL
NIL	Intangible Assets	NIL	NIL
10,000 00	Furniture & Equipment	NIL	NIL
NIL	Inter Company Accounts	NIL	NIL
NIL	Trade Investments	NIL	NIL
NIL	Prepayments	NIL	NIL
	VAT Refund - Administration	NIL	3,532 94
NIL	VAT Refund	NIL	NIL
	Bank Interest Net of Tax	5 41	30 08
		5 41	3,563 02
	<b>COST OF REALISATIONS</b>		
	Petitioners Deposit	1,385 00	NIL
	Petitioners Costs	NIL	(3,144 75)
	Administrators Legal Fees	NIL	(6,188 37)
	Legal Fees (inc Disbs)	NIL	(28,825 42)
	Transcription Fees	NIL	(481 25)
	Statutory Advertising	NIL	(84 60)
		1,385 00	(38,724 39)
	<b>UNSECURED CREDITORS</b>		
(5,181,330 00)	Trade & Expense Creditors	NIL	NIL
(247,144 07)	G Welch - Share Sale Agreement	NIL	NIL
(122,338 37)	HM Revenue and Customs - PAYE an	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(8,667 00)	Ordinary Shareholders	NIL	NIL
	Transfer of funds from Administration	NIL	(52,755 72)
		NIL	52,755 72
<b>(5,634,030.26)</b>		<b>1,390.41</b>	<b>17,594.35</b>
	<b>REPRESENTED BY</b>		
	Interest Bearing Current Account		17,594 35
			<b>17,594.35</b>

## **THIERRY'S WINE SERVICES LIMITED- IN CREDITORS VOLUNTARY LIQUIDATION**

### **JOINT LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS FOR THE YEAR ENDED 5 MARCH 2016**

Enclosed for your information are the following

- 1 A receipts and payments account for the period from 6 March 2013 to 5 March 2016 and for the period from 6 March 2015 to 5 March 2016,
- 2 A summary of Abbott Fielding's time costs from 6 March 2013 to 5 March 2016 A summary of Abbott Fielding's time costs for the period from 6 March 2015 and 5 March 2016 is also shown,
- 3 A summary of Grant Thornton UK LLP's time costs from 6 March 2013 to 5 March 2016
- 4 Details of Abbott Fielding's and Grant Thornton UK LLP's practice fee recovery policies

#### **STATUTORY INFORMATION**

Company Name	Thierry's Wine Services Limited
Company Number	03711806
Current Registered Office	142/148 Main Road, Sidcup, Kent, DA14 6NZ
Former Registered Office	Highfield Court, Tollgate, Chandlers ford, Eastleigh, Hampshire, SO53 3TY
Trading Address	Horsefair House, The Horsefair, Romsey, Hampshire, SO51 8EZ
Office Holder(s) / Numbers	Nedim Ailyan (9072) Tel (0)20 8302 4344 David Ingram (8554) Tel (0)20 7383 5100
Joint Liquidators' Date of Appointment	6 March 2013

#### **ALLOCATION OF DUTIES BETWEEN THE JOINT LIQUIDATORS**

It is normal practice for Joint Liquidators to split the duties of the respective practices between office holders. Therefore, as agreed, whilst retaining a joint and several responsibility for all actions of the Joint Liquidators, Abbott Fielding have dealt with and continue where necessary with the following matters

- asset realisations,
- agreement of creditors' claims,
- accounting in the Liquidation, and
- reporting to creditors

**:abbott:fielding:**

Grant Thornton UK LLP are continuing to deal with the investigation into the affairs and prior dealings of the Company, its directors, de-facto directors, shadow directors and any associated Companies or persons

## **JOINT LIQUIDATORS' ACTIONS SINCE LAST REPORT**

Within the period covered by this report the Joint Liquidators' have ensured that their statutory requirements have been adhered to and other duties in relation to the management of the case have been completed

Details of the Joint Liquidators investigations undertaken in the year are detailed under the heading 'Investigations' below,

There is certain work that the Joint Liquidators are 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 the last progress report is as follows

### **1 Administration**

- Dealing with all routine correspondence and emails relating to the case
- Maintaining and managing the office holder's estate bank account
- 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**

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims
- Maintaining up to date creditor information on the case management system
- Reporting to the creditors committee
- Holding meetings of the creditor committee

## **RECEIPTS AND PAYMENTS ACCOUNT**

The receipts and payments account for the period from 6 March 2015 to 5 March 2016 is attached

The balance of funds are held in an interest bearing estate bank account

## **ASSETS**

### **Sale of Business**

As previously advised the business and assets of the Company were sold upon the appointment of the Administrator for £60,006

**:abbott:fielding:**

#### VAT Refund – Administration

As previously advised VAT paid on the costs of Administration of £3,532 94 was recovered and paid into the liquidation estate

#### Transfer of funds from Administration

As previously advised a balance of £52,755 72 was transferred from the Administration bank account into the liquidation estate

### **LIABILITIES**

#### Secured Creditors

An examination of the Company's mortgage register held by the Register of Companies, showed that the Company has granted the following charges

Aldermore Invoice Finance ("AIF") holds a fixed and floating charge, registered at Companies House, over all of the Company's assets dated 10 October 2012, following an assignment of the debtors previously subject to a charge in favour of RBS Invoice Finance. At the date of the Administration AIF were owed £119,869, however, this liability has been assigned to the purchaser, Watermill Wines Limited. Therefore all asset realisations will be available for the remaining creditors.

#### Prescribed Part

The provisions of section 176A of the Insolvency Act 1986 require a liquidator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company gave a 'qualifying floating charge' over its assets to a lender on or after 15 September 2003. This is known as the 'prescribed part of the net property'. A company's net property is that left after paying any preferential creditors, but before paying the lender who holds a floating charge. A liquidator is required to set aside

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

As advised above as the Company's debts were assigned to Watermill Wines Limited, there are no amounts outstanding to AIF and therefore any surplus will be available to the unsecured creditors

#### Preferential Creditors

There were no preferential creditors' claims in the statement of affairs and to date no preferential claims have been received to date

#### Non-Preferential Unsecured Creditors

Non-preferential unsecured creditors' claims in the statement of affairs totalled £5,462,137, of which £122,338 was attributable to HM Revenue & Customs ("HMRC"). To date, non-preferential unsecured claims totalling £4,595,803 24 have been received, which includes a final claim of £194,354 00 from HM Revenue & Customs in respect of VAT. To date we have not received claims from creditors with original estimated claims in the statement of affairs of £1,010,469 92. The majority of claims are similar to the amounts shown on the list of creditors supplied by the Company however, a claim of £188,327, has been received from the former landlords who did not appear as a creditor and one supplier whose claim is some £117,715, lower than that shown.

Based on realisations to date, together with estimated future realisations, and after taking into account the costs of the liquidation to date and estimated future costs of liquidation, we are unable at this time to estimate the size and timing of any distribution to the unsecured creditors

**:abbott:fielding:**

## **INVESTIGATION INTO THE AFFAIRS OF THE COMPANY**

Since my last report to creditors, David Ingram has continued to liaise with his solicitors and instructed Counsel in relation to the potential claims identified. Due to the confidential nature of the claims, at this stage, David Ingram is unable to provide further information.

## **JOINT LIQUIDATORS' REMUNERATION**

At the meeting to approve the Administrator's Proposals held on 26 February 2013 a creditors' committee was formed, which carries over into the Liquidation. Therefore it is for the committee to approve the basis of the Joint Liquidators' remuneration.

The creditors committee approved that Grant Thornton UK LLP's remuneration be fixed by reference to time properly spent in attending to matters arising in the Liquidation and to be drawn on those time costs in accordance with Rule 4.127(2)(b) of the Insolvency Act 1986 on account from the assets of the Liquidation estate.

Abbott Fielding's total costs to 5 March 2016, amount to £6,943.00 representing 30 hours at an average charge out rate of £231.43 per hour, of which £2,782.00, representing 11.90 hours work has been incurred in the period since 6 March 2015 at an average charge rate of £233.78 per hour.

Grant Thornton UK LLP's total costs to 5 March 2016, amount to £302,840 representing 943 hours at an average charge out rate of £321.23 per hour, of which £47,040.25, representing 135 hours work has been incurred in the period since 6 March 2015 at an average charge rate of £349.35 per hour.

Neither Abbott Fielding nor Grant Thornton UK LLP have drawn any remuneration in this matter.

Schedules of Abbott Fielding's and Grant Thornton UK LLP's time costs incurred to date are attached.

A copy of 'A Creditors' Guide to Liquidators' fees' can be obtained from Abbott Fielding's website at <http://www.abbottfielding.co.uk/information-for-creditors/>. Please note that there are different versions of the guidance notes, and in this case you should refer to the pre October 2015 version. Alternatively a hard copy can be obtained from Abbott Fielding. Copies of Abbott Fielding's practice disbursement policy and that of Grant Thornton UK LLP are attached.

## **JOINT LIQUIDATORS' EXPENSES**

Abbott Fielding has incurred expenses to 5 March 2016, of £443.15, of which £213.26 was incurred in the period since 6 March 2015. Grant Thornton UK LLP has incurred expenses to 5 March 2016, of £158,076.11, of which £62,749.89 was incurred in the period since 6 March 2015.

Neither Abbott Fielding nor Grant Thornton UK LLP have drawn any expenses in this matter.

**:abbott:fielding:**

Abbott Fielding's Category 1 Disbursements are as follows

Type of expense	This Period		Cumulatively	
	Incurred	Paid	Incurred	Paid
Postage	213 26		443 15	
<b>Total</b>	<b>213.26</b>	<b>Nil</b>	<b>443.15</b>	<b>Nil</b>

Grant Thornton UK LLP's Category 1 Disbursements are as follows

Type of expense	This Period		Cumulatively	
	Incurred	Paid	Incurred	Paid
Bond			100 00	
Searches			178 82	
Courier			110 70	
Agents Fees			2,400 00	
Legal Fees and disbursements (excluding VAT)*	58,698 52		145,026 77	26,465 42
Counsels Fees (excluding VAT)	4,000 00		9,730 00	2,230 00
Storage	51 37		529 82	
<b>Total</b>	<b>62,749.89</b>		<b>158,076.11</b>	<b>28,695.42</b>

\*David Ingram's solicitors are also instructed to act on a conditional fee basis on Edward Cavendish and Sons Limited – In Liquidation, the Company's subsidiary. The above legal costs relate to work undertaken on both companies. An apportionment of the legal costs incurred between the two companies will be undertaken as and when sufficient realisations have been made to enable the costs to be paid.

#### Petitioners Deposit & Petitioners Costs

As previously advised, on the appointment of the Administrator, the Court ordered that the costs of the petitioning creditor, Signe Vignerons be paid as a cost of the Administration. A claim was received from Aubrey David, Solicitors for £9,454 75, including VAT, against which £5,000, was paid from the Administration and subsequently a further £3,144 75. As detailed in the receipts and payments account a further payment was drawn in regard to the petitioners deposit however, this cheque has been cancelled in the period.

#### Agents' Fees

The following agents or professional advisors have been used in the reporting period

Professional Advisor	Nature of Work	Fee Arrangement
Pinsent Masons LLP	Solicitors	CFA

As previously advised, with the authority of the creditors' committee, David Ingram of Grant Thornton UK LLP instructed Moon Beaver Solicitors to act on his behalf in relation to the Company. This agreement was terminated due to a disagreement on the terms of instruction. Their fees of £28,695 42 including disbursements and counsel's fees plus VAT were paid from the estate bank account.

David Ingram subsequently instructed Pinsent Masons LLP in relation to providing legal advice who have continued to act in the current reporting period.

:abbott:fielding:

The choice of professionals was based on the 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. The fees charged have been reviewed and the Joint Liquidators are satisfied that they are reasonable in the circumstances of this case.

## **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 receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Joint Liquidators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

## **SUMMARY**

The Joint Liquidators are required to provide a further report on the progress of the liquidation within two months of the next anniversary unless matters have been concluded prior to this, in which case all creditors will be provided with my final progress report ahead of convening the final meetings of members and creditors.

The liquidation will remain open until ongoing investigations have been fully resolved. It is estimated that this will take approximately 12 months and once resolved the liquidation will be finalised and my files closed.

Should you have any queries regarding this matter please do not hesitate to contact Carol Hooper who is dealing with this matter on my behalf.

Yours faithfully



Nedim Ailyan  
Joint Liquidator

Nedim Ailyan is licensed in the United Kingdom to act as an insolvency practitioner by Insolvency Practitioners Association

David Ingram is licensed in the United Kingdom to act as an insolvency practitioner by Insolvency Practitioners Association

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**Thierry's Wine Services Limited  
(In Liquidation)**

**JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT**

	Statement of affairs £	From 06/03/2015 To 05/03/2016 £	From 06/03/2013 To 05/03/2016 £
<b>RECEIPTS</b>			
Book Debts	35,318 33	0 00	0 00
Intangible Assets	NIL	0 00	0 00
Furniture & Equipment	10,000 00	0 00	0 00
Inter Company Accounts	NIL	0 00	0 00
Trade Investments	NIL	0 00	0 00
Prepayments	NIL	0 00	0 00
VAT Refund - Administration		0 00	3,532 94
VAT Refund	NIL	0 00	0 00
Bank Interest Net of Tax		5 41	30 08
Petitioners Deposit		1,385 00	0 00
Transfer of funds from Administration		0 00	52,755 72
		<u>1,390 41</u>	<u>56,318 74</u>
<b>PAYMENTS</b>			
Aldermore Invoice Finance	(119,869 15)	0 00	0 00
Petitioners Costs		0 00	3,144 75
Administrators Legal Fees		0 00	6,188 37
Legal Fees (inc Disbs)		0 00	28,825 42
Transcription Fees		0 00	481 25
Statutory Advertising		0 00	84 60
Trade & Expense Creditors	(5,181,330 00)	0 00	0 00
G Welch - Share Sale Agreement	(247,144 07)	0 00	0 00
HM Revenue and Customs - PAYE and NI	(122,338 37)	0 00	0 00
Ordinary Shareholders	(8,667 00)	0 00	0 00
		<u>0 00</u>	<u>38,724 39</u>
Net Receipts/(Payments)		<u>1,390 41</u>	<u>17,594 35</u>
<b>MADE UP AS FOLLOWS</b>			
Interest Bearing Current Account		1,390 41	17,594 35
		<u>1,390 41</u>	<u>17,594 35</u>

**SIP 9 - Time & Cost Summary**

Period 06/03/13 05/03/16

## Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	0 00	5 40	0 00	19 60	25 00	5,746 00	229 84
Investigations	0 00	3 10	0 00	0 00	3 10	744 00	240 00
Realisations of assets	0 00	0 60	0 00	0 00	0 60	147 00	245 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 00	0 70	0 00	0 60	1 30	306 00	235 38
Case specific matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
<b>Total Hours</b>	<b>0 00</b>	<b>9 80</b>	<b>0 00</b>	<b>20 20</b>	<b>30 00</b>	<b>6,943 00</b>	<b>231 43</b>
<b>Total Fees Claimed</b>						<b>0 00</b>	

**SIP 9 - Time & Cost Summary**

Period 06/03/15 05/03/16

## Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	0 00	1 10	0 00	10 50	11 60	2,713 00	233 88
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisations of assets	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 00	0 00	0 00	0 30	0 30	69 00	230 00
Case specific matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	0 00	1 10	0 00	10 80	11 90	2,782 00	233 78
Total Fees Claimed						0 00	

Thierry's Wine Services Limited - in Liquidation  
Grant Thornton UK LLP - SIP9 Analysis from 6 March 2013 to 5 March 2016

SIP 9 WIP ANALYSIS		Partner		Manager		Senior Professional		Admin / Support		Total		Average	
		Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hourly Rate	£
Administration and Planning		1 65	1,003 00	50 11	17,664 93	79 54	21,108 20	44 97	6,980 65	176 27	46,756 78		265 26
Legal		20 20	12,134 88	49 76	22,958 58	99 10	27,279 00	5 90	944 00	174 96	63,316 46		361 89
Investigations		35 40	21,259 87	131 70	57,872 63	230 60	61,928 00	47 15	7,583 50	444 85	148,644 00		334 14
Realisation of Assets		0 00	0 00	5 28	2,398 15	24 00	6,441 00	14 80	2,403 50	44 08	11,242 65		255 05
Creditors		5 15	3,031 00	23 45	10,351 42	63 50	17,479 50	10 50	2,017 75	102 60	32,879 67		320 46
<b>Grand Total</b>		<b>62.40</b>	<b>37,428.75</b>	<b>260 30</b>	<b>111,245.71</b>	<b>496.74</b>	<b>134,235.70</b>	<b>123.32</b>	<b>19,929.40</b>	<b>942.76</b>	<b>302,839.56</b>	<b>£</b>	<b>321.23</b>

**Administration & Planning**

Includes case planning, statutory obligations and general correspondence, general correspondence, case progression meetings, file reviews

**Legal**

Includes liaising with solicitors in relation to potential claims and correspondence with corporate financial advisers, Aldermore and the Company's directors, preparing notes on potential claims, discussing with claims with Counsel

**Investigations**

Includes investigating the Company's affairs, reviewing the bank statements, liaising with corporate financial advisers, the directors, former employees, Tesco, RSM Tenon, RBS Invoice Finance and Aldermore Invoice Finance, reviewing the management account information received, attending Watermill Wines Limited's offices and the storage facility, completing the D Return,

**Realisation of Assets**

Includes liaising with my agents in relation to valuing the Company's stock, corresponding with the bonded warehouses, Abbott Fielding in relation to asset realisations

**Creditors**

Includes reporting to the committee, correspondence with unsecured creditors

## PRACTICE FEE RECOVERY POLICY FOR ABBOTT FIELDING

### Introduction

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

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://www.abbottfielding.co.uk/information-for-creditors/>. Alternatively a hard copy may be requested from Abbott Fielding. Please note, however, that the guides have not yet been updated for the revised legislation, so 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

Grade of staff	Current charge-out rate per hour, effective from 1 February 2016 £	Previous charge-out rate per hour, effective from 1 February 2015 £
Partner – appointment taker	365-520	345-500
Managers	280-370	260-350
Administrators	250-280	230-260
Support Staff	190-220	170-200

These charge-out rates charged are reviewed on an annual basis 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 and on new appointments we now only seek time costs for the following categories

- Investigations
- Trading

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

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

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate, any additional work undertaken, or proposed to be undertaken, the hourly rates proposed for each part of the work, and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

### **Percentage basis**

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often.

A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

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

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

### **Fixed fee**

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

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

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

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

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

### **All bases**

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

### **Agent's Costs**

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

### **Disbursements**

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Abbott Fielding in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered

Mileage	50p per mile
Photocopying	10p per sheet

## **GRANT THORNTON UK LLP'S CHARGE OUT RATES**

Time is charged in units of 6 minutes

Hourly charge out rates

<b>Grade</b>	<b>£</b>
Partners up to	615
Directors up to	515
Managers up to	470
Other senior professional up to	305
Administrators up to	230
Assistants and support staff up to	175